

ANNOUNCEMENT

Master Thesis

KEYWORDS

- Music Industry
- Digital Distribution
- Free Content
- Cannibalization
- Sampling
- Empirical Master Thesis

TOPIC: PROMOTION OR CANNIBALIZATION? THE INFLUENCE OF ON-DEMAND VIDEO STREAMING ON MUSIC SALES

Music is an experience good whose true utility is only revealed to the consumer after it has been consumed. To reduce the uncertainty that is associated with unobservable product quality, music companies typically provide free samples as part of their promotional strategies (e.g., music videos). On the one hand, the reduced level of uncertainty may help consumers to make informed purchase decisions and induce “sampling,” meaning that consumers buy music they have previously discovered via promotional channels (e.g., video streaming services). This argument suggests that there may be a positive effect of video streaming on music sales. On the other hand, the increased convenience of free on-demand video streaming services (e.g., YouTube) may appeal to existing customers, who then turn to the streaming service as the primary tool for music consumption and reduce their expenditures in existing channels. This argument suggests that there may be a negative effect of video streaming on music sales. In sum, it is unclear whether on-demand video streaming services are beneficial or harmful for the industry.

The goal of this master thesis is to empirically investigate the influence of on-demand video streaming services on music sales based on a large panel data set using regression techniques (e.g., in Stata or R). Note that for the analyses some data collection is required.

LITERATURE:

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- **Elberse, A. (2010):** Bye Bye Bundles: The Unbundling of Music in Digital Channels, *Journal of Marketing*, 74(3), 107-123.

- **Bhattacharjee, S., Gopal, R., Lertwachara, K., Marsden, J., & Telang, R. (2007):** The Effect of Digital Sharing Technologies on Music Markets: A Survival Analysis of Albums on Ranking Charts, *Management Science*, 53(9), 1359–1374.

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APPLICATIONS

Applications with CV and transcript of records should be sent to Nils Wlömert (nils.wloemert@wu.ac.at).