THE FACTORS INFLUENCING THE PROSPERITY OF THAI MUSIC INDUSTRY

NONTATAT LEKHYANANDA

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…………………………….………
Mr. Nontatat Lekhyananda
Candidate

…………………………….………
Poomporn Thamsatitdej,
DBA
Advisor

…………………………….………
Assoc. Prof. Vichita Ractham,
Ph.D.
Chair person

…………………………….………
Assoc. Prof. Annop Tanlamai,
Ph.D.
Dean
College of Management
Mahidol University

…………………………….………
Asst. Prof. Randall Shannon,
Ph.D.
Committee member

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NONTATAT LEKHYANANDA 5649146

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THEMATIC PAPER ADVISORY COMMITTEE: DR. POOMPORN THAMSATITDEJ, D.B.A., ASST. PROF. RANDALL SHANNON, Ph.D., ASSOC. PROF. VICHITA RACTHAM, Ph.D.

ABSTRACT

The global music industry is heading toward an upward trend. However, in Thailand there are lack of information and research conducted on the industry. This study aims to explore the mechanism of Thai music industry and factors that have positive impacts on Thai music industry and drive it to success. There are four main factors in this study: development of basic infrastructure, development of educational system and human resources, create society and networking, and subsidize and finance. The in-depth interviews qualitative research method was chosen to gain insight information and deeper understanding of the industry. In order to gain broader ideas and information from the interviews, candidates were chosen from various field of the industry with various number of year experience in the industry. Analysis of collected data were perform to come up with effective policies implications.

KEY WORDS: Thai music industry/ Music factors/ Prosperity of music industry

34 pages

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CHAPTER I
INTRODUCTION

It's undeniable, that unemployment is a big issue in Thailand, according to the labor market research division, the unemployment rate in Thailand increased from 7% to 9%% during 2013-2014. According to Job DB, a popular online job search website, stated that the bachelor degree new graduated in 2014 was approximated to 400,000 people and 150,000 of these newly graduated would be unemployed, in which calculated to be 37.5%. According to Dr Yongyuth Chalamwong, Thailand Development Research Institute's (TDRI) research director for labor, there is an oversupply of labour force with bachelor degree, which causes consistent unemployment in this labour group. However, the demand for the highly skilled workers is still relatively high. Dr Yongyuth also stated "New labourers also needed to acquire more knowledge while waiting for the market to recover or switch to a more independent profession if they could no longer wait." (The Nation, 2014).

This figure showed that despite having higher education, it doesn't reflex high chance for a job position for students. Having higher education causes higher competition among newly graduated to be employed as state below figure (figure 1.)
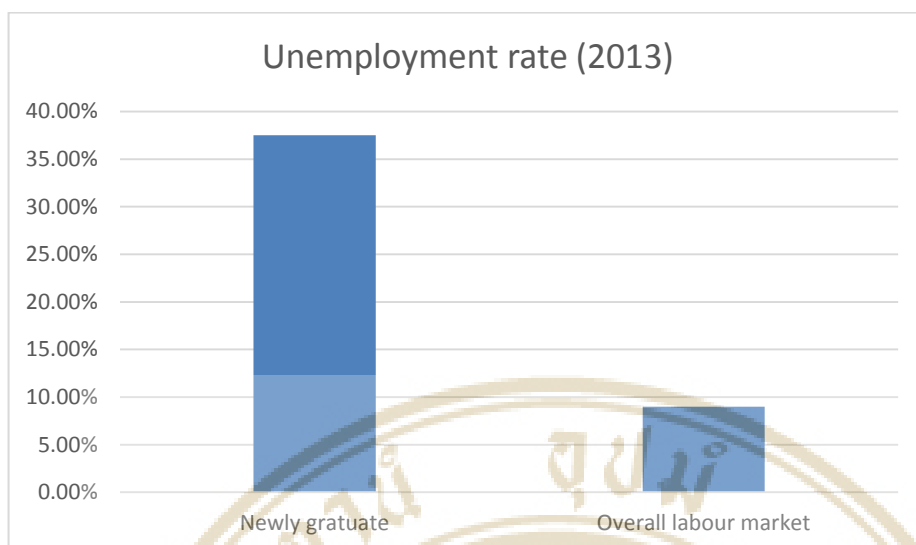
Figure 1.1 Unemployment rate (2013)
Source: The labor market research division, 2015

According to the labor market research division, while employment rate for most industry has gone down, however under the "others" category, which includes music industry, media, news and communication among others, has the highest increase in percentage of employment rate from 1.68 million people employed in 2013 to 1.96 million people employed in 2014. The description provided by Labor market research division of the "others" industries conforms perfectly to the "Creative Industry" labeled by Unesco.

Office of the National Economic and Social Development considers Music industry to be in the Creative industry under the category of media along with other industries such as printing industry, movie industry, and radio industry, basing on the framework of Unesco (Figure 2.)

Cultural and History	Art	Media	Functional Creation
Crafts	Performing arts	Film	Design
Historical and Cultural Tourism	Visual arts	Publishing	Fashion
Thai Food		Broadcasting	Architecture
Thai Traditional Medicine		**Music**	Advertising
			Software

Figure 1.2 Creative industry

Source: Office of the National Economic and Social Development (2010)

Creative industry plays a major role in the macro economy of Thailand. The Office of the National Economic and Social Development (2010) has found that total productivity of the creative industry contributed 8.55% of total products and services in the country. Employment under the creative industry contributed 9% of the total employment in the country. Which shows that creative industry has potential to constantly and effectively grow and develop the nation as a whole. Hence, the development of creative industry requires close supervision and strategic planning for the industry to effectively prosper. According to UNCTAD, (2008), to effectively develop the creative industry, it requires to main factors, which are intellectual capital and adaptive skills. From these factors led to the importance of knowledge based economy, which focuses on development of knowledge and skills of the workforce to create value for the products and services of the creative industry. This idea of knowledge based economy act in accordance with the idea of Creative economy, which is to transform creativities and special skills into products or services (Office of Educational Councils, 2012).

On the 5th September 2009, the cabinet of Educational Councils agreed to stimulate the creative industry by substituting these 4 factors, which are Creative Infrastructure, Creative Education and Human Resources, Creative Society and Inspiration, and Creative Business Development and Investment. From the agreement of the cabinet shown that the Educational Councils realize the potential of the creative industry and support the development of the human resources to accommodate this growing industry (Office of Educational Councils, 2012).

An increase in creative workforce or the creative class is the significant driving force behind the economy, especially in developed countries (Office of Educational Councils, 2012). Music industry is a good example to show the increasing

trend of the creative industry. The International Federation of the Phonographic Industry (IFPI) announced that music industry revenues declined 3.9 percent in 2013. The main reason was the threat of digital piracy, which slow down the investments in music artist and development of licensed music sectors. However, the records company still remains highly profitable.

One of the growing source of revenue of the music sectors are in digital subscription services, which grew by 51 percent. Correspondingly, performance rights revenue from Internet radio services, broadcast, and venues also grew by 19 percent. The three major record labels also remain very highly profitable during the last 10 years (Band,Garafi, 2013).

Record Label Operating Profit, 2004-2013[4]

Year	Sony ($M)	UMG ($M)	WMG ($M)
2004	$186	$491	$18
2005	$86	$657	$84
2006	NA	$1,018	$283
2007	NA	$531	$228
2008	NA	$515	$207
2009	$272	-$445	$135
2010	$357	$192	$90
2011	$380	$694	$32
2012	$360	$719	$109
2013	$361	$688	$75

Source: Profitability of Copyright-intensive Industries (2013)

The profit margin of the record labels are also positive and highly profitable (Band,Garafi, 2013).

Record Label Operating Profit Margins, 2004-2013

Year	Sony ($M)	UMG ($M)	WMG ($M)
2004	3.90%	7.20%	1.02%
2005	4.05%	9.81%	2.40%
2006	NA	15.02%	8.05%
2007	NA	7.97%	6.74%
2008	NA	8.09%	5.93%
2009	7.67%	-7.45%	4.21%
2010	7.14%	3.15%	3.01%
2011	8.27%	12.05%	1.12%
2012	8.56%	11.54%	3.92%
2013	8.43%	10.74%	2.61%

Source: Profitability of Copyright-intensive Industries (2013)

The profit margin of overall record labels is favorably attractive comparing to other industries (Band,Garafi, 2013).

Average Industry Operating Profit Margins, 2004-2013[5]

Year	Record Labels	Construction	Mining	Transportation
2004	4.04%	2.67%	10.20%	7.44%
2005	5.42%	1.46%	13.13%	8.08%
2006	7.69%	3.54%	14.97%	8.30%
2007	4.90%	3.40%	13.35%	5.50%
2008	4.67%	2.60%	14.82%	4.68%
2009	1.48%	2.66%	4.16%	5.32%
2010	4.43%	3.98%	12.29%	6.34%
2011	7.15%	5.19%	15.06%	6.65%
2012	8.01%	2.03%	2.39%	5.01%
2013	7.26%	3.25%	-1.20%	4.89%

Source: Profitability of Copyright-intensive Industries (2013)

According The Bureau of Labor Statistics (2014), the music industry in the USA had been growing at a stable rate with higher income comparing to USA hourly average with a 10% increase in music related jobs in the USA through 2020. The average hourly wages for musicians is $22.39 which more than nationwide average rate of $16.27.

The scope of music also expand as a functional creation for other industries, as many non-music businesses are now looking for ways to include music-related to their product or services. Musicians can now seek for other alternative outside of performance, such as arranging a song, helping organize concert events, writing and recording jiggle session for TV, radio advertisements, movies and TV soundtrack, composing and recording songs for hotel and department store, offering private music instruction or write reviews article for new CD and writing magazine articles. This means that musicians can step outside the traditional music industry into other non-music industries as a career path. (Spellman, 2013).

There are more and more Asian students who pursuit music study in the USA. According to a journal Attitudes of international music students from East Asia toward US higher education institutions, the number of Asian students in music colleges and universities in the USA has dramatically increases. The total percentage of Asian Students is 65% of foreign students in the USA's higher education (USICE, 2006).

Research Question

- What are the factors influencing success of Thai's music industry?

Purpose:

- To study understand the mechanism of Thai's music industry
- To explore the growth and opportunity of the Thai's music industry
- To provide effective policy implication to drive the Thai's music industry to success

CHAPTER II

LITERATURE REVIEW & FRAMEWORK DEVELOPMENT

In this chapter the literature is related factors that affects growth of music industry.

The conceptual model is developed based upon a book "Building a Creative Innovation Economy" by Cultural Ministers Council (2008)

2.1 Development of basic infrastructure

Promoting the creative industry through development of basic infrastructure such as buildings, places and communication network to support the creative businesses, will attract more investments of new creative businesses while also supporting the current businesses (Office of Educational Councils, 2012). The infrastructures include development of cities, which could be broken down into record shops, concert venues, museums, music institutions and etc. This is to provide solid foundation and atmosphere to nurture creative businesses, and to show case the products and services of creative producers (Fleming, 2007).

Another key infrastructure is broadband and communication network, which could help to support the music industry through digital technologies and innovation to create opportunities. By increase in accessibility of high speed internet services, broadband network and mobile services throughout the nation, will provide solid platform of digital infrastructure which will allows music industry to exploit commercial opportunities and open new doors. It also allows diversification in business model to gain access to wider audiences and customers. High speed internet will have significant impact on music business on how the products and services can be distributed to the market. This will enable the industry to be more flexible on location, commercialization and collaboration, which allow the music's supply chain

to flow more flawlessly across the sectors, on both national and global basis (Creative industries in 21st century Australia, 2009).

The high speed internet will stimulate the growth for online sales and distribution, allowing producers and customers to meet through digital platform from internet and mobile, digital TV, digital radio and various online market places. Two main opportunities for music businesses are through production and delivery of music content and ease of cross-sector/industry collaboration. Collaboration and delivery of music contents can be done easily and flawlessly through online channels (Creative industries in 21st century Australia, 2009).

Queensland Arts Industry Sector Planning notices that Australia's current broadband infrastructure is not up to standard making companies at competitive disadvantage. Australia has identified the importance and opportunity within the creative industry and how it would help the country to grow. Australian Online and Communications council decided to be involved the reorganization and development of Australia's communications infrastructures. All parties support the improvement of communications infrastructures to enable creative sectors to exploit opportunities in the digital platform (Cultural Ministers Council, 2008).

Broadband infrastructure is a key factor in prosperous future of the creative sector. According to technical research from Information Technology and the Arts (DCITA) shows that the creative sector consider cheaper broadband services, while New South Sale's Results and Services Plan considers improved broadband services very important in achieving better creative contents and also allowing producers to gain access to wider audience (Cultural Ministers Council, 2008).

2.2 Development of educational system and human resources

To equip and develop knowledge and skills of human resources in the creative industry, which will lead to increase in value added to the product and service. Not only creative skills should be developed but also the technology skills and marketing skills, which will help the businesses to become more commercialize. The mixture of these skills will help the businesses to be differentiate and create unique

product and service that are demanded by the market. In addition, it will also help the business to become more flexible and adaptable to the fast changing market place for both locally and internationally (Cultural Ministers Council, 2008).

The development of human resources and education will lead the industry to a positive direction by increase the supply of skilled workforce to the industry, create more demand for the product and service of creative industry, and create digital skills among the workforce which is the key tool for today's businesses (Creative industries in 21st century Australia, 2009).

The education sector for creative industry should also be responsible in producing more skilled workforce for the industry. Increase in number of skilled workforce will lead to increase in the quality of the content and also demand for the content. It's also essential education sector to provide the workforce with education and training on how to work in the digital world as well as creative skills and knowledge (Creative industries in 21st century Australia, 2009).

In today's fast growing economy, both technical skills and business skills are key to creative business to thrive. However, in fast moving digital world, and technical skills can quickly become obsolete, which require constant update trainings. For small creative businesses and individual artists, a constant training update is deemed unfeasible due to cost. Given the changing of the digital environment, innovative ways to teach new skills to human resources quickly and effectively should be sought (Cultural Ministers Council, 2008).

Business skills is also important and should be improve among creative sectors. Due to lack of business skills in creative industry, opportunities cannot be fully exploited (Cultural Ministers Council, 2008). Practice of information technology should be implemented across the industry to achieve better customer relationship and allocation of resources to further exploit the opportunities from both inside and outside of the industry (Australian Digital Content Industry Investment, 2007).

Business skills is deemed important among senior managers and executives and how to exploit opportunities through emerging digital environments and drive forward the creative industry (Cultural Ministers Council, 2008).

Large percentage successful young entrepreneur are in the creative industries. Their success were achieved through combination of their individual skills

and creativity along as good business skills (Pott, 2006). In the digital environment, business skills and strong management frame work are required to understand and commercial risks and attract investment support for their businesses to grow quickly (Cultural Ministers Council, 2008).

Some further key human resource factors that drive the industry forward are to improve the practical business skills of the artists. Bringing the artists together through technologies to collaborate and bridge the skill gap of the industry. Increase awareness of digital businesses and it's opportunities within the digital platform and how to integrate technologies to create effective business model to reach wider audiences and market and how to appropriately engage them through technologies (Cultural Ministers Council, 2008).In these recent decades, the internet technology has become a common use in Thailand, hence, online shopping became an alternative way of purchasing goods for Thai internet users. Due to development in online payment system and changing in consumer behavior, Thailand is one of the fastest growing e-commerce countries in Southeast Asia. The number of Thai online consumers has increased in percentage from 2011 to 2012 by 9.4%. The percentage of Thai consumers shopping online has increased 9.4% from 47.8% in 2010 to 57.2% in 2011(NECTEC, 2013). The market growth attracts more players to penetrate this market, both small and large-sized enterprises, which creates more intense competition. So it is necessary for entrepreneurs to understand consumer behavior to meet consumers' changing needs and expectations.

2.3 Create society and networking

Office of Educational Councils consider the development of society and networking to be one of the key factors in achieving effective creative ecology. With good atmosphere of the society will create connections and clear direction between sectors which will lead to a more flawless flow of value chain across sectors. Development of networking will also stimulate an exchange of knowledge, experience and share of resources from one party to another. In addition, it also create a healthy commercial competitive environment, which of all will encourage an outcome of

better quality creative content as the end product and service (Office of Educational Councils, 2012).

The internet now has transform the supply chain of music industry (Handfield and Nichols, 1998). The connectivity of the internet allow artists to reach large amount of audience with relatively much less time and expenses (Evans and Wurster, 1997). Internet created the virtual community with bring network of companies is customers together, where endless opportunities could be exploit (Graham and Burnes, 2006).

The ever expanding of social media such as YouTube, My Space and Facebook is a great tools to create strong bond of the community and networking. The social media can help business to gain access to and engage with customers while show casing their product content or to find partnership and collaboration, which could be done more easily through today's digital platform (Cultural Ministers Council, 2008).

The impact of information system mainly the internet has revolutionized the form of collaboration and processing information as well as giving wider access to global electronic market. The internet has become more and more prominent in people's everyday lives. This also stand true to the music artists as an emerging online tools such as MySpace, Facebook, Twitter and Flickr has provide an easy to use platform to promote their creative products to share, sell and networking with other parties and networking with other parties (Marshall, 2004). The internet also give customers equal opportunities to communicate and sharing information with producers (Oliver, 2008)

Connection among network will help creative industry's SMEs to increase productivity and capacity of their creative content and expand the market size while expanding the business and attract global investment (Australian Digital Content Industry Investment, 2007). The industry should build partnership through networking to collaborate within the industry as well as cross industry (Cultural Ministers Council, 2008). With the advancement of the internet, it is much easier for music companies to engage other parties to add value to their product. (Poel and Rutten, 2000).

2.4 Subsidize and finance

To support and protect the intellectual rights of the businesses to encourage growth of the business within the sectors to drive the industry forward. This will also stimulate the businesses to create quality content and value added. Furthermore, to reduce complexity of the registration of intellectual rights and to provide convenient to the creative businesses. This will allow the business to have more flexibility and to quickly and effectively adapt to changes of the market place Educational Councils, 2012). The government should also provide assistant and protection regarding the export of creative contents to effectively and competitively drive the industry into the global market industry (Australian Digital Content Industry Investment, 2007).

Furthermore, the government should provide funding to potential businesses to set up their business and drive the industry forward. In addition, the government sector should provide strategy and in-market assistance to music businesses including increasing commercial opportunities in touring, record release and music rights sales (Cultural Ministers Council, 2008). Furthermore, the government should provide funding to potential businesses to set up their business and drive the industry forward. In addition, the government sector should provide strategy and in-market assistance to music businesses including increasing commercial opportunities in touring, record release and music rights sales (Cultural Ministers Council, 2008).

2.5 Subsidize and finance

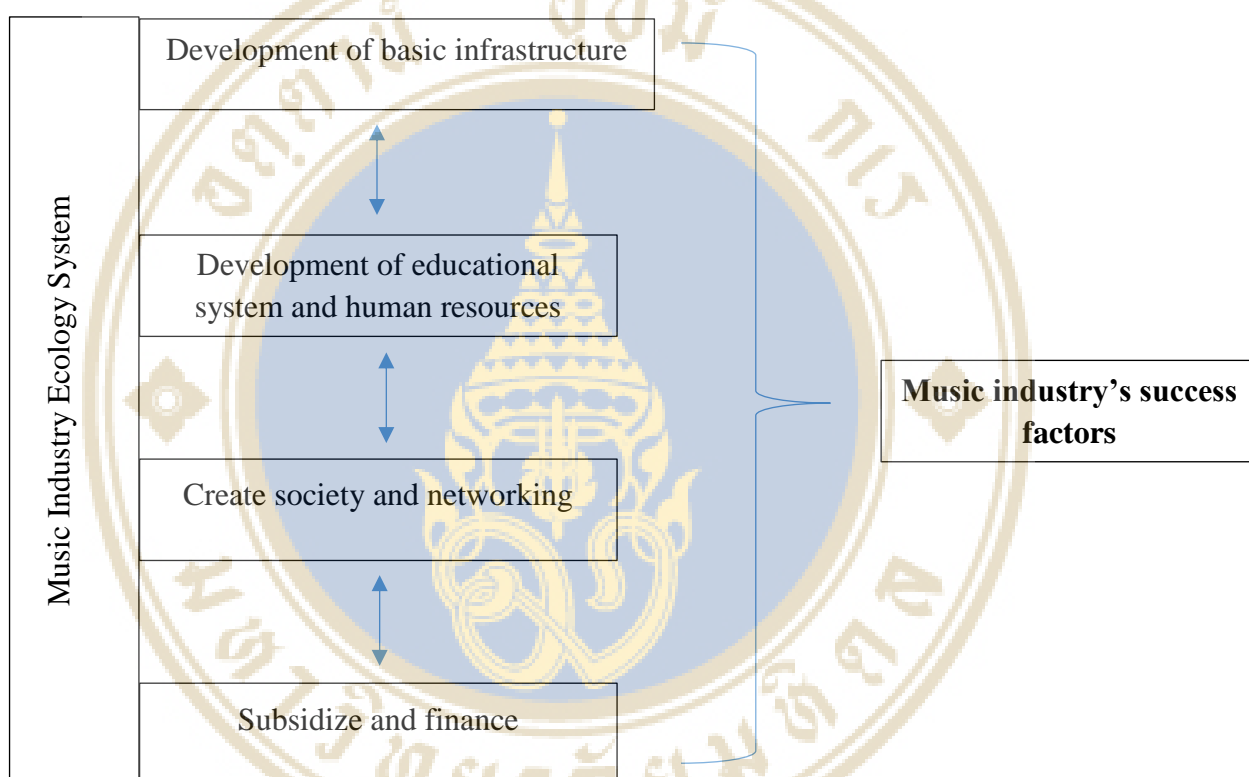The following model will be used as a framework to explain this study.

Figure 2.1 Conceptual Framework

Source: "Building a Creative Innovation Economy" by Cultural Ministers Council (2008)

CHAPTER III
RESEARCH METHODOLOGY

3.1 Discussion a research method

In order to answer research proposed in this study, the suitable methodology for conducting research is by using qualitative analysis. Since qualitative data is rich, full of detail, holistic and real. Firstly, the interview is a chance that the interviewer and the interviewee found which will allow the examiner to observe the demeanor and body language of the interviewee, which can be seen to translate their thoughts or emotions. Feelings of the people, it is easy for interviewer to control the conversation and time. It can also be controlled within the scope of the study. This approach also allows interviewers to use open-ended questions to explore the answers to the research questions and get more details. Be able to get the information into the minds of those interviewed in-depth interview to the interviewee a chance to speak their opinion makes talking. It is more openly, so they should not feel shy to express their ideas out, the interview will be add more information as well. (Miles, 1994)

In-depth interview should take the time to complete the interview as only one person should be interviewed per time, it is difficult to be applied to the large sample size. In addition, in -depth interviews, the interviewer must be skilled in interviewing to get the best answer possible. (Ghauri and Gronhaug, 2002).

The research conducted in this study includes in-depth interviews which have an advantage compared to the survey. The in-depth interviews provide important additional information and details about the person's thoughts and behavior also more likely to discover new perspective. Therefore, in-depth interview is the most suitable for this study due to the fact that it delivers a more complete picture of industry insight along with additional comments which could possibly show new perspective from the interviewee. (Boy et la, 2006).

In qualitative interview research, the discussion between the interviewer and interviewee can be stimulating more than qualitative group interview research. Furthermore, the interview can also be used for getting new ideas when brainstorming.

Even though the skills set required in order to control the interview and to conduct the research interviewee may feel uncomfortable. Sharing personal experiences or negative information about the music industry somewhat restrain from giving the information fully. When sharing personal information to other people, it is solely depended on the interviewer and interviewees' cooperation during the interview to answer the research questions.

3.2 Discussion and Research question

Participants for the interview consist of 6 people whom are in different parts in value chain of the music industry. The participants consists of multi-roles musician, Indie band, successful live musician, legendary singer, music teacher, Elvis impersonator, and DJ. Which is summed up to be total of 7 people as the total sample size of the interview.

In regards of the criteria in choosing the participants for this research, the participants must currently be involved in the Thai music industry. In order to obtain the insight information regarding the industry and how would the factors of development of infrastructure, development of educational system and human resources, create society and networking, and subsidize and finance, would help the flow of music industry ecology, and how these sub elements within each factors drive the Thai music industry forward.

3.3 Interview Questions

The following are some examples of interview questions to be used for this study.

Introduction

Probing questions

1. From your experience and perspective, how do you define the music industry?
2. What direction do you think the music industry is heading?
3. What are the key factors that would lead to prosperity of the music industry?

Development of infrastructure

4. Is high speed internet and telecommunication important to the industry and how?
5. What Infrastructures, (record shops, concert venues, museums, music institutions) are important to the industry and how?

Development of educational system and human resources

6. Is the development of Human resources in term of music skills important to the industry and how?
7. Is the development of human resources in term of business skills (marketing, management, and digital skills) important to the industry, and how?

Create society and networking

8. Is society and outlet, meeting place both physical and virtual (social media) among musicians important to the industry, and how?
9. Is building connection to create strong value chain important to the industry and how?

Subsidize, finance and support

10. Is strong law regarding piracy and protection of intellectual property important, and how?
11. Is subsidize from government and funding from financial sector to the industry important and how?

CHAPTER IV
RESEARCH FINDINGS AND LIMITATION

4.1 Research finding

This study contains five important factors, which are; development of infrastructure, development of educational system and human resources, create society and networking, and subsidize and finance. Each questions are aims to extract information of each factor. Infrastructure has 2 questions, one concerning about the physical infrastructure, and one concerning about telecommunication. Human resources has 2 questions, one concerning about musical skills, one concerning business skills. Networking has 2 questions, one concerning about place, one concerning the connection. Subsidize and finance has 2 questions, one concerning about the law protection, and one concerning about the financial funding.

Research was conduct with 7 interviewees from various age and number of years of experience in the industry, as well as different roles in the value chain.

Interviewees' Profile

Name	Occupation	Gender	# of years in the industry
Interviewee 1	Producer, recording artist	Male	17 years
Interviewee 2	Live musician	Female	5 Years
Interviewee 3	Famous rock singer	Male	30 years
Interviewee 4	Famous DJ/ex-fulltime musician	Male	38 years
Interviewee 5	Elvis Impersonator	Male	6 years
Interviewee 6	Music teacher	Male	5 years
Interviewee 7	Indie band	Male	4 years

4.2 Development of basic infrastructure

4.2.1 Development of basic infrastructure: Physical outlet

"Venues that allow band to play original materials, are usually unprofitable and short live"

Interviewee 2

"If un-known bands are to audition with their own songs at pubs, they will never get the gig"

Interviewee 7

"It's hard for bands to promote their own songs and make a living at the same time, playing in pubs"

Interviewee 6

"The rock music is a dying breed and that rock should be preserved, and if number of rock venue is declining, the genre will finally die out in Thailand."

Interviewee 3

"There are too many subpar for subpar artists to play in, the number of venues should be decrease, so only above standard artists will get the gig".

Interviewee 1

All of interviewees said that the most important infrastructure for music industry is the live venue, as it's a significant medium to promote the musicians and their work. There are already large numbers of live venues in Thailand, mainly pubs and bars with live music. According to 4 interviewees added that, most of these venues does not encourage the bands to play their original materials but current famous cover

songs to attract more customers to the venue. This blocked creativity outlet of the musicians and minimize the exposure of their original works, while reduce motivations for musicians to compose and develop their creative originals. 2 interviewees added that are some live venue that allows musicians to play their original materials. However, these venues are usually short live and mostly closed down due to   unprofitability. Most interviewees felt that there should be more live venues that allow musicians to promote their own works instead of playing covers. However, there are one interviewee said that there are not enough physical outlet for the rock music. Another interviewee also said there are too many live venue but few are high quality. The venues should be reduced in number and only good quality ones with quality musicians should be able to survive. This will make the musicians thrive to be better in which will drive the industry forward.

4.2.2 Development of basic infrastructure: Telecommunication

"The internet connection in Thailand is fast and sufficient for me to be creative and to promote my work"

Interviewee 7

"Well, it would be nice if the internet connection is faster and more stable on my phone"

Interviewee 2

"I am old fashioned, I don't use internet much, I rather spending time actually playing music and seeing quality live music"

Interviewee 3

Most interviewees felt that internet connection is important for the music industry, as it allows musicians to access to online outlets to promote their names and materials. However, 4 persons felt the speed and accessibility of the internet in Thailand is sufficient and can be assessable at reasonable price, 2 persons felt that it would be help, it the internet connection is more consistent in term of connection. In

contrast to all, one interviewee is not keen on internet and he felt it block the creativity and originality.

4.3 Development of educational system and human resources

4.3.1 Development of educational system and human resources: Music skills

"A lot of Thai kids these day could be considered as world class musicians"

Interviewee 7

"Music universities are heavily investing in acquiring world class music teachers from abroad to teach at their institutions"

Interviewee 7

"Unlike the past, parents are very supportive for their kids to play music, which intern result in production of many good musicians"

Interviewee 3

"Thai musicians are exposed to more variety of music and music education through the internet which open their eyes in development and creativity"

Interviewee 2

"In the past, the music class would consist of 2 gifted students, nowadays, a music class will still consist of 2 gifted students. No matter of how much teaching materials are exposed to students, they would still be too lazy to benefit from it, and in the in the number of gifted students remain the same, regardless."

Interviewee 1

Most interviewees felt that there are a lot of very skillful and creative musicians in Thailand, especially the new generation. Because they have access to teaching materials from the internet, instruction DVDs, music institutions. One interviewee stated that the music teacher at music colleague are more skillful and have ability to transform the skills to the students. The music college now started to hire skillful music teachers from abroad to share their experience with the students.

Two interviewees also added that increase in number of skilled musicians is resulted from the parents support, as music has a more positive perception among parents these days, and they are more supportive for their kids to attend music lessons and some might even support to their kids to pursuit higher education in music and fully pursuit music career.

4.3.2 Development of educational system and human resources: Business skills

"I saw many good musicians that was not successful in the industry and just faded away, because they have no ability to commercialize their works, which is a shame for good music to go down the drain".

Interviewee 2

"Musicians can get tricked in term of copyright, and they ended up doing hard work for free".

Interviewee 7

"Business skills are crucial for musicians, to have tactics and strategies to survive in this industry. Business skills should be mandated in all music college nationwide".

Interviewee 1

"The business skill could be left to the agent, while the musicians can just stay focus on being creative"

Interviewee 5

"Artists cannot survive long in the industry just by creating songs, but they have to create a strong name for themselves too".

Interviewee1

Most interviewees felt the business skills of the musicians is important. Many good musicians failed because they lack in commercialized skills. One also stated that musicians with no business skills can easily be tricked in term of intellectual rights, and end up doing the hard work for nothing.

One said that business skills is essential for musicians and should be included at the music college everywhere in the country. Skills to commercialize their work is just as important as the quality of their works. He also stressed the important to promote the name of the musicians as brand, not just promoting the music itself. As music these days are like fast food, a song became famous and quickly disappear and consumers forgot about the band soon after. But if musicians are able to promote their name, the name of the band will stay with the customers. And if the band's name is strong, they are able to find extra source of income, such as staring in advertisement spots or even appear in movies or selling band's merchandizes etc.

However, there is one interviewee who thought that manager or agent is responsible for the management and how to commercialize the artist, so the artist himself can stay focus on being productive and put on a good performance.

4.4 Networking

"You have to approach people and talk to them, let them get to know you and what you do, so they are familiarized with you, your name will come up on top of their mind when they have a job task to be done. And it they are satisfied with your work, it will become your calling card."

Interviewee 1

"It's not how well you can play your instrument to get the job, but it's who you know and how well you know them to get the job."

<div align="right">Interviewee 2</div>

"You need to know someone in the radio station, to get your materials aired. One also added article reviews about your band is a good medium for the band to reach out to the public eyes"

<div align="right">Interviewee 7</div>

"Submitting work through online is convenient, given the fact that you already know the counter party".

<div align="right">Interviewee 2</div>

Networking is agreed by all interviewees to be very important in music industry. That's how musicians find jobs in the industry. As Thailand is a collective culture, knowing people is crucial to being successful in the industry. So connection to music magazine and music website is essential to get your band name published on their books and websites.

Connection through digital platform for people in the industry is agreed by most that it's a good idea but face to face interaction is more appropriate and effective in Thai culture. However, 4 interviewees agreed that digital platform is a great and efficient way to easily submit their work to each people in the supply chain, giving the case that strong bond is already established among parties.

4.5 Subsidized and financed

4.5.1 Subsidized and financed: Funding

"For government to subsidized music industry isn't going to happen anytime soon. There are other sectors that require financial aid more than the music industry".

Interviewee 1

"Financial aid from the any institutions would be nice. There are many talented kids that would do so much better with proper education, but the government doesn't seem to focus on this matter seriously….. They might as well start by reinforcing the copy rights law first"

Interviewee 7

"A lot of kids with wealthy parents in the music industry these days, financing is definitely not important for them"

Interviewee 3

"Government can't even handle copy right issue, why should they care about financing us".

Interviewee 2

"Music these day can be created (record, distribute) fairly cheap, it's not the finance that is the issue, but the quality and opportunity of the artists that matter".

Interviewee 6

3 interviewees agreed that subsidized and funding from government and financial institution could be of some help to the music industry, but not deem of much importance. As financial aid could be more helpful to others industries and matters rather than spending in the music industry. The funding could help mainly to providing funding for the less fortunate to pursuit music study and equip them with the right skills and mind set. However, they feel that funding is not the main factors of success in music industry, as the value added in the industry is accumulated from creativity and specialized skills. The other 3 interviewees felt that there are financial aids are not important, but instead the authority should focus more on protection of intellectual right instead. Lastly, one interviewee felt most people who pursuit music path these days are already rich and have parents support, subsidized and financed are not necessary.

4.5.2 Subsidized and financed: Copy Rights

"Copy rights law is definitely a big issue for music industry in Thailand"

Interviewee 5

"Consumers take free music for granted, it definitely devalues the music in Thailand"

Interviewee 2

"I used to download pirate songs for free, but now that I am an artist myself, I feel the pain of the people in the industry. And now I only purchase copy rights music"

Interviewee 7

"Consumers in Thailand perceived music contents as a free thing, and only the stupid would actually pay for it. This wrong mindset should be changed. Only then, the music industry in Thailand could grow."

Interviewee 1

"Bands that play Artist's songs for commercial reason, should pay royalty fees to the original artists as well"
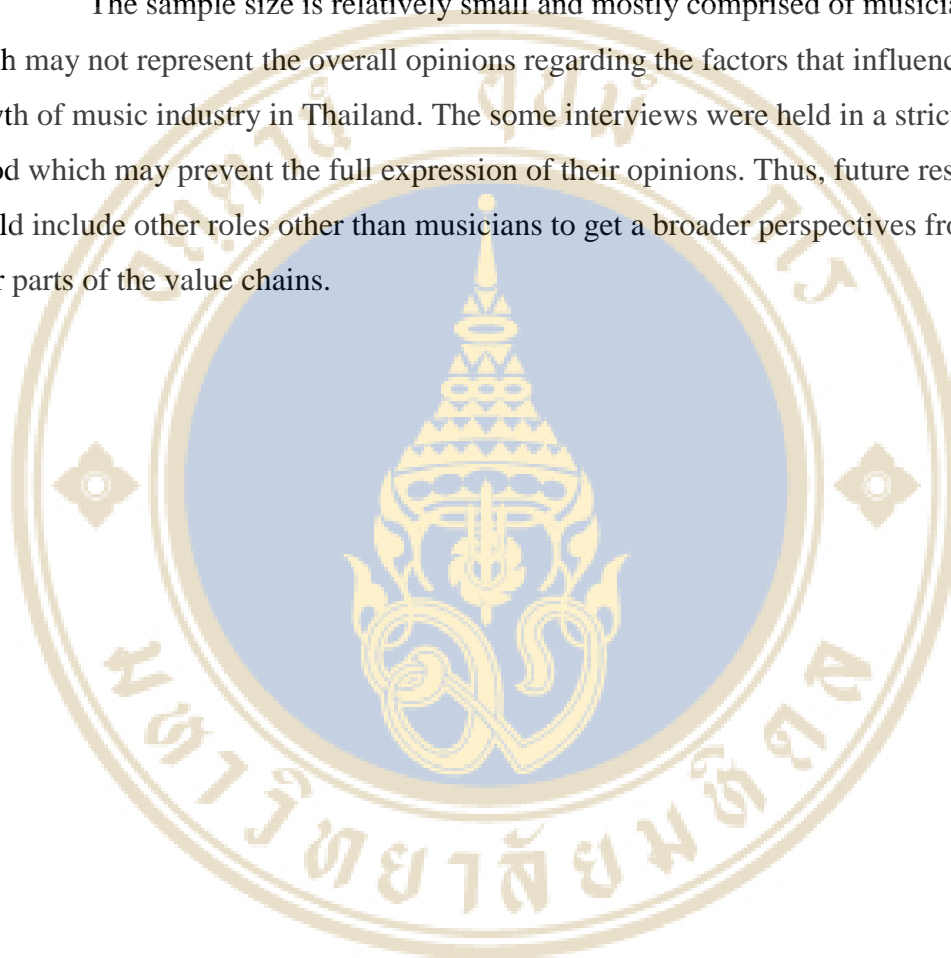
Interviewee 1

All interviewees strongly agreed that the authority should reinforce the copy rights law protection as soon as possible. The biggest issue in music industry in Thailand is copy rights issue. The law reinforcement regarding protection of copy right is extremely weak, with evidence of piracy, and illegal download flooding the Thai music market, in which prevents musicians from making earnings that they truly deserve. It provides also less incentive for musicians to work hard and come out with quality creative materials. One interviewee also commented that bands that play cover

songs for commercial reasons (hired to play at pubs and bars etc) should pay fees to the original artist whom compose the songs and made them famous. All of the interviewees also agreed that the mindset of the consumers need to be change. They need to appreciate the artists and their music, and to see the value in actually paying for the music rather than downloading songs online for free.

4.7 Limitation and Recommendation for further study

The sample size is relatively small and mostly comprised of musicians, which may not represent the overall opinions regarding the factors that influence the growth of music industry in Thailand. The some interviews were held in a strict time period which may prevent the full expression of their opinions. Thus, future research should include other roles other than musicians to get a broader perspectives from other parts of the value chains.

CHAPTER V
DISCUSSION AND CONCLUSION

5.1 Conclusion

After collecting the data from the interviews. The results of the study are shown below:

1. The importance of infrastructures in supporting music industry

    The infrastructure in term of broadband connection in Thailand is essential for the music industry. However the broadband connection is already sufficient in term of coverage area and speed.

    Live venue is very important infrastructure in term of both source of revenues and creativity outlets for musicians. There are various live venues in Thailand but only a few that are high quality and truly allow musicians to show case their real creativity, such as their original materials in the style of music preferred by the artists. Live venue should be a place that stimulate the creativity for musicians to produce higher quality music not a place where they just play covers of already famous songs. By stimulating the level of creativity of the artists will allow for better end product, which will dive the industry forward.

2. Importance of educations in supporting the music industry?

    Thailand is already abundant with skillful musicians from both music degree and non-music degree. The skill can be crafted by the easily accessible teaching materials on the internet and other media. Today's parents are also more supportive for their kids to pursuit music in both hobbyist and professional field. This stimulate the growth in number of skillful musicians in Thailand.

    The true problem lies upon the business skills of the musicians. They are still lacked in business skills and strategies to commercialize their work. They can be gifted and skillful musicians, but if they don't have the

ability to commercialize their work, they cannot generate income and would finally disappear from the industry. The business education in term of marketing and copy rights are essential skill that need to be taught to all musicians in the industry.

3. The importance of networking among human resources in music industry

        In a collective culture like Thailand, network is essential key to success in all industry. For musicians good networking means job opportunities and sources of revenue. To have strong connection with other parties are the key to success for the artists, to get their work published and promoted to the mass. Strong networking will create productive community. Where it will increase the value to the product through supply chain, along with ability to expose and distribute the product to the mass audience.

        To stay connect through digital platform can be an efficient way to create value added in the supply chain. However, to communicate through digital platform requires a closed bond between each parties to be effective. Meaning that, both parties necessitate a certain degree of face to face interaction before being able construct creative works through digital platform.

4. Importance of subsidize and support from government in supporting the music industry

        Music industry as one of creative industry, has lower cost in production process but can create high value added at the end product, hence it does not require a lot of financing to produce music materials. Therefore, funding from government and other institutions is deemed less important at this stage in Thai music industry.

        The important factor of all, that required immediate assistant is on the copy rights law. Due to abundant illegal download of music content, and music piracy, many musicians are losing their profitability. Thailand has a very weak copy rights law enforcement. Low profitability demotivate new talented workforce to pursuit music career and does not stimulate workforce to come up with quality and creative music materials. If this problem could be resolved,

there is a very high possibility that Thailand's music industry will become stronger and become much more competitive in the global market.

5.2 Managerial Implication

Referring to above findings, the priority in term of policy implication is to reinforce the copy rights law to protect the profitability of the music business in Thailand. In addition, the mindset of the consumers should also be changed. They should be tough to appreciate the music materials and willing to compensate for the hardship of musicians that went into music creation for their entertainment. This value should be implanted to people since elementary school. If they appreciate the material that they are consuming, they should willingly to pay for it. This will give profitability for the musicians to drive them into creating more creative works.

By creating a lucrative market, it will attract new talents into the industry and stimulate the currents workforce to create better quality materials to stay competitive. The growth in quality of the workforce and music materials will push the Thai music industry into the global market.

Second priority is for Music institutions to implement and mandate music business course into their syllabus. The course should assist and improve the business skills of the musicians. This will equip them with both music skills and business skills to commercialize their work.

Furthermore, there should be more venues that allows musicians to compete and show case their own original materials. For example a nationwide music competitions, venues that allow musicians to play their original materials, and Events that gather unknown/up-and coming bands to play together. Not only this will intensify the competitiveness among bands, these venues will serve as places for musicians to meet and stay connected, which could lead to further collaboration in the further, hence creating a strong networking among musicians.

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