

This Free E–Book is brought to you by Natural–Aging.com.

100% Effective Natural Hormone Treatment
Menopause, Andropause And Other Hormone Imbalances
Impair Healthy Healing In People Over The Age Of 30!

Music Business Year–End Rewind of 2004

By Ritch Esra and Stephen Trumbull

Music Business Year–End Rewind of 2004 by Ritch Esra and Stephen Trumbull

Welcome to our "Year–End A&R (Artist & Repertoire) Rewind of 2004," where we reflect on what occurred over the last 12 months in the world of A&R and to see the impact those events made in the music business. This is also a time of year when you begin to look forward with a strong sense of commitment, expectations and making plans for the coming year. But, as the great John Lennon once said, 'Life is what happens while you're busy making other plans.'

With the Sony/BMG merger, 2004 will always be remembered as the year the 'Big Five' became the 'Big Four' and don't be surprised if we're telling you about the 'Big Three' at this time next year! Last year will also be remembered for labels aggressively utilizing video games as a marketing vehicle for the launching of many of their artists.

It was a year when the public finally said "No Thanks" to the concert business in a very loud and clear way. The summer touring season, especially, taught some very painful and costly lessons regarding exactly how much the public is willing to pay to see an act and what they are no longer willing to pay! As a result, Clear Channel has removed service fees from its ticket prices and drastically reduced parking prices at many of its venues. The industry also learned some valuable and long overdue lessons about the number of acts the marketplace is able to absorb.

Of course, the most profound impact on the world of A&R as well as many other areas of the business was the closure of four major labels: DreamWorks, Arista, Elektra and MCA (although MCA was reborn with far less staff as Geffen). These closures accounted for the loss of over 600 jobs (35 in A&R departments).

In looking back over 2004, we're reminded of the many conversations we had with various music business professionals on both sides of the Atlantic concerning the current state of today's music industry. Without exception, there seems to be a very sobering sense that the record business we have known for the last 25 years is now gone. This is extremely troubling for many, sad for some and terribly exciting for others. I see these times as an incredible opportunity for a total and complete reinvention not just for record label A&R Depts., but for the entire spectrum of the music industry.

If you as an artist, band, agent, manager or any other music business professional cannot see that the old paradigm of artist development (the actual long–term process of building a career from the ground up) has been completely re–invented over the last few years, then you need to get out of this business. The old methods of doing things no longer apply. This may sound obvious to most of you, but you wouldn't believe how many fairly well known music business professionals within the industry still believe that the only way an act can have a viable career today is to get that act signed to a major label.

What's so sad is that these people who believe this (and there are many) can't even see that the very system they feel can & will accomplish this for their artist no longer even exists! We've said this before, but it bears repeating – though no one will actually come out and say it (truth is, they may not even be

consciously aware of it) — Major labels today, with very rare exception, are no longer willing to be in the business they have built over the last forty years. The train of thought today is that the 'old' process of signing, recording and developing talent takes far too long and is way too costly to achieve the results they desire in the time they have allotted.

As a consequence, whether intended or not, (and this is the part many simply can not see) is the major labels are now in the Promotion and Marketing business, but of course, only for those experienced artists who have already been developed that they feel can be turned into multi–platinum sellers. Well, that would be nice, but that just isn't the world we live in anymore. Of course, there will always be platinum sellers in the future, but far fewer of them. Today, there are simply too many choices available.

It's fascinating to observe some of the most influential music publications out there today, such as pitchforkmedia.com and [Blender](http://Blender.com) to name two, which have hardly any mainstream artists in their Top 50 of 2004. Today, it's all about choices. The future of this business will be thousands of niche artists selling fewer records much like cable television, which has a fraction of the audience, but is profitable! And this is the most profound difference from the past in terms of A&R signings and looking at what can and will work in the marketplace.

Under the old paradigm, the public (the majority of the time) only wanted what the major labels signed and sold to them (of course, that may have had something to do with what was available). Today, choices of music being vastly wider, a far more diverse artist selection available to us, not to mention the various new formats provides an almost infinite selection for today's listeners and consumers. And, as most of us have known for years, the market is far, far broader than the major labels ever cared to acknowledge (yes, people between the ages of 30–50 WILL BUY MUSIC when presented with artists who they can connect with). How else could Ray Charles sell two million copies of a CD via a coffee chain, or James Taylor sell over one million Christmas CDs via Hallmark without his CD without even being available at retail? If either of those artists were at a major label, (James Taylor was with Columbia/SONY for 27 years up until last year) they most likely would not have sold more than 200,000 to 300,000 copies, tops!

These two examples provide an insightful illustration why several of the major labels are struggling today for their very survival. They truly can't see what their customers want. But, in much deeper

sense, they have no desire to get to know what their customers want.

Don't get me wrong, there are several wonderful executives who work for the major labels, it's just that the corporate culture at the top of most major labels is so profoundly out of touch with the times we live in, they cannot see their own part in the problems they face. The building of careers is a luxury of time to which they no longer choose to contribute. They really would like to THINK & BELIEVE they do, but the reality is the just the opposite.

The opportunities today are vast and limitless for those artists, bands, managers, and other individuals and companies who truly understand and embrace what is actually occurring, who can step back and see the decaying mechanism that many are still struggling to maintain for what it is – not only a crumbling business model, but an entire way of viewing the world in which we used to live, but no longer do! The personal, business and artistic successes we are seeing today are from those individuals who can peer through this fog of delusion and see the business as it actually is; not as they want it to be or hope it will become, but how it actually is! Those individuals are moving freely and creatively interacting with our new social order while others, including some politicians (and apparently

a lot of voters), are still clinging to a world or a way of thinking that no longer exists.

Forward–thinking artist managers, agents, venues, indie labels and the artists themselves are the ones who have become (and truthfully have been for some time) responsible for building the next generation of career–artists. Careers are not supposed to be events that have huge a build–up and then are over like The Super Bowl. As we all know, the best careers (The Beatles, Led Zeppelin, Elton John, Neil Young, U2) are long journeys that have been built on solid and viable foundations that can (and do) sustain a wide array of paths and experiences. Each of these artists was able to build extremely solid and viable foundations without a major label and in most cases, had no mainstream radio airplay at all. What these artists (and their managers) do have in common (regardless of genre) was an entirely new way of thinking and approaching the marketplace with regard to the development of their careers.

They all utilized new and non–traditional methods that did not have the luxury of an enormous marketing push behind it to create awareness. Most were lucky at the start to get Public Radio exposure and critical acclaim.

But today, with so many more marketing and exposure options available to artists (iPods, Internet radio, websites, non–traditional retail), the artists who develop and build careers for themselves won't necessarily be household names in the first few years, but they will have a built a very solid base of fans that actually want their music and will attend their live performances. These artists will have built their followings over a long period of time, not through hype and over–exposure on MTV, VH–1 or other media outlets that in so many cases actually damage careers instead of enhancing them. More than ever, today's youth culture is looking for something real, something it can feel a genuine connection with, not something it's oversold on!

This is the tragedy of the major labels. They keep looking for the formula that will give them the huge multi–platinum sellers. Only problem is, we don't live in that world anymore! The system today doesn't allow these types of massive sellers like it did in the past. Today, we have FAR too many choices. And

that's their tragic flaw. Major labels do not see that the harder and louder they continue to market their acts, the more the audience they're trying to reach doesn't seem to hear them or care.

Doubt me? Just ask any 13–18 year old today and they'll tell you. Or ask any 35–50 year old why they don't buy CDs anymore and they'll tell you "They don't put out any artists who I can connect with." Let's face it, Norah Jones' enormous breakthrough and continued success wasn't a fluke, but rather a very strong indicator that the so-called "target demographic" (12–21 year olds) is completely out of touch with the times we live in. And for the record, Norah is another example of a recent career that was built entirely from this new paradigm of artist development – It is this particular phenomenon that I believe will alter the type of artists, regardless of style, that will emerge and be able to build viable careers for themselves in the coming years. Will these new Artist's careers look like what came before? Not a chance! This will be the most difficult lesson for us as an industry to truly get. Letting go of what we've always held as the definition of success (Out–of The Box Top–10 radio hits, videos in high rotation on MTV, VH–1, BET, product endorsements for anything and everything, appearing in TV commercials, transitioning into motion pictures all within the first 12–18 months. Today, for those in the know, these things are no longer seen as a path to career longevity. These are all things we have seen over and over during the last 5 years that have hurt careers when they occur too quickly or without direction.

The new breed of artists and managers (and yes, there are a few who do think long–term) emerging today do not appear to see their clients' careers with this same unhealthy compulsion. They have a solid grasp of who and what they are and have been able to map out a career path that is consistent

with that vision. This is what will contribute to building careers, rather than destroying them.

A recent development in the Industry that we would be remiss in not mentioning is the recent trend of "upstreaming". This is where an independent label develops an act from the ground up, and at a certain sales level, the act goes upstream to the major label system. The catch is, of course, that the smaller label will have to give up their acts to the major if the acts become successful. The great flaw in this scenario is that the major labels have traditionally thought that any act doing 100–250K on an independent label should be able to do at least three times that within a major label system. As we've seen over the last few years, 'it just ain't so!' Most acts do not go from 150K to 500K in the course of one album. And there is nothing wrong with that. An act's evolution (both artistic & commercial) is an organic process and a long one. We don't expect our children to walk in their first six months, nor should we. Often, the problem with the major labels' expectations is the unrealistic sales goals set for their acts simply because the act is now in a 'major' system.

So often we've seen labels set their spending based on totally unrealistic sales expectations. All too frequently, a label declares that its sales goals have not been met and drops the act. Is it any wonder that our industry has produced fewer and fewer career artists over the last fifteen years? That is also why all of the major label artist rosters have continued to get smaller and smaller.

The most fascinating aspect of this particular process today, is how many artists and bands truly **WANT NOTHING WHATSOEVER TO DO WITH MAJOR LABELS AT ALL!** The illusion that a **MAJOR LABEL CAN MAKE ALL OF THEIR DREAMS COME TRUE** is over. So many artists today have seen too many acts during the last 10 years break up, implode or simply get lost in a system that they truly

had no business being a part of in the first place.

If major labels are to survive in the future, they are going to have to come out of denial about the world in which we live and completely re–invent themselves. They are going to have to start seeing their business as it truly is today – not how they would "like it to be" or "how it was," but how it actually is. As Werner Erhart so brilliantly said, "The Truth will set you free, but first it will really piss you off!"

Ritch Esra and Stephen Trumbull are publishers of the A&R Registry and several other music industry directories and may be reached by phone at 818–995–7458 or online at <http://www.musicregistry.com>

UNLIMITED MUSIC GLOBAL ONLINE

By Knut R. Enebakk

UNLIMITED MUSIC GLOBAL ONLINE by Knut R. Enebakk

Dear friend!

Welcome to My Music Inc – the ULTRA popular music and movies. Now over six million songs & movies are on the network! You will be able to get almost every kind of music or movie you can think of. We have not yet seen a music or movie genre that does not exist on the network.

Free – Music Downloads, 12 Billion Songs and Music, Download Unlimited Songs for Free!

BMG Music Service has been bringing people and music together for over 50 years and has delivered music directly to the home of customers worldwide – largest direct – to customer distributor of music.

Start NOW! Click Here <http://www.worldwidesaleservice.com/id22.html>

None



This Free E-Book has been brought to you by Natural-Aging.com.

[100% Effective Natural Hormone Treatment](#)
Menopause, Andropause And Other Hormone Imbalances
Impair Healthy Healing In People Over The Age Of 30!