



Investigating the Attractors in Off-Line and On-Line (B2C) Music Shopping

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Preface

I wish to thank the many people who by answering questionnaires and participating in interviews, or by offering support along the way, helped me produce this dissertation.

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Abstract

The number of people worldwide who use the Internet has increased exponentially over the past few years. This has contributed to a major increase in the number of consumers who browse for products, compare prices and purchase goods from on-line stores. Consumers can move very quickly and effortlessly between channels such as mail-order, on-line and off-line stores when shopping; this makes it increasingly important for businesses with multi-channel strategies to become more aware of the consumer behaviour that takes place around any of the channels they offer.

Factors that attract consumers towards a shopping channel or store can be called 'attractors'. Awareness about attractors can be used to enhance the competitiveness of a store and the quality of services available to consumers.

On-line music stores, specifically the iTunes store, have enjoyed a huge amount of growth in recent years. This research project examines the attractors that influence consumer behaviour at the iTunes on-line store and at off-line music stores in general. The research employs a user-centred approach to elicit these attractors.

The findings of this research include a catalogue of music store attractors; the attractors that are most significant are:

- Convenience of a store (off-line attractor)
- The ability to find something interesting or new (e-commerce attractor)
- The ability to buy single tracks (on-line attractor)

The research presents some analysis of the relationships between these attractors and guidelines towards the discovery of attractors. This research goes beyond user-system interaction and usability, examining the customer experience to find that other factors besides usability are involved in attracting consumers to iTunes. It also finds that off-line consumer experiences influence on-line consumer behaviour and expectations.

1 Introduction

1.1 Background

The rapid deployment of broadband and wireless technology in Western Europe, North America, Japan and Korea has removed some of the major obstacles to the continuing success and expansion of the Internet, i.e. speed and ease of access (Alvarez and Hagemeyer, 2005). According to recent industry research there are now approximately 240 million unique Internet users in the European Union (51% of the total EU population); this represents a growth of more than 157% since 2000 (Internetworldstats.com, 2006). The number of homes in the EU with a broadband connection rose from 23% in 2005 to 32% in 2006 (europa.eu, 2006).

The continuing growth in demand for business-to-consumer (B2C) systems is fueled by an increasing number of on-line consumers (Poon and Lau, 2006). Businesses can no longer rely on their physical stores or printed catalogues as a primary channel to the consumer, and are increasingly using e-commerce to drive sales expansion (Wen et al., 2001). Forrester Research forecasts that the European Union's on-line trade will increase from the 2001 figure of €77 billion to €2.2 trillion in 2006; this is an increase from less than 1 percent of total business trade to 22 percent (ClickZ.com, 2002).

The popularity of on-line shopping channels has affected changes in consumer behaviour, for example consumers can easily perform product searches, price-comparisons and e-purchasing of goods without the need to visit a physical store (Linden, 2005). Consumers are drawn towards e-commerce due to factors such as improved convenience, larger product range and lower prices (Ramus and Nielsen, 2005; Noble et al., 2005; Parsons, 2002). There are major benefits for businesses in providing electronic channels; not least is the potential to hugely extend their customer-base (Hughes, 2006). However it is not enough for businesses to concentrate on electronic channels only (Goldsmith et al., 2005). Other channels such as physical stores, printed catalogues and telephone sales are still favoured by consumers (Parsons, 2002; Rintamaki et al., 2006).

Investigations into consumer behaviour have shown that consumers favour different

channels for different activities, and will switch between these channels to execute different stages of shopping (Van Dijk et al., 2005; Gensler, 2004). The impact of this on businesses is that they must have a multi-channel strategy and presence to gain the maximum return from the marketplace (Sarner, 2005; Schoenbachler, 2002).

Businesses need to have the correct, targeted presence in each shopping channel that they offer (Teltzrow, 2006). To achieve this businesses need to know why consumers use different channels (Hughes, 2006; Goldsmith and Flynn, 2005) and what characteristics attract consumers to a channel (Schoenbachler, 2002; Noble et al., 2004). This information will enable businesses to form and implement successful and effective customer relationship management (CRM) and therefore achieve sustainable profit (Pan and Lee, 2003).

1.1.1 B2C Research at the Open University

The B2C e-commerce research programme in the User Experience Strategy Group (Department of Computing, Open University) has conducted research into the integration of Human Computer-Interaction (HCI) principles and CRM strategies, demonstrating that the customers' experience of e-commerce environments can be enhanced using a multi-disciplinary approach (Petre et al., 2006; Minocha et al., 2006). One output from this programme is an instrument (E-SEQUAL) that can be used to integrate service quality into e-commerce design with the aim of improving the total customer experience, i.e. the sum of all experiences a customer has with an on-line or off-line store, from reading the store advertisements to shopping there to evaluating the experience afterwards. The research programme has also investigated how obstacles to the total customer experience can cause a breakdown in the relationship between customer and business, resulting in a loss of sales.

Factors that influence the customer to respond positively towards a shopping site, whether in an on-line or off-line setting, can be called 'attractors'. Attractors are the qualities of, for example, a product brand or experience that make them appealing to consumers. Attractors are important because they can play a significant role in the successful design of both on-line and off-line shopping environments.

The following three types of attractors have been proposed by the User Experience Strategy Group in the outline of their proposal for this research project:

1) Off-Line Attractors: Factors that influence the customer's choice of both the shopping channel (e.g. off-line store or mail-order catalogue) and supplier for browsing or purchasing.

Examples: Branding, advertising, product range, service provision, social factors (e.g. recommendations and peer-pressure).

2) E-Commerce Attractors: Factors that influence the customer's expectations towards e-commerce before they visit specific e-commerce sites.

Examples: Media reports on e-commerce, word-of-mouth, direct / indirect experiences with e-commerce environments.

3) On-Line Attractors: Factors that attract customers to particular e-commerce sites during the pre-purchase stage for browsing and information gathering and during the e-purchase stage for making a transaction.

Examples: Features of the home page, cues of trustworthiness, assurances of security, search facilities, information quality, ease of making transactions.

1.1.2 The Rise of On-line Music Stores

The digital music industry is experiencing a period of rapid growth. In April 2006, pop music history was made when the single 'Crazy' reached number one based on download sales alone (bbc.co.uk, 2006f). Sales of digital music have risen dramatically, in many cases even overtaking sales from traditional music stores. According to the International Federation of the Phonographic Industry, digital music sales rose from \$400m in 2004 to \$1.1bn in 2005 (Teather, 2006). Sales of digital music have subsequently doubled between 2005 and 2006 (bbc.co.uk, 2006b).

A major contributor to the success of the legal music downloads industry is Apple's iTunes music store. According to Nielsen Net Ratings, the iTunes website had 20.7 million unique users in December 2005; roughly 14 percent of the active Internet population at that time (nielsen-netratings.com, 2006).

The successful business model adopted by Apple involves charging consumers to download either single songs or entire albums through its iTunes music store. This success has been achieved against a background of stiff competition from the illegal download sites, and the store has had to overcome major technical and logistical issues. The rewards have made this worthwhile; the iTunes store sold more music than the 'bricks and mortar' Tower Records and Borders stores in the US in 2005 (Morris, 2006). Since it was launched in 2003, more than two billion songs have been downloaded from iTunes, that is on average 52 songs every second, making iTunes the world's 5th largest music reseller (bbc.co.uk, 2007).

If businesses understand why on-line music stores like iTunes have become so successful then they might be able to predict whether the factors that contribute towards this success could be applied to other e-commerce stores. Part of this understanding is based on defining what attracts customers to on-line music stores, and how these attractors affect their shopping behaviour.

With this in mind, this research project investigates;

- a) what attracts people to shop at iTunes, i.e. on-line and e-commerce attractors.
- b) what attracts people to shop at off-line music stores, i.e. off-line attractors.
- c) the relationships that exist between the off-line, on-line and e-commerce attractors that are found in the above a) and b).

1.2 The Aim of this Research

This research involves investigating the factors that attract consumers to both the iTunes on-line store and to off-line music stores. These attractors will then be categorised according to type. Further analysis will then be performed to determine the relationships between and amongst the attractors. There are four main stages to this investigation:

Stage 1: A review of literature that is relevant to this subject. The literature review will reveal potential attractors; these will be examined further in the second part of the investigation.

Stage 2: A study of consumer behaviour using questionnaires and semi-structured

interviews to discover what attracts consumers to the iTunes store and to off-line music stores.

Stage 3: Sorting the attractors according to how influential they are to consumers, using a technique called card-sorting.

Stage 4: Using inductive analysis to determine the relationships within and between the different categories of attractors.

One of the deliverables of this research is an empirically-grounded catalogue of attractors. This catalogue could be used by organisations planning e-commerce music sites when they are defining the strategy that they will use to promote their web site and to verify that they have addressed as many of the factors that will attract customers to their web site as possible.

1.3 The Research Question

The Research Question that will be addressed by this research is as follows:

What factors attract customers to shop at the iTunes on-line music store, and what is the relationship between these factors and the ones that attract customers to off-line music stores?

1.4 The Objectives of This Research

The high-level objective of this research is to deliver an empirically-based catalogue of attractors to music stores. An overview of the activities required to achieve this high-level objective are as follows:

Activity	What the activity involves
Perform a literature review	Reviewing the current literature on this area of research, i.e. literature about Human Computer Interaction, e-commerce and consumer behaviour.
Plan the research activities	Planning the activities that are required to take place to answer the research question, and then scheduling

	these actions, allocating resources and risk analysis.
Implement the research plan	Performing the data collection according to the plan, i.e. a questionnaire and semi-structured interviews, followed by a card-sorting exercise.
Analyse the data	Detailed analysis of the collected data and then analysis and interpretation of the relationships that exist in the data.
Present the results	Presenting the results of the analysis in the format of a dissertation.

Table 1: The activities involved in answering the research question

1.5 Summary

This chapter provided an introduction to some of the concepts involved in the domain of B2C shopping. It identified a research question that will be addressed in the dissertation, and outlined the activities that are required to answer this question. The literature review that follows explores these concepts in greater detail and begins to answer the research question by highlighting potential attractors from the literature.

2 Literature Review

2.1 Introduction

This literature review forms part of the research into music store attractors. The literature has been examined to see what potential attractors it identifies or suggests; these will be evaluated by conducting further research. If this research produces empirical evidence in their favour then their status as attractors will be confirmed. These potential attractors have been highlighted in the text of this chapter.

Each one of the papers reviewed here is important for various reasons; some identify, describe or study potential attractors, whereas others describe the research that has already taken place, providing a background to this research.

There is a large body of literature relating to the domain of on-line music stores. However, there is no literature available about research into attractors to on-line or off-line music stores. Five of the main themes that emerged from the literature are outlined below.

Theme	Importance of this theme
iPod and iTunes	The iPod is an extremely popular device for playing digital music; iTunes is the interface to the iPod and this makes the iPod an attractor to iTunes.
Music Sharing	Music sharing through publishing of playlists allows music fans to express themselves through their taste in music; this has potential to be an attractor.
Digital Rights Management	The costs and legality of digital music could be an important reason behind consumer choice of shopping channel and could therefore be an attractor.
Human Computer Interaction (usability, functionality,	Exploration of how HCI guidelines can enhance the user's experience of the electronic environment and

integrity and security)	therefore attract further use of that environment.
Consumer Behavior (in multi-channel shopping environments)	Exploration of the reasons behind consumer choice of a specific shopping channel for certain tasks could reveal what attracts a consumer to that channel.

Table 2: The Main Themes in the Literature Review and Their Importance

2.2 The iPod and iTunes

The iPod is the hardware accompaniment to the iTunes store and it is one of the design icons of the 21st century. Sales of the device now account for 63% of the MP3 player market (bbc.co.uk, 2007). Music downloaded from the iTunes store is formatted to be played on an iPod; this creates a unique market for Apple, bringing together a massive on-line music library and the device that is required to play this music. Due to their closely coupled nature, any discussion about iTunes attractors should also examine the iPod.

The 'captive' niche market factor is potentially an attractor – if iPods are the only (portable) devices that can play music downloaded from iTunes then this would have the effect of driving sales at iTunes because both items have a closely linked market.

Kahney (2005) describes how Apple Computers expanded their niche market by producing a device that was completely different from anything else available at the time, and how in doing so started a revolution in the way that people listen to music. He explains how the iPod changed music-listening behavior by providing the function of *shuffle* where songs are played in random order. The shuffle function results in unlikely combinations of songs, which causes people to listen to a wider range of music than they previously might have listened to.

The change in listening behaviour is featured in a few papers. McGuire et al. (2005) describe how shelf space in off-line music stores is limited, restricting the market

potential of these stores. They go on to comment that the advent of on-line stores has led to a widening of the market, and customers now have increased exposure to music that traditional shops would simply not have space for. Jackson et al. (2005) propose that music downloading has not displaced purchasing of CDs or attending concerts, but rather acts as a 'sampler' for people to try different types of music out. They comment that this leads to wider exposure to different types of music and drives sales of music that might not have received comparable exposure in a traditional setting. The extended variety available to on-line consumers has enlarged the potential market; this is a very good reason why music vendors should have a well-developed on-line strategy.

*The **ability to easily find unusual types of music** is potentially an attractor because consumers might take advantage of this functionality on-line rather than struggling to find something at an off-line store.*

*The **ability to download single tracks** instead of entire albums is also a potential attractor because consumers can spend less money to get a wider variety of music and because they can choose to only download the songs that they like.*

Hitchman (2004) argues, however, that an 'a la carte' approach to downloading could lead to a decline in music sales because consumers are purchasing single tracks rather than whole albums.

Much has been written about the design of the iPod. Kahney (2005) describes how the iconic white headphones and striking advertising campaigns created an instantly recognisable brand that is aspirational and fashionable. This appeal has led to an almost fanatical following; iPod fans have produced adverts with their own money to promote the devices, and Professor Michael Bull of Sussex University is also known as 'Professor iPod' for his knowledge about the impact of personal music devices on society (Kahney, 2005). The iPod is one of the most accessorised modern devices; products ranging from solar stations for battery re-charging to diamond-encrusted covers and iPod sunglasses are available. Kahney (2005) even proposes that word iPod is now used to describe portable digital music devices regardless of the brand,

in the same way that 'Walkman' is used to describe a portable cassette player.

*The **fashion appeal of iPods** is a potential attractor because people are attracted to items that are fashionable. Increased sales of iPods would also result in an increase in iTunes users because of their inter-related nature.*

Kahney (2005) discusses how their extreme 'fashionability' has generated huge volumes of sales of the devices, and how this will inevitably lead to a backlash of anti-iPod sentiment. He warns that Apple need to continually release new devices with novel functionality to stay one step ahead of the game or the iPod will risk losing its status as a cutting edge 'must-have' product. Evidence that Apple are taking such advice seriously can be observed in a development that combines Apple's iPods and Nike's running shoes; the resulting product is a digital music player that displays how far the owner has run and how many calories they have burned (bbc.co.uk, 2006a).

Swatman et al. (2006) performed research into the changing digital content business models, based on studies of European on-line news and music sites. This research focuses on how technologies and businesses can be linked in new ways that provide new value to both businesses and music fans. An obvious example of this is iTunes, where Apple provides a 'front-end interface' to many different record company products (e.g. songs, albums and videos), to the advantage of both parties. The European recording industry accounts for one third of sales worldwide. The International Federation of the Phonographic Industry (IFPI) notes that by October 2005, physical music sales (CDs etc.) were in decline, but sales of digital music had tripled in that year and now account for 6% of total music sales in Europe. Swatman et al. (2006) note that most of the growth in this area is driven from sites provided by companies that are not usually associated with music sales, e.g. Apple.

Researchers from the Berkman Centre (2004) produced a white paper reviewing the complex relationship between copyright, artists' contracts and technology, using iTunes as a case study to examine how the iTunes business model relates to the changing legal positions that are in place throughout the world. This research finds

that the iTunes business model has not made a significant impact on the revenue streams that exist between record companies and artists, however this research was completed in 2004, and the position has changed since then. It concludes however that iTunes might benefit some artists in other ways; independent artists can make their songs available on-line more easily than they can in off-line stores, and the search functions and recommendations feature of iTunes make it easier for consumers to find lesser-known artists than it would be in an off-line store.

The ability to listen to songs on iTunes before purchasing them means that new music has gained wider exposure to the market. Data from iTunes shows that 95% of all items in the store have been downloaded at least once, and this proves that consumers are interested in music that is made by lesser-known artists.

*The **ability to listen to songs before buying them** is potentially an attractor because 'try-before-buy' reduces the risk of the consumer buying something that they then discover they do not like.*

List of potential attractors from this section:

- *A niche market for diverse and unusual types of music*
- *Ability to buy single tracks instead of entire albums*
- *Ability listen to songs before buying them*
- *Fashion appeal of the iPod*

2.3 Music Sharing

Most of the authors of literature in this review were positive about the way that the music sharing functionality offered by iTunes can improve music sales. One of these functions is the playlist in which users can publish a list of tracks of their choice, which other people can then vote for. This feature is called 'iMix' and is very popular (1,057,413 playlists were published and 5,345,540 iMix votes were cast at UK iTunes as of 7 March 2007). McGuire et al. (2005) discuss how user recommendations and playlist publishing tools encourage creativity by allowing music fans to express themselves through their taste in music. This expression used to manifest itself in

the making of mixed cassettes or CDs centred on themes or feelings that were difficult to express verbally.

The convergence of business benefits and consumer interest is an important factor in the success of the on-line music industry. McGuire et al. (2005) predict that by 2010, 25% of on-line music store purchases will result from a consumer-to-consumer recommendation or published playlist. The phrase 'viral marketing' refers to marketing techniques that make use of existing social networks to hugely increase awareness of a particular product or brand. This awareness spreads like a virus; it is delivered on-line and by word of mouth, exploiting the instant network effect of the Internet. This extremely effective way of reaching many people very quickly for very little cost has been implemented by on-line music stores in the form of playlists.

***Playlists** are potentially an attractor because they allow iTunes users to express themselves using music compilations; these compilations can be published on-line, enabling other iTunes users to see them and to give them a rating. Playlists with the most votes become more prominent; this type of interaction enables iTunes users to feel as if they are part of a community rather than simply consumers.*

Some discussions centre on the sociological and cultural aspects of music sharing. Recent research into music sharing (Jackson et al., 2005) found that one of the main features used by early adopters of digital music was the ability to share music and 'develop social practices surrounding music' (page 11). They also discuss how mix tapes were used to establish and maintain social bonds with other people. Although the technology used today is different this practice still remains, and a logical extension of it is the playlist. Playlists are used extensively by iTunes users to compile collections of music and share these with others.

Voida et al. (2005) propose that although people readily form judgments about other music sharers according to the playlists that they create, these judgments are easily overcome and do not obstruct the creation of a sense of on-line community. This sense of community amongst music consumers can be fostered by satisfying their need to share music that they like. Therefore music sharing has cultural benefits that

highlight the value of music. An investigation into music sharing by McGuire et al. (2005) found that 25% of on-line music consumers think that the ability to share music with others is an important factor in choosing an on-line music service. It also found that 10% of on-line music consumers will make purchases based on recommendations that others have made within a web site.

*The **ability to share music** is potentially an attractor because it allows iTunes users to listen to other users' music; this will give them an insight into that user's taste in music and likewise can express individuality to others. This compliments the commercial functionality that is offered by iTunes, and could result in consumers, particularly fans of music, selecting iTunes over other music stores that do not offer this functionality.*

In a study of users of iTunes and KaZaA (a site that used to offer free music), Mannak et al. (2004) show that social visibility plays a more important role in music sharing to iTunes users than to KaZaA users. This suggests 'that iTunes users are more sensitive to social factors than KaZaA users' (page 62). The limitations of this study are that it used a very small group of participants and that it took place at the participant's place of work. This research into music store attractors will complement the studies of both Mannak et al. (2004) and McGuire et al. (2005) by investigating whether music sharing attracts consumers to iTunes.

List of potential attractors from this section:

- *Playlists*
- *Ability to share music*

2.4 Digital Rights Management (DRM)

Swatman et al. (2006) propose that the Internet has changed the record company's position within the music industry because artists are now able to sell their product directly to the consumer. This forces the record companies to re-negotiate existing contracts with artists for the right to sell digital copies of their work, and forces them to form joint ventures with suppliers of distribution technology so that they can get the digital music to the on-line market. Once available in digital format however, this

product is easily copied and transferred to others, circumventing payment to the record companies. This is one of the major problems faced by the entire music industry.

Jackson et al. (2005) comment that music DRM often conflicts with the way people want to be able to use and share music. Their paper argues that the introduction of iTunes and iPods, combined with the highly-publicised criminal proceedings against illegal downloads, has made a huge contribution to the awareness of legal download sites and that this in turn has driven traffic to and increased sales made at legal sites like iTunes.

Legality of downloads is a potential attractor because many consumers want the legal protection that paying for music provides. This means that these consumers would choose a paid-for music store over a free one.

Premkumar (2003) discusses how the 'Big 5' (Sony, Warner, Universal, BMG, and EMI) record companies' control of the music industry is being challenged by the availability of free downloads over the Internet, concluding that the success of digital music distribution strategies depends on several issues:

- DRM and copyright: Premkumar suggests that the level of illegal downloads and copying is at least the same size as the legal music industry. A prime consideration in dealing with copyright is flexibility; if digital rights are managed too rigidly then the consumer will move elsewhere.
- Communications infrastructure: Premkumar proposes that the success of any distribution method relies on the ability of its infrastructure to deliver content in a reasonable time, with high regard for security of consumer data and at a low cost to the vendor. Premkumar comments that broadband goes a long way towards addressing these issues.
- Pricing structure and payment strategy: Premkumar proposes that the price of digital music should be competitive enough to entice consumers away from free services like Napster and KaZaA. Premkumar raises the concern that the ability to download single tracks will affect the sales of CD albums, and

suggests that payment structures should take the teenage market into account.

*The **competitive pricing structure** is a potential attractor because the price of goods is very important to consumers. Single tracks are available to download from iTunes for 79p each; this could attract consumers to buy them on-line because they are cheaper than the off-line price of around 99p, for example at Woolworths.*

***Ease of payment** is also a potential attractor; if it is easy to buy music on-line then it is likely that consumers will take advantage of this. There are other factors that influence this, for example the security involved in processing on-line transactions and the refund policy of the on-line store could negate any potential benefit that ease of payment provides.*

Miller (2004) comments that illegal downloads are not necessarily a bad thing; sometimes when songs are downloaded illegally the downloader forms a liking for the artist and will start to buy albums and attend concerts, all of which would not have been possible without the initial free introduction.

Not everybody is positive about iTunes either; Hitchman (2004) complains that the iTunes business model is being held as the only viable solution for distribution of digital music and that other solutions do exist. None of the research that has been discussed took a user-centred approach to find empirical evidence regarding attractors to music stores.

List of potential attractors from this section:

- *competitive pricing structure*
- *ease of payment*
- *legality of downloads*

2.5 Human Computer Interaction (HCI)

There are numerous papers that place emphasis on the importance of HCI as a contributing factor towards a satisfactory e-commerce experience. Kuo et al. (2004) propose that HCI is the most important factor, distilling on-line shopping down to a 'series of complex human-computer interaction and decision-making processes' (page 713). Vrechopolous et al. (2004) propose that HCI and interface design are the most crucial factors influencing the effectiveness of e-commerce. Brown et al. (2006) propose that trust in the reliability of a web site and the extent to which its user interface engages the user are strong predictors of on-line purchase intent. They propose that the 'golden rules' of HCI design (below) is a checklist of essential elements for a design to conform to standards.

Consistency
Access to shortcuts
Quality of information feedback
Prevention and handling of errors
Presence of closure seeking dialogue
Ease of action reversal
Reduction of short-term memory load
Ease of navigation

Table 3: The 'Golden Rules' of HCI Design

Poor functionality can have a huge impact on sales; recent studies into retail web page response times have shown that the average maximum time that consumers will wait for a page to load is 4 seconds, after which they might abandon the site and move on elsewhere (akami.com, 2006).

ISO 9241:11 defines usability as the "extent to which a product can be used by specified users to achieve specified goals with effectiveness, efficiency and satisfaction in a specified context of use."

Usability in terms of HCI involves the implementation of processes to ensure or improve the ease of using software interfaces. Techniques that can be used to

enhance usability include usability goals, design guidelines, heuristic evaluations, cognitive walkthroughs, usability testing, participatory design and field studies (Brown et al. 2006). If these techniques are applied to on-line stores they will enhance the end-user experience; this could result in repeat visits and potentially in increased sales. The usefulness of these design guidelines could be supplemented by a catalogue of attractors.

***Functionality** is a potential attractor; the on-line store should offer the consumer functionality that enables them to achieve their goals (e.g. purchasing music) in a way that is easy and intuitive, error-free, and consistent. A good combination of these factors should result in an enjoyable experience that the consumer will want to repeat.*

Brown et al. (2006) propose that web site credibility is of prime importance in high growth organisations; this is because consumers may not recognise the company name or products and therefore require confirmation that the web site is trustworthy and usable. They suggest that the sum of a web site's credibility consists of the following:

- presumed credibility (which is based on broad assumption),
- reputed credibility (based on third-party approval and reports)
- surface credibility
- earned credibility

Surface credibility is derived from first impressions and basic assessment; this is where HCI elements such as visual design and ease of navigation have most impact. Earned credibility will only be present after a few visits to the web site because it is an incremental value that is derived from HCI elements such as trouble-free interactions, a service that is quick to respond, and the presentation of personalised site information.

Oppenheim et al. (2006) present further evidence of the importance of credibility; on-line stores have changed their approach from simply presenting product information to including service information, for example testimonials and reviews from active customers. This approach can improve the reputed credibility of the web

site and can also remove some of the doubt that new customers might have. They comment that it is easy to draw instant conclusions about the credibility of off-line stores by looking at how clean they are, how the goods are presented and what the staff look like. This cannot be done on-line, that is why it is so important to reinforce surface credibility by using strong brand images and by clearly declaring any guarantee and refund policies. They go on to say that earned credibility can be improved by using discussion groups or email alerts to inform users about new products; these methods can generate return visits to the web site.

***Credibility** is a potential attractor because it allows consumers to feel confident that no negative repercussions will result from using the on-line store. **Integrity** is also a potential attractor because consumers will generally be more comfortable shopping at an on-line store that they trust, and if they feel comfortable they may stay in-store for longer, which in turn increases the potential that they will buy something.*

Kim et al. (2000) propose that customer loyalty should be one of the most important goals for an on-line company because an on-line store's value is based on its total number of loyal customers. They propose that the level of trust which a customer has in a web site has an influence on customer loyalty therefore it is vital that issues of credibility are addressed.

Constantinides (2004) proposes that shopping on-line is a more complex activity than shopping in off-line high street stores but that the two are closely linked. He comments that a consumer's attitude towards an on-line company is based almost entirely on their on-line experiences with that company, which means that the quality of the on-line experience is very important. The perceptions of on-line shopping that are held by a consumer are mostly gained from their interactions with web sites. Poorly designed or inadequately functioning web sites can lead to a bad impression, which in turn could have a negative impact on the company's on-line as well as its off-line stores. It has to be stated that the converse holds true; a positive impression of an on-line store can result in consumers visiting that company's off-line store. Cheung (2005) proposes that a negative impression can, however, be a lot more powerful and could last longer than a positive one. That is why it is so

important that the consumers' on-line experience is satisfying.

Constantinides (2004) proposes that traditional marketing tools can help to drive on-line sales. However, the creation and delivery of a satisfying on-line experience should be the prime objective. He says that the three main factors involved in building a satisfying on-line experience are functionality, psychological elements and content:

1. Functionality is very important; a 'dysfunctional' web site will often turn customers away, especially if they want to save time by shopping on-line.
2. The psychological elements are integrity and credibility; these put the consumer at ease and build a sense of trust and goodwill towards the store.
3. The web site content should be a considered mixture of creative and marketing elements in order to appeal to the aesthetic values of the customer and to provide targeted information about products or services.

Content is a potential attractor because it is one of the fundamental factors that differentiate the various types of on-line stores from each other. On-line music stores are aimed at people who like music; the design and content should reflect this. If the content appeals to consumers who like music then they will enjoy the experience of using the store and will be more willing to return to the store in the future.

List of potential attractors from this section:

- *Functionality*
- *Integrity*
- *content*
- *credibility*

2.6 Consumer Behaviour

Consumer behaviour encompasses the reasons why customers buy, their choice criteria, and when how and where they buy. The phenomenal growth of B2C e-commerce is largely due to the availability of broadband combined with changing consumer behaviour, the result of which is that many more people now access on-

line shopping sites from home. Oppenheim et al. (2006) comment that the main reason consumers used to give for shopping on-line was lower prices; this has now changed to convenience.

Studies of consumer behaviour enhance our understanding of how e-commerce web sites are used. Van Dijk et al. (2006) argue that studies of this type can generate guidelines to improving the usability and effectiveness of e-commerce web sites. They propose that a model of customer purchase and consumption behaviour is very useful because it can be applied in the web site design and development phases and may lead to improved usability and a more satisfying e-commerce experience.

Consumer behaviour has been modelled in various ways; Kuo et al, (2004) suggest that the complexity of these models is dependent on the product in question. They propose that the customers' decision-making process involves the following five stages:

- Identification of need
- Brokering of product and merchant
- Negotiation
- Purchase
- Delivery and evaluation

The breaking down of the product consumption process into phases is a useful way of looking for the attractors at each of these stages, e.g. in the delivery stage, receiving goods by mail as opposed to actually visiting a shop could be an attractor.

Minocha et al. (2004) conducted research into aspects of e-commerce that have a negative impact on consumer behaviour; these aspects can be called obstacles and they often result in customers abandoning their current on-line activities. In their research, a catalogue of obstacles was developed and some of these obstacles were divided into categories that can be applied to the various stages of an e-commerce experience, as outlined in their Purchase and Consumption Model. This model consists of seven stages, each stage describes the e-commerce experience activities at a certain point, and the sum of all the stages is the Total Customer Experience (TCE). There is clearly scope here for identifying the opposite to these obstacles; this gap in the existing literature will be addressed in part by performing this research

into music store attractors.

Van Dijk et al. (2006) present further research into consumer behaviour in an study of how consumers move between on-line and off-line channels when searching, costing and purchasing travel transactions. They propose that the utilisation of more than one channel during the e-commerce experience has become routine as consumers look to different channels to deliver their requirements.

*The benefits that a **multi-channel environment** offers could be a potential attractor to e-commerce because they provide flexibility and choice to the consumer, e.g. if a consumer had a product in mind they could browse it at the on-line store and then purchase it at the off-line store. Alternatively they could view the physical item at the off-line store and then order it from the on-line store.*

Some of the factors that contribute towards the success of a web site are listed below (Van Dijk et al., 2006):

- Ease of use
- Effectiveness of the search
- Usefulness
- Shopping enjoyment offered by the web site
- Quality of information
- Trust in the web site
- Technical performance of the web site
- Perceived service quality
- Perceived risks
- Consumer satisfaction and involvement

Some of these factors have already been highlighted as potential attractors (e.g. trust in the web site or credibility). Other potential attractors are:

- **Ease of use**; *if a store is easy to use then consumers will want to return*
- **Enjoyment**; *if the shopping experience is enjoyable then consumers will want to repeat it.*
- **Effectiveness of search**; *if consumers can find what they are looking for easily then they will have a favourable impression of the store and this makes it more likely that they will return to it.*

George (2004) proposes that consumer behaviour is directly influenced by the confidence of the consumer. Analysis of research into the security of private information revealed that nearly a third of consumers are worried about the security of their personal information, and nearly three quarters are 'extremely concerned' (page 198) about what happens to their private information after making a purchase on-line. The result of these concerns is that some consumers are reluctant to make further purchases on-line. The research involved using the Theory of Planned Behaviour (TPB), formulated by Azjen, I. (1991). Central to TPB are two main areas of focus: people's attitude towards certain behaviour, and the amount of behavioural control they perceive that they have. Applying TPB to on-line purchasing, George (2004), proposes that if consumer confidence in performing purchasing tasks is high this has a positive effect on their purchasing behaviour. He also proposes that if a consumer feels that their personal information will remain private and secure that this has a positive effect on their attitude towards on-line purchasing.

This research is important because it deals with factors that directly influence the overall success, and therefore profitability, of e-commerce businesses. Consumers who are confident to use a web site and who feel that their private information will remain secure will have a more positive attitude towards buying on-line, and this will positively affect their purchasing behaviour. Therefore it is important that web sites are designed with this in mind.

Consumer confidence at on-line stores results when various factors are present, i.e. when there is good security, when there is good privacy and when the store is perceived to have integrity. These factors have already been highlighted as potential attractors. However, other factors influence consumer confidence, for example **media reports, experiences of other consumers and advertising**. These factors all contribute to the confidence that consumers have in a store and the potential that they will use the store. Therefore they are all potential attractors.

Chen et al. (2004) examine consumer behaviour, discussing how an understanding of the factors that influence consumer uptake of on-line stores will lead to more effective strategies for these stores. This paper refers to other studies which show that a consumer's gender, income level, experience in using computers and usage of other home-shopping channels all influence the probability that they will shop on-line. The researchers used the Technology Acceptance Model (TAM) (formulated by Davis F.D., 1986) which proposes that system use is based on perceived usefulness and perceived ease of use. TAM is an influential theory that is used to explain adoption of new technology and predicting systems use. Systems use can be a valid indication of how successful an e-commerce site is; frequent use of a site (for browsing, comparing prices etc.) has been shown to improve the purchasing behaviour at that site. If large numbers of people visit a web site this increases the potential to generate advertising revenue from that site, and this is a very important factor in e-commerce.

Chen et al. (2004) propose that e-commerce providers need to address the obstacles that reduce consumer motivation to shop on-line. Five critical success factors (CSFs) were identified, with the aim of focusing e-commerce providers on the most important areas that will enable them to succeed. To develop these CSFs the researchers gained the opinions of industry experts, and they reviewed a large number of B2C e-commerce literature and case studies. The CSFs are detailed below:

- 1. Product offerings:** Consumers expect on-line stores to have a wider range of products than off-line stores and they expect lower costs.

2. **Information richness:** The quality of information about products and also the extent to which consumers can compare products contribute to the success of e-commerce.
3. **Usability of storefront:** Effective user interface design has a large impact on the 'perceived ease of use and productivity of users' (page 6). Highly usable web sites result in consumer acceptance and therefore enhance the viability of the on-line store.
4. **Perceived service quality:** This is the 'discrepancy between what customers expect and what customers get' (page 7); if perceived service quality is high then customer satisfaction and retention of customers is improved. High service quality 'reduces the effects of perceived risk, cost to switch and relative price, thus creates more loyal customers' (page 7).
5. **Perceived trust:** This involves personal information privacy and security of personal data; consumers are still not confident about giving out financial information on-line, therefore on-line stores should demonstrate their 'commitment to superior data security technologies' (page 8).

The findings presented by Chen et al. (2004) focus on obstacles; there is scope to complement these findings with the research into attractors.

Some of these factors have already been proposed as potential attractors (e.g. trust). Other potential attractors from this list are as follows:

- **Product offerings** – *if the store has a wide range of products then consumers know that they are likely to find what they are looking for.*
- **Information richness** – *the right amount of information about products should be offered so that consumers are able to make decisions about purchases. If rich information exists consumers are more likely to be able to make decisions about purchasing than if there was poor information.*

List of potential attractors from this section:

- *Product offerings*
- *Information richness*
- *Multi-channel presence*

- *Consumer confidence to perform shopping tasks*
- *Ease of use*
- *Enjoyment*
- *Effectiveness of search*
- *Advertising*
- *Experiences of other consumers*
- *Media reports*

2.7 Summary

This chapter has described a representative selection of literature and this provides a background to the research question. A few areas have been identified where there are gaps in the existing literature. The findings of this research into music store attractors will address the fact that there is a lack of literature available about research that employs a user-centred approach to elicit empirical evidence about attractors to on-line and off-line music stores. It will also address the gap in existing literature regarding research into consumer expectations between off-line and on-line music stores.

The literature review found many references to potential attractors; a summary of these is presented below, along with the type of attractor it is and the author of the literature it was derived from.

Attractor (type of attractor)	Derivation
A niche market for diverse and unusual types of music (off-line)	Kahney, 2005; McGuire et al., 2005
Ability to buy single tracks (off-line)	Jackson et al., 2005
Ability to listen before buying (on-line)	Jackson et al., 2005; Berkman Centre, 2004
Fashion appeal of the iPod (off-line)	Kahney, 2005
Availability of playlists (e-commerce)	McGuire et al., 2005
Availability of music sharing (e-commerce)	Jackson et al., 2005; Voda et al., 2005
Competitive pricing structure (e-commerce)	Premkumar, 2003
Ease of payment at an on-line store (on-line)	Premkumar, 2003

Legality of downloading music (e-commerce)	Jackson et al., 2005
Functionality offered on web site (on-line)	Brown et al., 2006
Integrity of the web site business (on-line)	Constantinides, 2004
Content in the web site (on-line)	Constantinides, 2004
Credibility of the web site (on-line)	Oppenheim et al., 2006
Wide range of products on offer (e-commerce)	Chen et al., 2004
Information richness (e-commerce)	Chen et al., 2004
Ease of use (on-line)	Chen et al., 2004; Van Dijk et al., 2006
Effectiveness of the search (e-commerce)	Chen et al., 2004; Van Dijk et al., 2006
Enjoyment of using the store (on-line)	Van Dijk et al., 2006
Multi-channel offerings (off-line)	Van Dijk et al., 2006
Consumer confidence (on-line)	George, 2004
Advertising (off-line)	George, 2004
Media reports (off-line)	George, 2004
Experiences of other consumers (off-line)	George, 2004

Table 4: Summary of the attractors proposed from the Literature review

The next step in answering the research question is to examine these potential attractors to establish if there is empirical evidence for them. This examination was conducted according to the methods discussed in the following chapter.

3 Research Methods

3.1 Introduction

All participants in this research were selected in the knowledge that they are music consumers. The research followed the ethos of a user-centred design approach, which involves direct interaction with users. Careful planning was required to ensure that this interaction focussed on collecting data that could be used to answer the research question. This chapter describes the methods used to facilitate this interaction and then organise, analyse and interpret the rich data that was generated.

	Method	Summary of reasons for using this method
1	Questionnaire	To set the focus of the interviews, i.e. to gain some initial insight into potential attractors. This addresses stage 2 of section 1.2.
2	Semi-structured interviews	To provide a more detailed understanding of the reasons behind decisions made about music shopping – analysis of this data will provide a list of attractors. This addresses stage 2 of section 1.2.
3	Card-sorting	To arrange the attractors according to how significant they are to consumers. This addresses stage 3 of section 1.2.
4	Inductive Analysis	To establish what relationships exist between the attractors. This addresses stage 4 of section 1.2.

Table 5: Summary of research methods used

There is a logical flow of data between the various research methods; this is shown below.

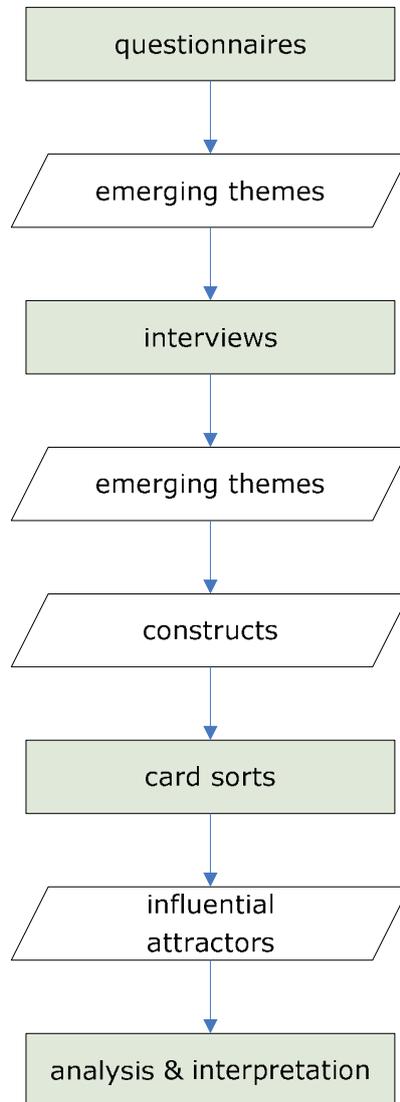


Figure 3.1 The logical flow of data between the various research activities

3.2 Questionnaire

Questionnaires have been used to determine consumer responses to shopping, at both e-commerce sites (Cai and Jan, 2003; Khalifa and Limayem, 2003; Mannak et

al., 2004; Ramus and Nielsen, 2006; Telzrow et al., 2003) and in traditional, off-line stores (Goldsmith and Flynn, 2005; Rintamaki et al., 2006). Questionnaires based on literature surveys and responses from preliminary case studies have been used in research that focussed on evaluating on-line music business models (Swatman and Kreuger, 2006). This approach is precise; participants are given a limited choice of possible answers from which to choose. This means that the answers that are gathered are objective and quantitative.

In this research, a questionnaire was used to establish some initial insight into the different types of attractors, how they affect each other and how they relate to music shopping in both on-line and off-line channels. The approach taken was as follows:

1. A questionnaire relating to potential attractors (e.g. the attractors elicited from the literature review) was compiled.
2. The questionnaire was published on-line at www.zoomerang.com (who provide a free service for basic on-line surveys).
3. Three participants were invited to fill out the questionnaire as a pilot, and provide feedback about the questions.
4. Basic analysis was performed on the results, taking into account the feedback from the pilot. This analysis showed that not enough focus was being placed on attractors because very little information about attractors had been elicited. This demonstrates the value of using a pilot study to ensure that the main study has the correct focus and elicits useful information. The questionnaire was subsequently re-worked to focus more on attractors.
5. The questionnaire was re-published on-line for 10 days (see Appendix A).
6. Fifty music store users were invited to complete the questionnaire.

The introduction to the questionnaire contained assurances that all participants would remain anonymous, and that their privacy would be respected at all times.

There were a total of 39 responses to the questionnaire, 49% of the respondents were female, and 44% were between 28 and 39 years old. All respondents have shopped on-line, and 77% have purchased music on-line.

3.2.1 Analysis of the Questionnaire Results

Basic analysis was performed on the questionnaire results; this indicated what the main areas of interest were. These areas were investigated further in the semi-structured interview phase. For example, the questionnaires revealed that 'ease of use' had an average top rating in the question about what people like about iTunes. Further focussed questions were then asked about 'ease of use' in the semi-structured interviews to determine whether it is actually what people like most about iTunes. Further information about the results of the questionnaire can be found in Chapter 4.

3.3 The Interviews

The interviews generated rich qualitative data that was used to supplement the quantitative data generated from the questionnaires. Qualitative research investigates the 'why and how' of decision making. This type of data is useful because it provides an insight into why people hold the opinions that they have, instead of simply revealing what their opinions are. It can also reveal the reasons behind certain opinions and decisions; this can be useful when it comes to analysing the relationships between types of data. For example, in a questionnaire people might indicate that they are not interested in listening to music before they buy it in off-line stores. However, if the same people were interviewed, they might say that they would like to listen to music in off-line stores but they do not because they find it embarrassing to approach a sales assistant for help.

The use of interviews to discover more about the experiences of shopping is well documented (Hughes, 2006; Minocha et al., 2005; Ramus and Nielsen, 2005; Volda et al., 2005). Semi-structured interviews focus on specific areas to guide the interviewees within the subject boundaries (Volda et al., 2005) where some key points relating to social issues around music sharing were raised through 'off the cuff' statements from the interviewees. These points would not have been raised if questionnaires had been used. Open-ended interviews have been used to gather preliminary information for case studies; this information was subsequently used to provide insight and guidance towards further in-depth interviews (Swatman and Krueger, 2006).

Interviews containing only four questions have been used to gather data about very specific areas of interest (Mannak et al., 2004). In this study, interviewees were asked to discuss their initial responses and during this process the interviewer gathered some very rich data relating to the interviewee's emotional response to music sharing. Bhattacharjee et al., (2003) propose that this is an important factor because music can be seen as an 'experienced good...whose true value is realized only after its consumption' (page 300). Taste in music is a very personal thing; a passion for specific types of music forms a large part of the identity of many people. Semi-structured interviews are a good method to use for capturing this emotional intensity.

It was originally planned to use Laddering interviews; a discussion about how Laddering interviews were used and subsequently discontinued can be found in Appendix E.

3.3.1 Semi-structured Interviews

Semi-structured interviews can be used to collect qualitative data where the interviewee has time and scope to talk about their opinions on a particular subject. These type of interviews use open-ended questions; some are suggested by the interviewer, for example "What do you like about iTunes?", and some questions arise during the interview as a result of previous answers, for example "You said that you like HMV stores the most, can you tell me why?"

Some of the limitations of this type of research are that they can be time-consuming, and the interviewer has no idea if the interviewee is being completely honest. One way of dealing with this problem is to ask questions around a main theme, so that the theme is approached from different angles. It can be useful to come back to certain questions to determine if the response is the same both times or not. The advantage of using this type of interview is that it produces rich data because people are able to talk about something in detail and in depth. It is also a good way of establishing rapport between interviewer and interviewee, and this helps to gather data about things that cannot be observed, e.g. how people feel about something. Another advantage is that complex concepts can be discussed and clarified; the interviewer can probe areas that are suggested by answers to previous questions.

The semi-structured interviews were divided into 3 parts; the first part focussed on off-line music stores, the second on on-line music stores in general and the third was about iTunes. The questions were focussed on attractors; a full listing of the script that was used can be found in Appendix B.

Twenty people took part in the semi-structured interviews; nine of these participants were female and eleven were male. All participants were between 19 and 45 years old, and nineteen of the twenty participants are regular users of both iTunes and off-line music stores. All interviews were conducted in accordance with the Open University ethical guidelines; more information about how these guidelines were implemented is available in Appendix G. The transcribed interviews were analysed using the method described in the following section.

3.3.2 Analysis of the Interviews

The data generated from the interviews was analysed using inductive analysis. Thomas (2003) comments that the main purpose of using this method is to 'allow research findings to emerge from the frequent, dominant or significant themes inherent in raw data, without the restraints imposed by structured methodologies' (page 2) which can result in key themes being 'obscured, reframed or left invisible because of the preconceptions in the data collection' (page 2).

The process of analysis took place as outlined below:

- 1) The raw data was condensed by editing and transcribing interview recordings.
- 2) The data was grouped according to themes that:
 - a) appear frequently
 - b) are dominant, i.e. immediately obvious
 - c) are significant, i.e. correspond with potential attractors or reveal new attractors
- 3) The groupings of data were used to construct attractors.
- 4) The attractors were grouped into the categories that were presented in the outline to this research, i.e. off-line, e-commerce and on-line attractors.
- 5) The attractors were printed out on paper cards.
- 6) Participants were asked to sort these cards as outlined in the following section.

3.4 Card-sorting

Card-sorting is a technique used to explore how people group items in which concepts are sorted into logical groups by various participants with the aim of structuring knowledge (Wagner et al., 2005; Van Dijk et al., 2006). Card-sorting uses actual domain users to group themes in ways that are meaningful and useful to them, and as such is a valuable technique for showing how these users think.

Upchurch et al., (2001) propose that card sorts provide an effective visual method of 'eliciting measures suited to abstract and novel situations' (page 89); this makes it an ideal method to provide some structure to the data gathered in the interviews.

There are many benefits to using this technique; it is cheap, it is easy to understand and implement, it extracts groupings without directly asking participants, it identifies items that are likely to be difficult to categorise and it identifies language that is ambiguous. Questionnaires can be limited because participants sometimes respond in a way that they think the interviewer wants them to instead of how they really think, and also what they believe instead of what they actually do. Card-sorting avoids these issues because it replaces direct questions with the sorting exercise, allowing participants to come to their own conclusions.

The strongest or most influential five attractors of each the *on-line*, *off-line* and *e-commerce* type were identified. This was achieved by implementing a card sort in which each card had an attractor printed on it. The card-sorting exercise took place in the following way:

1. The attractors identified in semi-structured interviews were printed on cards which were numbered on the back.
2. Participants were asked to identify their five most significant cards from each type of attractor.
3. Participants were asked to arrange each of the five cards into strongest to weakest order (i.e. in order of how significant the attractor was to the participant).
4. Participants were asked to briefly describe why the most significant attractor from each category was important to them.

5. Each response was allocated points ranging from 5 (most significant attractor in a group) to 1 (least significant attractor in a group). These numbers were plotted on a spreadsheet.

The participants were assured that they would remain anonymous and that their privacy would be respected throughout the subsequent analysis and presentation activities. Fifteen of the original semi-structured interview participants took part in the card-sorting exercise. The card sort data was analysed using the method that is outlined in the following section.

3.4.1 Analysis of the Card Sort

The most influential attractors were elicited by arranging them according to the number of points they attained during the card sort. The end result of this analysis is a list of the most influential attractors of each the on-line, off-line and e-commerce categories, as presented in Chapter 5.1.

Further analysis demonstrates how the attractors relate to each other. The method used to perform this analysis is outlined in the following section.

3.5 Analysis of the Relationships between Attractors

Following the elicitation of the most significant attractors, an impact analysis was performed on the relationships that exist between attractors. One of the aims of this analysis was to determine whether experiences and expectations that consumers have from off-line music stores are applied to on-line stores. Questions that were applied during this process were:

- *Are consumer expectations that are formed by off-line attractors addressed or catered for on-line?*
- *Are consumer expectations that are formed by e-commerce attractors addressed or catered for on-line?*
- *What impact do off-line attractors have on e-commerce and on-line attractors?*

To perform this analysis, the transcribed interviews were examined for references to the attractors. The aim of this was to highlight comments that provide insight into the relationships, for example if a participant specified that 'iTunes is easy to use' as an attractor and had also identified that 'ease of payment at an on-line store' was an attractor then a link can be established between these two attractors. The outcome of this analysis demonstrates the nature of the relationships that exist between attractors and highlights the importance of using a holistic approach to implement them.

3.6 Summary

This research employed a user-centred approach to elicit empirical data about consumer behaviour. This chapter outlined the methods that were used to collect and analyse data that was used to answer the research question posed in Chapter 1.3. The following chapter presents the most significant data that was elicited by implementing these methods. It also presents some analysis and interpretation of this data.

4 Empirical Findings

4.1 Introduction

The purpose of this chapter is to present an answer to the research question that was posed in Chapter 1.3: *“What factors attract customers to shop at the iTunes on-line music store, and what is the relationship between these factors and the ones that attract customers to off-line music stores?”*

An answer was obtained by implementing methods outlined in the previous chapter to elicit the attractors, and then by analysing and interpreting the relationships that exist between these attractors.

4.2 Elicitation of the Attractors

The questionnaires were analysed to discover what the main themes were, as outlined in Chapter 3.1.1. A full list of these themes can be found in Appendix F.

The themes were then used to base semi-structured interviews upon, as outlined in Chapter 3.2. The interview transcriptions were then examined to elicit themes relating to attractors. A full listing of these themes can be found in Appendix F.

The subject of each theme was summarised; these summaries describe the attractors. The attractors were categorised into off-line, e-commerce and on-line types. A card-sort was then implemented; the aim of this was to elicit information about the influence that attractors have on consumers.

4.2.1 The Off-Line Attractors

Off-line attractors influence the customer’s choice of both the off-line shopping channel (e.g. off-line store or mail-order catalogue) and supplier for browsing or purchasing. The five most influential off-line attractors elicited from the card-sort are presented below.

Top 5 off-line attractors
The convenience of a store
The cheap prices in a store
Familiarity with a brand of store
The ability to flick through actual CDs
The store is clearly organised and/or laid out

The remaining off-line attractors are presented below.

The store is a good authority on specialised genres
The ability to just browse music
Purchase choices influenced by newspaper or magazine reviews
The helpfulness of staff in a store
The ability to feel comfortable in the store
The ability to always leave a store with something
Purchase choices influenced by 'sale' signs outside shops
Purchase choices influenced by something heard on radio or TV
The ability to quickly/easily find a product in a store
The pleasure of shopping
The comprehensive range of products in a store
Purchase choices influenced by personal recommendations
The availability of other products in a store
The large size of a store
The fashionable iPod
Purchase choices influenced by advertising

4.2.2 The E-commerce Attractors

E-commerce attractors influence the customer's expectations towards e-commerce before they visit specific e-commerce sites. The five most influential e-commerce attractors elicited from the card-sort are presented below:

Top 5 e-commerce attractors
The ability to find something interesting or new
The comprehensive range of music available on iTunes
The legality of downloads at an on-line store
The convenience of iTunes store
The integrity of an on-line business

The remaining e-commerce attractors are presented below.

The good price structure on iTunes
iTunes is an essential part of using iPod
iTunes comes with your iPod when you buy it
Purchase choices influenced by something on Internet
The accessibility of iTunes store
iTunes has some free downloads

4.2.3 The On-Line Attractors

On-line attractors influence a customer's choice of e-commerce site for browsing and information gathering, and for making a transaction. The five most influential on-line attractors elicited from the card-sort are presented below.

Top 5 on-line attractors
The ability to buy single tracks
The ability to listen before buying
The ease of payment on iTunes
The fun of using iTunes
The ease of using iTunes

The remaining on-line attractors are presented below.

The ability to browse without buying
The richness of web site information
The functionality offered on the web site
The availability of iMixes
The ability to browse new releases
iTunes has clear and accurate music categorisation
Trust in the security of iTunes
Purchase choices influenced by playlists on iTunes
The ability to print playlists
The ability to browse other people's reviews
iTunes picks up track names automatically
Purchase choices influenced by top downloads
The availability of iTunes recommendations
The ability to browse celebrity playlists

4.3 Comparison Against Proposed Attractors

There is some commonality between the potential attractors that were proposed in Chapter 2 and the empirically-based attractors. Empirical evidence was found for the proposed attractors listed below.

Proposed attractors with evidence
A niche market for diverse and unusual types of music
Ability to sample (listen before buying) new music
Ease of payment at an on-line store
Availability of playlists
Legality of downloads from a music web site
Functionality offered on the web site
Integrity of the web site business
Credibility of the web site
Wide range of products on offer
Information richness

Ease of use
Enjoyment of using the store (iTunes)
Advertising
Media reports
Experiences of other consumers

Table 9: Proposed attractors for which evidence was found

Empirical evidence was not found for the proposed attractors listed below:

Proposed attractors without evidence
Multi-channel offerings of the same store
Consumer confidence
Fashion appeal of the iPod
Availability of music sharing
Competitive pricing structure
Content of the web site
Effectiveness of the search

Table 10: Proposed attractors for which evidence was *not* found

4.4 Analysis of the Relationships Between Attractors

This section discusses the relationships between the most significant attractors to iTunes (the on-line and e-commerce attractors) and the most significant attractors to off-line music stores (the off-line attractors). These relationships were defined through inductive analysis and interpretation of the semi-structured interviews.

It is important to understand these relationships; this knowledge provides an insight into the expectations and experiences that consumers carry between off-line and on-line music stores and demonstrates where dependencies exist between the attractors.

4.4.1 On-line Attractors

Ability to buy single tracks meets some of the expectations created by the off-line attractor ***the cheap prices in a store***

If consumers can purchase cheap single tracks on-line they can make more impulsive decisions about purchases because they are spending a relatively small amount of money. Consumers are accustomed to being able to buy cheap albums* at off-line stores, this means that on-line stores must offer competitively priced music to attract consumers to their stores. One way of achieving this is to sell cheap download singles, and this meets the expectation that consumers have about being able to buy cheap music at off-line music stores. Prices at on-line stores must compete with prices at off-line stores because on-line stores offer virtual products, whereas off-line stores offer the physical media (e.g. CD, vinyl). The price of download singles (e.g. 79p at iTunes) is generally cheaper than the price of off-line singles (e.g. 99p at Woolworths).

*An *album* consists of a number of tracks or songs, a *download single* is one track and an *off-line single* usually contains two or more versions of the same track.

Ability to listen before buying meets some of the expectations created by the off-line attractor ***the ability to flick through actual CDs***

The iTunes interface allows consumers to simply click on a track to hear a 20 second sample of it. The interface displays the corresponding artwork alongside information about the artist. The iTunes browsing and listening experience is similar to flicking through actual CDs in an off-line store, although iTunes provides the additional functionality of being able to simultaneously listen to the music while browsing. This additional functionality allows consumers to easily listen to new music and therefore make purchasing decisions based on what they hear rather than just on CD covers. It is a lot easier to listen to a sample at iTunes than at an off-line store, and consumers can listen to samples of the entire product range at iTunes if they wish, whereas this would be impossible at an off-line store. The ability to listen before buying results in greater freedom to explore a wider variety of music because it is risk-free.

Ease of payment on iTunes meets some of the expectations created by the off-line attractor ***convenience of a store***

The iTunes interface provides a very simple way of paying for purchases; iTunes users create an account with their banking details and then simply log on using a username and password. The interface provides a 'Buy' button alongside all products; a simple click on this button initiates a download to the users' computer. It is important that the on-line purchasing activity should be as easy as possible, and it is essential that it should at least be as easy as the off-line purchasing activity. Ease of payment at an on-line store contributes towards the perception of convenience; if consumers can easily and simply log on and purchase products then they are more likely to return to the on-line store in the future.

Ease of using iTunes meets some of the expectations created by the off-line attractor ***convenience of a store***

The iTunes store is convenient because it is easy to use and efficient because it takes little time to perform functions like browsing and purchasing. All of the people that were interviewed find the iTunes interface easy to use and the majority find it is easy to pay for purchases at iTunes. It is important that on-line stores are easy to use; ease of use is something that consumers already experience at off-line stores. If consumers experience difficulties at on-line stores this would become an obstacle to them using these stores. If an on-line store is easy to access, and if browsing and purchasing of goods is easy, this contributes towards how convenient consumers perceive the on-line store to be. An on-line store should be perceived to be at least as convenient as an off-line store when attracting consumers to shop there; this can be achieved by making the on-line store easy to use.

iTunes is fun to use meets some of the expectations created by the e-commerce attractor ***the ability to find something interesting or new***

Two people interviewed said that they found off-line shopping fun, however many more said that iTunes was fun to use. The iTunes store is easy to use and this contributes to the fun of using it, however other functionality like the ability to listen

to tracks and see artwork, as well as the availability of users' reviews and playlists also contribute towards the enjoyment of using it. Many interviewees commented that they found that being able to find new or interesting music contributed towards their enjoyment of using iTunes. Usability factors contribute to the enjoyment of an on-line store, e.g. the interface should be easy to use, it should be easy to access, it should respond well to user input and it should be well designed to provide clear information and ease of navigation. The iTunes store implements most of the usability and HCI factors that were discussed in Chapter 2; this makes the store fun to use.

The significance of the relationship between fun and technology should not be underestimated because fun often plays a major part in acceptance of new technology (Eagerton, 2007).

4.4.2 E-commerce Attractors

Ability to find something interesting or new meets some of the expectations created by the off-line attractor ***the store is clearly organised and/or laid out***

An interviewee commented that '*iTunes sends you down all sorts of interesting paths so you can go in all sorts of directions and always come across something interesting or new*'. Consumers can find new and interesting music in an off-line music store if the store is clearly organised and/or laid out. The iTunes store has a larger range of music than any off-line music store. It is essential to provide easy and intuitive methods which allow consumers to find what they are looking for. The iTunes interface provides these with efficient search functions, user recommendations, playlists and iMixes, and with a 'Just for You' section which lists auto-generated recommendations based on a user's previous purchases.

The comprehensive range of music available on iTunes
meets some of the expectations created by the off-line attractor
convenience of a store

The iTunes store offers a huge range of music and most genres of music are well represented in the store. It is convenient for consumers to visit one store for all of their music requirements. Many of the interviewees commented that they could go to iTunes and listen to all types of music, whereas if they wanted to do this in an off-line music store they would have to visit a music 'mega-store' because the smaller music stores tend to concentrate on a smaller range of music that is usually based on the music charts. It is more convenient to be able to shop for a wide range of products in one place than to visit many different stores for different products.

Integrity of an on-line business meets some of the expectations created by the off-line attractor ***familiarity with a brand of store.***

A few of the interviewees commented that they liked to feel confident that any personal details that were used to create an on-line account are safe, and that any transactions they made at an on-line site are legitimate. They also felt that if there were any problems with a transaction from the on-line store they would obtain an appropriate response from the store. The iTunes store provides secure transactions and also publishes a privacy of information policy. The Apple brand is very well known, and the majority of interviewees generally felt that they could trust Apple and the security at iTunes.

4.4.3 Off-line Attractors

The convenience of a store meets some of the expectations created by the e-commerce attractor ***the convenience of iTunes store.***

The off-line music store most visited by 92% of all interviewees was one that was close to their home or place of work. Commenting about the store near their work, one interviewee said that '*I go...during lunch because it is so easy and quick' and 'I don't think I would go so much if it was difficult to get to'*. Another interviewee, referring to iTunes, said that convenience was an attractor to him because '*I can easily log on and buy music when I have some time...*' An on-line store should be at least as convenient as an off-line store, which means that it should be easy to access, easy to navigate and find products and easy to pay for them.

4.5 Conclusions

This investigation found that it is possible to employ a user-centred approach to elicit empirically-based attractors to music stores. Analysis of the relationships that exist between these attractors illustrates that attractors do not exist in isolation. This provides an answer to the research question posed in Chapter 1.3. The contributions that these findings make to existing research are discussed further in Chapter 5.3.1.

Attractors provide an insight into consumer expectations. On-line stores should strive towards delivery and enhancement of the expectations that consumers have from off-line stores, for example the expectation that the store will be convenient and will offer cheap products. On-line stores also need to at least meet, and where possible exceed the expectations that consumers have of e-commerce, for example the expectation that it is easy to find unusual or new products and that the integrity of the e-commerce site can be trusted. If on-line stores do not meet the expectations that have been formed in other channels consumers will not be attracted to shop at these stores.

Any implementation of attractors should include objectives to establish an awareness of the relationships that exist between them and how they meet or enhance consumer expectations; this awareness will allow the maximum benefit to be gained from the implementation. To achieve these objectives, multi-channel businesses should examine their customers' expectations of off-line channels and then plan to cater for these expectations in on-line channels. The benefits of meeting consumer expectations across various channels are discussed further in Chapter 5.3.

4.6 Summary

This chapter presented an empirically-based catalogue of music store attractors and defined the relationships that exist between these attractors; this answers the research question that was posed in Chapter 1.3. The following chapter discusses the contributions made by this research, critically appraises the research methods used, and discusses the limitations of the research findings.

5 Reflections, Contributions and Limitations

5.1 Introduction

The previous chapter presented the most significant data to be elicited from the research activities that were outlined in Chapter 3, together with some analysis and interpretation of this data. These findings contribute to existing research into consumer behaviour in multi-channel environments. There are some limitations to the validity of these findings and there are also several areas where further research could supplement them.

This chapter presents a critique of the research methods as a reflection on the implementation of this research project. It also discusses how this research project contributes to existing research and outlines the limitations of the research findings.

5.2 A Critique of the Research Methods

The research methods used in this project elicited some very interesting data. Attractors to both the iTunes music store and off-line music stores have been presented along with analysis of the relationships that exist between these attractors. The implementation of most of the research methods was successful. However some of these methods did not provide the results that were expected. The research methods are reviewed below.

5.2.1 Questionnaires

The objective of using a questionnaire was to reveal the significant themes around music stores so that these could be examined in more detail using semi-structured interviews. The data elicited from the questionnaires was not as useful as envisaged for a few reasons:

- 1) Questionnaires are very useful for collecting quantitative data, whereas the data that was required in this instance was rich, qualitative data.
- 2) Responses to the questionnaires were narrow because they were answers to specific questions and did not leave room for discussion of ideas. This means that the questionnaire responses are to an extent confirming what is already known.

The data that was collected using questionnaires was valuable, however, because the themes that emerged were a useful reference on which to base the interviews, and some of the results support the findings from the analysis of the interviews.

5.2.2 Laddering Interviews

A discussion about Laddering interviews, including reflections about why they were discontinued, can be found in Appendix E.

5.2.3 Semi-structured Interviews

The semi-structured interviews were very effective because they provided rich qualitative data about attractors. One of the contributing factors towards their success was that they are a relaxed and informal way of eliciting responses to a subject. Interviewees are generally more open and talkative if they feel relaxed, and the informality of the semi-structured interviews contributed towards this. Although it was a time-intensive task to transcribe all of the interview recordings, the rich qualitative data that resulted proved that this effort was worthwhile.

5.2.4 Card-sorting

The card-sorting method was very effective because it provided a clear indication about the attractors that are most significant to the participants. The card-sorts were implemented quickly and easily, the method was easy to understand and the exercise produced interesting data. The card-sorts proved popular with the participants, who enjoyed taking part in them. The task of arranging the attractors was made easier because they were in the format of cards; it was easy for the participants to re-arrange and shuffle these cards to arrange the attractors in a way that made sense to them. The data that was elicited from the card-sorts was easy to analyse.

5.2.5 Analysis of the Relationships Between Attractors

Using impact analysis in this context worked well. The analysis required extensive cross-referencing of the transcribed interviews, which was time consuming. However, because the interviews were thoroughly transcribed the data was relatively easy to cross-reference. This type of analysis is very open to the interpretation of the person who is performing it; the limitations imposed by interpretation are discussed further

in Chapter 5.4.3.

5.3 Contributions Made by this Research

User-centred approach: This research project has demonstrated that it is possible to employ a user-centred approach to elicit empirical data regarding attractors to the iTunes music store and to off-line music stores. The research findings demonstrate the link between these attractors and consumer expectations, illustrating how some of the expectations that consumers form at off-line music stores are met at the iTunes music store. It is reasonable to suggest that the meeting of consumer expectations contributes towards the success of the iTunes store. The application of the outcomes of this research could contribute to improved design of other e-commerce services which will in turn increase consumer confidence in e-commerce channels.

Cross-disciplinary research: The iTunes store is attractive to consumers for a variety of reasons; the usability of the store is one of the factors that contribute towards this. This research project goes beyond usability, HCI and user-system interaction, examining customer experience and consumer behaviour and providing guidance to e-businesses for generating customer-experience design strategies. By drawing on cross-disciplinary principles and strategies the research provides a platform for enhancing the dialogue between IT and marketing professionals in the development of leading edge e-commerce environments.

Attractors: The attractors themselves are important because both on-line and off-line music stores can implement them to attract consumers to their stores. Attractors present a clear outline of consumer expectations and can be used to highlight where these expectations should be met. Attractors can be used by businesses to gain an understanding of what really attracts consumers to any of their channels; once they understand this they can meet and potentially enhance their customers' expectations.

Research methodology: A combination of research methods including direct and indirect interaction with consumers was used to answer the research question posed in Chapter 1.3. Although the research methods used in this project have provided

useful data about music stores, the methodology that was used could be applied to other domains. Therefore, the methodology itself is an important contribution towards future research. For example, if a grocery business was seeking to complement its off-line stores with a new on-line e-commerce store, the business could follow the discovery guidelines that are presented in Chapter 5.3.2. These guidelines would help them discover what functionality and features should be implemented in the new e-commerce site to ensure that their customers' expectations are met.

5.3.1 Contributions Towards Existing Research

This research fills some of the gaps in existing literature; it employs a user-centred approach to understand consumer behaviour at iTunes and at off-line music stores, and it analyses how consumer expectations are carried between shopping channels. The research contributes to existing research by furthering the agenda of customer experience and customer-centeredness within HCI and demonstrating the contribution of inter-disciplinary research to enhancing understanding of the interaction between consumers and e-commerce.

The research findings contribute towards the B2C e-commerce research programme in the User Experience Strategy Group (Open University). Minocha et al. (2006) and Petre et al. (2006) found that the integration of HCI principles and CRM strategies can be used to enhance the customers' experience of e-commerce environments. This research complements these findings.

The research project shows that the relationship between customer and business can be enhanced by meeting customer expectations through the implementation of attractors. This supplements the B2C e-commerce research programme's investigation into how obstacles to the customer experience can cause a breakdown in the relationship between customer and business.

5.3.2 Guidelines to the Discovery of Attractors

The following guidelines can be used to discover and investigate attractors in any domain.

- Identify a group of consumers to take part in the study. Offer some sort of compensation to improve motivation where extensive interviews are required.
- Outline the semi-structured interview topics; this provides a high-level guide to the main interview topics in accordance with the objectives of the study.
- Record and transcribe the interviews – for large interview groups specialised software can be used to discover themes within the transcripts.
- An optional questionnaire or interview session can be implemented after attractors have been identified to confirm the accuracy of the analysis.
- Group the attractors into off-line, on-line and e-commerce categories.
- Implement a card-sorting exercise to identify the most significant attractors. Use as many of the original participants in this exercise as possible.
- Perform analysis to discover the relationships that exist between the attractors – this will clarify what the main points of focus should be for meeting customer expectations.

Guidelines towards the discovery of attractors

5.4 Limitations of This Research

Some of the limitations to the research findings are discussed below.

Size of sample: The relatively small number of participants that took part in the interviews is a limitation on the validity of this research. A larger group of participants with a greater range of ages would provide more valid results.

Scope of analysis: Analysis of the relationships between attractors focussed on the most influential attractors only. If this analysis was expanded to include the less influential attractors the resulting data would have more validity.

Interpretation of data: The participants' interpretation of concepts and questions regarding music store attractors is another issue that limits the validity of this research. Although every effort was made to explain the aims and concepts involved in the research there is bound to have been a certain amount of interpretation of these questions, which would affect the answers that were given.

Another area where interpretation would have occurred is during the inductive analysis of the interview transcripts when constructs were being formed from the qualitative data. Subjective interpretation by a researcher can reduce the validity of results.

Single on-line store examined: The only on-line store that was examined was iTunes whereas the off-line examination was more generalised, although still within the music domain. Other on-line music stores should be examined to determine if the findings apply to on-line music stores in general.

Developments in the music industry: There have been major developments in the music industry since this research began, and these developments have an effect on the validity of the research. Further discussion about these developments is presented in Chapter 6.

5.5 Summary

This chapter discussed how the research project produced some significant results and demonstrated that the research methodology can be used to elicit data about the factors that attract consumers to music stores. The methodology contributes to future research in that it is applicable to other domains. The chapter also presented some guidelines that can be followed to discover attractors. The limitations to the research findings were also discussed.

The following chapter presents a discussion about the developments that have taken place in the music industry since this research began and suggests areas that could benefit from further research.

6 Developments and Future Areas of Research

6.1 Introduction

The previous chapter reviewed the research project and discussed some of the contributions and limitations of the research findings.

The purpose of this chapter is to discuss some of the developments that have taken place in the music industry and within the music market since this research project began. This chapter also discusses how the findings could be extended, suggesting future areas of research.

6.2 Developments in the Industry

Significant changes have taken place in the music industry since this research project started. Developments are continuing to occur within this industry; these developments are bringing about fundamental changes to the way that music is manufactured, marketed and sold. Some of these developments are discussed below.

6.2.1 New Chart Rules

From 1 January 2007 the rules regarding how singles can enter the UK Top Forty were relaxed. This means that any format of song can make it onto the chart regardless of whether it has a physical format or not. A direct result of the new chart rules was that on 14 January 2007, Essex band Koopa became the first un-signed band to have a top 40 hit. Youngs (2006) comments that legal downloads now account for 78% of all sales of singles in the UK. The percentage of music sales from downloads is increasing steadily and the new chart rules will have an impact on the way that music is marketed and sold. This could impact on-line music store attractors; an increasingly competitive on-line music market could result in on-line vendors offering discounted prices or other sales motivators to attract customers to their stores.

6.2.2 New Marketing Strategies

Other changes are happening to the way that music is marketed and sold. Johnson (2006) comments that there are moves by social networking sites like MySpace to allow bands to sell their music directly to customers. This will potentially have an impact on sales at iTunes, especially if predictions that the sales generated by peer group reviews on social networking sites will increase rapidly over the next year come true (Mesure, 2006).

6.2.3 New Devices

In the autumn of 2006, Microsoft released what was coined the 'iPod-killer' in the USA, a device known as 'Zune'. This device is very similar to an iPod, and uses a music store that is very similar to iTunes and plays a variety of formats (as opposed to the iPod which will only play Apple's proprietary AAC formatted files). Certain sections of the music industry expect that Zune will have a major impact on iPod/iTunes market dominance, although with a release date for the UK yet to be announced it is impossible to say how much of an impact this will be. One thing that is certain is that the presence of two major corporations in this market will boost the publicity and increase the competitiveness of the on-line music market. Increased competitiveness at on-line music stores will highlight the importance of establishing what attracts consumers to these stores.

Apple is constantly bringing out new devices – one of the most recent is the new 80 gigabyte iPod, a device with a large colour screen holding up to 20,000 songs, 25,000 photos or 100 hours of movies. The ability to see photos and watch movies on an iPod are further attractors to the device; this will drive more consumers to use iTunes for buying movies to watch on their iPod.

The latest device to be unveiled by Apple is the 'iPhone', due for USA release in June 2007. This device is a convergence of several devices and functions; mobile phone, iPod, camera, mobile Internet and movie player. Another device, 'iTV' is a wireless streaming video device that enables users to download TV shows and films from iTunes. Partnerships between Apple and Disney, Yahoo and Google will ensure that these devices will drive ever increasing sales at iTunes; over a million films were sold during the first three months of Apple's partnership with Disney (bbc.co.uk, 2007). The availability of new multi-functional devices coupled with an extended iTunes

product range is very likely to enhance the importance of identifying e-commerce attractors.

6.2.4 Legal Challenges

Apple's close coupling of devices with their iTunes store has created a unique market. Other businesses are eager to exploit this lucrative market. However, the restrictions that are imposed on downloads causes a degree of frustration amongst certain consumers. Apple has faced some serious legal challenges against coupling the iPod device to the iTunes store. The most effective challenge so far occurred in France where MPs voted to open up the restrictions in May 2006 (bbc.co.uk, 2006e). Gohring (2007) writes about similar legal challenges being launched from several Scandinavian countries and from the USA, where a class action lawsuit accuses Apple of antitrust behaviour. Apple have tried to have this case dismissed, claiming that 'forced interoperability would inhibit innovation', but the judge refused to dismiss the case which started hearing in January 2007. A successful legal challenge would affect attractors to the iTunes store, could bring about major changes to the iTunes operating model and might even lead to iTunes losing its leading market position.

6.2.5 New On-line Music Stores

The leading position held by Apple could face further challenges from a new on-line music store; eMusic launched in Europe in 2006, offering a subscription-based service for downloading MP3s that work on any device at a fraction of the cost of music from iTunes (bbc.co.uk, 2006d). eMusic is now the second most popular music store for digital music and this proves just how popular an un-tied (and cheaper) service is with consumers. This will affect the e-commerce attractor '*good price structure at iTunes*'; if the price structure is more competitive at another store then iTunes consumers might be attracted to shop elsewhere.

6.3 Future Areas of Research

This project has produced evidence regarding the usefulness of cross-disciplinary research, going beyond studies of usability, HCI and user-system interaction to examine customer experience and consumer behaviour. Future cross-disciplinary research could provide further guidance to e-businesses for generating customer-experience design strategies. Related areas that could benefit from research in the

future are discussed below.

Obstacles to e-commerce: Obstacles are the opposite of attractors; this is an area that could benefit from further research. A number of interviewees mentioned that they were annoyed with the lack of interoperability between iTunes, iPods and other stores or music formats, commenting how they did not like being '*tied down*' to a specific device, format or store. Consumers are used to being able to play purchased music on a device of their choice; the lack of interoperability imposed by combining the AAC format with DRM restricts the choices available to consumers and results in an obstacle towards iTunes, iPods and to some extent towards Apple. The incorrect perception that iTunes only works on Apple Macs was an obstacle to iTunes before the Windows version became more widely used. Another obstacle mentioned by an interviewee is the inability to re-download a purchased track if it is lost or corrupted; this is significant because iTunes sales do not involve physical media. An insight into the obstacles to using e-commerce sites could be used to address these obstacles.

The role of fun: In his article '*iLove the power of the Gadget*', Eagerton (2007) discusses how huge sales of expensive consumer technologies are generated because the products are fun to use. The relationship between fun and usability is discussed in Chapter 4.4.1. Future research could investigate this further, examining the part that is played by leisure and fun in bringing about acceptance of new technology and driving sales of new gadgets.

Devices and the market: In his Macworld keynote speech, Steve Jobs, Apple CEO, said that more than half of new Apple Mac sales are to people who have never owned an Apple Mac before (endgadget.com, 2007). An interesting area for future research could be to examine the relationship between a device and its market, e.g. how iPods drive sales at iTunes, and how this relates to increased sales of Apple Macs. One of the reasons behind this could be that the consumer experience at iTunes and with iPods is favourable and consumers seek to repeat it in other domains (e.g. home computing).

6.4 Summary

This chapter presented a discussion about developments within the music store domain since this research project started. This illustrates how quickly changes are taking place within the domain and highlights the importance of consumer-centred research as a method of keeping abreast of these developments. The chapter also discussed some areas that could benefit from research in the future.

Appendix A Questionnaire

The questions asked in the on-line questionnaire are listed below:

Do you use High Street music stores (e.g. Virgin/HMV) to:

- Browse music
- Purchase singles
- Purchase albums
- Listen to music
- Purchase accessories (tickets, books, blank CD's etc.)
- None of the above
- Other, Please Specify

How strongly do the following factors influence your decision to shop at high street music stores?

1. Convenience and accessibility of the store
2. Price of products
3. Product range
4. The ability to listen to music before purchasing it
5. The atmosphere within the store
6. Advertising in the mass media (magazines, newspapers etc.)
7. Ease of finding music
8. Security of payment
9. Presence of sales staff to assist me

How do you pay for purchases made at high street music stores?

- Cash
- Card (credit or debit card)
- Vouchers
- Store card
- I do not make purchases at high street music stores

What do you do with music purchased at a high street music store?

- Listen to it on stereo
- Listen to it on personal MP3 player
- Make compilations to share with others
- Give it away as a gift

How important are the following to you?

1. Artwork on CDs
2. Information about the artist
3. Ownership of the physical media as part of a music collection
4. Availability of music lyrics

Here is a list of things that you might experience in a high street music store. Do you find them appealing or not?

1. Crowds

2. Queues at the checkout
3. Product ranges centred around best-selling music
4. In-store music playing
5. The organisation and layout of products on sale
6. Sales assistants are available to help find things

On-line shopping: how regularly do you shop on-line?

- Frequently (at least once a week)
- Often (at least once a month)
- Sometimes (at least few times a year)
- Never

Do you browse for products on-line?

- Frequently (at least once a week)
- Often (at least once a month)
- Sometimes (at least a few times a year)
- Never

Do you compare the prices of product/s on-line?

- Often
- Sometimes
- Never

In the last year, which of the following items have you purchased on-line?

- Food
- Tickets (travel, cinema etc.)
- Books
- Music
- Clothing
- Goods from auction sites (e.g. eBay)

Generally, how would you rate the following factors when shopping on-line? (ranking question)

1. Product information
2. Security of my personal information (card details, address etc.)
3. Ease of navigating through a website
4. Ease of finding products
5. Ease of purchasing products
6. After sales service (e.g. delivery of purchased items)
7. Assistance in making decisions about purchases

Please indicate how you feel about these characteristics of on-line shopping: (ranking question)

1. The on-line store is open all hours
2. It can be simple to find products or services on-line
3. The product range in on-line stores can be extensive
4. The price of goods on-line can compare favorably with off-line stores
5. The on-line store can provide secure transactions
6. Prices from different on-line vendors can be compared
7. Shopping on-line can eliminate the need to visit the (off-line) store

8.Shopping on-line can save time and effort

How much do these factors influence your decision to purchase goods on-line: (ranking question)

- 1.The price of goods can be cheaper on-line than off-line
- 2.On-line stores have unrestricted opening hours
- 3.On-line stores can be easier to find and visit than off-line stores
- 4.On-line stores can be easy to use
- 5.Products not offered by off-line stores can sometimes be found on-line

Have you ever purchased music on-line?

- Yes
- No

What format have you purchased music in?

- CD's/Vinyl
- Downloads
- Both CD's/Vinyl and Downloads

If you have purchased downloads, what site/s have you purchased these from?

- HMV on-line
- Musicmatch
- Napster
- iTunes
- Tunetribе

Do you use the iTunes on-line music store:

- Regularly (at least once a week)
- Often (at least once a month)
- Sometimes (at least once a year)
- Rarely (at least once ever)
- Never

Do you use the iTunes on-line music store to:

- Browse music
- Listen to music
- Purchase tracks
- Purchase albums
- Publish iMixes
- Purchase music videos
- Download podcasts
- Purchase audio books
- Purchase music as a gift

How much do the following influence your choice of using iTunes on-line music store: (ranking question)

- 1.Product range
- 2.Convenience and accessibility
- 3.Price of goods
- 4.The ability to create and share compilations

- 5.The ease of finding music
- 6.Compatibility with MP3 player
- 7.The ability to listen to tracks in private
- 8.Security of transactions when making a purchase
- 9.Privacy of personal information
- 10.The ease of paying for purchases

What do you do with music purchased from iTunes on-line music store?

- Download it to personal MP3 player
- Burn it to CD and listen to it on stereo
- Listen to it on Mac or PC
- Make compilations for sharing
- Back it up to CD

Do your friends use iTunes for purchasing music?

- Yes
- No

The items below all refer to iTunes (ranking question)

- 1.Extensive range of products
- 2.The ability to find 'obscure' music
- 3.Intuitive interface design
- 4.Easy to use
- 5.Secure transactions when purchasing music
- 6.The ability to publish iMixes
- 7.The ability to listen to music before purchasing it

What age are you?

- 17 - 27
- 28 - 39
- 40 - 50
- 51 - 60
- 61 +

Are you female or male?

- Female
- Male

Appendix B Interview Script

a) Off-line Music Stores

- 1) Do you go to music stores?
 - What do you like about music stores?
 - Do you purchase things? If so, what do you buy?
 - What else do you do there (e.g. browse, listen)?
- 2) Do you prefer a specific store?
 - What do you prefer about it?
- 3) Would you go to any music store or only stores that you know?
- 4) Do you always have an idea of what you want before you go shopping?
 - If so how (e.g. advertising, web site news, word of mouth etc)?
- 5) Is the music store that you visit regularly use easily accessible, i.e. close to your work or home, or passed during daily travels?

b) On-line Music Stores

- 1) Do you use on-line music stores?
 - How often? How often to purchase goods?
 - What do you like about shopping on-line?
- 2) Do you have broadband at home?
- 3) Do you buy other goods apart from music on-line?
- 4) Do you purchase music on-line?
 - Individual tracks or albums?
- 5) How do you normally search for music?
 - Recommendations?
 - New music?
 - Trial and exploration?
- 6) What do you do with the music you download?
 - CD
 - MP3 player
- 7) What type of mp3 player do you have?

c) iTunes

- 1) How often do you use iTunes?
- 2) What do you like about iTunes?
- 3) Can you describe your normal shopping behaviour at iTunes?
- 4) Is there music that you buy at iTunes that you would not buy at an off-line store?
- 5) Do you find iTunes easy to use?
- 6) Do you trust the security and credibility of the site?
- 7) Do / have you use/d other Apple products?
- 8) Where did you first find out about iTunes?
- 9) What do you like about your iPod?
- 10) Can you describe an advert for iTunes? And for iPod?
- 11) Would you buy a track at iTunes if the same track was available elsewhere free?

Appendix C Results of the Questionnaire

Do you use High Street music stores (e.g. Virgin/HMV) to:	
	Number of respondents
Browse music	22
Purchase singles	3
Purchase albums	27
Listen to music	6
Purchase accessories (tickets, books, blank CD's etc.)	6
None of the above	4
Other, Please Specify	3
Browse / buy DVDs	2
T-shirts/gifts for others	1

How strongly do the following factors influence your decision to shop at high street music stores?				
	very important	important	slightly important	not important at all
1. Convenience and accessibility of the store	17	17	4	0
2. Price of products	22	8	3	4
3. Product range	14	18	3	1
4. The ability to listen to music before purchasing it	2	10	11	14
5. The atmosphere within the store	2	11	14	9
6. Advertising in the mass media (magazines, newspapers etc.)	1	5	15	15
7. Ease of finding music	17	12	8	1
8. Security of payment	9	11	7	9
9. Presence of sales staff to assist me	2	12	12	10

How do you pay for purchases made at high street music stores?	
	Number of respondents
Cash	16
Card (credit or debit card)	35
Vouchers	3
Store card	0
I do not make purchases at high street music stores	2

What do you do with music purchased at a high street music store?	
	Number of respondents
Listen to it on stereo	34
Listen to it on personal MP3 player	24
Make compilations to share with others	6
Give it away as a gift	20
Other	3
load into iTunes	2
listen in car	1

How important are the following to you?			
	very important	important	not important
1. Artwork on CDs	2	8	29
2. Information about the artist	2	19	18
3. Ownership of the physical media as part of a music collection	7	16	16
4. Availability of music lyrics	3	13	22

Here is a list of things that you might experience in a high street music store. Do you find them appealing or not?			
	appealing	no effect	not appealing
1. Crowds	0	2	37
2. Queues at the checkout	0	1	38
3. Product ranges centered around best-selling music	5	19	15
4. In-store music playing	14	19	6
5. The organisation and layout of products on sale	22	13	3
6. Sales assistants are available to help find things	25	11	2

On-line shopping: how regularly do you shop on-line?	
	Number of respondents
Frequently (at least once a week)	5
Often (at least once a month)	17
Sometimes (at least few times a year)	17
Never	0

Do you browse for products on-line?	
	Number of respondents
Frequently (at least once a week)	18
Often (at least once a month)	7
Sometimes (at least a few times a year)	13

Never	0
-------	---

Do you compare the prices of product/s on-line?	
	Number of respondents
Often	22
Sometimes	15
Never	2

In the last year, which of the following items have you purchased on-line?	
	Number of respondents
Food	13
Tickets (travel, cinema etc.)	33
Books	30
Music	28
Clothing	15
Goods from auction sites (e.g. eBay)	19
Other	18
DVDs	3
software	2
electrical goods,	3
bike spares	1
flowers and plants	3
accommodation, car hire, gifts	1
badminton racket, bass guitar, watch strap	1
craft materials,	1
airline tickets	1
office equipment	1
porn	2
bird food, pet products, ISA	1
jewellery	1

Generally, how would you rate the following factors when shopping on-line? (ranking question)				
	poor	fair	good	excellent
1.Product information	1	10	24	3
2. Security of my personal information (card details, address etc.)	1	11	21	6
3.Ease of navigating through a website	0	10	28	1
4.Ease of finding products	1	14	18	6
5.Ease of purchasing products	0	7	25	7
6.After sales service (e.g. delivery of purchased items)	1	14	21	3
7.Assistance in making decisions about purchases	11	17	11	0

Please indicate how you feel about these characteristics of on-line shopping:					
	like very much	like	neither like or dislike	dislike	dislike very much
1.The on-line store is open all hours	27	9	3	0	0
2.It can be simple to find products or services on-line	21	16	2	0	0
3.The product range in on-line stores can be extensive	24	13	2	0	0
4.The price of goods on-line can compare favourably with off-line stores	27	9	2	0	0
5.The on-line store can provide secure transactions	16	19	2	1	0
6.Prices from different on-line vendors can be compared	23	10	6	0	0
7.Shopping on-line can eliminate the need to visit the (off-line) store	20	15	3	1	0
8.Shopping on-line can save time and effort	27	8	3	0	0

How much do these factors influence your decision to purchase goods on-line: (ranking question)			
	strong	some	none
1.The price of goods can be cheaper on-line than off-line	28	10	1
2.On-line stores have unrestricted opening hours	27	9	3
3.On-line stores can be easier to find and visit than off-line stores	28	9	2
4.On-line stores can be easy to use	23	15	0
5.Products not offered by off-line stores can sometimes be found on-line	27	10	2

Have you ever purchased music on-line?	
Yes	30
No	9

What format have you purchased music in?	
CD's/Vinyl	14
Downloads	0
Both CD's/Vinyl and Downloads	15
Other	3
CDs vinyl and cassettes	1
sheet music	1

If you have purchased downloads, what site/s have you purchased these from?	
HMV on-line	2
Musicmatch	0
Napster	1
iTunes	17
Tunetribes	0
Other	3
play.com	1
Amazon	1

Do you use the iTunes on-line music store:	
Regularly (at least once a week)	3
Often (at least once a month)	11
Sometimes (at least once a year)	3
Rarely (at least once ever)	2
Never	1

Do you use the iTunes on-line music store to:	
Browse music	16
Listen to music	14
Purchase tracks	15
Purchase albums	4
Publish iMixes	2
Purchase music videos	1
Download podcasts	9
Purchase audio books	0
Purchase music as a gift	0

How much do the following influence your choice of using iTunes on-line music store: (ranking question)			
	strong	some	none
1.Product range	12	6	5
2.Convenience and accessibility	14	4	0
3.Price of goods	7	9	3
4.The ability to create and share compilations	4	7	6
5.The ease of finding music	13	5	1
6.Compatibility with MP3 player	13	3	3
7.The ability to listen to tracks in private	6	7	6
8.Security of transactions when making a purchase	12	5	2
9.Privacy of personal information	6	11	1
10.The ease of paying for purchases	13	6	0

What do you do with music purchased from iTunes on-line music store?	
Download it to personal MP3 player	17
Burn it to CD and listen to it on stereo	7
Listen to it on Mac or PC	12
Make compilations for sharing	7
Back it up to CD	5
other	1

Do your friends use iTunes for purchasing music	
Yes	17
No	2

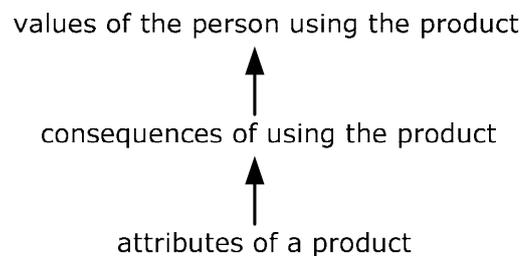
The items below all refer to iTunes-please rank them according to how much you like each item.							
	most 1	2	3	4	5	6	least 7
1.Extensive range of products	1	2	3	1	1	2	0
2.The ability to find 'obscure' music	4	2	2	1	1	2	0
3.Intuitive interface design	1	2	4	2	1	4	0
4.Easy to use	1	1	4	6	1	0	0
5.Secure transactions when purchasing music	5	1	1	1	4	2	3
6.The ability to publish iMixes	0	0	0	3	5	2	0
7.The ability to listen to music before purchasing it	6	8	1	1	1	1	0

What age are you?	
17 - 27	5
28 - 39	17
40 - 50	12
51 - 60	4
61 +	1

Are you female or male?	
Female	19
Male	20

Appendix D Discussion about Laddering Interviews

Initially the plan was to use Laddering interviews. Laddering is used by marketing researchers to gain an understanding of product characteristics and how these characteristics relate to consumers' beliefs, attitudes and values. Behind Laddering is the concept that consumers purchase goods because they represent something them; the technique provides a means to uncover what this is. Laddering relates to Means-End Theory, in which it is possible to sequentially link product attributes in a value hierarchy, as illustrated below.



Laddering interviews can reveal the actual reasons behind purchasing behaviour; product *attributes* are rarely the real reason for buying a product, the *consequences* reveal more about the reasons behind the purchase and the *values* are the actual reason behind why consumers purchase certain types of products. Laddering interviews can reveal the emotional associations that a brand has for a consumer; this can be applied to shopping channels to reveal what the attractors to the various channels are (Veludo-de-Oliveira et al, 2006). Laddering is potentially a useful technique to discover what motivates consumers to use music stores.

The Laddering interviews were started but during the second interview it became obvious that the data elicited from Laddering interviews would not help answer the research question. There are a number of possible reasons behind this:

1. I lack the skills and experience required to conduct these type of interviews
2. The questions posed in a Laddering interview are more probing than interviewees

expect and it requires a lot of thought to answer them.

3. The probing nature of the interview means that responses will often be quite personal to the interviewee; I experienced some reluctance on the part of the interviewee to share this kind of information.
4. The process is more time-consuming than I had allowed for in my planning.
5. Interviewees found it very difficult to answer the questions and generally tended to come back to answers that they had already given, as outlined below.

After establishing that the interviewee likes using iTunes, the Laddering interview commenced as follows:

Interviewer: *'Can you tell me what it is that you like about iTunes?'*

(pause while the Interviewee thought about their response)

Interviewee 2: *'I like that it is easy to use and that I can find new music there...'*

Interviewer: *'OK, thanks. Now can think about what it is that you like about iTunes being easy to use?'*

(long pause while the Interviewee thought about their response)

Interviewee 2: *'I like that it is not difficult to find things, so I can just go on there and get songs that I want really easily.'*

Interviewer: *'OK, and can you tell me what it is that you like about being able to find songs easily?'*

(another long pause while the Interviewee thought about their response)

Interviewee 2: *'I like that they (Apple) have made it as easy as possible for people that are not boffins to find and buy music...'*

Taking the Open University's Code of Good Practice into account, specifically the point about participating only in work that I am competent to perform, I made the decision to discontinue Laddering interviews and use semi-structure interviews instead.

Appendix E Emerging Themes

Elicitation of Emerging Themes from the Questionnaire

The table below lists the most significant themes that emerged from analysis of the questionnaires.

Theme
Purchasing of single tracks from an on-line store
Convenience of an off-line store
Range of products at a store
Presence of sales staff at off-line stores
Ownership of physical media
Saving time and effort by shopping on-line
Compatibility of iPod with iTunes
Ability to listen to tracks before buying them on iTunes
Security of an on-line store
Word of mouth 'advertising' of iTunes
Ease of payment on iTunes
Price structure at iTunes

Table 6: Themes that emerged from the questionnaires

These themes were explored in greater depth using semi-structured interviews. A full listing of the questionnaire results can be found in Appendix C.

4.3 Elicitation of Attractors from Semi-Structured Interviews

The interview transcriptions were examined for themes using inductive analysis, as outlined in Chapter 3.2.3.

Theme
Ease of use and ease/speed of finding something off-line
Convenience (close to work or home or passed daily)
Good, wide, focussed or deep range of the off-line store
Clarity of organisation of the off-line store
Familiarity with the layout or brand of an off-line store
Purchases influenced by radio or T.V.
Ability to browse (on-line and off-line)
Personal recommendations (word of mouth)
Reviews from newspapers and magazines
Ease of use on iTunes
Ability to listen before buying on iTunes
Ability to buy single tracks on iTunes
Easy to use (iPod)
The way it looks (iPod)

Table 7: The themes that appeared most regularly in the interviews

Appendix F Implementation of Ethical Guidelines

All interaction with research participants was performed in accordance with the Open University's Research ethics, available at <http://www.open.ac.uk/research-ethics/>.

At the beginning of each interview, a verbal outline of the objectives and process involved in the interview was provided to the participant. This outline included the following;

- Assurance of the participants' privacy and anonymity; due to the inclusion of questions about downloading of free (and sometimes illegal) songs, all participants were assured before the interviews commenced that they would remain anonymous and that their privacy would be respected at all times.
- Participants were assured that the interview recordings would be erased after they had been transcribed to eliminate the potential of invasion of their personal privacy and anonymity.
- Participants were assured that they could stop the interview at any point and withdraw any information that they had given if they wished. This gave the participants the flexibility to leave the interview if they felt that it was something that they did not want to be involved in.

The interview questions were posed in a manner that was balanced and fair, and every effort was made to ensure that an opinion was not in any way coerced. The participants were not pressurised to answer questions that they did not know the answers for, and the interviews were paced so that they were not stressful to the participants. All participants were over the age of 18.

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