

A Case Study of Musical Band's Marketing Strategies in Taiwan

Yung-Shou Hu, Ying-Yuh Huang

(Southern Taiwan University of Science and Technology, Taiwan)

Abstract: This study examined the marketing strategies employed by different music bands in Taiwan to gain the opportunities to performance on the stage. The marketing model of four P's is used to analyze the marketing strategies of music bands. The four P's are product, price, place and promotion. The research goal is to find out what problems affect the performance opportunities of music bands and how to solve these problems to gain the performance opportunities through the marketing strategies. A literature review is to review the general economic situation, the personal experiences of live performances and performance record on YouTube, marketing theory and marketing strategies used by service industries in Taiwan. This study found that music band should have the whole picture of the target market and then to make marketing plan for implementation, including focus, differentiation, image establishment, building the strategic alliances with different industries, using internet source and so on. This will help music bands to send band-related message to audience and gain more performance opportunities.

Key words: marketing strategy; focus; differentiation; image; and strategic alliance

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1. Introduction

1.1 Research Background and Motivation

Most families, organizations and social groups including private companies would like to have music played by electrical device or music band for parties or ceremonies. The music bands were the major groups to provide music before the Karaoke came out. However, these electrical music devices, like Karaoke, KTV and Denz Hwa Cher, have taken over the music band performance since 2003 and most of instrument players lost their jobs gradually.

1.2 Research Objective

The research object is "What problems affect the performance opportunities of music band" and "How to solve these problems by improving the music band marketing to gain the performance opportunity".

1.3 Research Approach

The study will start from observing phenomena and get some ideas. After that, the patterns and themes will be analyzed to formulate the relationship. Finally, the study will offer the solution.

Yung-Shou Hu, Sourcing Manager, Hettich Procurement China, research areas/interests: music band marketing. E-mail: jazzstan@seed.net.tw.

Ying-Yuh Huang, Associate Professor, Southern Taiwan University of Science and Technology (STUST), research areas/interests: services marketing, customer relationship management. E-mail: yyhuang@stust.edu.tw.

2. Literature Review

Most instrument players said that the economic situation reduced their opportunities for performance. It has been my part time job as a drum player for 30 years since 1983 and I would like to review the general economic situation within 30 years and what happened to affect music band performance's opportunities in advance; next, I will recap my performance on the stage before; after that, to observe both successful bands' performance on the YouTube to get some ideas about their successful factors; after all, to review the marketing theory about service industry.

2.1 General Economic Situation

The Figure 1 shows the increase rate of income and consumption per capita from 1983 to 2011. The blue line represents income and the pink line means consumption. After 1989, the increase rate of consumption went down generally till 2010; especially the increase rate became negative in 2001 and 2009.

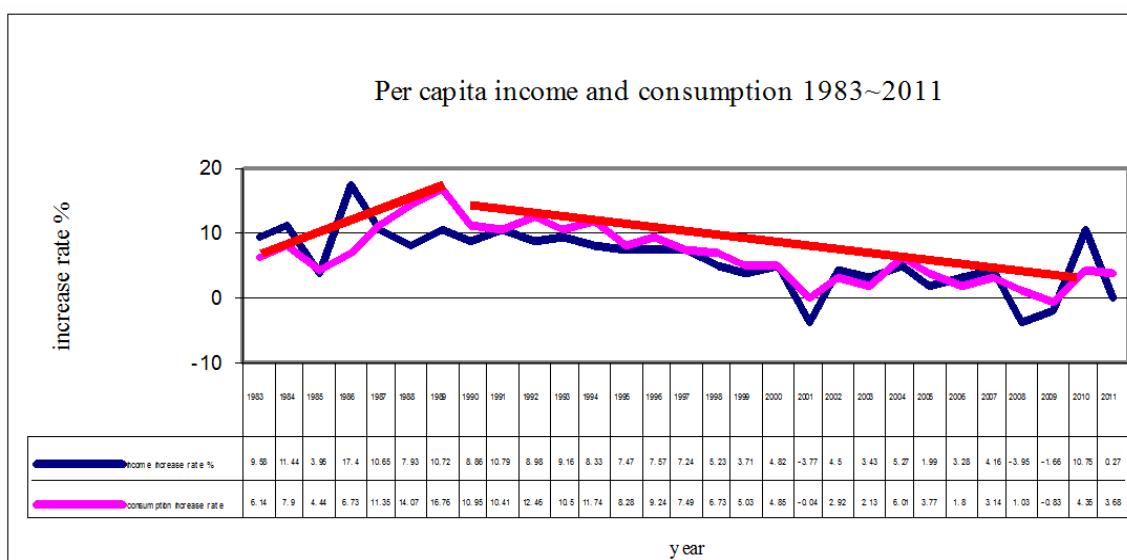


Figure 1 Per Capita Income and Consumption Increase Rate

Data source: National Statistics (2012), R.O.C. (Taiwan)

From Figure 1, people in Taiwan might have less money for entertainment or people would have to choose the cheaper way for amusement because stock market became weak from fatigue, GDP rate went down and the increase rate of private income and consumption also reduced.

2.2 Personal Experiences of Live Performances

2.2.1 A Band and 4P

Looking at the situation in 1986, how they run the music band with huge demand more than supply. A band leader made several calls to the related people to confirm they were available to build a stage, set up lighting and stereo, play music, and sing songs for some purposes, like a wedding party or God birthday party. Because of this, I often played drums with different instrument players in different bands. Singers were not fixed in one wedding party. They had to sing one place after another.

The 4P points of view are as follow:

(1) Product: From the audience's viewpoint, the product of music band could have music, dress, dance,

modeling, lighting and stereo on the stage. About modeling, there are instrument players, singers and host/hostess on the stage for the show but only singers and host/hostess dress well. There is no uniform for instrument players.

(2) Price: Band has different pricing for different city. Tainan would be the lowest cost city for a band in Taiwan.

(3) Place: The bands' business comes from word of mouth from friends and relatives. There is no agent or middle member as the band channels.

(4) Promotion: There was no promotion in media at that time. No one would care about the promotion because the demand was larger than supply.

2.2.2 Electrical Music Devices

Karaoke was introduced in Taiwan for decades and KTV made Taiwanese crazy to sing songs. There are two major affects to audience after Karaoke and KTV spread all over Taiwan, which is people want to sing on the stage no matter the music is played by a band or played through a electrical device, and the band cannot afford the audience to order a song as they want because the band does not have enough loops and lyrics to satisfy demand.

Gradually, the bands' leaders changed their strategy, which was to use Karaoke more than a band to satisfy the audience needs. The photos below show two types of Denz Hwa Cher. From the audience's viewpoint, the key point for Denz Hwa Cher is not what style it is but how many signers will join this show in good shape with bikini. Most possible customers use this "singer" standard to evaluate music service.

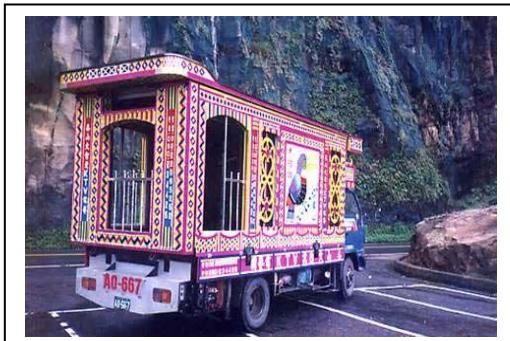


Figure 2 Old Denz Hwa Cher



Figure 3 New Denz Hwa Cher

2.3 Performance Observation on the YouTube

Observing both Mayday and Soda Green musical band shows on the YouTube, some basic ideas are as follows:

(1) Product: singing songs and interact with audience in songs, dance, and talking. Mayday only sings its own writing songs. Soda green sings its own songs and re-arranged famous Taiwan's old songs.

(2) Price: having to buy ticket for their concert. Mayday is NTD480~3580 in Dec 2012 and Soda green is NTD780~3580 in Aug 2012. The price difference depends on the seat's different location in concert.

(3) Place: Most of music bands like to have the concert in Taipei Arena, which allows fifteen thousand audiences in it and people can buy ticket in 7-11, Family Mart and Era Ticket system. CD making and sale are through agents to arrange their activities, like new album signature activities.

(4) Promotion: Both Mayday and Soda green have more than 10 years of experiences on the stage. These experiences include performing in pub, at campus, at roadside, at TV station and others including interview in TV news. It was one-hour interview to Mayday in FTV program, called "Taiwan history" on Nov. 22 2009, looking back the history of this band and some points mentioned by the lead singer, fans and agents were worthy to review

how successful they are.

(1) Enthusiasm and focus: Mayday has five members. Four of them are from the same senior high school and are talent students. However, university failed two students because they would like to stay together for their band. The father of the guitar player could not accept his son play rock music only and gave up studying in the university because he hoped his son could be a lawyer and love classic music. One time, Mayday went to Japan and the guitar player's father was one of their audiences. His father was told that their music cured their bodies and their bodies felt healthier than before after listening Mayday's music. It was the first time that they performed on the stage in a pub in 1997 and almost had no audience when they sang. But they did not give up and to show their songs 4 hours a day. This band becomes famous in Hong Kong, China and Japan after sixteen years effort.

(2) Dream and hope: Rock music style has strong rhythm and Mayday music makes audience jump, sing and yell together; Mayday acted as a leader and the audience played as followers to enjoy the live atmosphere together. Their lyrics touched the young generation and their performance made young people blended. "After listening to their songs, I have positive attitude to the world" said a fan. Mayday has dreams driving them in progress, for instance, they dreamed to sing in Worker Gym in Shanghai with eighty thousand capacities for audience after they sang in a twenty thousand-audience capacity Gym in China. The dream came true twice within half year and it broke the record that one band could sing their songs within the same Gym with full 80 thousand audiences during six months. On the other hand, they gave the hope to audience, said "All of us will become old and your light stick will become crutch walking to the same place we performance, we still want to sing for you with crutch. This is to show our "juejiang" (A song's name of Mayday, meaning insist).

2.4 Marketing Theory and Marketing Strategies Used by Service Industries

What is service? Generally, service makes customer feel comfortable, happy and easier when having business relation. Lovelock and Wirtz (2011) describe service is economic activates offered by one party to another. Often time-based, performances bring about desired results to recipients, objects, or other assets for which purchasers have responsibility. The following definitions were approved by the American Marketing Association Board of Directors (2013): Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (American Marketing Association official website).

What kinds of activities or processes of music bands can let audience understand and accept their value? The term marketing mix was created by Borden (1984) called "The Concept of the Marketing Mix", which are product, price, place and promotion. What is product of a music band? Looking at the service "product" generally, it means service performances are experienced rather than owned although there are physical elements in the service process. So, the service product includes both physical and intangible elements that create value for customer. There are three components mentioned to design the service concept (Lovelock & Wirtz, 2011): (1) core product, (2) supplementary services, and (3) delivery processes. The core product has the main function to solve problem that people face. For a band, the core product is performance on the stage related to repeat invitation. It is not the song, the music, the dance and dressing only. It includes all mentioned above and interaction with audience and fan when performing on the stage and when replying comments on the face book. Adding supplementary service or upgrading the level of performance should be done to enhance the distinguished value of core product and the service provider may charge a higher price. A band can communicate with customer to know what they want in advance, for example, Hakka area likes to sing Hakka songs and eastern part of Taiwan likes more dance with singing. For delivery processes, service provider has to know how differences we offer, how long we will offer

and when to offer the service to customers. A band should run as a candidate in politics, which is to survey the target market and provide service at right time.

Both focus and differentiation strategies in service industry are often used. On the other hand, a product has the life cycle, so does service industry and the evolution rate is quicker than manufacturing; meaning easy copy the service by others. This makes customers confused and cannot tell the difference among services. Finally, customers chose the cheapest one as a service provider. It will have service quality problem after price war and the vicious cycle starts. This vicious cycle will hurt each supplier and customer because supplier wants to save cost to fit the minimum profit even lost the credit to customer; customer complains the service and search new source to satisfy demands. To improve the service level or innovation can provide different services to possible customer, for example, a music band may have more experiences than a new couple and the music band can share more information of a wedding party to help them arranging the wedding party in advance. This service can get trust from customer because this band solves the problems a new couple may face.

3. Research Approach

This study uses qualitative research to discover the rules of band to survive or key factors for success. The processes will start from recapping the situation happened before, observation, interview, and case analysis and then develop the rules.

3.1 Research Plan

The first step is to observe the successful music bands on the YouTube or live performance and to summarize how their shows attract people to enjoy their performance and then to sort the variables for developing the interview questions.

Secondly, it is to conduct the interview of the 4 music bands, for knowing how they promote their teams and their performance/music. The core questions of interview are to find how these bands promote themselves using marketing strategy to have more opportunities to get on stage for show.

Finally, after analysis all the information, it will have the some clear ideas to know the problems and to offer the solutions for the music band marketing application.

3.2 Research Process

The whole research process is to understand the what the problem it is through preliminary information gathering, literature review, defining research objective, designing the research in exploratory ways, which are observation, unstructured interview and structured interview, collecting data via interview and observation, analyzing data and then interpreting the findings.

4. Case Study and Analysis

4.1 General Situation

A music band is often set up because of instrument players' hobby at the beginning of learning their playing skill. It is not easy that a person decides to sing songs and play instruments all day long for survival in the beginning stage. If one is not famous, he will be faded out in the market soon because he will suffer from unstable income for a long time.

4.2 Interview Cases and Analysis

There were 4 music groups, Nature Music Chamber Orchestra, Ten-Drum Culture Village, Dream Jazz and

Dream Community foundation interviewed in this study.

4.2.1 Nature Music Chamber Orchestra

Image establishment: Looking at the appearance of this team, they, all female, majored in music in university (NMCO official website information), always dress a long skirt and distribute elegant and warm atmosphere. Please see the Figures 4 and 5 below.



Figure 4 NMCO



Figure 5 NMCO

Marketing Mix 4P:

Product: For the music style they play, it is diversity, including old Mandarin song, Taiwan's folk song, Jazz and Latin music, classic movie music, cartoon theme song, classic music and current Japanese and Korea's TV program theme song. They also rearrange the music into a soft style. They walk into audiences when playing music to let them enjoy the live show as close as possible both in the senses of hearing and sight. This creates the best live experience and romantic mood for audiences and called "interactive performance". The singer will walk into audiences from stage and expresses thanks on behalf of team, table by table, in light bow. By the way, they are not allowed to kiss audiences to avoid possible trouble.

Price: According to the number of the joined team members, NMCO offer quotation without extra payment, no matter is a big day or not. The quotation will be different in different city because of different consuming level in crowded city and rural area. NMCO have quotation for public welfare and the purpose is to let team members keep running and keeping in the "ready" status.

Place: NMCO cooperated with restaurants in the early stage of band establishment. There was no contract between NMCO and restaurants but restaurants got profit once they introduced NMCO for performance. For some special days, Mother's day and Chinese New Year, they have shows arranged by local government.

Promotion: NMCO shows at campus, lobby of hospital and joined the art and culture activities arranged by local government. They also have official website and TV interview and advertisement in newspaper and magazine. NMCO is in alliance with catering in the beginning of band established to enter the market but now in alliance with photographers and others.

4.2.2 Ten-Drum Culture Village (TDCV)

Image establishment: Ten-Drum started from a drum team and developed into a culture village now. They note it will be a problem in the future to play drums only. So, not only to make percussion music diversified, but adding leisure, recreation and tourism in their village as well. They combine with government policy to promote tourism industry. This image is beyond a music band but to create an environment for entertainment. They are making their movie using their story as the scenario. It will get lots of feedback via movie to promote them. The

following figures show Ten-Drum Culture Village already became a tourism place. Drum music is one of the products that can attract people to enjoy it. Figure 6 is drum museum; Figure 7 is drum classroom; Figure 8 is family grassland; Figure 9 is one of competitions.



Figure 6 Drum Museum



Figure 7 Drum Classroom



Figure 8 Family Grassland



Figure 9 Competition

Marketing Mix 4P:

Product: Ten drum percussion team plays traditional Chinese music combined with other parties (Chinese music parties) and rearranging music (transcription) with contingency. They have to evaluate the combination before performance. They produce CD/DVD for marketing, for audience requirement, for keeping band's history, for Grammy awards and for communicating media with new and old team members.

Ten-Drum show can be input some new ideas to combine with culture. Both teams from Japan and USA were invited by Ten-Drum this in 2013. Japanese drum team is popular because they added baseball game in their show, while USA team asked audiences dancing with them and repeated.

Price: There are two kinds of quotation, which is professional and non-professional team, while non-professional teams include teenager's student teams. Our performances are for profit and for marketing, too. Sometimes, there are different countries that they invite us and support for transportation fee. We also accepted it and this non-profit show is for marketing. We sell tickets to travelers for visiting our village and have discount for Tainan citizen and group tickets for more than 20 travelers.

Place: There are 7-11, Family mart, travel agencies, THSR (Taiwan High Speed Rail) and DVD/CD shops running as TDCV channels. Consumers can buy tickets through convenient stores when TDCV has annual party

in their village during Chinese New Year holiday. The travel agencies arrange travelers to enjoy TDCV's everyday fixed shows in the morning and afternoon. THSR also has two days travel program, which includes visiting TDCV.

Promotion: There are more than eighty schools (joiner high school, senior high school and university) learning to play our drum. TDCV also invited weak groups to our village without ticket and joined Tainan Art Festival in March ~June 2012. TDCV had TV, Newsweek and other media interview; especially after TDCV became Grami award candidate in 2009. TDCV are in alliance with travel agent, golf courses, hotels, rest area at high way site, travel bus, schools...etc.

4.2.3 Dream Jazz Music Band

Image establishment: Dream Jazz has nine members and all the members are professional players having more than thirty years experiences on the stage. All of them are friends more than 25 years. The band uniform is white shirt with necktie. This is a traditional band with perfect music show and with professional image. Please see Figure 10 below.



Figure 10 Dream Jazz Music Band

Marketing Mix 4P:

Product: Dream Jazz plays Mandarin, Taiwanese, Japanese songs and sometimes, plays English and Latin music. To re-arrange musical style to offer special sound effect and to arrange solo when playing music on the stage to emphasize this band's characteristics are their specialties. The band thirty years' experiences provide the certificate of music style.

Price: This band's quotation depends on the date because the great days, like March 3, March 23 and July 15 in Chinese calendar, all the players including singers are busy and cannot have opportunity to invite them for show. It has to pay more for these great days.

Place: This band registered in Yun Lin county government in 2005 as an artist group and it was only several shows arranged by local government per year. There is no other middle member to be its channels.

Promotion: This band showed twice at campus in 2013 but did not provide training for students. Dream Jazz registered at local government and joined the art group competition in 2007; one of evaluators questioned what kind of specialties this band had and the music style sounds like popular songs, nothing new. At last, the band lost the competition. Dream Jazz has blog to let people know band's information.

4.2.4 Dream Community Foundation (DCF)

Image establishment: It is to make noise with Samba rhythm all over Taiwan in the mountain and near coast to remind people to care about this land and environment. The parade with Samba teams is full of energy to connect people to people, community to community and group to group, and to upgrade the enthusiasm of folk art

in Taiwan. This foundation offers its enthusiasm to schools and invites communities to have fun with them hand in hand and heart in heart. Do not hesitate to open your mind, to open your arms and to come with them. Figure 11 and 12 show the parades in Taiwan.



Figure 11 Parade



Figure 12 Parade

Marketing Mix 4P:

Product: It is to play Samba rhythm in the daytime with designed appearance on the streets. The performance style (samba rhythm) is to show energy to attract people's attention; dancing girls move around the samba drum team and puppets in the rear of team play on the street with local residences. It is a strong interaction show and close to audience. There are six artists at this moment from different countries working together for 1-2 years and these artists also can introduce their friends for us to input more ideas to implement their dreams.

Price: Free of charge. DCF is non-profit organization. It introduces and encourages all samba teams to join activities and to visit with each other when communities and schools need supports.

Place: DCF offers training courses to schools, communities and private companies. There are 70-80 activities (parades) held by foundation in north, middle, south and east of Taiwan. It also works with Kaohsiung city government to hold these parties annually. From the band's viewpoint, DCF and Kaohsiung city government is the channel of all the samba teams but no agent working for Foundation.

Promotion: Every samba team has their own designed uniform, which combine their local culture, and their own puppets for show. DCF introduces and holds parades here and there and also sends champion team aboard for competition or learning from different performance in different countries. DCF would like to train more samba teams in different areas and check their learning results in parade after 5 days training. This puts a lot of pressure on trainees and trainer. It also can show their talent to the public as early as possible. The cable TV and newspaper will be informed to broadcast parades every time. DCF's official website shows its history and dream to communicate with all of samba teams all over Taiwan.

4.3 Findings

4.3.1 Interactive Performance

After observing Mayday and Soda green via YouTube, it will be found that two bands always interacted with their audiences, no matter it was a short talking, greeting, asking singing together and so on. Interaction with your audiences is the first priority in music band. Do not let your audiences sit there; they will fall asleep. Dream Jazz music band plays perfect music but missing interaction with audiences. They work hard but lose their audience and customer gradually. What the core product of your band is the key issue that a music band has to think about

it; in other words, every music band has its core product to attract its target market. It can be sure that only a nice music is not sufficient to deliver your value to customer. Dream Jazz music band own top music players but cannot have more opportunities for show.

4.3.2 Outstanding Dress

To design your band's dress in unique style makes your band different from others. Samba rhythm is noise and most audiences do not understand what samba rhythm is. All the players show their enthusiasm with body language as well as unique clothes. The samba team image will be unforgettable in audience's mind. NMCO clothes can express their elegant image while Dream Jazz music band looks like an old car with poor painting. It will not attract attention and feel uncomfortable sometimes.

4.3.3 An Excuse for Show with Media Broadcasting

NMCO performs for Mother's day and Dream Jazz music band performs for Father's day because of their team members' gender. Finding some excesses for your band to show on the stage and inviting media for spreading your performance makes your band famous day by day.

4.3.4 Cultivating Your Future Audiences

Dream Community Foundation sends artists to schools and communities to teach people playing samba rhythm and making puppets. Within several years, samba teams are more than eighty in Taiwan. A professional singer is invited by village chief to teach his residents to sing songs. After two years, it needs two teachers to cover the singing classes. A music band may need singer, dancer, and instrument player, lighting and stereo controller and so on. To share your skill to persons who are interested in your performance, they will be your fans in the future. Dream Community Foundation has done it well and cultivated lots of fans.

4.3.5 Complaint Gains Loyalty

Encouraging customer feedback provides a good way of increasing customer satisfaction and retention. It is an opportunity to get into the customer's hearts. Most cases showing that complaining customers are also indicating that they want to continue their relationship with this firm (Lovelock & Wirtz, 2011). NMCO tracked their performances by phone call to customer, asking score and comments to their service. This is art performance managed by business way and implement service marketing idea into the whole service processes.

5. Conclusions and Suggestion

5.1 Conclusion

Target customer: A company's or a band's resources are limited. Especially new band have fewer audiences or the does not know where the target customers are. For the percussion group, like Ten-Drum Culture Village and Dream Community Foundation, it seems their target customer diversify from age 5 to 70, because the percussion music is rhythm and people can learn and enjoy it easily. Audience can shake body and dance with rhythm and even play percussion instrument strongly to release pressure.

For a band's music with melody, not like percussion team, it may catch the certain audiences that they love your music style or performance. It is easy to let audience understand and enjoy your music if you play the popular and local songs. However, lots of audiences or customers do not like to hear this ordinary music again when they spend money to invite you for show because these popular and local songs are broadcasted by street venders, by noised Karaoke, by cable TV, by radio...etc. Therefore the band has to understand your target customer to design your marketing strategy and plans to satisfy them by limited source.

Core product: A tour performance can let a band understand and know where the market is and also can learn the interaction skill with audiences. Interaction with audience makes them impressively and this interactive behavior also makes your performance vivid and vigorous. Because of this, you can catch your future customers and you know who loves your music and your show. Do not let audiences sit there only but asking them singing, dancing, shaking body, waving hands, getting on stage having fun with band together. Music is music only. Music can come from the electrical device or from a band, but music brings all of us together and our band has the function to lead audiences have the happy hours. Customers would like to save cost to use Denz Wha Cher for parties; a band has to deliver its value (core product) to audience/customer and makes it worthily.

Focus and differentiation: It is not easy to run a band into the successful status. A band has to have full time job employees to do something to support the core product. In other words, a band needs to have an organization for common affairs and a fixed place for team to practice. To provide wonderful music is the only basic requirement of every music group. What other service we can offer to customer depends on the band's characteristics. NMCO provides the wedding party with process management service, which makes the new couple and their family, feel easy for the party.

To make differentiation is quite important. Once a band becomes famous, other teams will copy the performance style to catch the audience or customer. You have to make differentiation or what we say "innovation". Ten-Drum Culture Village is the typical case to differentiate their services. They invite lots of drum teams from different countries to show their different styles and different drums, this makes audiences feel interesting because of their diversity. Furthermore, Ten-Drum Culture Village builds the drum museum, bio-dormitory and souvenir area to satisfy all customers' needs at a time.

Establishing image: Image is visual artifacts. Music bands must have their own image designation. NMCO, Ten-Drum and Dream Community have obvious image while Dream Jazz only dresses shirt with necktie. NMCO image is soft and romantic; Ten-Drum image show their powerful play and Dream Community image means wild and pressure-released. Dream Jazz Music Band has no image in my mind.

Strategic alliances with different industries: This strategy is to let your product combined with the different service and get better marketing effect. Ten-Drum is in alliance with travel agency and NMCO associates with catering. Both of them expand their market quite well. Dream Community Foundation does not have the alliance with media but they inform media, TV and newspaper, to spread parade/carnival information two weeks in advance to attract people's attention.

Internet source: Information technology (IT) helps to spread information over the world. Three interviewees in this study have their own website and one has blog only to offer their history or show his performance style. Also, a band can surf on the Internet to enrich his show, which is to observe other team's performance and to check the possibility for improvement. NMCO benefits from website. They have branches in different locations using the same website for promotion. Their elegant image and professional performance are delivered to viewer via Internet and obtain more invitations than other bands.

5.2 Suggestion

Getting use to government steps and working with them, there are resources waiting for our claim. Some music bands do not like to work with government because they are slow and cannot satisfy band demand. Do not give up and keep in touch with local government. You will be familiar with their steps and get assistance from government.

5.3 Research Limitation

This research focuses only on music band, which show on the stage but it still need to understand what the audience/customer needs. Thus, the manager or leader of a band can catch tendency of audience preference and then develop the marketing strategy to promote their service via the limited source.

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