RIAA Ex. O-149-DP

This Business of Music Marketing & Promotion

Revised & Updated Edition

TAD LATHROP

Contributions by Jim Pettigrew, Jr.

BILLBOARD BOOKS
An imprint of Watson-Guptill Publications/New York

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First published in 2003 by Billboard Books,
an imprint of Watson-Guptill Publications,
a division of VNU Business Media, Inc.,
770 Broadway, New York, NY 10003
www.wgpub.com

Executive Editor: Bob Nirkind
Editor: Sarah Fass
Cover Design: Spencer Drate & Judith Salavetz
Design: Cheryl Viker
Line Art: Nancy Carroll
Production Manager: Ellen Greene

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Library of Congress Control Number: 2003106298
ISBN 0-8230-7729-2

Manufactured in the United States of America
4 5 6 7 8 9/11 10 09 08 07 06 05

For June Laura Howard Lathrop

Note: This publication has been written with the aim of providing accurate and up-to-date information about the music industry. However, business customs, technology, and monetary values change over time. Furthermore, every business situation is unique; readers' circumstances will invariably differ from those I describe, even if the circumstances may appear similar. For those reasons, the author and the publisher bear no responsibility for actions taken by readers based on information provided in this book. Readers are urged to seek the current advice of appropriate professionals.

Chapter 1

Selling Music in the New Entertainment Marketplace

Most of us first get involved in music for emotional reasons. It's about joy, pure and simple, and for some of us, that pleasure becomes impossible to give up. Over time it tightens its hold and becomes, for many, an obsession.

A number of us decide to make music a livelihood. That's when we find ourselves facing the prospect of treating music not just as an emotional pursuit but as a business. We shift from making and appreciating music to trying to sell it.

You're making that shift, or getting ready to, right now, whether as a musician promoting your own songs or as a businessperson marketing a product line. And you'll find, if you don't already know, that it's a demanding, complex enterprise. It requires ingenuity, skilled decision making, expert use of all available information, and aggressive action.

Selling music may not be easy, but it can be done. It's being done all around us, worldwide, every day, to the tune of billions of dollars. People who sell music successfully have learned that there's a method to the process—a method that revolves around the twin activities of marketing and promotion.

They've learned something else, too: The business end of music, perhaps surprisingly, delivers its own emotional payoff. It comes in the form of an unmistakable surge of excitement when you see the positive results of your effort, measured in higher sales rankings on retail Web sites, larger audiences at shows, increased press coverage, and more.

MUSIC MARKETING AND PROMOTION DEFINED

Maximizing the sales and exposure of music is the bottom line of music marketing and promotion. Put differently, marketing and promotion are systematic approaches to following the money trail of commercial music—and doing it with as much precision and skill as a symphony conductor pulling musical riches from an orchestral score.

The marketing process involves shaping a "product" (as recorded work is termed in the music industry) and then getting it "rack space"—that is, making sure it's displayed and sold in record stores and other outlets, including many that weren't even dreamed of just a few years ago.

Music promotion is part of the marketing process. It involves increasing public awareness of and attraction to the product, with the goal of boosting sales. Each of the key media—print, radio, television, and the Internet—offers unique promotional opportunities and challenges.

The publicity side of the promotion field involves getting magazine and news media outlets to publish articles and stories about the artist and new releases, scheduling guest appearances on talk shows, and earning album reviews in the online as well as printed press.

Live performance is another kind of promotion. But it's also a kind of shelf space, because the performer is also a product, offered to customers in this case via the concert stage.

That's the marketing and promotion arena in a nutshell. In upcoming chapters we'll explore its many sectors in detail.

THE CURRENT MARKETPLACE

"The only constant in the music business is that it's always changing. Always."
Record promoter

There's never been a better time to get into music marketing and promotion—or a more volatile one. The old music-industry structure is rattling under the forces of technological change, increased competition, rapidly shifting public tastes, and the globalization of music.

The rules of commerce—once dictated by a handful of corporations and the executives who ran them—have become infinitely more flexible. A new and increasingly creative generation of independent musicians, alternative record labels, maverick promoters, and Internet-based entrepreneurs are inventing entirely new distribution systems and ways of doing business. (It was a nineteen-year-old college student—Shawn Fanning—who created the software behind Napster, the online file-sharing service that shook the music industry in 2000.)

At one time, individual music makers had to rely on cadres of talent-hunting middlemen and music-business insiders to get their music to a broad audience. Now, of course, the Internet and other communication technologies provide almost unlimited direct links between music maker and music customer.

Independent record labels and entrepreneurs have long provided alternative marketing channels running parallel to the superhighways dominated by the major labels. But these "indies" were the exception, not the rule.

Now, more than ever, individuals outside the mainstream music industry are gaining a real presence as leaders in marketing innovation. Sometimes even a non-music company can have an impact, as Apple Computer did in 2003 when it modeled a new Internet sales system with its iTunes Music Store.

How We Got Here

The music business has always been an industry of innovators—of individuals pushing their wares to the listening public using all existing methods and, when necessary, creating some new ones. This was true as far back as 1900, when the music business in the United States was a much simpler industry than it is today. It was a make-do environment back then, lacking the communication channels, institutions, systems, and regulations that structure today's commercial landscape. In many ways, it was a market free-for-all.

Sheet music was the key music product at the time, and music publishers marketed it largely through such retail outlets as the F.W. Woolworth chain. The publishers employed salesmen popularly known as song pluggers. Singers and performers themselves, the pluggers would belt out the songs right on the premises of the retailers, hoping to attract attention to the sheet music being sold. They energetically plugged the tunes in other settings as well, from music halls and bars to city streets—wherever they could hope to draw a crowd.

But over time, developing technologies opened the door to new and more sophisticated possibilities for music distribution and promotion. The phonograph record, pioneered in the early part of the 20th century by the Victor Talking Machine Company and Columbia, paved the way to mass distribution of music by allowing consumers to purchase recorded performances. Its invention was accompanied by Rudolph Wurlitzer's development of a coin-operated playback machine that could be used commercially in hotels, restaurants, and other public settings. It caught on, and by the early 1930s, so-called jukeboxes were being used across the United States.

Radio developed alongside the phonograph industry and proved to be a potent force. As with most new technologies, it initially posed a threat to established industries. At first, record-label brass feared that listeners would simply tune in their radios and stop buying records. But the opposite proved to be true: radio airplay greatly stimulated sales of the 78-rpm discs of the period.

With the growing number of ways consumers could purchase and listen to music came an increase in the number of ways creators could earn money. Tracking and collecting the income from those uses became a vital concern of artists. In 1914 a group of songwriters formed the American Society of Composers, Authors and Publishers (ASCAP) to ensure that music creators would be compensated for public performances of their work. Today, ASCAP and its chief competitor, Broadcast Music, Inc. (BMI), serve as central clearinghouses for the channeling of money from music users (such as radio and TV stations) to music creators. (See "ASCAP and BMI" on page 234.)

By 1950, the basic infrastructure of today's marketing and promotion system was in place: a set of formats for the commercial sale of music (at that time, phonograph records and sheet music) accompanied by communication methods (radio, movies, jukeboxes, and live performances) that exposed people to a range of performers and sounds and helped convince those people to purchase the records and sheet music.

The 1950s saw the beginnings of dramatic new ways that music was brought to—and could be enjoyed by—the public. Television, introduced in the late 1940s, revolutionized the entertainment field by bringing visual performances into the homes of mass audiences. Television had the side effect of boosting radio's use of recorded music. Prior to TV, radio concentrated largely on broadcasting live performances. As TV's early variety shows siphoned off radio's audience for live programming, radio had to focus more on playing records. Ultimately, stations began to specialize, "narrowcasting" their broadcasts to suit local listeners' tastes (such as for country music, rhythm and blues, show tunes, and, later, rock and roll). Radio programming became increasingly segmented, with different stations specializing in ever narrower music "formats."

The 1950s also brought the appearance of the 45-rpm "single" record and the 33 ⅓-rpm long-playing disc (LP)—the latter becoming popular in stereo by the early 1960s. By the mid-1960s, many radio stations were turning to stereo FM broadcasting for improved signal quality. Such innovations led to improvements in the music listening experience, to more choices for music consumers, and to the overall growth of the music industry.

In the early 1980s, Music Television (MTV) ushered in the era of the music video—yet another means of getting music to audiences. Digital recording technology began to eclipse traditional analog production methods, leading to the rapid and overwhelming acceptance of a new playback format, the compact disc (CD), which could store more music than an LP record and (arguably) offer higher-quality sound.

As the 21st century began to unfold, Internet music streaming and downloading captured the interest of consumers and sparked the creativity of musicians and music sellers. Like innovations of the past, the Internet promised reinvention of music production, packaging, and distribution to the public.

Challenges and Opportunities

Individuals and companies entering the music marketing arena today need to be aware of trends posing significant challenges and opportunities:

Development of New Forms of Entertainment. The music industry is increasingly challenged by new forms of entertainment competing for consumer dollars. Internet games, computer software, and almost-unlimited cable TV options are just a few of the current sources of competition for music sellers.

Consolidation of Supply-Chain Ownership. Increasingly, large media conglomerates are gaining ownership of the businesses that traditionally controlled the flow of products to consumers. Such domination of the marketplace by a few giant companies makes it more difficult for smaller companies to break into the business. (See "Vertical and Horizontal Integration" on page 84.)

Expansion of the Internet. The World Wide Web is providing a marketing solution for individuals and small businesses squeezed out by the conglomerates. Now any small business can bypass standard marketing channels and sell music directly to customers. But the market leaders aren't ceding this battlefield to the up-and-comers. Using all the legal and economic weaponry at their disposal, major record companies are fighting for control of cyberspace and setting up their own money-making sites.

Development of New Technologies. New technologies are continuing to change the face of music commerce. As just one example, listeners can choose music from the Internet's vast selection and copy it to personal hard drives or to portable players. This poses a direct challenge to brick-and-mortar retailers and CD manufacturers. (See "The Internet Music Shakeout" on page 125.)

Sources of Income

Today's marketplace—with its many product formats and music outlets—offers numerous possible sources of income for the music seller. Here are some of them:

- Retail sales of CDs, tapes, DVDs, and other formats
- Ticket sales for live performances
- Royalties and fees earned from performances of recordings on radio and television, on the Internet, in movies, and in commercial venues such as restaurants and nightclubs
- Royalties earned from cover versions (that is, other performers' versions) of music, created for use on records, in live performances, on television and radio, and in movies
- Fees for re-recording and play by Muzak and other background music companies, and for reproduction of music in music boxes and musical toys
- Retail sales income and royalties earned from sheet music
- Sales of T-shirts, jackets, tour books, and other promotional merchandise
- Subscription fees and other Internet-based income for artists and music sellers with their own Web sites, and licensing fees for use of music on others' sites

Approaches to Doing Business

How can a musician or businessperson use marketing to tap into these profit centers? As commercial channels have multiplied, several different approaches to doing business have become common.

The Traditional Approach. Until recently, artists and their representatives, with very few exceptions, have had only one viable option when it came to getting their music to the public. Here's what they've had to do:

- Sign a contract with a major record company, which handles the marketing and promotion process.
- Sign with a music publisher, which handles the administration and promotion of original music compositions.

- Affiliate with a performing rights organization (the largest are ASCAP and BMI), which tracks radio and TV airplay and handles the royalties for such use.
- Market through partnerships with an established management agency, which oversees all the career decisions of the performer-songwriter, and a large talent and booking agency, which handles the business of touring and live performance.
- Hire an independent publicity firm to support the record label's publicity efforts (mostly coverage in magazines and newspapers and on TV, radio, and the Internet).

The Alternative Route: Doing It Yourself. In recent years, the music business has seen more and more adventurous souls taking care of business themselves. An alternative or "guerrilla" strategy for getting music to an audience may include the following tactics:

- Recording music in a small studio using digital technology
- Burning CDs one by one, or ordering mass duplication and storage of CDs directly from a commercial outfit
- Using the Internet and local media to promote the music and the act
- Selling CDs via the Internet, direct mail, and/or phone orders
- Selling digital song files over the Internet through various kinds of Web sites
- Marketing the CD directly to smaller record stores and other retailers
- Personally booking live club dates
- Establishing a small publishing company to deal directly with a performing rights agency
- Devising brand-new music income sources

THE MARKET-AWARE MUSIC SELLER

So while some of the basics remain the same, many other aspects of the marketplace are changing at warp speed. The demands on the marketer have never been greater, requiring initial decisions about which route to follow and then many more tough decisions about how best to travel that route.

Regardless of the path you choose for your music, your success as a marketer will depend on your knowledge, skills, and attitude. Today, smart marketing requires

- knowledge of how to target and reach an audience
- awareness of all the current sources of music income
- knowledge of the established procedures of music commerce
- the ability to develop innovative new business procedures
- knowledge of how to take full advantage of technology
- willingness to take the initiative—to work proactively rather than passively wait to be "discovered"

In the current wide-open, rapidly changing business environment, you, the marketer, have to become a lifelong learner, market expert, media maven, pioneer, innovator, and—very importantly—self-starter. If you're a musician, no one is going to work as hard or apply as much dedication as you in getting your music across to an audience. You are always the best advocate for your creative work.

THE INDEPENDENT MUSICIAN'S CHALLENGE

If you're a musician planning to take your career into your own hands and use the tools of marketing to do it, keep in mind that you're vying with thousands of others for the attention of the listening public. This means you need to be realistic, smart, and persistent. A successful career requires the following:

- *Musical talent*—or at least an ability to connect with listeners, whether through personality, lyrics, or showmanship. Before doing any marketing, realistically assess yourself as a musician. As obvious as this seems, it's a step that many don't take before they expend resources on making and trying to sell CDs.
- *Desire to succeed,* which often means the willingness to make sacrifices in other aspects of life. At times, music-career demands may take a toll on your personal life, since working at night means frequently not being home. Make sure you can handle it.
- *Persistence,* and the ability to remain positive about your career even when the inevitable rejections come your way. Not everyone will like your music. But if *you* know it's good, and if enough others like it, forging ahead and staying in it for the long haul will almost certainly ensure eventual success.
- *Live performance.* Unless you plan to work behind the scenes—say, as a studio musician or a jingle composer—you'll need to work in front of audiences as regularly as you can. It both hones your musical skills and builds your fan base.
- *Recordings.* CDs and digital files are both key sources of income and tools for preserving your music in fixed and lasting form. Release new ones regularly.
- *Marketing.* With all the other elements in place, using the tools of marketing in a systematic, creative, and relentless way will ensure you emerge from the crowd as an attention-worthy musical professional.

The equation for success boils down to this:

talent + desire + persistence + gigs
+ recordings + marketing
= likelihood of professional rewards

As a musician, you may be inclined to pursue a record contract and leave the marketing to the label staff. You'd prefer to concentrate on your music and not have to concern yourself with the business side. But keep in mind that one way or another

you'll have to deal with the business side, at least early in your career. Today, record companies are looking for artists who have already proven themselves in the marketplace, preferably with a CD that has sold respectably, and with a base of fans who attend performances.

On the plus side of handling your own business, you won't have to turn over most of your CD earnings to a record company, and you'll retain control over every facet of the enterprise, from creating the record to designing the album covers, press materials, and collateral. What's more, you'll learn much more about the business through personal experience than you would if you handed the reins over to someone else. If you do eventually sign with a record company, you'll have an insider's knowledge of how the business works.

THE MUSIC MARKETER'S ADVANTAGE

To recap, marketing music is a challenging process, but it's doable when handled systematically. In some ways, music is easier to market than other types of products. It has a powerful built-in appeal. Music has been used worldwide, through the ages, to heighten the experience of social occasions, religious ceremonies, and other events—and simply to provide entertainment. Whether the instrument is the human voice, an acoustic piano, or the latest electronic device, music reaches deep within human consciousness to arouse emotions, lift the spirit, and spark the imagination. That innate value is priceless—and a boon to anyone involved in music marketing.

Music can also reach across language and cultural barriers—more so today than ever, given current communication technology. American pop music, for example, is embraced all over the world, and music from any country can be found in the repertoires—and the markets—of any other country.

Armed with those unique selling points, with music you believe in, and with a commitment to succeed in the music industry, you're poised for action.

In the next chapter you'll get a behind-the-scenes look at the marketing campaign for a new recording. Then you'll explore what's involved in bringing your own product to market.

Chapter 2

Charting the Corporate Hitmaking Process

Not too long ago, the discovery of a record by a customer usually went something like this:

One night, while watching a news show on cable, a music fan catches a featurette on an interesting new band. He remembers that earlier in the day he read a rave review of the band's new CD in the local newspaper.

Then it's Friday—payday. After work, he stops by his favorite music store and stops to look at the new cardboard cutouts, mobiles, and posters just inside the doors near the front listening booths. He checks out a new CD the store is promoting—it's the one by the band he read about and saw on cable TV. He likes what he hears and decides it's going home with him. Waiting in the checkout line he reads the CD's jacket to get the story behind his new purchase.

Then on the way home, he turns on his favorite FM radio station and hears a song from the new release. He feels good about his purchase.

Today, the process may unfold in any number of ways. For example, a music fan may hear a track somewhere and download it as an Internet file without buying the CD.

But whatever form the purchase takes, it probably occurs in part thanks to a recent marketing and promotion campaign by a record label.

THE RECORD COMPANY MARKETING PROCESS

A record company relies on effective cooperation by several of its departments: marketing, advertising, sales, promotion, and publicity (as shown on page 10). Together, they strive to "sell through" or maximize sales of a given musical product.

Here's how the process works, in a fictional example.

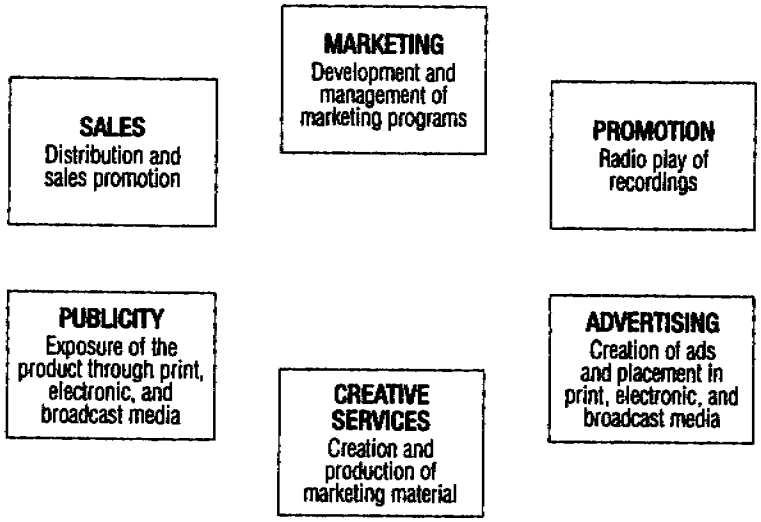
On the Rise

For months now, the industry has been buzzing about a hot new blues-rock band called Four Gone Conclusions (4GC) that exploded out of the Tampa area.

At a music-business convention in New York, the band played live at a nightclub showcase and brought the house down. Before the night was over, negotiations had

begun between the act's management and the vice president of A&R (artists and repertoire, or talent acquisition) of a national label, Rhythm Oil Records.

The completed contracts were signed at an exclusive party in Hollywood, with pop-music press and label brass and their friends enjoying Cuban food and local beer from Tampa while a sound system resonated with the group's first (self-produced) CD, which had sold several thousand copies.



Departments involved in marketing activities of a large record company. (Organization varies from company to company.)

Gearing Up

Now, with production of the first album for the label underway, the various gears of the label machinery start to move, and every one of the label's departments has plenty to do.

Corporate brass kicks off the marketing campaign by holding an interdepartmental meeting to plan activities in support of the album release. Following a general discussion of the act, participants present opinions, strategies, and ideas.

Then the marketing director shares some specifics of her marketing plan:

- The band's mix of sophisticated, bluesy originals and reworkings of classic blues tunes is expected to appeal to educated males and females, ages 18 to 50-plus.
- This demographic group should respond to the members' literacy, musicianship, and songwriting talent.
- The act's somewhat dark, mysterious image will be maintained, while its members will continue to do significant charity work. This has been shown to appeal to fans in the targeted age and education bracket. It will also provide an "angle" for stories pitched to the press.
- The band, a mainstream electric blues act, will be cross-marketed to blues, jazz, and modern-rock fans.
- To build on the band's artistic depth and fan appeal, the label will mount a big-budget promotional campaign. The plan includes a contest on the Internet.

The label's decision makers listen to a couple of rough studio tracks from the band's new CD. They're encouraged by the announcement that famed producer John X. Smith will come out of retirement to finish 4GC's new CD. This will get plenty of media play.

Timing, communication, and teamwork by everyone at the label are vital now. The label might have a new marquee act here and the executives can almost taste it.

As the album nears completion, various departments begin to swing into action.

Marketing

Several key decisions have been made in the marketing department, with more looming in the near future.

CD Packaging. First and foremost are two critical decisions for any new act: the CD's title and jacket art.

The band's manager, although not part of the label, is pushing hard for the CD to be titled *Ybo Arising*. The track with this title is an eerie, haunting 12-bar ballad based on a true story in which members of the fiercely proud West African tribe the Ybo, having been brought to coastal Georgia on a slave ship in 1855, chose to commit suicide rather than face servitude. According to the legend, you can still hear the distant clanking of slaves' chains on moonless nights near Ybo Landing on St. Simons Island, on Georgia's marshy lowlands.

Everyone in marketing likes the song, and agrees that the story should appeal to their multiethnic target audience.

But band members and label brass aren't sure how to illustrate the CD jacket, until the lead guitarist mentions a painting he's seen that would be perfect: a depiction of the Ybo tragedy that contrasts images of the captives descending into water with a scene of the tribespeople back in West Africa, rising from the surf, joyous and free.

Right after the meeting, the marketing director locates and contacts the artist. At first, the artist refuses and tells the marketing director her painting is not for sale. But she eventually becomes intrigued with the band, especially its history of charity work. She agrees to release worldwide rights if the painting can be auctioned off with a $50,000 minimum. All proceeds will go to Lions Clubs International to support that service group's childrens' eye-care program.

The label brass agrees, and the painting is couriered from Jacksonville, Florida, to the label's Hollywood office.

An art director in the label's creative services department is assigned to design the CD cover, combining the painting with the band's name, its logo, and the album title.

Web Site Design. The marketing department works with the creative services department to create a Web site for the band—linked to the label's main site—with copy written by the label's publicity staff. Text, graphics, and sound are formatted to be installed and uploaded.

Every staff member helps to design an elaborate contest to debut on the Web site. The top prize: an all-expenses-paid weekend for two at the Chicago Hilton with a limousine tour of famed Chicago blues clubs.

Video Production. Working with creative services, an independent production company, and a well-known video director, the marketing VP plans the band's music video. Footage from Ybo Landing and computer-generated graphics will be featured.

With marketing in high gear, an all-department meeting is held to report on progress.

Sales

Down the hall in the label's sales office, another team of professionals is just as busy. The sales vice president makes a personal call to the VP of Warner-Elektra-Atlantic (one of North America's largest distributors) to alert him to the impending new release.

By now the sales team has checked the master calendar of retail stores around the country for rack space and extra (preferred) display areas, with their cost and availability noted.

The sales VP is astonished when his staff tells him that Crazy Joe's El Cheapo, a nationwide chain of music stores, has listening booth, front-of-store, and end-cap (prominent rack) space available for the period coinciding with 4GC's release. This chain's stores are frequented by members of the band's target audience, so he quickly reserves the chain's display areas nationwide for that period.

Meanwhile, sales personnel are diving into their contact databases and updating their copies of the master rack-space calendar, based on calls to key independent music stores around the country that operate in the band's core markets: Boston, Denver, Chicago, New York, Atlanta, and Tampa.

The sales department also asks marketing to create a set of attractive promotional materials such as cardboard cutouts, mobiles, and posters. The label president and the band's management agree to set the suggested retail price for the CD at the top new-release price of $18.98.

The sales vice president checks in with a mass-duplicating plant in Philadelphia, to schedule an initial run of 20,000 CDs. Four thousand of those copies will be used for promotion to radio, the media, distributors, and key buyers.

In a meeting with the sales VP, the advertising department agrees to place a half-page ad in the trade weekly *Billboard* for three weeks to promote the CD's release as well as an "image" ad in *Rolling Stone*. Other ads will appear in *Spin, Down Beat,* and *Living Blues,* as well as in selected lifestyle and entertainment publications aimed at the target audience.

One advance copy of the semifinal mix is delivered from the recording studio and listened to by representatives of all departments.

Now key components of the release are coming together.

Promotion (Radio and Music Television)

All along, the promotion department has been hard at work on 4GC's radio and music-television campaign and the first single release of the CD's title track. Nationwide promotional efforts will focus on two key formats: AAA (Adult Album Alternative) and jazz/blues (including some programming produced for local stations).

The national promotion VP contacts the independent promotion company chosen to push the title song to key radio programmers around the country, including program directors for national radio networks. Personal calls also go out to the hosts of nationally syndicated music shows.

Coordination and timing are at the top of everybody's agenda as the VP contacts regional promotion personnel in urban markets from San Francisco to Miami. In daily conferences by phone and e-mail, the groundwork is laid for the CD's delivery to stations. To avoid leaving any key station or network feeling slighted, the deliveries will occur simultaneously.

The label's promotion staff is in constant contact with field reps to finalize details of special listening parties, tailored to the individual markets. These lavish events will woo local deejays, veejays, programmers, and press people.

Publicity

The publicity department has been hard at work on 4GC's media exposure campaign.

The vice president of national publicity spends hours each day glued to his phone and computer keyboard. Some two dozen priority media contacts around the country—influential music editors and album reviewers at key national magazines, news syndicates, major-market daily newspapers, and leading music Web sites—merit personal calls from the VP with advance information on the label's publicity campaign.

The scene is much the same inside the tour publicity office, where specialists from the label work closely with the group's independent talent agency to promote the live concert schedule. (Several weeks before a nightclub or large-hall date, local media in the surrounding area will receive colorful press materials and concert tickets.)

In addition, college-press publicity professionals work hundreds of college newspapers, large and small, all over the nation to get the word out.

With the important contacts in place and advance word traveling down the media grapevine, the national publicity VP sets into motion a carefully orchestrated publicity campaign supported by well-designed packets of PR materials, or "press kits." The process involves the following steps:

- A professional entertainment writer interviews the band and drafts the artist "bio." This includes the story of 4GC and its members: who they are, how they got together, and where they stand artistically.
- A noted music business photographer plans and shoots the group's publicity photos—three sets of studio portraits and live onstage shots, with some in black and white and some in color.
- A graphic designer creates a sleeved cardboard jacket featuring the logos of the label and the band. This colorful jacket keeps the other materials neatly organized (and noticeable on the most cluttered of desks).
- A marketing staffer prepares a one-page publicity fact sheet, which will be useful for TV appearances and interviews on live radio or in Internet chat rooms.
- The band's most favorable press clippings—mostly nightclub reviews—are laid out neatly on 8½-by-11-inch paper and photocopied onto high-quality paper.

While these materials are being mass-produced by a printer, the publicists get busy studying the computerized media list on a computer database to fashion a direct-mailing list, tailored for the CD release. Names on the list will include national-magazine music editors, daily-newspaper entertainment editors, college-newspaper music editors, lifestyle/entertainment weekly editors, and key freelance music writers in every major urban center.

International Markets

Four weeks before the CD's North American release, the label's VP of international affairs confers with overseas distribution partners in countries with good potential fan bases. These include Belgium, France, England, Brazil, Japan, and Malaysia. The VP promises to express-mail advance copies of the CD and press kits to each partner for preview.

Now all the components of the band's debut campaign are in place. Each department checks and double-checks its work, and regular briefings keep every employee up to speed.

Teamwork with Non-Label Partners

At the same time, the band's non-label representatives are busy with important preparations.

4GC's management firm has signed the band with SevenStars/Crown, a top talent agency specializing in modern blues and blues-rock that can book the act in key clubs across the country. The agency also gets the act on a prestigious twenty-two-city package tour of medium-size halls.

Management cuts a deal with Ol' Rattler, a popular Tampa local beer, to co-sponsor 4GC's part in the package tour. The beverage company will provide stage backdrops, posters, and tasting parties across the country as part of the brewer's own expansion program. The band will also be spokesmen for the beer company's new "drink responsibly" campaign.

Band management also completes an agreement with an established publishing house, Four Dogs Music of Austin, Texas. Four Dogs then arranges with ASCAP to handle the band's performing rights worldwide.

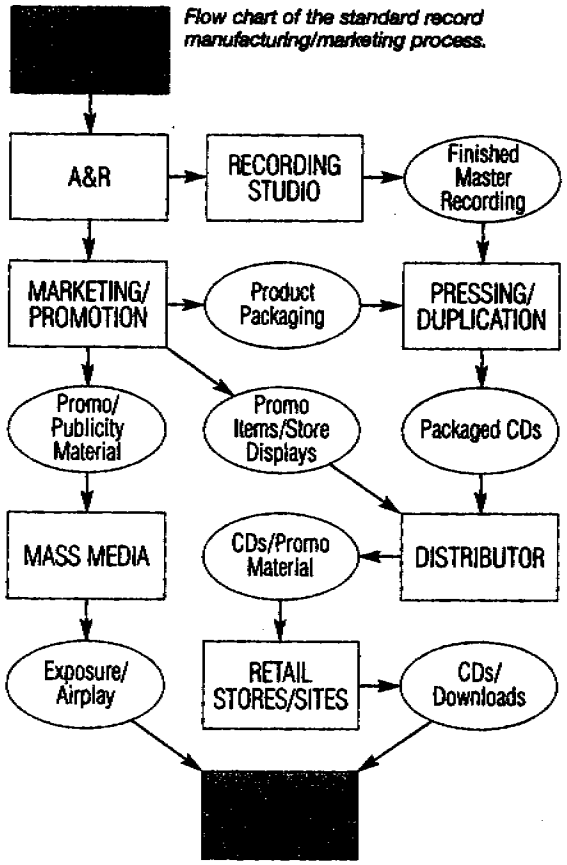
After weeks of teamwork, planning, and preparation, things are ready to happen. And the pace is about to get dizzying.

The Breakout: Release Day and After

The recording having been completed in the studio, the following events unfold:

- Master discs are couriered to the duplicator in Philadelphia for an initial run of 1,000 CDs. Advance copies of the final master are also rushed to the label president and the various department heads.
- The 1,000 CDs are boxed with jacket art and shipped to the distributor's warehouses around the country, along with promotional materials.
- The units are then delivered to stores or chain distribution centers so the displays and listening booths can be stocked.
- While staff members in key markets hand-deliver CDs and various promotional items to programmers, many more sets of materials go out to "reporting" radio stations by overnight courier. Then local promotional staff organize a flurry of sneak previews in markets across the country for reviewers and entertainment editors.
- The publicity people take delivery of their materials. Along with the CD copies and promotional items, the press kits are overnighted to key editors and reviewers. A nationwide mass mailing is completed.
- Review copies of the CD, press kits, and promotional items are delivered along with copies of the video to MTV, VH1, and other music television channels.
- Mentions of the new release begin to appear on national entertainment news programs, syndicated radio shows, and selected music Web sites.
- Publicity leverages the story of the title tune and the charitable destiny of the original jacket art to get maximum coverage. NPR's *All Things Considered* does a two-minute featurette on the new release and the band's upcoming charity auction.
- Publicity pulls out all the stops to get CD reviews and feature stories in national magazines, daily newspapers, and lifestyle weeklies. The label continues to show its commitment to the band, making numerous follow-up calls to programmers and editors.
- As the title song begins to appear in the various radio formats, band members are interviewed live on selected major-market radio stations to tell the background of the title track.

- The band's Web site, linked to the label's main site, receives a growing number of hits, many of which are click-throughs from Internet radio stations and other music Web sites. Growing numbers of visitors are downloading 30-second song excerpts.
- Increasingly, the band plays to sold-out clubs (with about 200 seats) and medium-size performance venues (about 500 seats).
- In one major-market promotional push by the tour sponsor, the Tampa beer company peppers the Tampa–St. Petersburg–Clearwater area with "co-op" TV, radio, and print ads that tag the band, the new CD, and the beer brand, and also include a message about responsible drinking that praises designated drivers.
- At colleges, listening parties organized for local media—also cosponsored by the beer company—generate a great deal of "street buzz" within the target audience.



Flow chart of the standard record manufacturing/marketing process.

- "Feelers" come in from *The Tonight Show* and other national TV programs.
- The band receives an invitation to open for the Rolling Stones in Paris.
- The album's title song appears on *Billboard* magazine's Modern Rock Tracks chart.
- Back at the label, reports of brisk sales come in, along with reorders.
- In daily (and nightly) meetings, label executives and staff review promotional successes and strategies, then fine-tune their short- and medium-range plans. Everyone is invited to build on past decisions.

The End Result

Here's what has happened: A barrage of data about the band and the new CD has been hurled at the target audience. It's increasingly unlikely that anyone in the target market will be unaware of the band and their new CD.

Soon, the entire process will start all over again for this small army of marketing, promotion, and publicity professionals.

THE MUSIC PUBLISHER'S MARKETING PROCESS

With the record company's gears in motion, the band's management has attended to a different but equally important part of the band's career: their potential for earning money from an array of commercial uses of their music.

Management is well aware that every time a musical work is performed or broadcast on radio, TV, the stage, a jukebox, or any other medium, the songwriters earn royalties. That's why 4GC's general manager has signed each member (all are songwriters) with Four Dogs Music, the Austin-based music publisher. Working with 4GC on a 50-50 basis, the publisher will now represent the band's music in several important ways not handled by the record label.

Copyright

First, the publisher registers all the band's music with the U.S. Copyright Office. This provides legal protection from theft or plagiarism of both music and lyrics. It's a critically important step for any original music. (Although a composition is considered copyrighted at the time it is written, registering it with the Copyright Office adds legal weight to the claim of ownership.)

Performance Rights

Next, the publisher registers each band member and clears the members' respective songs with the American Society of Composers, Authors and Publishers (ASCAP), a performing rights organization based in New York. (The other large music rights house is Broadcast Music, Inc., also known as BMI.)

ASCAP will now oversee the calculation, collection, and payment of all performance monies due the band member–publisher team. For a popular song, money can come from a wide array of sources, including radio and TV airplay, Webcasting, cover

versions by other performers, jukebox play, nightclubs, bars, restaurants, stores, and even parking lots that play recorded background music. (For more information on ASCAP and BMI, see page 234.)

Mechanical and Synchronization Rights

The publisher has also affiliated itself with the Harry Fox Agency in New York. This well-established company will now take care of all mechanical rights to 4GC's music—which includes the collection and payment of licensing fees for new versions of the music used on other artists' CDs and tapes. (See "The Harry Fox Agency" on page 231.)

The publisher also promotes synchronization rights, which cover the use of the music in audiovisual media such as movies, television, and home video. This important side of music publishing can add a very lucrative dimension to a song's total earning picture. (See page 233 for more on synchronization rights.)

Tracing the Path of a Published Song

Let's go back to our original music fan who read a CD review in the newspaper, saw the band on cable that night, and then decided to buy the CD on payday.

While reading the CD jacket as he waits at the record store's checkout counter, he notices that the songs were written by members of the band—all except for one track, the title of which is followed by a name, Jakarta James, that the music fan doesn't recognize. For a split second he wonders how a song written by someone not in the band ended up on the CD.

He doesn't know it, but chances are a music publisher played a major role.

A Song Is Born. To trace the path of the song to the CD, let's return to the case of the Four Gone Conclusions.

Around the time 4GC is stirring up interest in Tampa, a year or so prior to their label deal, a local high-school student named Jakarta James is delighting her family, friends, and school music director with a song she has written. Titled "Cubano Skiffle," it's a lively dance tune about unwinding on a Saturday night. The excited music director is convinced the song has commercial possibilities, and he decides to help Jakarta get it to music publishers. Using a borrowed machine, he tape-records the girl singing and accompanying herself on acoustic guitar. He converts the recording to a digital file and burns it onto a CD.

The music director composes a cover letter to an entertainment lawyer he knows, introducing the student and the song and suggesting a submission to Four Dogs Music, a company he found on the Internet. He sends a copy of the CD.

Two weeks later, to the astonishment of the school, the young lady receives a letter from the professional manager at Four Dogs Music. He's interested in the song. If she and a parent or guardian sign with Four Dogs, the tune will be cataloged, copyrighted, and registered with ASCAP. The letter includes the necessary forms to fill out.

The Right Song for the Job. Months pass, during which 4GC is signed to Rhythm Oil Records and Four Dogs Music. Soon, in a recording-studio planning meeting, it's discovered that the band is one song short for their new CD. Hastily, a search is launched for just the right number. Song after song is ruled out. This is a key decision because the cover song has to fit the image of the group and the context of the rest of the CD.

Back at the publisher, the professional manager hears about this and quickly begins searching the vaults. "It's a long shot," he decides, "but 'Cubano Skiffle' just might be the right song." A more professional demo is recorded locally and then overnighted to 4GC's producer and the label president.

A heated debate soon ensues. Is the tune too "pop" for the band's image? Would it have any single-release potential? Finally, a consensus emerges: everyone likes the lyrics; they're fun, upbeat. The problem is the arrangement.

Then, with Four Dogs' professional manager and arranger on a telephone conference call, the band and the producer iron out a suggestion: slow down the number slightly and turn it into a sexy, bump-and-grind shuffle (much like the Rolling Stones' version of the Buddy Holly classic "Not Fade Away").

Far into the night, the band experiments with tempos and such color-adding instruments as maracas, timpani, and steel triangle.

At the next day's listening session, everyone is enthusiastic about the latest "take," including the label president and the departments of promotion, sales, and publicity. "Cubano Skiffle" will round out the new CD. Quickly, the news travels to the publisher and then to Tampa, where Jakarta James and her music teacher are flabbergasted.

The Second Single Release. Flash forward to the present: Now that 4GC's first single release, "Ybo Arising," has peaked and is waning on the charts, it's time to discuss the all-important second release. From Austin, the publisher lobbies hard for it to be "Cubano Skiffle."

Both the publisher and the label brass begin the polling process, contacting key pop music programmers, club deejays, and reviewers across the country. The responses are positive.

As the responses come in, a couple of key pointers are discovered, sending the label into a tizzy: various major-market pop radio stations have started getting listener requests for the song; also, label reps in large cities have noticed the tune in dance clubs, both teen and adult. Phone calls and e-mail messages flash back and forth between the label and the publisher.

It's a Hit. The song is rushed into release, and soon it becomes obvious that the band has a major runaway hit on its hands. As one radio network after another adds the record to its playlist, the song spreads like wildfire in dance clubs across the country. It slips into *Billboard* magazine's top 10.

Building on Success. The publisher works swiftly to capitalize on the song's success and to generate revenues from additional sources, all of which will fatten the bank account of Jakarta James.

Arrangements are made to publish the lyrics in song-oriented magazines.

Notification comes in that pieces of the song will be heard in an upcoming episode of NBC's *Law and Order.*

ASCAP notifies the publisher that "Cubano Skiffle" has become extremely popular with cover bands across North America.

A feeler comes in from a Tokyo-based toy manufacturer. An agreement is then worked out allowing the company to produce a line of teddy bears with 4GC's logo; when squeezed, the toys will play the hit song's melody.

Finally, word comes in that Raven Della, an Argentine soap-opera star and pop singer with a huge pre-teen and teen audience all over South America, Central America, and Mexico, will cover the song on her new CD.

But, like Rhythm Oil Records, Four Dogs Music won't rest on this success. On a daily basis the music publisher's staff will repeat this process with other songs from its catalog—songs both old and new, placed with a wide variety of musical artists.

Chapter 3

Previewing the Total Marketing Program

Before delving into the process of handling your own marketing and promotion, it's worth taking a look at what the competitive climate is like in the current marketplace.

Independent record sales account for a relatively small percentage of the entire music market. The lion's share has long been held by a handful of large music companies. In 2002, they were the Universal Music Group (UMG), the Bertelsmann Music Group (BMG), Sony Music Entertainment, the Warner Music Group, and the EMI Group.

Yet opportunities are multiplying for "indies"—sellers of music not affiliated with the above-listed "majors." The chief source of opportunity is the Internet. In the late 1990s, the Internet spawned a new kind of music distribution in which users could pull songs from vast collections stored online and play them on personal computers and portable storage devices. Because of its accessibility, the Internet has empowered music industry newcomers to set up online "presences" and sell directly to listeners.

But the Internet aside, there's always room in the marketplace for talented new entrepreneurs willing to take responsibility for their own success. Some examples:

- A small San Francisco–based label, Ubiquity Records, opened for business in the mid-1990s with only $1,000 in seed money. After several years the label achieved annual sales of over $1 million.
- Nashville-based Compass Records, run by a husband-and-wife team, succeeded by targeting a niche audience for eclectic roots music.
- New Albion Records, a company catering to aficionados of experimental music, got its products out by building one-on-one relationships with individual stores and later by using the Internet.

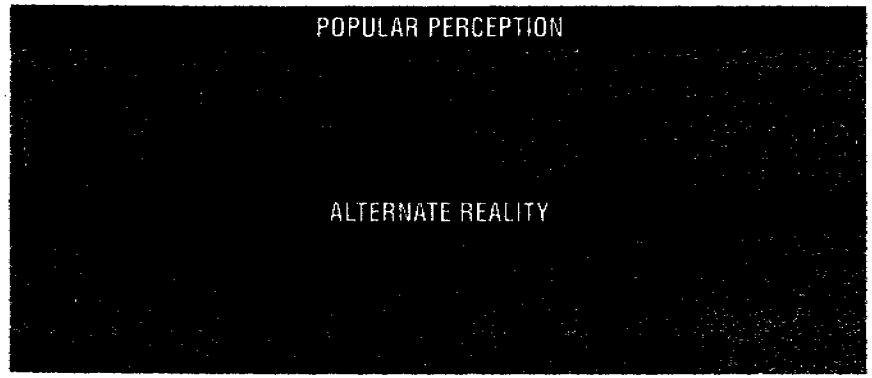
Thousands of other enterprising music makers and marketers have established firm footholds in the marketplace.

At the same time, there are plenty of roadblocks on the path to profitability in the music business. Not least among them is the trend toward consolidation—via mergers and buyouts—of players in the traditional music market, including distributors, retail chains, and radio networks. Fewer decision makers in the distribution pipeline means fewer marketing opportunities for small labels.

The greatest challenge of music as a profession may no longer be the creation of the record. Technology has advanced to the point where professional-quality sound

can be achieved at low cost with relative ease. But with more people making records, there's much more competition. Now the hardest part is getting the record into the hands of distributors, retail outlets, and customers who are already swamped with large quantities of new product.

Meanwhile, on the major-label side of the industry, business is no easier. Flattening CD sales and shrinking market share, combined with rising competition from Internet file-sharing sites, have lit fires under the people whose jobs depend on profits rising, not falling.



YOU, THE MARKETER

So where does this leave *you?* Presumably you've already come up with some high-quality music. (This may not be your personal music; it could also be music that you're representing as a manager, label owner, or employee of a large record company.) Now another big task looms before you. Your goal is to make the music earn some money.

In your mind's eye is a transaction—an exchange in which someone happily pays money in return for the pleasure of listening to, and owning, your musical product. That money will, in turn, travel down a channel of people, offices, and banks until it finally finds its way into your pocket. Sounds simple enough. But how do you make it happen?

The process of moving from the point of product creation to the other end of the commercial continuum—where you are on the receiving end of a sales transaction—is called marketing. And marketing is what you must do if you are to sell your musical product.

You will be most successful if your marketing program is clear and well thought out.

THE NEED FOR A PLAN AND A PROGRAM

"Build it and they will come." This statement, paraphrased from the 1989 fantasy film *Field of Dreams,* pretty much sums up the way many music people imagine success will come their way: "If I work hard enough on the music, eventually people will find out about it and start demanding copies of my CD."

But remember: the movie's title is *Field of Dreams.* If the movie were *Field of Reality,* the line would be: "Build something they want—then market and promote it—and there's a better chance they will come."

The point is, the musical product will just sit there unless you do the necessary marketing and promotion work.

With that fairly obvious point in mind, let's look at two contrasting ways of trying to sell a product: (1) using a "flying blind" approach and (2) using a more planned-out, systematic approach.

The "Flying Blind" Marketing Approach

One way to market a product is to release it into the marketplace blindly and hope it sells. In this scenario, the seller may have no hard information indicating that there is any demand for the product. There may be no specifically targeted audience—no identified segment of the populace that research or experience has proven is likely to purchase the seller's kind of product. The only basis for the sale is a gut feeling. The seller purports to have a finger on the pulse of current tastes and to know what kind of product will appeal. So the seller dives boldly into the marketplace, fueling the effort with self-confidence, faith, and raw nerve. Promotion is aimed at informing "the public" about the product in a general way.

Say, for example, you're planning to sell an album of music you'd categorize as electronica. You know from reading lifestyle magazines that electronica is currently popular. So you release the album with the sense that the album's quality will be self-evident and that people who purchase electronica records will find it appealing and will buy it. You place a few ads and hope that the project flies.

This "send it up and see if it flies" approach is risky. First, no matter how in tune with current popular tastes the seller may be, there is no way to predict with certainty how long those popular tastes will be in play. That disc you issued because it conformed to a current musical trend may wind up in a market that has already turned to a new and different trend.

Second, without relying on knowledge of a defined audience, your effort lacks focus. Your advertising and publicity may end up being too randomly dispersed to effectively reach specific groups that might find the record appealing. Your CD may get lost in the flood of equally attention-getting competitive products.

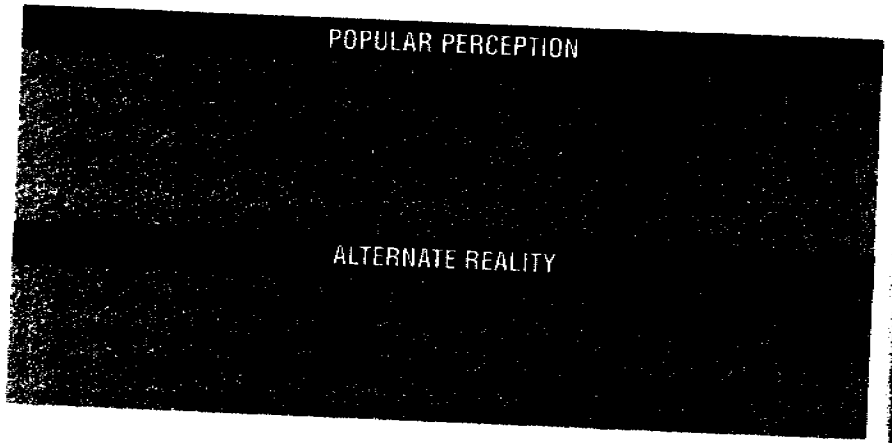
The Planned-Out Marketing Approach

In contrast, the second of the two basic sales approaches involves more fine-tuning of the effort. The seller has evidence that a specific group of people—people from a particular geographic region or age group, for example, or who have specific lifestyle preferences—are inclined to buy the kind of product being marketed. Before the release, the seller finds out as much as possible about the buying habits and tastes of that group, and packages the product to match those tastes. The seller then makes sure

the product is distributed to outlets that cater directly to those people, and advertises and publicizes the product in media targeted to those buyers.

Say, for example, you're marketing a record by an artist with an established cult following. By tracking sales of previous records, you've learned that the artist is popular among college-age males located primarily in New England. It would be a reasonably safe bet to emphasize distribution in college towns in New England, to set up tour dates in that region, and to advertise in publications that reach college-age males.

This approach to selling is far less chancy than the "flying blind" way. It involves proceeding according to some established guidelines to ensure an informed and, to the extent possible, *systematic* process of getting a desirable product to a receptive audience that has been made aware of the product and its benefits. This, more than the seat-of-the-pants approach, is what marketing is all about. When it comes to staging a marketing campaign, avoid winging it, and you'll have a better chance of winning it.



THE FOUR P's OF MARKETING

The music field has its own unique marketing requirements, as do other fields. But there are some fundamental rules of marketing that apply to *all* fields, and it's helpful to be aware of them.

While the term *marketing* most simply translates as "selling," it has another, broader meaning. It's a meaning that has developed over the course of time as the rationale behind marketing has become less product centered and more customer focused—based less on a "here's the product, now let's sell it" approach and more on the idea "here's a customer need; let's create a product to satisfy that need and then make the product readily available." Nowadays, marketing can really be said to encompass *all activities having to do with transferring ownership of a product from the producer to the consumer in a way that meets consumer needs.*

Today, marketing refers to an entire *program* for selling—a program consisting of several key components. Those components have come to be known as the Four P's:

- Product
- Price
- Place
- Promotion

Product

All activities related to product development fall into this category. Product development involves ensuring that the product meets current standards of quality; that it has definable value to a definable group of people; that it offers something different from or better than competitive products; and that its packaging is appealing, economical, in conformance with legal and retail requirements, and relatively easy to produce.

Price

The price of the product must be set to achieve a balance of affordability to the audience, profitability for the seller, and competitiveness with similar products.

Place

Place really refers to *distribution*. The product has to be made available to, and easily obtainable by, the customers. Choosing sales outlets and setting up distribution systems to stock them are critical aspects of the marketing process.

Promotion

All the steps that must be taken to increase customer awareness of the product and to convince customers of the product's value come under the heading of promotion. This includes advertising and publicity, Internet exposure, and sales incentives.

The "Three W's and an H" Definition

As long as we're playing with letters of the alphabet, let's look at marketing in another way—in terms of Three W's and an H. The product can be considered the *What* of marketing. Distribution and placement can be thought of as the *Where*. Both promotion and distribution strategies can be boiled down to the *How*. That leaves one more W. Another crucial aspect of marketing is the timing—the *When*—of all the program elements, from production to distribution to promotion.

BEYOND THE FOUR P's: THE FINER POINTS OF MARKETING MUSIC

Music, as stated previously, has its own special marketing and promotion requirements. Not surprisingly, the typical music marketing effort is more complicated than a simple set of Four P's would indicate.

Product development, for example, might involve coming up with several different product formats, permitting money to be earned from a number of different sources and in various ways. More and more, the marketing function views music as a raw unit of information—digital information, nowadays—that can be presented in multiple configurations, adapted to any media, sent through a variety of distribution channels, and used to establish multiple revenue streams.

A single album, for example, can be sold as a CD, a cassette, and a downloadable digital file. It can be combined with text and visual material in a multimedia format. A song from that album can generate sales from the original disc, a separate single, a movie soundtrack, a television commercial, and many other uses.

Similarly, promotion in music represents a complex effort that includes publicity, advertising, sales promotion, live performance, radio play, Internet promotion, souvenir sales, television appearances, and more.

Music distribution involves not only retail store sales but just about any channel through which music is transferred to the consumer or reseller, including the Internet.

And after the marketing program has been set into motion, it must be carefully monitored. Where ineffective, the program will need fine-tuning. The plan must evolve according to market changes. Sales revenues must be managed. Expenditures may have to be reallocated.

Building the Perfect Marketing Machine

Whatever its final components, the marketing plan is created to achieve a goal. The goal, at its simplest, is to develop an audience base and to sell musical product. Along the way, a secondary aim is to build up the marketing program to the point where its momentum becomes almost self-perpetuating.

In music, as in many other fields, it is nearly impossible to completely separate the marketing categories of product, promotion, and distribution. As will be seen in later chapters, components of the marketing program tend to serve several purposes and to reinforce each other. Live performance, for example, is not only a direct source of revenue but also a promotion device, boosting retail sales of CDs. Television appearances generate both fees and publicity. Movie soundtracks do the same. When the components are working effectively, they function as a precisely calibrated system of interacting parts supporting a single money-generating engine, powered by audience demand. The engine's dynamics are summarized in the illustration on page 27.

Branding: Using the Machine to Build a Loyal Fan Base

As previously pointed out, the purpose of building this well-oiled machine is to generate sales. But is that all there is?

Marketing theory differentiates between the simple, one-time-only transaction—where all that matters is the immediate short-term sale (a kind of marketing hit-and-run)—and a "transaction" that is more lasting: the establishment of ongoing relationships with customers, so that there will be repeat sales to those customers over the long term. Ideally, customers will begin to view the artist (or occasionally the record company) as a *brand* that they can trust to provide music that they like. This kind of long-term trust in a producer's products is often referred to as *brand loyalty*.

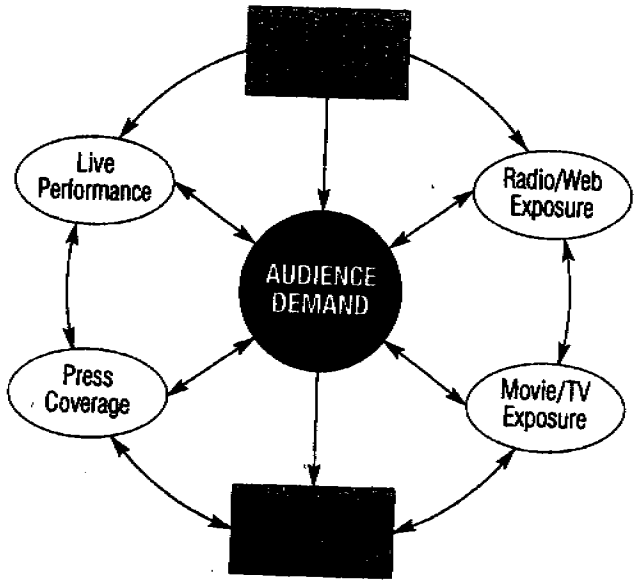
In music, building brand loyalty is an extremely important goal. In more familiar terms, it means building an audience. Establishing a base of loyal fans means having a core group of customers who are nearly guaranteed to buy your new CD or show up for your live appearance.

For an example of brand loyalty in the music business, think of the Grateful Dead and their fans. Deadheads, as the fans called themselves, consumed any product linked to the Dead, from concert tickets and records to trinkets, books, and neckties.

Fortunately, music is ideal for establishing deep emotional connections between artist and audience. The connection is often felt on the most personal terms by the fan. Think of your favorite musical artist and you'll know what this means. The music and lyrics speak to you personally to the point where you feel a kinship with the artist. One fan of the British singer Morrissey, for example, described him as "the only one who understands."

In many cases, the connection is such that the musical artist becomes an absolute necessity in the fan's life. In strictly commercial terms, this amounts to a one-to-one relationship between the seller and the buyer—the Holy Grail of marketing. It's the kind of brand loyalty that marketers of other types of products can only dream about.

Establishing that kind of audience loyalty and building on it is best done methodically, by thinking through and then following a multitiered marketing program.



The marketing system fuels audience demand, generating sales. Success feeds energy back into the system, further boosting demand and sales.

COMPONENTS OF A MUSIC MARKETING PROGRAM

In music, the Four P's of marketing can be used as the basis for a more expanded set of building blocks for a marketing program. Again, the standard steps of traditional marketing may not always neatly match the requirements of the music business. But they can serve as a helpful point of reference. With that in mind, use the following as flexible guidelines that you can adapt to your particular marketing situation.

Product Development

The nucleus of any marketing effort is the product. In music, a key product is, obviously, a new recording. (As discussed in the next chapter, however, the core "product" also includes the performer.) As stated previously, product development involves all activities devoted to making sure the product is marketable. This process includes identifying the target audience, identifying and enhancing the product's selling points, differentiating the product from the competition, choosing appropriate delivery formats, packaging the product effectively, and setting the right price.

At What Stage of Product Development Does Marketing Begin? Consider the following two scenarios:

Scenario 1. An artist comes up with a completed master recording and sells it to a record company. The company then sets out to identify a market for the already-recorded music and to develop a program for reaching the market.

Scenario 2. An enterprising label executive notices a lucrative new market—say, a market of adolescent female fans of the singer Pink. The executive then decides to develop another artist who will appeal to the same audience. The executive finds such an artist and oversees the recording process to make sure the CD matches the tastes of those adolescent female fans of Pink.

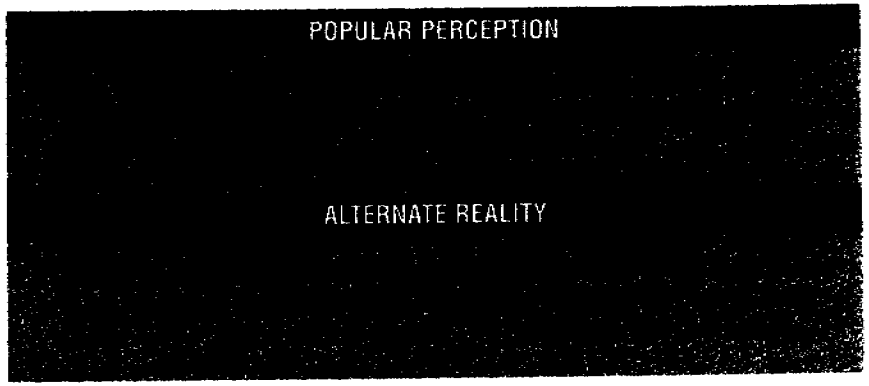
In the first scenario, the core product—the music—is created before the marketing begins. In the second scenario, the *marketing guides the entire process,* including the creation of the product.

This begs the question: When should the marketing process begin? Should it start only after the product has been developed (as was once the norm)? Or should the marketing process begin at the same time as, or before, product development? In other words, should marketing be a consideration in the creation of the product itself? (I can already sense the artistic purists among you rising up in protest.)

Well, it all depends. In the case of art for art's sake—where the product embodies creative expression unencumbered by commercial considerations—the marketing would begin after. Captain Beefheart, for example, probably wasn't thinking much about marketability when he created his left-field masterwork *Trout Mask Replica.*

But in the commercial world, marketing is often an intrinsic part of the product development process. New artists get signed primarily because of their sales potential. A set of tracks may be chosen for a CD because they're radio-friendly. In a classical concert series, "Mostly Mozart" is likely to sell more tickets than an Elliott Carter string quartet and for that reason is chosen for the programming. A jazz musician decides to create a rock band because she can earn more money that way. Marketing decisions occur at any and every stage of product creation and dissemination.

Where *you* begin the marketing process depends on your approach to your music. Are you interested mostly in pursuing your artistic vision, and secondarily in selling to whomever may be interested? Or are you interested in sales from the start, in which case you would think hard about the appeal of the music before you recorded or performed it?



Whether you do it before or after creating the product, it's vital to ascertain the workability of the commercial idea before committing money, time, and effort to a marketing project. You have to know that the product has a chance in the marketplace—even if only a small chance.

With those considerations in mind, it's time for an overview of what happens in product development.

Defining the Target Audience. The workability of a given commercial venture depends on customers: Is there a group of people who will buy the product? If so, who are they? And how large is the group?

The group of people identified as the probable customers for the record is the *target audience.* You may wish to target broadly, aiming for a mass audience. (The textbook terms for dealing with a mass audience are *market aggregation* and *undifferentiated marketing.*) Or you may wish to narrow your focus, precisely targeting only a portion of the mass audience. (The terms for this focus are *market segmentation* and *target marketing.*) Such a portion of the larger market may consist of people in a particular age bracket, people who live in a particular region, people of specific nationalities, people who fall into specific income brackets, people who subscribe to particular lifestyles, and so on.

For marketing purposes, it is essential that there be some sense of the audience for a given musical product. Ideally, the marketer should be able to define the audience

precisely, in words, on paper. That makes it possible to create sales messages and promotions tailored to the audience's interests and characteristics.

Determining the Product's Selling Points. Music speaks for itself, right? Of course—that is, until you have to sell it. Then you need to take stock of the specific reasons why someone in the target audience would want to spend their hard-earned money on it. Having a clear idea of the product's selling points—the matrix of qualities that the audience will find valuable and appealing—is vital for effective marketing. The selling points can be emphasized in the packaging and serve as the basis for headlines and messages used in publicity and advertising.

When you begin to determine selling points, it's important to look beyond just the music. Audiences are attracted to more than melodies: they may fall for the performer's personality and look. They may feel a kinship with the lifestyle and philosophy expressed by the performer's songs and stance. Music as a product can be a powerful symbol for the tastes and beliefs of a defined group of people.

Punk rock, for example, symbolized rebellion against the establishment, and against corporate rock in particular. Everything about punk rock's presentation, from ragged guitars to ripped T-shirts, underscored the symbolism. Those elements appealed primarily to listeners who imagined themselves as outside mainstream culture.

Successfully selling a product means having a handle on *all* its sales points, both overt (the music and performer[s]) and hidden (the underlying messages conveyed). The more you can define and communicate these aspects, the more accurately you'll be able to market the product to the correct audience.

In the case of a classical string quartet, for example, the *overt* selling points might be these: the group has won several prestigious awards; it performs adventurous new music; the members dress in outlandish style. The *hidden* selling point might be this: buying the group's recording will reinforce the customer's perception of himself as being culturally sophisticated and in tune with the avant-garde.

Differentiating the Product from Its Competition. Part of establishing a product's value involves setting it apart from the competition. Why would someone buy this jazz CD instead of another? What makes the product unique? Again, these are points that can be emphasized in both product packaging and promotion.

Packaging the Product. Having identified the product's audience and selling points to whatever extent possible, the marketer needs to answer the following question: Given the finished recording, what can be done to package it so that it appeals to the audience most likely to buy it?

The product packaging—the CD cover art, for example—can be designed to emphasize the qualities that target customers will find attractive. It can also be used to explicitly draw attention to the key selling points. The main design and selling points can be reused on ancillary material such as posters, retail display items, Web sites, and souvenir merchandise. They can also be reinforced in advertising.

Visual appeal isn't the only factor in packaging, however. Other considerations are cost of production, speed of production, size and shape requirements for retail display, and legal requirements.

Pricing the Product. The price of a product obviously has an important bearing on its sales success. A product may be priced so high that it is beyond the reach of the targeted customer. On the other hand, if it is priced too low, the seller may not earn a profit. And if its prices are different from those of similar competitive products, the sales effect could be very significant: increased sales with a lower-than-the-competition price; fewer sales with a higher-than-the-competition price. To cover all these bases, the seller has to balance three factors when setting a price: the cost of production, the value of the product set by the customer, and the price of competitive products.

In music, this is made easier by the fact that pricing is relatively standardized: the top price for a new CD as of this writing is $18.98. The industry, collectively, has found this to be a desirable price for covering costs and earning a profit; at the same time, it is a price that customers have been willing to pay (although options available on the Internet have made standard CD pricing seem less attractive). So that for the music marketer, the focuses in pricing will often be on (1) keeping costs down to ensure maximum profit on the generally accepted price, and (2) offering discounts on that price as sales incentives.

Distribution

Between the product and the customer lies the question of how to connect the two. The answer to that question is distribution.

It wouldn't do much good to know the audience if the marketer didn't then place the product in retail outlets—stores—that catered to that audience. It's an obvious point, but worth stating nonetheless: Sell the product in places people go to buy such products.

In the music field, identifying those places isn't difficult. Most people buy records at large record stores, whether on the street or on the Internet. The process of getting records into those stores, however, is not quite as straightforward. Normally, the seller of a record must first secure the services of a distributor—a "middleman" or third party whose job is to serve as a one-stop for distribution to numerous retail outlets. For a price, the distributor takes your CDs and sells them to its retail accounts.

The chain of entities involved in moving the product from the seller to the customer is called the *distribution channel*. Each part of the chain—the seller, the distributor, and the retailer—functions as a member of a team, and all stand to win when the team works well. There are a number of approaches to setting up distribution channels, and choosing the right ones—and the right channel members—is a crucial part of marketing. (See Chapter 7, "Distributing Through Stores and Their Suppliers.")

If you are a one-person operation, or close to it, your approach to distribution may be to bypass the usual multi-member channels. You'll be setting up an order system through the Internet using e-mail, a phone number, and/or an online order form.

You'll be visiting smaller music stores—possibly in person—to place CDs in their racks on consignment. You may be creating a brochure with an ordering coupon, which you will mail to names on a targeted mailing list.

Music Promotion

An essential part of any marketing plan is a promotional strategy. Promotion boils down to informing the world about the product, persuading potential buyers of its value, and continually reinforcing public awareness of the artist and product. Without promotion, you could have all other components—product, distribution, and audience—in place or identified, and the enterprise would still go unnoticed by the public. In the world of music, promotion takes many forms, including live performance, radio play, television, Internet activity, free media coverage (publicity), and paid advertising.

Management of the Marketing Program

As pointed out previously, once the marketing program is in play, it can function as a well-oiled machine, with promotion and concerts fueling new record sales, and increased demand leading to more radio and television play, wider distribution, ever-expanding press coverage, and even more sales.

But the machine requires constant attention and fine-tuning. Changes in the market require changes in the marketing program. For example, if an artist's style of music goes out of fashion, there may be a need to adjust musical direction and to recast the tone and focus of promotion. Similarly, once a product is no longer "new," it will require a new set of tactics to ensure that it continues to generate sales. And finally, it may be that a product or artist is simply not catching on. The marketer has to have a sensitive hand on the pulse of the market to know when this is the case, and to accurately assess when to curtail active promotion and begin winding down the enterprise.

Management of the marketing program might also mean monitoring the incoming flow of money from the various revenue streams—that is, from retail sales, television use, movie use, and any other sources that have been tapped—and executing accounts payable to any subcontractors, vendors, and royalty participants. While in a large company it is the financial division that administers accounts receivable and accounts payable, the marketing people also monitor and scrutinize the sales figures. The numbers are the bottom line, the final indication of the success or failure of the product launch and marketing plan.

For a small company, this process may be hands-on and entirely do-it-yourself. As such, it can be an accounting nightmare, but think of it this way: if you're in the enviable position of administering accounts receivable for your up-and-coming music business, it's the best nightmare you may ever have.

With all these bases to cover, it's helpful to begin the process with a rough blueprint of elements that will shape the marketing plan and guide the overall program. It can serve as an ongoing point of reference—and can be revised at any time as needed. The following example outlines several of the items that can be included in such a blueprint.

PRODUCT MARKETING INFORMATION SHEET

Title of Product: _____

Name of Artist: _____

Format(s) of Product: _____

Price(s) of Product (itemize all formats): _____

Brief Description of Product: _____

Targeted Audience: _____

Estimated Quantities of Product (itemize all formats): _____

Release Date: _____

List the main selling points of the product: _____

Describe what makes the product unique or different: _____

Where will the product primarily be sold? _____

List secondary market outlets (specialty stores and catalogs, direct mail, music clubs, special sales, and so on): _____

Describe the promotion, publicity, and/or advertising strategy: _____

Upcoming chapters provide more detail on how this chapter's marketing-program model can be used to make your music start bringing in money. The first order of business is to look at a basic music product—a piece of recorded music—and examine its role in the overall marketing scheme.