Research report to study people's unwillingness
to pay for music streaming media platforms

Xuefei Qiao

Music Research Methodology

Professor Mall

December 7, 2016

Executive summary

The aim of this study was to determine the variables that cause people's unwillingness to pay for music streaming media platforms. The results of this study aim to help some music streaming media companies to improve their subscription users who can pay for them. The following problem statement was formulated:

"why people don't want to pay for music streaming media platforms?

Based on literature review and exploratory study, a conceptual model of people's unwillingness to pay for music streaming media platforms was constructed. The conceptual model includes expensive streaming subscription fees, appearance of a lot of free channels to listen to music with good quality, most of people choose free channels to listen to music and people don't want to pay for streaming media. To examine the effect of the independent variables on people's unwillingness to pay for music streaming media platforms, the online survey was used. The results of this survey showed that previous variables: expensive streaming subscription fees, appearance of a lot of free channels to listen to music with good quality, most of people choose free channels to listen to music all indeed have influence on people's unwillingness to pay for music streaming media platforms. Furthermore, the result also showed that in addition to these variables, there are several new variables: occupation, income situation, other ways to listen to music, such as CDs, cassettes, social media platforms or concerts, people's dislike for music, which develop other relationships: 1) For people who don't work related to music, they have low frequency to listen to music, leads to they don't want to pay for music streaming medias. 2) For people who don't like or are not interested in music, they don't listen to music at all, so it is impossible to spend money on music. 3) When subscription fees are expensive, and free channel with high quality come into the market, those people who accept low to medium income from

companies or their family will choose these free platforms immediately, and don't consider other

paid streaming media platforms. 4) If there are many ways of listening to music in current

market, people may not choose streaming media platforms based on their preference, so it is not

necessary to pay for them.

Based on the results of this study, it is recommended that current music streaming media

companies should take some measures to increase people's interest in them, and attract more

users to focus on music streaming media platforms rather than other ways to listen to music.

For example, these companies may provide a large number of music libraries and sponsor some

music TV shows.

Table of Contents

1. Introduction

1.1 Background of Problem Area

According to IFPI, 7 billion people in the world, just 41million people coughed up for an on-demand music streaming subscription in 2014 – 0.58% of the world's populace[1]. Furthermore, A Nielsen study also highlighted that only 9% of people in the United States are likely to pay for streaming music. 78% of people polled are "somewhat/very unlikely" to pay for streaming music, with 13% of people still on the fence[2]. Even this study is just in the US, we can deduce that music streaming isn't exactly flying just yet. Thus, based on above data, I think it is necessary to investigate the reason why most people are not willing to pay for the music streaming media platforms.

1.2 Research objective

To find a solution to problem that most people are not willing to pay for the music streaming media platforms.

1)   Draw up a profile of the people who don't want to pay for streaming media.

2)   Determine the reason for people refusing to pay for streaming media.

3)   Assess if there are other special services of people that require to be met in streaming media platform.

1.3 Research question

1)   What makes people reluctant to pay for music streaming platforms?

---

[1] Ingham, Tim. "Why Aren't People Paying for Music Streaming Subscriptions? - Music Business Worldwide." Music Business Worldwide. September 16, 2015. Accessed December 01, 2016. http://www.musicbusinessworldwide.com/why-arent-people-paying-for-music-streaming-subscriptions/.

[2] McElhearn, Kirk. "Most People Simply Don't Care Enough About Music to Pay for Streaming." Kirkville. September 24, 2015. Accessed December 01, 2016. http://www.mcelhearn.com/most-people-simply-dont-care-enough-about-music-to-pay-for-streaming/.

2)   What are the current disadvantages or challenges of streaming media platforms that charge fees?

3)   Take what kind of measures, music streaming media platforms will attract more users who are willing to pay for them?

2   Critical Literature Review

This section reviews literature related to analyzing the reason why people don't want to pay for music streaming medias. It then offers suggestion to help medium to large-sized companies to attract more users to pay for their services.

The Nielsen survey pointed out the three most common reasons why people would not pay for a streaming music service. It is too expensive, they can get music for free, and they won't use the service enough to get value for their money. In an era where people will happily drop $20 on a Blu-ray of a new movie, or five dollars or more for a cup of insipid coffee, it seems paradoxical that $10 a month is too much to pay for music. Nevertheless, the reasoning is very different for subscription service than it is for one-off purchases. Since these occasional listeners can get music for, it makes no point to pay anything at all for it[3]. Therefore, in fact, people have enough money to pay for music streaming media, but they just think that is not necessary.

 With emergence of legal free channels to listen to music with high quality, people are attracted to them. For the reason that these legal free channels not only provide more styles of music but also the quality of music is relatively high, they are more likely to succeed than other streaming media platforms. Pandora is a case in the point. Music Streaming Platform at the end of 2009,

---

[3] McElhearn, Kirk. "Most People Simply Don't Care Enough About Music to Pay for Streaming." Kirkville. September 24, 2015. Accessed December 01, 2016. http://www.mcelhearn.com/most-people-simply-dont-care-enough-about-music-to-pay-for-streaming/.

Pandora reported its first profitable quarter and $50 million in annual revenue — mostly from ads. Revenue will probably be $100 million this year, said Ralph Schackart, a digital media analyst at William Blair. Pandora's success can be credited to old-fashioned perseverance and its shift directions — from business to consumer, from subscription to free— when its fortunes flagged [4]. Youtube is another successful platform to provide free music. YouTube has basically everything: remixes, mash-ups, live versions, and derivative works that are generally not available on services like Spotify. Which means, most fans end up on YouTube at some point or another [5].

In addition to this legal free music streaming platform, there are some illegal file-sharing platforms, and a large number of people listen to music in this way. Music piracies have existed for over a decade, and through torrents it is a virtually invisible crime[6], and Napster was one of the most serious among them. Napster was a big, automated way to copy copyrighted material. It is a fact that thousands of people were, through it, making thousands of copies of copyrighted songs, and neither the music industry nor the artists got any money in return for those copies. (This type of piracy is still happening now, through sites other than Napster.) This is why there was so much emotion around it.[7] Many people loved Napster because they could get music for free instead of paying for subscription. Music pirates not only occur in the United States, it is

---

[4] Miller, Claire Cain. "How Pandora Slipped Past the Junkyard." The New York Times. March 07, 2010. Accessed December 01, 2016. http://www.nytimes.com/2010/03/08/technology/08pandora.html.

[5] Resnikoff, Paul. "Streaming Services Have 99 Problems. And They Are... - Digital Music News." Digital Music News. September 18, 2014. Accessed December 01, 2016. http://www.digitalmusicnews.com/2014/09/18/streaming-services-99-problems/.

[6] Thomas, Ryan. "Top 10 Things People Don't Pay For Anymore - Listverse." Listverse. January 2, 2012. Accessed December 01, 2016. http://listverse.com/2012/01/02/top-10-things-people-dont-pay-for-anymore/.

[7] Tyson, Jeff. "How the Old Napster Worked." HowStuffWorks. 2000. Accessed December 02, 2016. http://computer.howstuffworks.com/napster.htm.

also common in other countries. The magnitude of file-sharing piracy in Western Europe is staggering. In 2014, 20% of all European internet traffic was file-sharing, and on an annualized basis, and a staggering 22 billion CDs worth of content was distributed without compensation in Western Europe [8].

There are some other challenges for music streaming medias that require users to pay. At first, they lack of governing bodies to monitor behavior. To essentially survive, the market needs to create new business models and allowing for new solutions that adequately addresses the challenges that have been identified above. One such solution has seen increased pressure on government to enforce solutions that don't stifle creativity but are able to maintain the effective copyright protection in the online environment is required. Furthermore, they lack of interoperability. The array of incompatible audio and DRM formats essentially could lock consumers into specific standards, which therefore could hinder the theirs' growth. For instance, songs purchased within the Apple iTunes Music Store can't not be used on other devices which make this virtually impossible to share music with friends[9].

In this predicament, music streaming medias that require users to pay must take measures to fight against such free platforms, and increase the number of paid subscribers. Some companies have introduced new services to make consumers satisfaction. The Jay Z venture Tidal, Google Play and, most recently, Apple Music are the latest paid services for streaming songs, creating serious

[8] Steele, Robert. "If You Think Piracy Is Decreasing, You Haven't Looked at the Data... - Digital Music News." Digital Music News. July 16, 2015. Accessed December 02, 2016. http://www.digitalmusicnews.com/2015/07/16/if-you-think-piracy-is-decreasing-you-havent-looked-at-the-data-2/.

[9] "Advantages And Disadvantages Internet On Music Industry Media Essay." UKEssays. March 2015. Accessed December 02, 2016. https://www.ukessays.com/essays/media/advantages-and-disadvantages-internet-on-music-industry-media-essay.php.

competition for companies like Spotify. Different streaming services offer varying levels of control to the user — from customizable radio stations to on-demand listening, in which users can pick the exact song they want to hear. Some services require listeners to be connected to cellular data or Wi-Fi, while others allow them to save songs to their devices for listening offline in places like airplanes and the subway [10]. For example, Amazon's ambitions may pose more of a challenge to the existing services. The company already offers a limited catalog of on-demand music to members of its Prime program, which costs $99 a year for free shipping, streaming movies and other perks. But in coming weeks, Amazon is also expected to introduce a music service with a full catalog, charging $10 a month or about half that amount for customers who use the Echo, Amazon's voice-activated speaker system, according to several people who have been briefed on the plans [11]. Plus, music streaming services are great when you know exactly which songs or albums you want to hear. But for people who have always been a bit more inclined to make or listen to mixtapes, those services tend to come up short. Mixcloud is hoping to fill the gap with a free web and mobile service that lets people upload and share their custom mixes for the public to stream. It differs from services like Pandora because people — actual humans — mix the music themselves and upload it to the service. Mixcloud joins several

[10] Alexander, Madi, and Ben Sisario. "Apple Music, Spotify and a Guide to Music Streaming Services." The New York Times. April 5, 2016. Accessed December 02, 2016. http://www.nytimes.com/interactive/2015/06/30/business/media/music-streaming-guide.html.

[11] Sisario, Ben. "Amazon and Pandora to Gauge Music's Value in the Internet Age." The New York Times. September 11, 2016. Accessed December 02, 2016. http://www.nytimes.com/2016/09/12/business/media/amazon-and-pandora-to-gauge-musics-value-in-the-internet-age.html.

streaming music services, including SouldCloud and Songza, that are trying to establish themselves as alternatives to listening to music on YouTube, Rdio or Spotify[12].

3   Theoretical Framework

3.1 Problem Statement

For the reason that an increasing number of people don't want to pay for the music streaming media platform, streaming media companies lose a large number of users to pay subscription fees and advertising sponsorship. In this dilemma, it's difficult for some music streaming media companies to continue to operate, and such companies have to declare bankruptcy. In order to solve such problems and help such companies, I put forward the problem statement in this exploratory research: why people don't want to pay for music streaming media platforms?

3.2 Variables

Even though this is an exploratory research, I still find some possible variables based on literature review. There are total four variables in this research.

Independent variable: expensive streaming subscription fees

Moderating variable: appearance of a lot of free channels to listen to music with good quality

Mediating variable: most of people choose free channels to listen to music

Dependent variable: people don't want to pay for streaming media

3.3 Hypotheses

Based on above literature review, I may have tentative hypothesis: Subscription streaming media platforms are more expensive, the more people choose to listen to free music channels, the more

---

[12] Wortham, Jenna. "Mixcloud: A Streaming Service for Mixtape Lovers." The New York Times. March 04, 2014. Accessed December 02, 2016. http://bits.blogs.nytimes.com/2014/03/04/mixcloud-a-streaming-service-for-mixtape-lovers/.

people are not willing to pay for streaming media. However, only when free channels to listen to music with good quality appear can expensive streaming subscription fees promote that more people choose free channels to listen to music.

<div align="center">4   Discussion of Ideal Study</div>

I will administer anonymous questionnaires to two thousand people on North America, Europe and Asia, and I will hire many professional experts to accurately translate language for that questionnaire according to different areas or local situation. For the target subject, I mainly investigate students who are studying in primary school or in higher educational level schools and employees who accept low to medium income from their companies. Respondents can complete this questionnaire on paper or via computer and portable electronic products, and I will receive respondent's reply through two years.

Plus, after gathering all answers, I will classify these respondents based on their income, occupation, age and nationality, and filter some unimportant or unrelated information. The answer to the target subjects is the key to the development of new variables and relationship for this research.

<div align="center">5   Research Design Details</div>

5.1 Relationship to Variables and Hypotheses

This design not only could help to answer previous research questions, but also to verify variables and hypotheses presented before. Through adding different kinds of questions in the questionnaire, the researcher was able to learn about more information about respondents' background, thoughts, custom and actions related to topic of the research, and even to lead to the development of new variables and more complex relationships.

5.2 Participants

Under the consideration of cost and time constraints, it was a sample size of 54 in my research. In other words, I administered an online questionnaire to 54 people listed in directory in my social media, including Weibo and We-chat, and these fifty four participants were mainly divided into two kinds of people: the first kind of people were students who were studying in primary school or in higher educational level schools. Pupils' pocket money was mostly from their parents or relatives, and college students had ability to earn money by doing odd jobs or part-time. Next, the second kind of people were employees who accepted low to medium income from their companies. In addition to these two kinds of people, other kinds of people also received this questionnaire by the same way, but the proportion of the results of the research were relatively small. Based on the report from Nielsen, people possessing high income are more likely to pay for music streaming media platform, so main participants in the research were students and employees who had low to medium income.

5.3 Methods

5.3.1 research strategy

Even though I found some variables before, I gradually realized that I missed a lot of other variables. For example, a new report finds that music doesn't speak to everyone. There are people who are perfectly able to experience pleasure in other ways who simply don't get music in the way the rest of us do[13]. For this situation, such people just don't like music, so they will not listen to music or pay for music. Furthermore, the CD is still the predominant format for music buying. Consumers bought 193 million CDs in 2012 vs. 118 million digitally downloaded

---

[13] Cell Press. "Some people really just don't like music." Science Daily. www.sciencedaily.com/releases/2014/03/140306130411.htm (accessed October 29, 2016).

albums, according to Nielsen SoundScan[14]. For these people, they certainly pay for music, but they pay for physical music commodity rather than music streaming media platforms.

In order to explore other variables that I have not considered before, I used a survey strategy to collect information from people to describe, compare or explain their thoughts and behavior for their unwillingness to pay for music streaming media platforms. Thus, I designed and administered the anonymous questionnaire, which would be spread over my social media platform in China (Weibo and We-Chat) to fifty four Chinese.

5.3.2 type of sampling design

The type of sampling design was a probability sampling, since element in the population had a known, nonzero chance of being chosen as subjects in the sample. Furthermore, I used simple random sampling design because this design would enable the research to have the least bias and offer the most generalizability[15]. Given that I knew most people listed in directory in my social media were in accord with the conditions of students or low income employees, and I intended to guarantee that each person had the same or equal probability of being chose, I would give the questionnaire to 54 people listed in directory in my social media randomly by my cell-phone. Even though a small portion of people who received the questionnaire might not meet the conditions of students or low income employees, I still would accept their answers, but these responses might have a relatively small influence in my result of people's unwillingness to pay for music streaming platforms.

5.3.3 extent of researcher interference

---

[14] Wasserman, Todd. "Why Are People Still Buying CDs?" Mashable. January 10, 2013. Accessed October 29, 2016. http://mashable.com/2013/01/10/why-are-people-still-buying-cds/#T46MlZ3.8kqr.

[15] Sekaran, U. (2003). Sampling. In Research methods for business: A skill-building approach (pp. 235-268).

This study was conducted in a natural environment with minimal interference by me with the normal flow of events. I intended to study the factors influencing people's unwillingness to pay for music streaming media platforms, and I would collect information from people through a questionnaire to examine whether there were other variables that leaded to this problem. The answer that was being sought could be found. In this case, beyond administering a questionnaire to people, I have not interfered with the normal activities. In other words, my interference has been minimal.

5.3.4 study setting

This research was the field study, since this research was done in a non-contrived setting with no interference with the normal work routine. Regardless of whether these people paid for music streaming media platforms, as long as they received this questionnaire, I would induce their answers in my result of this research.

5.3.5 unit of analysis

The unit of analysis was the individual. Through this questionnaire from these fifty four people under study, I wanted to know how many people would pay for music streaming media, how many people would not pay for or even did not use music streaming media, and why people did not pay for music streaming media. For these purposes, data would be collected from each person.

5.3.6 time horizon

This study was cross-sectional study. I was going to give these fifty four people under study three days to finish the questionnaire, and I would not gather the information for this research after this time. My timeline: On October 27th, I finished setting questions in the questionnaire.

On November 1st, I administered the questionnaire to people under study. On November 3rd, I took back the questionnaire and sorted out answers.

5.4 Materials

My material for the research was online questionnaire, which could be used to gain a deeper understanding of people's opinions and preference.

At first, I added these three variables, including expensive streaming subscription fees, appearance of a lot of free channels to listen to music with good quality, preference of free channels to listen to music and other possible variables to my options in questionnaire. Through fifty four respondents' answers for this questionnaire, I could clearly see the proportion of each variable, and learned about whether respondents had the same feeling about these variables, and could also help me to verify whether existence of these variables had an impact on respondents' unwillingness to pay for music streaming platforms.

Furthermore, nominal scale was used by the researcher. I could take advantage of nominal scale to assign subjects to certain categories or choices, and got information generated from nominal scaling that was the calculation of the percentage or frequency in respondents[16].

Moreover, my scaling technique was rating scale, which could ensure each object was scaled independently of the other objects under study. Based on dichotomous scale and category scale, I set questions and options in questionnaire.

6. Data Analysis

According to eight questions and different answers collected from respondents in the questionnaire, I compile the following 8 charts, and briefly describe and analyze data listed by these charts:

---

[16] Sekaran, U. (2003). Measurement: Scaling, reliability and validity. In Research methods for business: A skill-building approach (pp. 206-235).
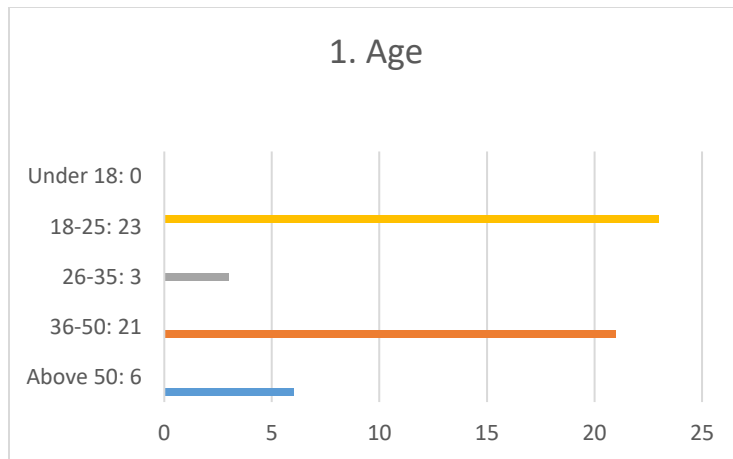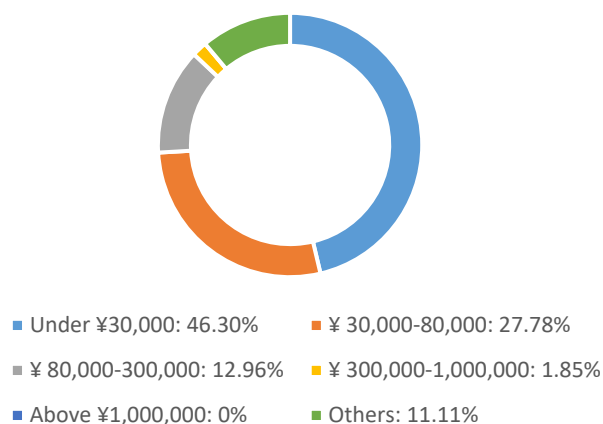
From this bar chart, I find that the age of the participants mostly belong to the age range of 18-25

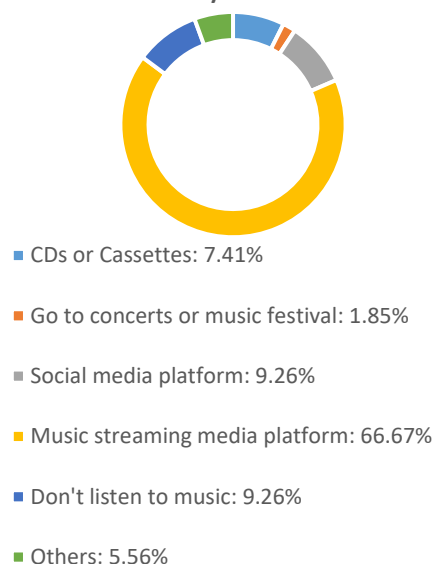and 36-50, and no one is younger than 18 years of age among these participants.
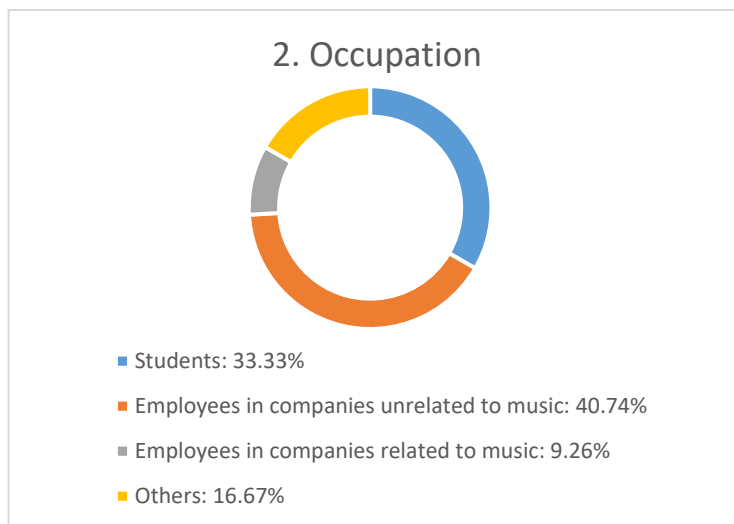
This doughnut chart shows that 40.74% of respondents are employees in companies unrelated to

music, and 33.33% of respondents are students.

3. Average annual income from employment /
The amount of money from family for a year

- Under ¥30,000: 46.30%
- ¥ 30,000-80,000: 27.78%
- ¥ 80,000-300,000: 12.96%
- ¥ 300,000-1,000,000: 1.85%
- Above ¥1,000,000: 0%
- Others: 11.11%

From this doughnut chart reflecting average annual income, about 74% of participants accept

low to medium income from their companies or their family according to the situation of average

annual income in China.

4.   The ways to listen to music in
daily life

- CDs or Cassettes: 7.41%
- Go to concerts or music festival: 1.85%
- Social media platform: 9.26%
- Music streaming media platform: 66.67%
- Don't listen to music: 9.26%
- Others: 5.56%

This chart clearly shows that most respondents choose streaming media platforms as their way of

listening to music, and the choices for other ways to listen to music are relatively scattered.

5. The ways to make music consumption in daily life

Buy CDs or cassettes ： 6

Buy tickets of live music show ： 10

Paid subscription for music streaming media platform： 14

Hardly make music consumption：22

Others： 2

0   5   10   15   20   25
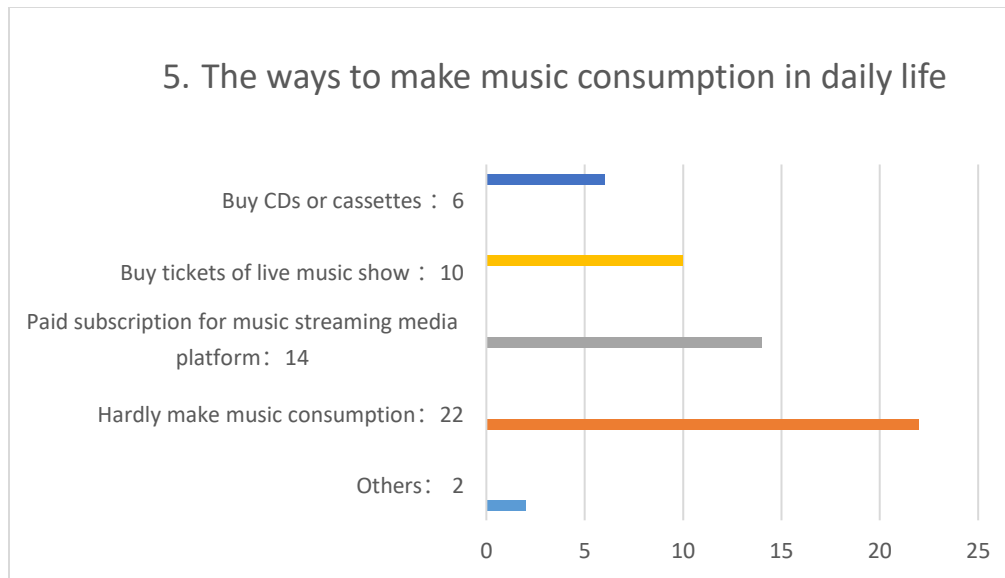
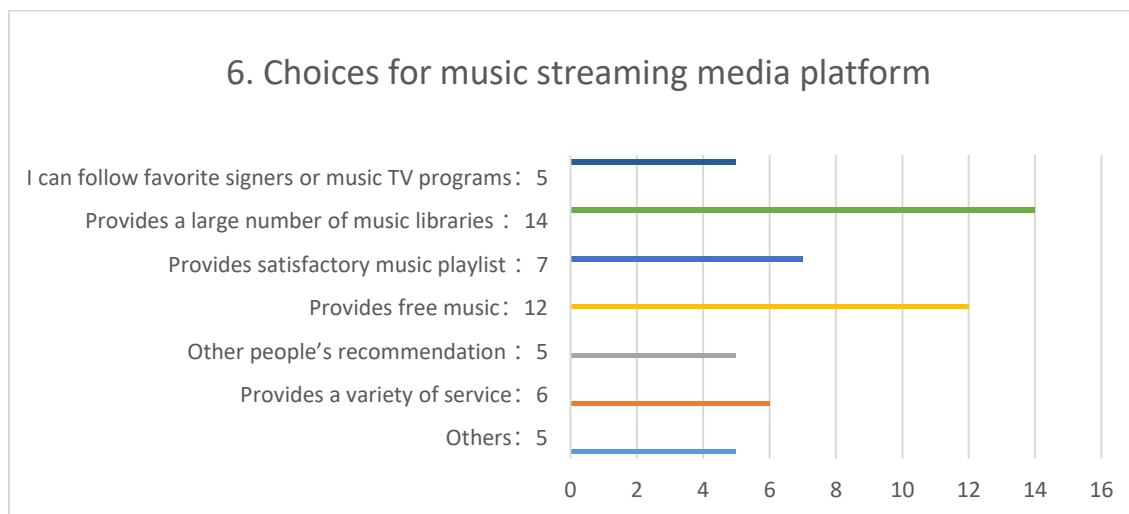Based on this bar chart, almost half of respondents are difficult to make consumption of music in their daily life, and the rest of respondents are inclined to choose streaming media platforms to make music consumption in daily life compared to other ways.

6. Choices for music streaming media platform

I can follow favorite signers or music TV programs： 5

Provides a large number of music libraries ： 14

Provides satisfactory music playlist ： 7

Provides free music： 12

Other people's recommendation ： 5

Provides a variety of service： 6
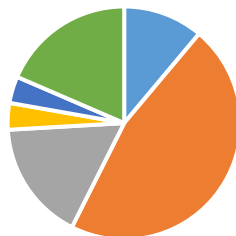
Others： 5

0   2   4   6   8   10   12   14   16

From this bar chart, 14 participants choose music streaming media platforms because these platforms possess a large number of music libraries and 12 participants are inclined to these platforms' free music. In addition to these two reasons, other reasons to choose music streaming media platform account for a relatively small proportion.

7. Whether they pay for music streaming media platform

■ Yes: 37.01% ■ No: 62.96%
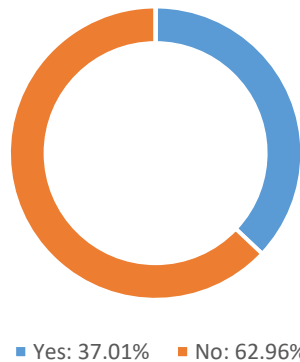
This doughnut chart shows respondents who don't pay for music streaming medias are nearly 20% more than respondents paying for music streaming medias.

8. Why participants do not pay for music streaming media

■ Subscription fees are expensive: 11.11%

■ Many free online platform with high quality: 46.30%

■ The frequency of listening to music is too low to spend money: 16.67%

■ Don't listen to music in this way: 3.7%

■ Don't like music: 3.7%

■ Others: 18.52%

This question simply set for 34 respondents who don't pay for music streaming medias. Based on this pie chart, 46.30% of survey participants don't pay for music streaming medias because of the emergence of free online channels with high quality.

7. Results

7.1 Discussion of Main Findings

Based on answers for the questionnaire and above charts, I have following main findings.

1) Most of the respondents indeed are students over 18 years of age and employees with low-medium levels of income, and these employees are generally not engaged in work related to music.

2)   Compared to other ways, such as purchase of CDs or social media, these respondents are inclined to listen to music through streaming media platforms in daily life, and only a small part of respondents usually do not listen to music.

3)   A large proportion of respondents don't make music consumption in their daily lives. In addition to those respondents who don't pay for music, other respondents normally are subscribers to pay for different music streaming media platforms.

4)   If all 54 respondents use streaming media platforms to listen to music, most of them will prefer streaming medias possessing a large number of libraries and providing service of free music. In other words, most respondents are interested in the number of songs and free music. In other options, only one respondent wrote down that he focused on the streaming media platform's legal status for copyright protection.

5)   In fact, the number of respondents not paying for music streaming media platforms are more than the number of respondents who are subscribers, and pay for them. Plus, the crucial three reasons why these respondents don't pay for streaming media platforms is that most of

them have chosen streaming medias that provided free music, that subscription fee are expensive for them, and that the frequency of listening to music is so low that there is no need to pay for it because of the busy work unrelated to music or heavy homework.

7.2 Implications of These Findings

Based on above findings, I have some implications to talk about.

At first, for the reason that most people are engaged in work unrelated to music, and they spend relatively little time listening to music, which means the frequency to listen to music is low, it is no necessary for them to pay for streaming media platforms or others ways to listen to music. Likewise, those people who don't like music or are not interested in music will be more reluctant to pay for music in any way.

Secondly, people accepting low to medium income prefer to choose free channels to listen to music when subscription fees of streaming media platforms are expensive for them, and an increasing number of free platforms with high quality and good web page design come into the market. In contemporary society, these free platforms have developed to provide almost the same number of songs as the charging platforms, and good sound quality, which attracts more people with low to medium income to be users for these free platforms, so they don't want to spend money on listening music.

Thirdly, not everyone is interested in music streaming media platforms, some people simply like to go to live concert to feel songs of their favorite musician, and some people may be too old to use cell phones or computers, so such people usually see TV program or buy cassettes to listen to music. There are different ways to listen to music, even though using music streaming platforms is more convenient and easy way, some people have their personal preference, so they don't have to pay for streaming media platforms.

Fourthly, if streaming media platforms intend to attract more people to use them or even pay for them, they can take some measures: 1) They can sponsor some music TV programs or singers according to current trend, and possess exclusive right to play songs. 2) They can cooperate with some data companies to capture listener's preference, and provide satisfactory music playlist. 3) They can launch more diversified service, including hot radio or music chart list.

As a result, these findings don't deny my previous variables and hypothesis. Indeed, expensive subscription fees and the emergence of free channel with high quality are important factors to explain why people don't want to pay for music streaming medias. However, these findings prove that my previous variables are not enough, hypothesis is not detailed, and help me to study new variables, including occupation, income situation, other ways to listen to music and dislike for music, which develop following relationships:

1) For people who don't work related to music, they have low frequency to listen to music, leads to they don't want to pay for music streaming medias.

2) For people who don't like or are not interested in music, they don't listen to music at all, so it is impossible to spend money on music.

3) When subscription fees are expensive, and free channel with high quality come into the market, those people who accept low to medium income from companies or their family will choose these free platforms immediately, and don't consider other paid streaming media platforms.

4) If there are many ways of listening to music in current market, people may not choose streaming media platforms according to their preference, so it is not necessary to pay for them.

8.   Limitations of The Study

8.1 Bias / Potential Problems

Before administering questionnaires, I speculate that some potential problems or biases may occur.

1)   Some young students may not pay much attention to the questionnaire of the research, and some of them even don't understand how to answer that, so they may complete the questionnaire under their parents or teachers' direction. If parents or teachers will gradually answer these questions based on their habits or viewpoints, these answers are inaccurate or misleading information. This will increase difficulty of classification for the research.

2)   Recently, many college students designed questionnaire for their mid-term assignments, and they spread the questionnaire by social media platforms in China (Weibo and We-Chat). I am worried that people will feel tired and casually cope with my questions because they have received too many questionnaires during the same period.

3)   There is limited geography for my research. I just will administer questionnaire to Chinese excluding foreigners via social media platforms in China, and don't consider ideas and behavior of foreigners, so my target area is a little narrow.

4)   Due to the fact that the questionnaire is an anonymous, some people may don't take responsibility for these questionnaires, and don't fill in the problem according to their actual situation.

5)   Before I distribute the questionnaire, I will tell people that I am dong a research about people's unwillingness to pay for music streaming media platforms. I'm concerned about that if they know their answers will be used to accumulate information for the research, they may change their real or original thoughts in order to meet researcher's need.

6)   Even if this is an anonymous questionnaire, some respondents may not want to leak any privacy or personal information to the researcher. These respondents may skip some sensitive or

personal questions such as age, occupation and annual income, and they may fill out false

answers, so I cannot make sure whether their answers are true.

7)   My target population is Chinese, and don't think about thoughts and behavior of

foreigners because of time constraint and cost, so my result for this research may not be

applicable to other countries.

8)   I simply use nominal scale, and list some categories to make respondents have a choice

from them, but don't design questions to ask respondents to rank-order the categories, so I may

not know the rank according to their preference.

9)   I randomly administer questionnaire to fifty people listed in my directory in social media,

but my directory may not be current or up-to-date document. Some people may change their

account for We-Chat or Weibo, and don't inform me in time, so I may send questionnaire to

invalid account.

8.2 Discussion of Trade-offs

1)   For this research, I have to conduct a cross-sectional study, and shorten the time to collect

data, since this research is an assignment assigned by the professor, and the professor has

decided the due date for each process.

2)   I have to choose a smaller sample size, and I just administer questionnaire to fifty people

under study due to short time limit. If I have longer time, I will study two thousand people to

have a larger sample size.

3)   Given that I have been in China since I was born, I had a wider friends circle in China,

which means if I spread questionnaire to Chinese, I can receive more replies compared to

foreigners. Next, I cannot write other kinds of language like German or French or Korean, since I

have never studied them, and I had not enough budget to hire expert to accurately translate

English into other languages. Thus, I have to choose research subject in limited area because of my personal factors and inadequate budget.

9.   Recommendations for Further Research

Due to various constraints, my research has relative limitations in sample size and geographical area. For further research in the same problem area, I'd like to recommend other researchers conduct a research for more people in different areas, including North America, Europe and Asia, since policies of government in each country should have distinction. For China, after the emergence of computer and Internet, national efforts to combat piracy was very small, and most music streaming platforms provided all free music to public, causing that many Chinese have been accustomed to free music provided by Internet. After several years, when getting the news that copyright bureau would require that platforms could not play and provide songs without musician's permit, and some platforms did not want to provide free music because they had to pay more for musicians, which would mean people need to pay for music through website in the future, many people were shocked, and could not accept this command. Thus, in modern society in China, even if there are a lot of platforms have launched a pay model, and intended to protect music copyright and musician's right, the public will still choose to listen to songs through illegal or free ways, leading to these platforms cannot earn enough money to offset costs to pay for copyright of songs. Therefore, in addition to analyze China's situation, researchers should further learn about other country's situation about people's actions for music streaming media platforms, that will be helpful to induce more mew information and data, and have more deep understanding for this topic.

Furthermore, according to my current research situation and result, I'd like to recommend some music streaming media companies to take following measures to attract more people to use them or even become subscribers.

1)   They need to possess more songs or a large number of music libraries with legal way, and provide them to users, which can make sure that users just need a platform to listen to all the songs, and don't need to waste time to get their favorite songs by different ways

2)   In order to attract more fans, it is significant for music streaming media platforms to cooperate with some famous music TV shows, such as The Voice of America or American Idol, and have exclusive right to play songs that musicians sang during the show. That will cause that fans who love these shows simply to use these platforms to listen to songs.

3)   They can develop a variety of service. Some music streaming medias provide on-demand service, and some provide radio service. I think it will be beneficial to develop diversified services. In other words, in a platform, users not only listen to radio based on musician's name or genre of music, but also can pick the exact song they want to hear.

4)   They need to extend their area for foreign users. For Pandora, it serves users only in the United States, New Zealand and Australia, and blocks users from non-complying countries, which will lose the huge number of users in foreign countries, so a wise way for music streaming media platforms is to extend areas, and to have an association with foreign users.

For more ideas related to improving people's willingness to pay for music streaming media platforms or this problem area, I will be glad that other researchers take advantage of my current data and findings to further study and explore.

10. Bibliography

Ingham, Tim. "Why Aren't People Paying for Music Streaming Subscriptions? - Music Business

Worldwide." Music Business Worldwide. September 16, 2015. Accessed December 01,

2016. http://www.musicbusinessworldwide.com/why-arent-people-paying-for-music-

streaming-subscriptions/.

McElhearn, Kirk. "Most People Simply Don't Care Enough About Music to Pay for Streaming."

Kirkville. September 24, 2015. Accessed December 01, 2016.

http://www.mcelhearn.com/most-people-simply-dont-care-enough-about-music-to-pay-

for-streaming/.

Miller, Claire Cain. "How Pandora Slipped Past the Junkyard." The New York Times. March

07, 2010. Accessed December 01, 2016.

http://www.nytimes.com/2010/03/08/technology/08pandora.html.

Resnikoff, Paul. "Streaming Services Have 99 Problems. And They Are... - Digital Music

News." Digital Music News. September 18, 2014. Accessed December 01, 2016.

http://www.digitalmusicnews.com/2014/09/18/streaming-services-99-problems/.

Thomas, Ryan. "Top 10 Things People Don't Pay For Anymore - Listverse." Listverse. January

2, 2012. Accessed December 01, 2016. http://listverse.com/2012/01/02/top-10-things-

people-dont-pay-for-anymore/.

Tyson, Jeff. "How the Old Napster Worked." HowStuffWorks. 2000. Accessed December 02,

2016. http://computer.howstuffworks.com/napster.htm.

Steele, Robert. "If You Think Piracy Is Decreasing, You Haven't Looked at the Data... - Digital

Music News." Digital Music News. July 16, 2015. Accessed December 02, 2016.

http://www.digitalmusicnews.com/2015/07/16/if-you-think-piracy-is-decreasing-you-havent-looked-at-the-data-2/.

"Advantages And Disadvantages Internet On Music Industry Media Essay." UKEssays. March 2015. Accessed December 02, 2016. https://www.ukessays.com/essays/media/advantages-and-disadvantages-internet-on-music-industry-media-essay.php.

Alexander, Madi, and Ben Sisario. "Apple Music, Spotify and a Guide to Music Streaming Services." The New York Times. April 5, 2016. Accessed December 02, 2016. http://www.nytimes.com/interactive/2015/06/30/business/media/music-streaming-guide.html.

Sisario, Ben. "Amazon and Pandora to Gauge Music's Value in the Internet Age." The New York Times. September 11, 2016. Accessed December 02, 2016. http://www.nytimes.com/2016/09/12/business/media/amazon-and-pandora-to-gauge-musics-value-in-the-internet-age.html.

Wortham, Jenna. "Mixcloud: A Streaming Service for Mixtape Lovers." The New York Times. March 04, 2014. Accessed December 02, 2016. http://bits.blogs.nytimes.com/2014/03/04/mixcloud-a-streaming-service-for-mixtape-lovers/.

Cell Press. "Some people really just don't like music." Science Daily. www.sciencedaily.com/releases/2014/03/140306130411.htm (accessed October 29, 2016).

Wasserman, Todd. "Why Are People Still Buying CDs?" Mashable. January 10, 2013. Accessed

    October 29, 2016. http://mashable.com/2013/01/10/why-are-people-still-buying-

    cds/#T46MlZ3.8kqr.

Sekaran, U. (2003). Sampling. In Research methods for business: A skill-building approach (pp.

    235-268).

Sekaran, U. (2003). Measurement: Scaling, reliability and validity. In Research methods for

    business: A skill-building approach (pp. 206-235).

11. Appendices

Dear Participant,

I am a student in the university, and conduct a survey for studying people's unwillingness to pay for music streaming platforms. I invite you to take a brief time to respond to the question frankly and honestly, and your response will be kept strictly confidential. This questionnaire is anonymous, and the information you provide will help me to better understand the thoughts or behaviors of users.

Thank you very much for your time and cooperation. I greatly appreciate the help of you.

1.   What is your age?

(1)   Under 18 (2) 18-25 (3) 26-35 (4) 36-50 (5) Above 50

2.   What is your occupation?

(1)   Students (2) Employees in companies unrelated to music (3) Employees in companies related to music (4) Others: (Please write down) _____

3.   What is your average annual income from employment? / If you don't have job, how much money do you get from your family for a year?

(1)   Under ¥30,000 (2) ¥ 30,000-80,000 (4) ¥ 80,000-300,000 (5) ¥ 300,000-1,000,000 (6) Above ¥1,000,000

4.   In daily life, by what way do you listen to music?

(1)   CDs or Cassettes (2) Go to concerts or music festival (3) Social media platform, such as Weibo or We-chat (4) Music streaming media platform, such as KuGou Music or XiaMi Music (5) Don't listen to music (6) Others: (Please write down) _____

5.   In daily life, by what way do you make music consumption?

(1)   Buy CDs or cassettes (2) Buy tickets of live music show (3) Paid subscription for music streaming media platform (4) Hardly make music consumption (5) Others: (Please write down)

_____

6.   How do you choose music streaming media platform?

(1)   Through certain platform, I can follow favorite signers or music TV programs, which simply have cooperation with this platform (2) This platform provides a large number of music libraries (3) This platform provides satisfactory music playlist (4) This platform provides free music (5) Other people's recommendation (6) Provide a variety of service (such as hot radio or music chart list) (7) Others: (Please write down) _____

7.   Have you ever paid for music streaming media platform?

(1)   Yes (no need to answer the 8th question) (2) No (need to continue to answer the 8th question)

8.   Why did not you pay for music streaming media?

(1) Subscription fees are expensive (2) There are many free online platform with high quality to listen to music (3) The frequency of listening to music is too low to spend money (4) Don't listen to music in this way (5) Don't like music (6) Others: (Please write down) _____