

Balancing Creativity and Commerce

Marketing Strategies in the Music Industry

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Preface

For this master thesis, I sought to combine two of my greatest passions: marketing and music. Marketing in the music industry is after all what I would like to do as a profession. Having done a previous study in marketing, I felt I missed a profound knowledge of the cultural industries and in particular the music industry. Through mandatory literature and assignments, the master course in Media & Journalism has contributed to this knowledge. However, I felt it was up to me to make a link between the marketing knowledge I have stored in my brain, and the business of music. I found that a master thesis on the subject of music marketing would be an excellent opportunity to do so.

I consciously made the decision to choose a subject that would serve as a preparation for my future. I am aware that marketing is not a typical research topic in sociology but to me it was a challenge to research this topic in order to try to make a contribution to this field. Marketing is an important aspect of the cultural industries after all and plays a major part in the music industry. Some say it will even do more so in the future.

The past six months or so my life has evolved around theoretical material of marketing and the music industry in order to write this master thesis. After countless of hours of exploring the subject matter, I am glad to say that my interest in the subject still is very present. My desire for theoretical knowledge on marketing in the music industry has been satisfied and this process has provided me with a profound basis, which has made me more determined to pursue a career in the dynamic business of music.

Many persons have in some way played a role in the conception of this dissertation and I would like to express my gratitude to all the persons who have helped me sort my thoughts by lending a listening ear, by reflecting on the subject and by motivating and enthusing me at times my energy needed to be sparked.

Many friends have been placed on the sideline and I am thankful for their understanding, patience, loyalty and stimulating and thoughtful messages.

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Finally my gratitude goes to my parents for their unconditional support. They have always inspired me in the past and will always do so in the future.

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Executive summary

The music industry is characterized by a continuous dichotomy between commerce and creativity. On one hand, it is a highly organized and commercially exploitative industry and on the other hand, it is a rich source of meanings and provides an arena for creative expression and person identity. The tension between commerce and creativity also translates into a tension between profit and public interest on a meso-level and on a micro-level into a tension between the artist and the record company.

In order to research this ongoing tension between music's role as a form of cultural expression and music's position within an economic and industrial context, I have examined the marketing strategies of the music industry. By analysing the practice of marketing, both regular as well as music marketing, I have examined how the commercial music industry deals with the creative aspect and the symbolic and cultural value of music. The research question central in this master thesis is; 'Is the marketing of music the same as the marketing of commodities and to what extent does the symbolic, cultural value of music influence the marketing strategies of the music industry?' The assumption held by me prior to my research was that music is in fact marketed as other commodities and that regular marketing strategies are applied in the marketing of music. I assumed that the symbolic and cultural value of music has very little influence on the way that music is marketed.

The theoretical basis of this master thesis is based on strands of theory that understand the dynamics of cultural production such as the political economy approaches, the 'production of culture' perspective and some contributions of 'cultural economics'. From this literature it becomes clear that record companies are commercial businesses and their main objective is to make a profit. The literature suggests that the commercial aspect of music is more important to record companies than the creative aspect. The music recordings are in fact considered and treated as commodities rather than cultural products. They are influenced by a capitalist environment in which the record companies operate and compete. Numerous other factors determine the outcome of the product and the supply on the market as well, for example gatekeepers, industry personnel and technology. Through the process of standardization, the creative and cultural product of music is turned into a commodity; a product to be bought and sold

An important factor in this commodification process is marketing; the practice of bringing the product to the market and thus to a record-buying public. In recent years, the marketing of music has become more professionalized and the practice has gained respectability within the music industry. Record companies have become more marketing-focused and, in some cases, marketing has even begun to guide the entire music recording process, including the creation of a song.

From the analysis of both the regular and the music marketing process, it became clear that although music has its own special marketing and promotion requirements, much of the marketing process is similar to regular marketing. The steps for designing an effective communication campaign are the same as for any other product and music marketing uses the same approaches, strategies and tools as regular marketing. From this, I had to conclude that the marketing of music in general is not different from the marketing of commodities. The cultural, symbolic value of music does not influence the marketing strategies of the music industry.

Nevertheless there is an essential difference in the marketing of commodities and the marketing of music, which originates in the starting point of the marketing strategies. From the analysis of popular music theory and marketing theory, it became apparent that the popular music industry in capitalist societies has five distinctive, characteristic features that are at the core of the marketing strategies. The implementation of these characteristic features is in fact a method to reduce risk, exert control and enforce accountability. By following the standard procedures of *labeling*, the *star system*, *processing fads and fashions*, *branding* and *synergy*, record companies aim to increase predictability in the fickle environment of consumer tastes.

Even though the marketing strategies used in marketing music are regular strategies that are also used in the marketing of commodities, the starting point is based on the characteristic features of the music industry. These features are the driving force behind the selected marketing strategies for a music marketing campaign. Common marketing strategies such as *market segmentation*, *market targeting*, *product positioning*, *niche marketing*, *selective promotion*, *sponsoring*, *merchandising*, *publicity* and *cross promotion* are used for both the marketing of music and the marketing of commodities. However, in the case of music, these marketing strategies are facilitated by the characteristic features. The features are the driving force that enable, encourage or support the marketing strategies, and provide them with a typical music-related content. In order to test this assumption and to link theory to practice, all five characteristic features are represented by a case study, which in turn is analyzed by means of several marketing strategies. The case of world music represents the characteristic feature of labeling. The feature of the star system is represented by the case of *Idols*. Boy bands form the case study for the feature of processing fads and fashions. The characteristic feature of branding is represented by the case of *K3* and finally rapper *50 Cent* represents the characteristic feature of synergy.

The analysis of the case studies suggest that although the symbolic, cultural value of music does not influence the way music is marketed, it are in fact the characteristic features of the music industry that are at the base of music marketing. It is therefore in essence the music industry that controls the marketing and not the marketing that controls the industry.

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1. Introduction

The value of music is symbolic, and therefore music is a cultural product. In advanced capitalist economies, these cultural products become increasingly important. In the international trade, the share of cultural products is growing. The fact that companies produce cultural products primarily for profit, means there is a tendency for commercially oriented texts to increase in number and presence in every day life.

Music has social functions and effects. It divides people into social categories and sub groups and it contributes to the shaping of a person's identity. On the one hand contemporary music is a rich source of meanings and provides an arena for creative expression and person identity. On the other hand it is a highly organized and commercially exploitative industry. This paradox between music as a symbolic and cultural product and music as a commodity is the central theme of this master thesis.

The way that culture is produced and consumed offers interesting insights in the functioning of forms of contemporary, realistic, existing capitalism. The ongoing tension between music's role as a form of cultural expression and music's position within an economic and industrial context is researched in this thesis, by focusing on the production side of music. This is an important phase in which music is influenced and shaped by different actors before it enters the market.

A fundamental task of record companies besides the production is the marketing of various forms of music as a commodity for consumption. The aim is to connect the cultural product with the lives of consumers. However, cultural products have a symbolic nature; the user value depends on the meanings derived by consumers and this differentiates music from other commodities. The inconstant taste of the audience makes the music business one which is difficult to predict. For a long time now, large record companies are using marketing to ensure success, or at least enlarge the chance of success to recover the investments.

By analyzing the practice of marketing, both regular as well as music marketing I will examine how the commercial music industry deals with the symbolic and cultural value of music and in what way music marketing differs from regular marketing. The employees of the marketing, publicity and PR department of a record company, do not only sell a product, but also deal in aspects such as creativity, emotions, feelings, pleasure, ideas, information and culture.

1.1 Problem definition

An important aspect of the music industry is the everlasting tension that exists on a macro level between creativity and commerce. This tension also translates into a tension between public interest and profit on a meso-level and on a micro-level in a tension between the artist and the record company.

For the employees of the cultural industries this paradox between creativity and commerce forms the playground on which they do daily business. They have the difficult task of incorporating the interests and wishes of different parties that are involved in the process. The tensions form a continuous drive in the striving to combine these opposites in order to succeed in producing a successful product. In order for a product to be successful, it needs to appeal to consumers who are willing to purchase the music. Marketing strategies are an important tool in connecting the product with the market.

1.2 Research Question

It seems that music and commerce are more than ever resiliently bound together. The research question central here is: 'Is the marketing of music the same as the marketing of commodities and to what extent does the symbolic, cultural value of music influence the marketing strategies of the music industry?' My assumption is that music is in fact marketed as other commodities and that regular marketing strategies are applied in the marketing of music. I believe that the symbolic and cultural value of music has very little influence on the way that music is marketed. The sub questions to test this assumption are: 'What makes a cultural product different from other commodities?', 'How does the process of commodification of the cultural product take place?' 'What are the most common strategies used in the marketing of music?', 'Are the marketing strategies of the music industry really different from marketing methods used for other commodities?', 'Do the creative goals in the music business make a difference in the way music is marketed?', 'Once a song is discovered by a record company is it merely considered as an economic product?' 'What are the characteristic features of the music industry?' and 'To what extent do these features influence the marketing of music?'

1.3 Terminology and epistemology

Throughout this master thesis, I will use the term 'music' to describe the popular music industry (by music business I mean the same). It is in fact popular music that is central here, the music that is consciously aimed at the mainstream audience. This is the music

that appears in the Top 40 list and reflects the taste of a large group of consumers. Popular music constitutes the main source of income for the record companies and the most common marketing strategies target this mainstream market.

By the music industry, I mean the media sector that is comprised by the four largest record companies in the world, who together produce 70 to 80 percent of all records sold in the world¹ and that operate in the mainstream international market, but are based in America. It also includes the smaller record companies and the independent labels that also form the oligopolistic market of the music industry. I do not include the more specialized national, regional and local music industries in the world of which some such as *Bollywood* and the Latin American music business are serious media sectors in which billions of dollars are involved.

In discussing the marketing strategies and the music industry, there is no differentiation made between different countries. I am aware that there might be some differences in marketing strategies in different countries. However, since the 'Big 4', at this moment formed by *Universal, BMG/Sony, EMI/Virgin* and *Warner Bros.*² operate in an international market, they have divisions in national markets, which often dominate the national markets as well. What is often the case with large international conglomerates is that there are guidelines that each office has to obey in order to ensure synchronized business activities throughout the world. This idea is supported by Southall, who states that 'record companies throughout the world operate in the same basic way. They all try to achieve two simultaneous goals – success and profitability. (...) The activities of all its record companies, whether they are based in Europe, Asia or South America, center around recording, manufacturing, distribution, A&R, sales, promotion and marketing'.³

1.4 Theoretical and Practical Relevance

Studies in marketing and studies of the cultural industries, in my experience, are separate entities. The aim of this master thesis is to bring these studies together. In my opinion, marketing is and will become even more important for the cultural industries, as they have to compete with each other for consumer attention. There is a discourse, in society as well as university faculties that commerce and creativity do not go together. My believe is that the cultural industries will benefit from a businesslike approach as long as it does consider the cultural value of the product. In this study of the music industry, I hope to succeed in illustrating that the profit aim of the record companies does not

¹ Wall, T., *Studying Popular Music Culture*, Arnold: London, 2003, 70

² These used to be the Big 5, but BMG recently merged with Sony. There are constant changes in the make up of the majors because of these mergers and acquisitions and therefore this group only reflects the current situation as it is in August 2006.

³ Southall, B, *Major Recording and Publishing Agents*, In: York, N. (ed.), *The Rock File: Making it in the Music Business*, Oxford University Press: New York, 1991, 204

necessarily jeopardize the creative input in this sector. Aim is to provide students, scholars and professionals with a theoretical and practical bridge between the commercial side; marketing and the creative side; the cultural good of music.

1.6 Research Design

The research for this thesis will mainly be based on literature, such as the analysis of the marketing strategies used in the music industry and the comparison between these strategies and the marketing strategies employed for the marketing of commodities.

In the literature, I will focus on theories about the cultural industries, cultural products, music industry, marketing strategies in the music industry and regular marketing and the most common marketing models used in the marketing of commodities.

There is a clear division in the literature selected for this research. First books about the cultural industries and cultural products in general. Next to these, books about the music industry in particular that provide a basic overview and idea of the ins and outs of this sector. Furthermore I will use books about marketing and public relations which are mandatory literature in most marketing studies. The books illustrate the angle of commercial marketing for profit-seeking multinational companies and therefore provide an image about the marketing models used for commodities. Finally, I have selected some books that combine marketing and the music industry. Professionals who have worked as a marketer or publicist for record companies or artists have written most of these books. Since these books were written by the persons who have implemented the practice of marketing in the music industry I believe that these books provide the needed information in order to answer the research question.

Secondly, the empirical research in the form of case studies, will demonstrate the practice of marketing in the music industry. This will also be based on secondary research. The information will be gathered from newspaper- and magazine articles, internet publications and internet websites concerning the subjects. The subjects of the five case studies are: world music, *Idols*, boy bands, *K3* and *50 Cent*. These case studies all illustrate a characteristic feature of the music industry.

In the next chapter, I will review the tension on a macro-level between creativity and commerce, on a meso-level between public interest and commerce and on a micro-level between the artists and the record company, by applying some common theories and approaches in popular music scholarship.

In the third chapter, I will explore the theoretical basis of marketing and more specifically music marketing. I will also look at the practice of marketing in more detail by highlighting some aspects of the marketing process.

The following chapter reviews the characteristic features of the music industry that became apparent from the theory. These five characteristic features are: labeling, the star system, processing fads & fashions, branding and synergy.

Next, I will review the marketing strategies that are most commonly used in the music industry. These marketing strategies are: market segmentation, market targeting, product positioning, niche marketing, selective promotion, sponsoring, merchandising, publicity and cross promotion.

The final chapter will combine the two previous chapters by examining a case study that is an example of one of the characteristic features of the music industry. I do this by reviewing the most significant marketing strategies for that particular characteristic feature. The case studies are: *world music* for the feature of labeling, *Idols* for the feature of the star system, *boy bands* for the feature of processing fads and fashions, *K3* for the feature of branding and *50 Cent* for the characteristic feature of synergy.

In the last chapter, I will conclude this thesis by providing answers to the research question and sub questions and by noting the results of my research.

2. Theoretical Framework

These days, large amounts of people have access to cultural goods. Due to industrial reproduction methods it is possible to (re)produce and distribute cultural goods on a large scale. The realization of these cultural goods is the product of a combination of creative and commercial goals. However, creativity and commerce have long been considered as opposites and a natural tension between these two signify the cultural industries. It is this ongoing tension between music's role as a form of cultural expression and music's position within an economic and industrial context that is central to this chapter and I will discuss it by reviewing it in more detail on a meso-level, namely public interest and commerce, and on a micro-level formed by the artist and the record company. My aim is to illustrate that for the record companies, the commercial aspect weighs heavier than the creative. This creates a certain type of environment in which business decisions are made, that will affect the outcome of the creative product and the strategies implemented for bringing it onto the market.

When reading studies of music and the theories surrounding it, it becomes clear that several approaches can be identified in popular music scholarship. In studying these different approaches and theories, it became apparent to me that not one approach is sufficient enough to grasp the complexity and ambivalence of the cultural industries and a combination of these approaches and theories is necessary to explore the music industry. The fact that I will concentrate on marketing strategies of the music industry, means I will mainly be drawing on those strands of theory oriented towards the understanding of the dynamics of cultural production such as the political economy approaches, especially the 'cultural industries' approach, the 'production of culture' perspective and some contributions of 'cultural economics'.

2.1 Creativity vs. Commerce

In the following part of this chapter, I will focus on the aspects that make cultural products different from other commodities, how internal and external actors influence the cultural product of music and how this creates a tension between creativity and commerce.

2.1.1 Cultural products as commodities

There is an assumption that the market for popular music recordings and therefore the pop music audience itself are essentially created by the music industry. According to the argument, record companies generate and fill demand for standardized products with

their mass-produced commodities.⁴ The Frankfurt School and writers such as Adorno and Horkheimer support this critical theory. They share the opinion that the popular arts, the mass culture produced by the cultural industries⁵, those business firms which produce cultural products for profit, is homogeneous, standardized, and predictable and strongly discourages critical thinking. Furthermore, they argue that mass culture is a commodity churned out through mass production techniques; it does not differ from other commodities like cars or shoes in any fundamental respect.⁶ To Adorno, popular music was not universal, complex or original and it lacked autonomy. He argued that popular music encouraged people to regress to an earlier, infantile, stage of development. He claimed that popular music repeated the same, tired old patterns over and over again, instead of autonomously and progressively working through musical logic independently of commercial concerns. The sameness of the music was in order to sell itself to a listenership that craved familiarity. At the same time, it deceived people, by adding superficial differences to these old patterns to appear varied, into thinking that these differences were new and fresh. Thus while thinking they were receiving something varied, people were being fed a limited, repetitive diet. For Adorno, as well as for other of his contemporaries, a diet of this nature helped to perpetuate social relations by inducing a "mass consciousness" which prevented people from thinking independently and challenging the existing social organization.⁷ According to Fenster & Swiss, music recordings generally do sound the same with some variations due to the handicraft nature of music production. The reason for this is that record companies seek to maximize profits by limiting the costs of production and the risks involved in innovation. Artistic expression and cultural significance have no place within the 'assembly line' of what the authors call 'culture industries'.⁸

The music industry is a highly unpredictable market and making a profit in popular music production is a difficult and complicated project. Consumer tastes and pop styles change very rapidly and even records that are heavily supported and promoted can fail miserably. Therefore, it is not realistic to say that markets and audiences are simply created by the music industry and that there is no mutual influence. As Fenster & Swiss state: 'Audience's activities as fans, participants, and consumers of emerging music

⁴ Fenster, M., & Swiss, T., 'Business', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, Blackwell Publishers: Oxford, 1999, 226

⁵ Adorno and Horkheimer spoke of the singular form: 'culture industry'. Hesmondalgh (2002:15) convincingly argues in his book *The Cultural Industries*, why the plural form is more suitable since this does not suggest that the separate industries that make up the cultural industries are the same, that it is a unified field, that obey the same logic. Rather these industries such as the music industry, movie industry, and television industry are separate entities with their own rules and conventions and procedures. The variation on the term is now widely used in a descriptive or even positive way. Adorno and Horkheimer, however, were making a critical point.

⁶ Alexander, V., *Sociology of the Arts: Exploring Fine and Popular Forms*, Blackwell Publishing: Oxford, 2003, 45

⁷ Green, L., 'Ideology', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 8

⁸ Fenster, M., & Swiss, T., 'Business', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 226

styles are critical in the development of new sounds and artists'.⁹ Although the music industry attempts to manipulate, categorize and profit from the market of the record buying public, it cannot predict success or failure, control the output of established and emerging artists, or dictate individual and collective tastes in cultural products.

2.1.2 Cultural products as unique creative products

Many scholars in the line of the 'cultural studies' approach argue that the products of the cultural industries differentiate themselves from other commodities through the nature of the material produced. Their value is determined by the content of the product. The consumption of cultural goods is dependent on the meaning given to it by its consumers. Appadurai claims that things have a social life and accumulate all manner of values and sentimental attachments way beyond their appearance in the market as a commodity.¹⁰ Music is considered a cultural product, a product that distinguishes itself because of its aesthetic or symbolic value. A CD is nothing more than a disc containing grooves captured by ones and zeros; the added value is of a symbolic nature. Record companies do not just produce CDs, vinyl discs or MP3 files; they also produce economic and cultural value.

Wall has identified three ways that recorded music can be understood to simultaneously exist. The first way is as an artifact. By this he means the physical properties of recorded music; the actual CD or MP3 file. The second way music exists is as a commodity. This emphasizes the value of recorded music within an economic system. 'It is commissioned, bought or sold between companies, and provided to consumers in return for payment'. Music is commodified through the making of a record. Furthermore, so he states, it is used in other commodities like radio or television programs. The third way music simultaneously exists is as text. This emphasizes the status of media output within communication. 'It is a source of meanings, which can be examined to discover its structure'.¹¹

2.1.3 Music as identity shaper

Cusic expresses a vision of the symbolic value of music that portrays a dualistic nature of music. He claims that music has both a social side, as well as a solitary side to it. It is social because 'we listen to it with others and, in selecting our music, we are also picking our friends and being 'acceptable' to them. It is also solitary, keeping us company when no one else is around. It is highly individualistic, because we find tunes, phrases,

⁹ Fenster, M., & Swiss, T., 'Business', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 227

¹⁰ Negus, K., & Pickering, M., *Creativity, Communication and Cultural Value*, Sage Publications: London, 2004, 66

¹¹ Wall, T., *Studying Popular Music Culture*, 77

performers, songs, messages, and fashions in music that make deep impressions within us and influence what we do, say, think, feel and wear. In many ways music connects us to others at the same time it isolates us, reinforcing our individuality at the same time it connects us to a group of like-minded people'.¹²

Sanjek argues that a person's investment in popular music may be initially monetary, but remains felt as predominantly emotional and individualistic. 'For many people, their interest in music constitutes, to a significant degree, one of the primary means by which their life possess meaning, a way of alleviating, however temporarily, the daily grind of passionless subsistence'.¹³

Dolfsma, who conducted research in the economic value of cultural products, common in the 'cultural economics' approach, also claims that culture does not only serve the individual aesthetic pleasure, but also has more social functions and effects. Even though cultural products are bought based on individual preferences, the buyers almost immediately come together in social categories and groups with the same tastes. Apparently, there are besides individual all sorts of social motives for the purchase of a CD or the visiting of a pop concert, such as the wish to portray oneself as a member of a certain social layer.¹⁴

Bourdieu has demonstrated that there are differences in the tastes of people based on the social class they belong to. Mass culture, and especially popular music, is consumed by 'lowbrows', people with uncultivated tastes. Persons who have or affect superior learning of culture, the so-called 'highbrows', consume high arts, such as classical music. The traditional highbrow who enjoyed only high art, has been replaced by 'cultural omnivores', people who consume a variety of cultural objects from both fine and popular forms and participate in more cultural events, than 'univores', who have lower socio-economic status and tend to specialize in only a few popular forms.¹⁵

Sanjek also claims that 'our investment in popular music helps identify our place in the world and distinguishes us from those incapable of understanding or participating in our chosen sources of pleasure'. The investment we make represents a form of what Bourdieu calls 'cultural capital'. According to him, this cultural capital confers status and significance on people's lives. The knowledge and appreciation we have of popular music culture remains an evocative marker of our social status. One's position in the social system determines the degree to which this person is able to absorb or reject certain forms of music in a number of ways. The amount of available fiscal capital that can be spend in order to have access to music is important in this process. Furthermore the accumulation of educational resources that permits a person to understand music as a

¹² Cusic, D., *Music in the market*, Bowling Green State University Popular Press: Bowling Green, 1996, 8

¹³ Sanjek, D., 'Institutions', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 49

¹⁴ Dolfsma, W., In: *Soundscapes*, URL: <http://www.icce.rug.nl/~soundscapes/VOLUME02/Dolfsma.html>, consulted 15 March 2006

¹⁵ Alexander, V., *Sociology of the Arts*, 228-230

formal text. Finally, it constitutes the influence a person's location in a particular social class has on which forms of music this person will appreciate and which will be denied. The amount of cultural capital a person possesses and how this is dispensed, determines which popular music institutions will matter to this person and which will not.¹⁶

The ability of a cultural product to form one's identity is according to Croteau & Hoynes exactly what makes the cultural industries so unique. Unlike other industries, it deals in ideas, information and culture and therefore contributes to the public interest, an important argument for 'liberal-pluralist communication' studies. The media 'inform and entertain us, influencing how we understand ourselves and our world, as well as how we spend our leisure time'. The media plays thus a significant political and cultural role. In democratic societies that value free and creative expression, independent thought, and diverse perspectives, media holds a unique position. It is the only industry that most liberal governments, who recognize the public interest role of media, protect specifically by 'free press'.¹⁷

2.1.4 Construction of meaning by different actors

It is important to note here that the construction of meaning does not solely occur in the consumption phase, but starts already in the production phase of the cultural goods. The symbolic value of the product is partly determined by the experiences and interpretation of the producers. Production and consumption are different moments in a single process. Croteau & Hoynes emphasize that the powerful media industry elite that makes many decisions, greatly influence the range of media to which we are regularly exposed. Before the public even gets to choose, record companies pick which of their bands will and will not receive support with major promotional campaigns.¹⁸ The major record companies make the decisions as to what music will be recorded and distributed according to the commercial demands of profit-making, they will ignore or eventually quit producing any music form of which they cannot make money.¹⁹

The idea that cultural industries shape the art they produce and distribute forms the basis for the 'production of culture' perspective. Success of music is not only decided by factors such as quality, consumer demand and the genius of the artist. Rather, it is a succession of chronological stages, each characterized by the interaction amongst producers, distributors and consumers.

¹⁶ Sanjek, D., 'Institutions', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 49-50

¹⁷ Croteau, D., & Hoynes, W., *The Business of Media: Corporate Media and the Public Interest*, Thousand Oaks, CA: Pine Forge Press, 2001, 1

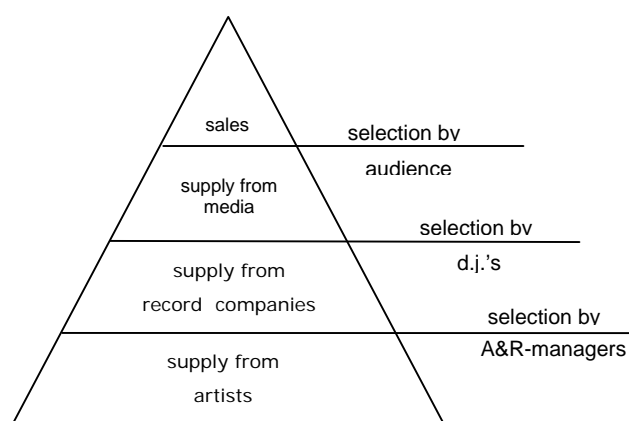
¹⁸ *Ibid.*, 35

¹⁹ *Ibid.*, 227-8

2.1.4.1 Internal actors

Much research has been conducted with this perspective in mind. Crane researched what she calls 'gatekeeper systems'. According to her, there are two different gatekeeper systems. The first one is formed by the record companies, which have to accept a song for production and distribution. Secondly, the song is evaluated by a second group of gatekeepers that provides access to a more closed system of distribution, such as DJ's.²⁰ Hirsch has researched the industry systems and applied ideas from organizational sociology to the sociology of art. His interest lied in how the network of profit-seeking businesses that produce artistic products operate. He points out the filtering effects of systems and the importance of gatekeepers. Due to the filtering system, formed by the decision chain of the company, only some of the supply reaches the public. Hirsch divides the organization of the cultural industries in two phases; the 'input' phase (product selection) and the 'output' phase (marketing).²¹ In a revised article, Hirsch adds another phase; the 'throughput' phase. Central in this latter phase, the most organizational aspect, is the role of gatekeepers and distributors, which forms the connection between the artists and producers with the public and consumers.²²

The pyramid below shows how the production is organized. Of the wide supply of cultural material, the industry picks that of which most success is expected. After that, the media makes a selection from the supply of the music industry and finally the audience chooses from the supply provided by them through the media. This pyramid structure insures a wider spread of the risk that the industry and the media have by investing in new products, but it also constructs a hierarchy in which the decision-making power is concentrated by a small group of people, the so-called gatekeepers.²³



(Source: Bork, R., & Jacobs, J., *Popmuziek: het geluid van jongeren*, Coutinho: Muiderberg, 1986, 37)

²⁰ Crane, D., *The production of Culture, Media and the Urban Arts*. Newbury Park: Sage Publications, 1992, 70

²¹ Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems', In: *American Journal of Sociology*, 77, 1972, 643

²² Hirsch, P., 'Cultural Industries Revisited', In: *Organization Science*, 11, 2000, 356

²³ Bork, R., & Jacobs, J., *Popmuziek: het geluid van jongeren*, Coutinho: Muiderberg, 1986, 36-37

According to Hirsch, there are two uncontrollable factors in the production of cultural goods. The mass media are an uncontrollable factor on the output side and the insurance of enough supply of rough creative material is an uncontrollable factor on the input side. In order to better anticipate the influence of these external factors, the cultural organizations implemented strategies to anticipate the effects of these uncertain factors and the to reduce the risk.²⁴

One of these strategies is appointing a 'boundary crossing' role for agents on the input side and output side. On the input side these 'contact men' such as talent scouts, are working as the eyes and ears of the organization. They have to watch the field and recognize new trends. They function as the middlemen between the management and creative personnel. The contact men on the output side, such as marketing and publicity experts, work directly with wholesale distributor, retail outlets, critics, reviewers, disk jockeys other 'surrogate consumers', and consumers in order to promote the product.²⁵

Firth also researched the phenomenon of gatekeepers by the variety of individuals and organizations that exist in between musicians, writers and the consumers of their work. He argues that these gatekeepers are the ones who determine what sounds will be made available to the general public and what will not. This leads to the condition that all people can 'want' is what they are able to get. He concludes that various gatekeepers insure that our knowledge of popular music is forever partial.²⁶

Lull claims that human relations constrain and give direction to music. 'These relationships may take the form of patterns reflecting hierarchical displays of interpersonal power among small groups of audience members or demonstrate differential evidences of economic and political power among representatives of the most far-reaching social structuring apparatuses, including decision makers from the music business, related industries, and the consuming public'.²⁷ Negus also states that beliefs, practices and aesthetic disposition of music industry personnel have contributed to the formation of a particular type of music industry that maintains a series of traditional and enduring boundaries, social divisions and hierarchies.²⁸

Ryan & Peterson claim that there are conflicts between actors in the decision chain and the image they have of the audience, the 'public image'. Each actor has an idea of the taste of the audience and will try to attune the record with this idea, even if it differs from the ideas of other actors. Own interests are translated into the wishes of the audience. By creating a product image, the next step in the decision chain can be anticipated. 'Having a product image is to shape a piece of work so that it is most likely to be accepted by decision makers at the next link in the chain. The most common way

²⁴ Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems', 650

²⁵ Ibid., 650-651

²⁶ in Sanjek, D., 'Institutions', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 49

²⁷ Lull, J., *Popular Music and Communication*, Sage Publications: Beverly Hills, 1987, 12

²⁸ Negus, K., & Pickering, M., *Creativity, Communication and Cultural Value*, 55

of doing this is to produce works that are much like the products that have most recently passed through all the links in the decision chain to become commercially successful'.²⁹

The criteria handled by different producers in the decision chain are taken from a current state of business in music. The at that moment popular output determines the criteria for new product. The authors conducted research into the decision chain that is common in the production of country music. This research shows that many changes are made before the song is distributed and played on the radio.³⁰

Negus claims that a song does not in general appear carrying definitive commercial qualities or characteristics. A process occurs whereby they are made commercial; commodification. According to Negus this is the reason why modern economies employ so many people in marketing, publicity and PR. Their aim is to connect the work of the cultural producer with the lives of consumers.³¹

2.1.4.2 External actors

The construction of meaning within the production phase is not only formed by internal factors, but external factors as well. Lull notes that technology plays an important role in the construction of meaning. It provides a resource for the creative construction, consumption, and use of music by its makers and audiences. At the same time technology provides a mechanism through which corporate profits are realized and social relations affected.³² Crane states that corporate policies affect the characteristics of the content and of the audiences. These corporate policies in turn depend on levels of profit within and competition among the organizations in the cultural industries. As market conditions change, the cultural industries are also constantly changing.³³

According to Cusic, it is necessary to see the music industry as part of the larger popular culture since it does not exist in isolation, but part is of the same culture that creates trends in fashion, promotes fads and encourages lifestyles. 'The music industry is one of the most important parts of popular culture because it is not only a leader, creating celebrities and role models, fashion trends and slang terms, but also a huge business/entertainment complex'.³⁴ Music styles are thus accompanied by subcultures that include clothing, appearance and lifestyle. The music industry creates subgroups in society. These subgroups are influenced by the fads and fashions of the music industry. At the same time however, the music industry is influenced by the fads and fashions of these subgroups. The British 'cultural studies' theorists assign a relative autonomous

²⁹ Ryan, J., & Peterson, R., 'The Product Image: The Fate of Creativity in Country Music Songwriting', In: *Annual Review of Communication Research*, 10, 1982, 25

³⁰ Ibid., 11-32

³¹ Negus, K., & Pickering, M., *Creativity, Communication and Cultural Value*, 57-8

³² Lull, J., *Popular Music and Communication*, 12

³³ Crane, D., *The production of Culture*, 49

³⁴ Cusic, D., *Music in the market*, 8

position to subgroups within dominant culture. There is mutual influence between the music industry and popular culture in society. This view is supported by Meyersohn & Katz who write that 'the process by which fads operate is typically confined to particular subgroups in society and although fads may change violently and swiftly, the subgroup remains the same; the network of fad communication usually remains stable. On the other hand, patterns of communication that create new social movements also create a new social structure; here both the content and the network of communication are new'.³⁵ According to Negus, capitalism works as much through the cultural as it does through the economic. 'Markets are not simply created through economic transactions they are also created by, and operate through, cultural processes and practices. There is a reciprocal interrelationship and blurring of cultural and economic practices'.³⁶

The music industry operates in market-based economy and the record companies are commercial corporations whose primary function is to make a profit for owners or stockholders. As Croteau & Hoynes state: 'media companies issue stock, compete for larger market share, develop new products, watch costs, look for opportunities to expand, and engage in all the other activities that constitute regular business practice. In various ways, owners, investors, employees, and audiences all experience the consequences of these business decisions'.³⁷

Negus shows that record companies apply the same business strategies that are used in the corporate business industry. There are several insecurities, surrounding the artist, the audience and technology that the music industry has to cope with. In order to deal with these insecurities and anxieties, record companies apply these strategies into their business.³⁸ Negus states that the 'highly corporate musical entertainment industry' has been 'characterized by a continual series of crises related to broader economic booms and slumps and influenced by various aesthetic and technological changes'. These organizational disruptions such as acquisitions and sales of record labels, restructuring within divisions, the hiring and firing of staff, the acquisition and dropping of artists and the buying and selling of catalogues, are external factors that might influence the cultural product of which meaning is derived.³⁹

2.1.5 Economic Driving Force

According to Croteau & Hoynes, most media companies are part of even bigger conglomerates that are involved in a wide range of non-media businesses.⁴⁰ For example

³⁵ Meyersohn, R., & Katz, E., 'Notes on a Natural History of Fads', In: *American Journal of Sociology*, 62, 1957, 594-5

³⁶ Negus, K., & Pickering, M., *Creativity, Communication and Cultural Value*, 67

³⁷ Croteau, D., & Hoynes, W., *The Business of Media*, 14

³⁸ Negus, K., *Music Genres and Corporate Cultures*, Routledge: London, 1999, 31

³⁹ *Ibid.*, 36

⁴⁰ Croteau, D., & Hoynes, W., *The Business of Media*, 4

Vivendi Universal. This newest global media entity holds the largest market share in the music industry.⁴¹ It is part of a multinational that has operations in water, waste management, energy, transport services and nonferrous wiring. *Vivendi Universal* only receives 48 percent of their total revenue from media ventures. The success is based on the separation of the old-fashioned, reliable, cash-generating utility business from the glamorous but risky media business.⁴² Albarran states that the goal of these media conglomerates is to dominate the markets in which they are engaged by attracting as much market share and revenues as possible, as well as engage in economies of scale and scope to improve efficiencies and lower the cost of operations.⁴³

The music industry has an oligopolistic market structure in which a small group of four media conglomerates, *Universal Music Group*, *BMG/Sony*, *EMI/Virgin* and *Warner Bros.*⁴⁴, dominates. According to Hoskins, this forces music companies to practice strategic behavior by anticipating the possible reactions and counter moves of competitors and making the best decisions accordingly.⁴⁵

Negus states that record companies, like other corporations, have a great preference for hard figures and statistic data. These numbers monitor the performance and actions of individuals.⁴⁶ He claims that research data, which is an important tool in controlling the uncertainty, does not understand the world of music, culture and consumption, but it creates one.⁴⁷

When the music industry is considered by applying the market model of 'cultural economics', as explained by Croteau & Hoynes in their book *The business of Media*, it provides some insight into the music industry that enforces the tension between commerce and creativity, and why commerce, rather than creativity, is the main driving force in the music industry. First of all, we are dealing with private companies, which sell products. Their primary purpose is to generate profits for their owners and stockholders. The audiences are addressed as consumers and they are encouraged to enjoy themselves, view ads and buy products. The public interest is considered to be whatever is popular. Innovation is a probable threat to profitable, standardized formulas. Diversity can be a strategy for reaching new niche markets. Regulation is mostly seen as interfering with market processes. The media are ultimately accountable to owners and shareholders and success is measured by profits.⁴⁸

⁴¹ Current situation in August, 2006

⁴² Albarran, A.B., & Moellinger, T., 'The top six communication industry firms'. In: Picard, R. (ed.) 2002, *Media Firms: Structures, Operations and Performance*, 110

⁴³ Ibid., 103

⁴⁴ Current situation in August, 2006

⁴⁵ Hoskins, C., McFayden, S. & Finn, A., *Media Economics: Applying Economics to New and Traditional Media*, Thousand Oaks, CA: Sage Publications, 2004, 185-186

⁴⁶ Negus, K., *Music Genres and Corporate Cultures*, 50-51

⁴⁷ Ibid., 36

⁴⁸ Croteau, D., & Hoynes, W., *The Business of Media*, 37

Croteau & Hoynes state that public interest concerns about creativity, independent thought and diversity have little to do with how the business performance of media companies is measured by investors. Instead, it has everything to do with sales, advertising revenue, and profits.⁴⁹ Culture is becoming increasingly economic. In capitalism there is an inherent pressure to increase the domain of markets and to let the allocation be decided by the price mechanism. Products and services are being transformed into an economic good, a process referred to as commodification. 'Commodity fetishism', a concept created by Marx is central here. This concept is based on the idea that people value things in monetary terms. Commodity fetishism causes cultural commodities to be valued for their exchange value and not for themselves, which is the case with authentic arts. However, Adorno suggested that in order to veil the commodified nature of the mass culture products, these are given some surface difference, a 'pseudo-individuality'.⁵⁰

The above shows that media conglomerates engage in activities that constitute regular business practice. However, in the cultural industries there are some limitations posed by social and political constraints. Croteau & Hoynes state that 'society has an interest in how industries perform that goes far beyond profits. Labor laws, environmental protections, and antifraud measures for example, are all ways that society puts limits on business practices in the name of public interest – even at the expense of profits. This holds true for the media industry as well. Even the largest and most powerful media conglomerates must operate within a dynamic framework of social and political constraints that, in the name of the public interest, shape how businesses work'.⁵¹

2.2 Public interest vs. profit

Democratic societies highly value an environment in which diverse views and perspectives and information is accessible to all, serves the public's best interest.

The tension between creativity and commerce is thus extended into a tension between public interest and profit. Especially in the Anglo-Saxon capitalism there is a continuing pressure to standardization and massification of products, cultural or otherwise, in order to provide increasingly larger markets. Opposite of this pressure, there is a continuing pressure of distinction of individuals and groups who want to express themselves through music in their own way. This causes a tension of innovation and distinction in music on one hand, and standardization and massification on the other.⁵²

⁴⁹ Ibid., 1

⁵⁰ in Alexander, V., *Sociology of the Arts*, 45

⁵¹ Croteau, D., & Hoynes, W., *The Business of Media*, 14

⁵² Kloosterman, R., 'Putting Music in its place', In: *Geografie*, URL:

http://www.geografie.nl/geografie/inhoud_show.php?id=140, consulted 15 March 2006

Croteau & Hoynes review two models of analytic framework; the market model, as applied earlier, and the public sphere model. The market model of 'cultural economics', assumes that media is like all other goods and services and is best met through a relatively unregulated process of exchange based on the dynamics of supply and demand - what the audience want it gets.⁵³ In the public sphere model, which is more in the line of the 'liberal-pluralist communication' studies, the public interest is an important factor. Media must serve the audience by offering diverse and innovative products. It objects to merely serving the mainstream audience by creating popular products aimed at consumers with the most spending power.⁵⁴ According to Croteau & Hoynes, the potential danger in the market model is that only what is widely popular is considered valuable, leaving out important contributions that are out of the mainstream. The potential danger in the public sphere model is that only what the elite approves is considered valuable, leaving out important contributions that are broadly popular.⁵⁵

2.2.1 Innovation and Diversity

According to Lull, a fundamental task of record companies is the production and marketing of various forms of music as a commodity for consumption. The processes of the development and management of these commodities promote the preferred ideological orientations of the controlling economic interests. However, the music business in its several manifestations does not solely represent prevailing modes of thought because artists sometimes make music that does not fall within the favored ideological parameters of the culture industry, and because that music frequently has significant appeal to young consumers of records.⁵⁶

The discussion about innovation and diversity often arises in combination with the conglomeration of the entertainment industry. Many scholars are worried that the increased market concentration, represented by the presence of only four major record companies⁵⁷, leads to less innovation and diversity. Croteau & Hoynes claim that the strategies that major media corporations employ, namely maximizing profits (improve profitability), reducing costs and reducing risk, prevents these corporations from innovation because this is seen as too much of a risk. Rather, they apply success formulas that have proven to be profitable. Most of these success formulas are targeted at teenagers and young adults because they are considered to have the most spending power and are therefore interesting for advertisers.⁵⁸

⁵³ Ibid., 15

⁵⁴ Ibid., 20-21

⁵⁵ Ibid., 35

⁵⁶ Lull, J., *Popular Music and Communication*, 12

⁵⁷ Current situation in August, 2006

⁵⁸ Croteau, D., & Hoynes, W., *The Business of Media*, 110

Bourdieu provides a dynamic model for the process of innovation in styles and tastes. Both on the level of production as well as on the level of consumption there is competition. Producers and consumers search for new forms to express themselves, in order to differentiate themselves from other producers or consumers. Consumers keep an eye out for new products on the market and producers monitor the preference of the consumer. This adjustment of the field of production and consumption keeps the process of innovation of styles alive.⁵⁹

Peterson & Berger researched the relationship between market concentration and the homogeneity of a cultural product by analyzing weekly hit charts, the entry of new artists and song texts. They concluded that there was a significant connection between the amount of diversity and the amount of market concentration. There is a cyclical movement between concentration (homogeneity) and competition (innovation).⁶⁰

Lopes conducted research similar to Burnett and Weber's to examine the assumptions made by Peterson & Berger concerning reoligopolization and its consequences. His research is a continuation and adaptation of the research done by Peterson & Berger. Lopes' assumption is that innovation and diversity depend on the organization of the music industry and its market structure instead of market concentration as assumed by Peterson & Berger. Lopes concluded that reoligopolization does not lead to a significant decrease in innovation and diversity and that there is a significant presence of innovation and diversity in the oligopolistic market of the music industry.⁶¹

2.2.2 Commodification

Scholars from the Frankfurt School and the critical theory, have a pessimistic view of the industrialization of culture. Adorno & Horkheimer felt that culture had almost entirely lost its capacity to act as utopian critique because it had become commodified, a thing to be bought and sold. According to them 'Culture' and 'Industry' are supposed to be opposites. However, writers such as Miège and Benjamin argued that the introduction of industrialization and new technologies into cultural production also led to exciting new directions and innovations.⁶² According to Hirsch, the music industry is one of the most speculative and entrepreneurial segments of the cultural industries.⁶³ Nevertheless, Benjamin holds a critical standpoint towards the industrialization of culture and also argued that mechanical reproduction had forever broken what he called the 'aura' of the

⁵⁹ Bourdieu, P., *Distinction*, Harvard University Press: Cambridge, 1984

⁶⁰ Peterson, R. & Berger, D., 'Cycles in Symbol Production: The Case of Popular Music', In: *American Sociological Review*, 40, 1975, 158-173

⁶¹ Lopes, P., 'Innovation and Diversity in the Popular Music Industry, 1969 to 1990', In: *American Sociological Review*, 75, 1992

⁶² Hesmondalgh, D., *The Cultural Industries*, 15

⁶³ Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems', 655

great work of art. No longer could people stand in awe in front of the original, because there was no such meaningful object as an 'original'.⁶⁴

Naomi Klein illustrates in her bestseller *No Logo*, that the process of branding accelerated the process of commodification. The symbolic value of an artist or band is linked to all sorts of paraphernalia. Another indicator is the speed in which large corporations pick up new creative innovations and will then bring a blunt, standardized version on the market. Klein calls this 'arrested development'.⁶⁵

2.2.3 Standardization

Lull describes the process of what he calls the mainstreaming of new music. 'Music that has been on the very edges of the culture is substantially modified, marketed, and made profitable to the owners and managers of the popular culture industries. The radio and record industries historically cooperate to create a pervasive sameness of sound that benefits them both. This phenomenon is episodic in the U.S. since subcultural artists who offer something different persistently challenge the insipid cultural product that this convergence creates. When alternative music first develops, it is resisted by the industry primarily on financial grounds, then it is reluctantly accommodated by them when profit potential is clearer, and it is finally brought under their financial and artistic control, a process that almost always demands substantial modification in the music itself. Recording artists and industry decision makers who initiate or tolerate these changes in order to make a profit are sometimes accused of 'selling out'.⁶⁶

Kloosterman, a geographer who is interested in the relation between music and location, gives 'gangsta rap' as an example of a music form that has been standardized. It originated in the black ghettos of American cities in the eighties. The music illustrated the tough reality of life in the ghetto: unemployment, murder, drugs, bad education and broken families. According to Kloosterman now, two decades later, this music form has been tamed and stripped of its sharp comments. Many endlessly copied rap and hip hop artists mark channels such as MTV and TMF. There is nothing revolutionary or original about it anymore, it is just standardized music for a wide audience. It portrays rebellion as ready-made food for the (white) fans and imitators in suburbs of Los Angeles, Milton Keynes (UK) and Amsterdam Osdorp. In twenty years, rap and hip-hop have literally become unattached from the concrete locations and contexts in which they developed. They have now become part of a global culture. In this development of innovative music created in a very specific environment to a wide commercial success, house and rap do

⁶⁴ Kassabian, A., 'Popular', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 114

⁶⁵ Klein, N., *No Logo*, Flamingo: London, 2000

⁶⁶ Lull, J., *Popular Music and Communication*, 21-22

not stand alone. In the twentieth century, other music forms such as 'ragtime' and 'punk' preceded them.⁶⁷

2.2.4 Globalization of culture

It is not unique, in an international economy where resources, products, capital, ideas and work flow across boundaries, for certain music forms to transform from local to global. However, the symbolic value of music makes it different from globalization of other things. The value of music is first and foremost symbolic, even when the music is mass-produced.⁶⁸

American pop music is embraced all over the world, and music from any country can be found in the repertoires and the markets of any other country. This globalization of culture is for some countries, such as France and Canada, reason to protect their heritage and culture by regulating the inflow of foreign (and mostly American) products. Governments do this because they believe it is in the public's best interest. France even set a quota whereby at least 60 percent of the music played on a radio station in France, needs to be by French artists.

2.2.5 Differentiation

Fenster & Swiss argue that there is a good deal of repetition within some genres of popular music such as dance and country & western that feature similar rhythms, instrumentation, and lyrics. However, this does not necessarily mean that there is standardization. In the Top-40 for example, there is a lot of variation in sounds and styles of contemporary pop music. According to them, repeated exposure and emotional investment in a particular form of music enables a fan of a certain genre to identify differences in instrumental sound and vocal styles. For listeners who do not know the style or do not like it, two songs might sound the same. 'The repetition of elements within certain styles of music may be understood as a musical convention, but this is not equivalent to the standardization and assembly line production of automobiles or bars of soap'.⁶⁹

According to Hoskins, the creative industries thrive of differentiation, every recording is unique, a differentiated product. He claims that if there is no product differentiation, the product becomes a commodity like wheat, coal or iron ore. In that case, customers do not know or care which firm supplies the product and will buy purely on the basis of

⁶⁷ Kloosterman, R., 'Putting Music in its place', In: *Geografie*, URL: http://www.geografie.nl/geografie/inhoud_show.php?id=140, consulted 15 March

⁶⁸ Ibid.

⁶⁹ Fenster, M., & Swiss, T., 'Business', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 226

price.⁷⁰ According to Frith, this was the case once when competition became more intense and changed its terms for the oligopoly of entertainment corporations. The initial response to the falling sales was a price war in which records were sold for less and less. The assumption of the record companies was that people would go for the cheapest record on the market. This eventually came up against the irrationality of tastes; people's musical choices aren't just a matter of price.⁷¹

2.3 Artist vs. record company

On a micro level, the tension between creativity and commerce is exerted by a tension between the artist and the record company. A tension between actors who want to put the emphasis on artistic quality and actors who are just interested in obtaining the largest markets possible by providing a standardized product.

Negus has identified three positions that mark the debates that cluster around the apparent dichotomy of commerce versus creativity. First there is the notion that commerce corrupts creativity and leads to compromise, fake or fabricated cultural forms, which adhere to the most vulgar of market oriented formats and formulae. Secondly, there is the notion that the commercial reward and financial imperative inspire people to create great songs, films, books and art. The corporate routines, organizational habits and stylistic formulas are not so much constraints as necessary frameworks, which focus people's thinking. They do not so much compromise as energize the producer's creative activities. Thirdly, there is a notion that commerce and creativity have become so mixed up and inextricably bound together in modern society, as to be indistinguishable, autonomous forces.⁷²

The legal suit in 1993 against Sony by George Michael poses an example of the artist versus the record company. When George started his solo career after quitting *Wham!*, he from then on only wanted to be judged on his musical qualities and not merely his looks and a recognizable dance music sound, as was the case with *Wham!* The CD *Listen without Prejudice*, which he released in 1990, contained much more than only disco. At Michael's own request, the CD cover also did not portray his picture. According to the artist, *Sony* was not at all pleased with the new and artistically more ambitious direction and tried to get him back on the old track of the familiar disco. In order to escape this pressure, Michael wished to have his contract annulled and went to court. He lost the case, but refused to record any music for *Sony* after.⁷³ Fenster & Swiss claim that 'the music industry is extremely powerful in its ability to control the vast proportion of music

⁷⁰ Hoskins, C., McFayden, S. & Finn, A., *Media Economics*, 148

⁷¹ Frith, S., 'The Industrialization of Popular Music', In: Lull, J. (ed.) *Popular Music and Communication*, 60

⁷² Negus, K., & Pickering, M., *Creativity, Communication and Cultural Value*, 46-47

⁷³ Kloosterman, R., 'Putting Music in its place', In: *Geografie*, URL:

http://www.geografie.nl/geografie/inhoud_show.php?id=140, consulted 15 March 2006

that is produced and distributed. This situation deeply affects the relationship between creative artists and their public'.⁷⁴

2.3.1 Notion of Creativity

Creativity is an important factor in the production of cultural goods. There is a notion in society that the artist develops a cultural product as a result of a great vision or genius. Up until the eighteenth century, the artist's individual artistic vision was considered of secondary importance, if it was considered at all. In the eighteenth century there was a change in the way society viewed the artist. Rather than be seen merely as a craftsman whose skill was used as a means to glorify others, European society began to treat the artist as a special category of person who should be freed from everyday cares so he would be able to focus on creating art.⁷⁵ Even today, glamour still surrounds the status of artists.

Becker emphasizes that all artifacts are made by means of cooperative networks of affiliated individuals or groups, not isolated geniuses. He uses the term 'art world', which he defines as 'the network of people whose cooperative activity, organized via their joint knowledge of conventional means of doing things, produce(s) the kind of art works that art world is noted for'.⁷⁶

According to Negus most artists find themselves in a continuous struggle for recognition and a struggle to maintain elite, aristocratic star status. Artists will deal with this in different ways. Some will attempt to make themselves commercial and others will be seeking greater recognition for their creative effort while selling a lot of albums. Nevertheless, they will all be working with a whole range of personnel in realizing their creativity and this will cause a variety of tensions between autonomy and collaboration.⁷⁷ As Hesmondalgh states: 'the fate of the symbol creator's work is in the hands of various other workers. This can function well, of course, and marketing can ensure the widespread dissemination of creative work to the satisfaction of all concerned. Alternatively, text can sink without trace, as creative managers and marketers prioritize other projects.'⁷⁸ All judgments about the value and possibilities of creativity inevitably involve consideration of the human relationships and social processes through which an individual or group of people may have to come to realize a particular creation.⁷⁹

⁷⁴ Fenster, M., & Swiss, T., 'Business', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 228

⁷⁵ Kolb, B., *Marketing For Cultural Organisations: New Strategies For Attracting Audiences To Classical Music, Dance, Museums, Theatre & Opera*, Thomson Learning College: London, 11

⁷⁶ in Sanjek, D., 'Institutions', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 48

⁷⁷ Negus, K., & Pickering, M., *Creativity, Communication and Cultural Value*, 59

⁷⁸ Hesmondalgh, D., *The Cultural Industries*, 72

⁷⁹ Negus, K., & Pickering, M., *Creativity, Communication and Cultural Value*, 56

2.3.2 Creative Autonomy

As argued before, the music industry is a profit seeking business and one of its major strategies is to apply success formulas in order to improve the chances of making a profit. This aim seriously threatens the creative autonomy of the artist, especially in the case of pre-constructed marketing concepts like the Spice Girls, Take That, and numerous other boy- and girl bands whose members were selected because they fit the picture. As Negus notes, 'the artists signed by record companies and the repertoire prioritized for recording and release are not in any straightforward way a reflection of the talent that is available. It is a selection made according to a whole series of commercial judgments and cultural assumptions'.⁸⁰ Adorno argues that there is a pressure for artists to adhere to formulas, which is induced by the need to compete for attention in a commercial market where standard patterns are more easily distributed, promoted and recognized.⁸¹ However, as long as they adhere to these formulas they are given creative autonomy according to Hirsch: 'Although company executives may tamper with the final product of their collaborations, contracted artists and talent scouts are delegated the responsibility of producing marketable creations, with little or no interference from the front office beyond the setting of budgetary limits'.⁸²

Hamlen has conducted empirical research into the 'superstar phenomenon'; a term introduced by Marshall in 1947. He concluded that successful singers did not always have great talent. Other non-quality factors determined their success.⁸³ Hamlen measured the superstar phenomenon according to the earnings of artists. The popular contemporary popular music scene complies with the superstar market because 'relatively small numbers of people earn enormous amounts of money and seem to dominate the fields in which they engage and small differences in talent become magnified in larger earnings differences, with greater magnification of the earnings–talent gradient increasing sharply near the top of the scale'.⁸⁴

George Michael is not the only artist that felt he did not have enough creative autonomy. The general notion is that the music business should not interfere with the creative process, which should be autonomous. Many artists take this stance. Frith's book *Rock!* illustrates that especially in rock music, the industry had to consider this stance, in particular because this stance was commercially successful.⁸⁵

Hesmondalgh however claims that a relatively large degree of autonomy reflects the distinctiveness of the cultural industries. This unusual degree of autonomy is carried over

⁸⁰ Ibid., 32

⁸¹ Ibid., 49

⁸² Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems' 129

⁸³ Hamlen, W., 'Variety and Superstardom in Popular Music', In: *Economic Inquiry*, 32, 1994, 395-406

⁸⁴ Hamlen, W., 'Superstardom in Popular Music: Empirical Evidence', In: *Economic Inquiry*, 1991, 729

⁸⁵ Frith, S., *Rock!: Sociologie van een nieuwe muziekcultuur*, (B.v.d. Kamp, Trans.) Elsevier: Amsterdam, 1984 (oorspr.1978)

from preceding eras where artists, authors and composers worked independently of businesses. It is however by no means complete autonomy: it is carried out under the supervision of creative managers. Crucially, companies in the business of cultural production exert much stricter control over the other stages of making texts after the creative stage. There is a loose control of creative input, and tighter control of reproduction and circulation.⁸⁶

2.3.3 Artist & Industry

Fenster & Swiss argue that artists depend on the structures of the industry for access to their audiences, even the relatively small number of stars who have the capital and power to make demands on the companies that produce and promote their records and live performances. Similarly, audiences depend on the music industry for access to music, access which is available predominantly through such economic transactions as purchasing records and tickets, selling advertising, and so on. Both 'resistant' audiences and 'transcendent' artists operate in a marketplace structured by capitalist firms and the uneven distribution of wealth.⁸⁷ 'Without popular recording artists there would be no music business and without record companies there would be no musical product to be bought in the shops or delivered to the home'.⁸⁸ Thus, the creative artist is according to Negus, important within the industrial process. The music industry is organized around the artist, as the most basic analysis of acquisitions, contracts, copyright and stardom will reveal.⁸⁹ Barrow & Newby also emphasize the importance of the creative personnel: 'the world of music revolves around its artists – they are the shining stars and their creativity and ingenuity generate the industry's main sources of income. Music business' profitability depends upon the popularity of its performers. Therefore the success of work done in many sectors of the entertainment industry depends on the artistic strength of musicians and composers, singers and bands or a combination of all four'.⁹⁰

2.4 Conclusion

In this chapter, it became clear that record companies are part of the cultural industries and therefore have to operate within a framework of social and political constraints that, in name of public interest shape how businesses work. Nevertheless, the media conglomerates engage in activities that constitute regular business practice. They are

⁸⁶ Hesmondalgh, *The Cultural Industries*, 55-56

⁸⁷ Fenster, M., & Swiss, T., 'Business', In: Horner, B., & Swiss, T. (eds.), *Key terms in popular music and culture*, 228-229

⁸⁸ Barrow, T., & Newby, J., *Inside the Music Business*, 2

⁸⁹ Negus, K., & Pickering, M., *Creativity, Communication and Cultural Value*, 67

⁹⁰ Barrow, T., & Newby, J., *Inside the Music Business*, 2

commercial businesses and their main objective is to make a profit and the commercial aspect of music is therefore more important for these media conglomerates than the creative aspect. The fact that these large conglomerates are also involved in non-media business and operate in the music industry within an oligopolistic market creates a certain type of environment in which business decisions are made that will shape the creative product.

The production phase is very important in constructing meaning in the records produced by the music industry. This industry decides on the supply and availability of records to the consumers. These are only able to derive meaning from the cultural products that are actually offered to them by the cultural industries. Many factors, both internal as well as external, influence this supply. For example the gatekeepers involved in the decision-making process, the human relations, beliefs, opinions and interests of music industry personnel, subgroups in society, cultural processes and practices, the available technology, corporate policies and business strategies, profit seeking and business transactions such as acquisitions and restructuring and also the processes of branding, sponsoring and merchandising, where the symbolic value of the artist is linked to all sorts of paraphernalia.

Music is modified, marketed and made profitable to the owners and managers of the music industry through commodification and standardization. The famous artists are not a reflection of available talent, but in many cases, a selection based on commercial judgments and cultural assumptions.

All these aspects affect the supply available to consumers and suggest that the industry is guided by commerce, more than by creativity. Marketing plays a major role in the commercial aspect of the music industry and in the next chapter I will explore the theoretical basis of marketing and more specifically music marketing. I will also look at the practice of marketing in more detail by highlighting some aspects of the marketing process.

3. Marketing

According to Barrow & Newby, there has always been music marketing, however this term has gained respectability within the music business in recent years. Over the past ten years, the marketing of records has become an important part of the work of a record company and they spend more on advertising and promotion than ever.⁹¹ ⁹² Marketing has become more professionalized and more important to the coordination of activities in the cultural industries. One significant example of the increasing importance of marketing is the increasing intensity of efforts to use market research as a means of controlling risk.⁹³ Negus has described a shift in record-company strategy away from 'inspired guesswork, hunches and intuition' and towards the widespread use of various research methods, including electronic monitoring of sales, large-scale interview panels and various broadcast data systems.⁹⁴

During the sixties and seventies, there was a myth that if a record was good, it would sell itself, and promotion through advertising and other artificial means was simply devaluing the work of art. Particularly artists tried to perpetuate this myth.⁹⁵

A marketing strategy, which is being planned today, considers almost every aspect of artists and their product – from what artists wear to where they are seen in public. In order for the record to hit the shops with maximum impact, the video, the TV advertisement, radio airplay, the packaging of the record and the timing of the release are all carefully considered. Barrow & Newby claim that there are still many artists who object to the demands made on them by the marketing department of the record company. Some artists even feel that the hard sell denigrates their work. Nonetheless, so the authors claim, marketing is a crucial element of today's music business and it employs a large number of people.⁹⁶ Cusic also states that 'artists must know the necessity of business strategy and tactics in order for their music to be heard'. It is necessary for both artists and marketing personnel to have an awareness of the market and know the tools to reach the people they want to reach.⁹⁷

This chapter purports that the music industry has become more marketing-focused. It explores in what ways the music industry tries to meet the needs and demands of consumers. In the first part, I will assess the theoretical basis of marketing in general and connect this to the specific subject of music marketing. Next, I will examine the

⁹¹ Barrow, T., & Newby, J., *Inside the Music Business*, Routledge: London, 1999, 82

⁹² Hesmondalgh, D., *The Cultural Industries*, 2, 150, 247

⁹³ *Ibid*, 157

⁹⁴ Negus, K., *Music Genres and Corporate Cultures*, 53

⁹⁵ Barrow, T., & Newby, J., *Inside the Music Business*, 82

⁹⁶ *Ibid.*, 17

⁹⁷ Cusic, D., *Music in the market*, 9-10

practice of music marketing in more detail by highlighting some aspects of the marketing process.

3.1 Marketing Theory

The institutional side of music forms the main marketing-basis for the music industry and as argued before, enormous economical interest are involved with pop music.

Marcuse, a Marxist writer and advocate for the Frankfurt School suggests, like Adorno, that the cultural industries create false needs in consumers. People have true needs to be autonomous – to express themselves and to make decisions about their own actions. The cultural industries substitute the false needs of consumption, which keeps workers from realizing that their true needs are not met. Thus, the cultural industries lull workers into a passive acceptance of capitalism, first, by stupefying them and then by convincing them that the freedom to buy one brand over another is an adequate substitute for the true political freedom they would find after casting off the shackles of capitalist production and wage slavery.⁹⁸

Croteau & Hoynes claim that popular tastes are shaped by a media industry that sometimes spends more on advertising and promotion than on production costs.⁹⁹ At the base of this idea is Maslow's hierarchy of needs. Both internal (personal) and external (social) motivating forces influence consumers when making the decision on which product to choose. Internal forces include needs and values while external forces include family, ethnic group and education.

3.1.1 Maslow's Hierarchy of Needs

Maslow's hierarchy of needs is a theory that describes how a person's life circumstances motivate them to fill internal needs. 'In this theory, the strongest motivator is to satisfy the immediate human needs for food, clothing and shelter to keep body and soul together. After these needs are met, the individual can then focus on ensuring that these needs will be met in the future. Once the basic needs of life have been secured for today and the future, individuals can then meet their social needs by associating with others. Once their social needs are met by associating with others, they then feel the contrary need to gain esteem, either as an individual, or as a member of a unique group. And after all these needs are met, individuals can then develop the inner nature of their unique selves through self-actualization'. According to Maslow, these needs are satisfied in an ascending order. 'Lower order needs can be satisfied externally through factors such as food and drink, regular employment and family associations. Higher order needs

⁹⁸ in Alexander, V., *Sociology of the Arts*, 46

⁹⁹ Croteau, D., & Hoynes, W., *The Business of Media*, 35

are satisfied internally through feelings of self-worth. Individuals will be motivated to meet a need, but once the need is met, they will start to feel the next level need and seek to meet it'.¹⁰⁰ Kolb has examined how the theory can be used to understand how a cultural organization views the public's need for culture. Many of the marketing practices are aimed at making people believe they need the product and that it will contribute in achieving the next level of hierarchy. Advertising is one of marketing's promotion tools described later on in this chapter. According to Hesmondalgh, it 'helps to shape the view that the purchase of goods and services is the primary means of providing satisfaction, happiness and well-being. It helps to foster a society where individual consumerism is equated with the good life'.¹⁰¹ For many people, especially teenagers, being a fan of a certain artists or band makes them belong to a group.¹⁰² As mentioned earlier, many music styles are accompanied by subcultures that include clothing, appearance and lifestyle. If you understand the target audience, you can sell everything based on the creation of a need.

However, the role of the consumer must not be underestimated. According to Cusic, 'no successful marketing executive will believe that either the artists or the market can be manipulated to suit particular whims or current releases. (...) Marketing alone will not create successful products, nor will an inferior product continually outperform one that is superior'.¹⁰³ Nevertheless, if enough time and money is spent on a particular act it can be afforded a higher profile than perhaps its talent and material can sustain.¹⁰⁴

3.2 Definition of Marketing

American Marketing Association: 'The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals'.¹⁰⁵

Kotler: 'A social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others'.¹⁰⁶

The definition provided by the American Marketing Association, specifically calls for an exchange that satisfies both the individual and the organization. Marketing is not meant to seduce individuals into something they do not want. At the same time, the definition

¹⁰⁰ Kolb, B., *Marketing For Cultural Organisations*, 118-9

¹⁰¹ Hesmondalgh, D., *The Cultural Industries*, 78

¹⁰² Cusic, D., *Music in the market*, 18

¹⁰³ *Ibid.*, 9

¹⁰⁴ Barrow, T., & Newby, J., *Inside the Music Business*, 83

¹⁰⁵ Bennet, in Kolb, B., *Marketing For Cultural Organisations*, 67

¹⁰⁶ Kotler, P., Armstrong, G., Saunders, J., & Wong, V., *Principles of Marketing*, Prentice Hall: London, 1999, 10

does not call for the organization to satisfy the individual at any organizational cost. 'It is a negotiated exchange where a two-way dialogue takes place'.¹⁰⁷

According to Kotler, marketing is often only perceived as the advertising and selling of products. He claims that real marketing is less about selling and more about knowing what to make. 'Marketing is the business activity that identifies an organization's customer needs and wants, determines which target markets it can serve best and designs appropriate products, services and programs to serve these markets'.¹⁰⁸ Marketing, in his opinion, is much more than an isolated business function; it is a philosophy that guides the entire organization. The goal of marketing is 'to create customer satisfaction profitably by building valued relationships with customers'.¹⁰⁹

Lathrop also states that while the term 'marketing' most simply translates as 'selling', it has another, broader meaning. 'It is 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'.¹¹⁰

This idea relates to the marketing management philosophy of the 'marketing concept' as explained by Hoskins. In the marketing concept, it is key 'to first determine the needs and wants of a target market and then to deliver these more effectively and efficiently than competitors'. This concept combines four elements: a market focus, a customer orientation, coordinated marketing and a goal of profitability.¹¹¹ 'As an industry becomes more open and competitive, transition to the marketing concept becomes more critical for organizational success or even survival'.¹¹²

According to Hoskins, there continues to be resistance in some cultural industries to allowing a focus on satisfying customer needs to direct an organization's activities. Kolb notes that the definition provided by the American Marketing Association, describes marketing as the 'conception' of ideas, goods or services. According to her, this idea that the marketing department decides upon which product to produce, is the part to which cultural organizations often object.¹¹³

There are other views of how an organization should conduct their business, such as the 'production concept', which assumes that consumers will favor those products that are widely available and low in cost. Production-oriented organizations concentrate therefore

¹⁰⁷ Kolb, B., *Marketing For Cultural Organisations*, 67

¹⁰⁸ Ibid., xv

¹⁰⁹ Ibid.

¹¹⁰ Ibid., 24

¹¹¹ Hoskins, C., McFayden, S. & Finn, A., *Media Economics*, 115

¹¹² Ibid., 116

¹¹³ Kolb, B., *Marketing For Cultural Organisations*, 67

on achieving production efficiency. This approach is only successful when the demand for a product far exceeds the supply, so that consumers are satisfied just to obtain the product.¹¹⁴ In the music industry however, the supply far exceeds the demand.^{115 116}

The 'product concept' is based on the idea that 'consumers will always favor products offering more quality, performance, and features. In product-oriented organizations, which are common in television and especially in film, managers focus their energy on making high-quality products and finding new ways to improve them over time'. However, the consumer might not always be willing to pay for marginal improvements in quality, performance, or features.¹¹⁷

Finally there is the 'selling concept' that assumes that consumers, if left alone, will not buy enough of the organization's product(s), so these organization undertake aggressive selling and promotion efforts. 'Managers in these organizations aim to sell whatever it is they make, rather than recognizing that they could make what would sell'.¹¹⁸

At the same time that marketing has come to play a significantly more important role within the music industry, critique is uttered at the majors for not being in touch with their markets and not providing the music that fits the demands of the audience. According to the critique, the majors target the wrong audience segment and release the wrong music.^{119 120} Wall also states that since the 1950, the traditional 15-20-year-old market had been understood as the primary market for popular music. However, research of the RIAA shows that CD buying is far more associated with consumers over 30 who now account for 55 percent of sales.¹²¹ Furthermore, the companies are slow and bureaucratic and are therefore unable to react to new trends.¹²² They focus too much on success formulae and just produce more of the same.¹²³ Indies, on the contrary, stand closer to the public and know what their target audience wants. They target niche markets and collectively are better meeting consumer demands. Because they are small, it is easier for them to react to new trends in the market. It is suggested that this is the reason why the market share of the majors is declining and the indies are flourishing.

3.3 Issue of Marketing

What Kotler is arguing is that products need to be created with the customer in mind. The product has to meet the needs, wants or demands of the market, but what if artistic

¹¹⁴ Hoskins, C., McFayden, S. & Finn, A., *Media Economics*, 116

¹¹⁵ Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems', 135

¹¹⁶ Hesmondalgh, D., *The Cultural Industries*, 57

¹¹⁷ Hoskins, C., McFayden, S. & Finn, A., *Media Economics*, 116

¹¹⁸ Ibid.

¹¹⁹ Stil, H., 'De platenbaas heeft de boot gemist', In: *Het Parool*, 13 March 2004

¹²⁰ Rosenberg, E., 'Het einde van de hitfabriek', In: *NRC Handelsblad*, 7 April 2002, 14

¹²¹ Wall, T., *Studying Popular Music Culture*, 231

¹²² Ibid.

¹²³ Ibid.

expression is involved, as is the case with music? According to Lathrop, there can be two possible scenarios. The first is one in which an artist comes up with a completed master recording and sells it to a record company. The record company must then identify a market for the already-recorded music and develop a program for reaching this market. The core product, the music, is created before the marketing begins. This practice relates to the 'selling concept' whereby the company undertakes a large-scale selling and promotion effort. According to Kotler, most firms practice the 'selling concept' when they have overcapacity. As this is the case in the music industry, this suggests that the claims about the majors not satisfying consumer demand, have some truth in them. 'Their aim is to sell what they make rather than make what the market wants'.¹²⁴ Marketing based on hard selling carries high risks because it focuses on short-term results (creating sales transactions) rather than on building long-term, profitable relationships with consumers.¹²⁵

The second scenario, more in line with the 'marketing concept', is when an enterprising label executive notices the success of an artist in a lucrative new market and he decides to develop another artists who will appeal to the same audience. When this artist is found, the recording process is overseen to make sure the CD matches the tastes of the existing target audience.¹²⁶ The wants of a target market are identified first and the company tries to deliver a product, in this case an artist, which is better than the competition. The aim is to satisfy consumers and make a profit. The marketing guides the entire process, including the creation of the product.

According to Lathrop, it was once the norm in the music industry that marketing started only after the product had been developed. In the commercial world of today, marketing is often an intrinsic part of the product development process.¹²⁷ Marketing is a consideration in the creation of the product itself. As Croteau & Hoynes state: 'The cultural industries strive to develop ideas that can be successfully marketed, rather than trying to market an interesting idea'.¹²⁸ New artists are signed primarily because of their sales potential. A set of tracks may be chosen for a CD because those are the ones that are radio-friendly. 'Marketing decisions occur at any and every stage of product creation and dissemination'.¹²⁹

It still is popular perception that marketing comes only after the music is already created.¹³⁰ However, many artists create and adjust songs for the sake of marketability. Even The Beatles for example 'assembled their repertoire and wrote their first songs while they were playing in clubs – testing what worked and what did not. To the extent

¹²⁴ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 19

¹²⁵ Ibid.

¹²⁶ Lathrop, T., *This Business of Music*, Billboard Books: New York, 2003, 28

¹²⁷ Ibid.

¹²⁸ Croteau, D., & Hoynes, W., *The Business of Media*, 117

¹²⁹ Lathrop, T., *This Business of Music*, 28-29

¹³⁰ Ibid., 29

that they chose material that they thought would be appealing, they were involved in self-marketing'.¹³¹

According to Hoskins, success requires a balancing of the creative and business imperative. Cultural industry organizations need processes, which can translate creative ideas into commercially successful products.¹³² Hirsch also states it is necessary for cultural organizations, which release a wide variety of items, to publicize these and make them attractive to thousands of consumers in order to succeed.¹³³ This is where marketing plays a role.

3.4 Origins of Music Marketing

According to the British geographer David Harvey, commodification and commercialization of cultural products started in the 19th century. At first music was commodified through the sales of sheet music, but in the beginning of the 20th century the gramophone was introduced. This disc appealed to ordinary people and not just merely musicians. Furthermore, it was suitable for mass production. Around this gramophone arose particularly in the United States a significant industry.¹³⁴

Around the 1900s, sheet music was the key music product. Publishers employed salesmen popularly known as 'song pluggers'. These 'song pluggers' were singers and performers themselves, and in order to attract attention to the sheet music being sold, they would belt out the songs right on the premises of the retailers. However, they would also sing these tunes in other settings as well, from music halls and bars to city streets- wherever they could hope to draw a crowd.¹³⁵

Over time, developing technologies opened the door to new and more sophisticated possibilities for music distribution and promotion. The phonograph 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. This invention was accompanied by the development of jukeboxes.¹³⁶

After it turned out that Edison's phonograph was more successful as a coin-operated 'entertainment' machine, instead of a dictating device, *Columbia* took the lead in providing 'entertaining cylinders' in a choice of 'Sentimental', 'Topical', 'Comic', 'Irish' and 'Negro' songs. Meanwhile, Emile Berliner was developing the gramophone in 1887-1888. This was a means of reproducing sounds using discs, not cylinders. In order to

¹³¹ Ibid.

¹³² Ibid., 118

¹³³ Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems', 131

¹³⁴ In Kloosterman, R., 'Putting Music in its place', In: *Geografie*, URL:

http://www.geografie.nl/geografie/inhoud_show.php?id=140, consulted 15 March 2006

¹³⁵ Lathrop, T., *This Business of Music*, 3

¹³⁶ Ibid.

demonstrate the superiority of his machine over Edison's, he too was concerned in making records. Berlinger, unlike Edison, regarded the gramophone as primarily a machine for home entertainment and the mass production of music discs as a way for prominent singers, speakers or performers to derive an income from royalties on the sale of their phonautograms. In 1897 Fred Gaisberg, Berlinger's recording director and talent scout, opened the first commercial recording studio. For the next five years there was an intense legal struggle between disc and cylinder.¹³⁷

Frith emphasizes that software, such as music, is in fact first regarded as a means of advertising hardware, where the initial profits lie. The example he gives for this is the original marketing of stereo equipment. Records of train noises could be heard to move from one speaker to the other. However, at a certain moment in the development of a new electronic medium, the logic changes. At first people just want to have something to play, then after ownership of the new equipment becomes widespread, records are bought for their own sake and people begin to buy new, improved players in order to listen to specific sounds.¹³⁸

By the 1920s, there were numerous phonograph manufactures in Britain and the United States both selling hardware as well as software. At this stage, record companies were part of the electrical goods industry, and quite separate in terms of financial control and ownership from previous musical entrepreneurs. They were owned and run by engineers, inventors and stock market speculators that had little to do with song publishers, theater owners, agents and promoters, performers and managers. According to Gaisberg who comments in his memoirs, they did not even seem to have been much interested in music.

The musical decisions and the policies of these companies on whom and what to record were entirely dependent on the judgments and tastes of the 'live' music entrepreneur. Few companies were interested in promoting new members or new stars, and there was a widely held assumption in the industry that while pop records were a useful novelty in the initial publicizing of phonographs, in the long run the industry's returns would depend on people wanting to build up permanent libraries of 'serious' music. According to Frith, the record industry has always sold itself for what it could mean for 'serious' music. The gramophone began as not quite respectable because of its public novelty use and therefore an emphasis on its use for playing classical music was seen as necessary to sell it to middle-class families. In the history of electronic media, the initial 'mass market' is the relative affluent middle-class household. The organization of the record industry around the pop record and the pop audience was a later development and a consequence of the economic slump in the 1930s. The slump caused the collapse of all small recording

¹³⁷ Frith, S., 'The Industrialization of Popular Music', In: Lull, J. (ed.) *Popular Music and Communication*, 56-57

¹³⁸ *Ibid.*, 57

companies and reestablished the record business as an oligopoly, a form of production dominated by a small number of 'major' companies. The surviving companies covered the crisis in record sales by putting together more wide-ranging music interests.¹³⁹

Competition for sales became more intense in the oligopoly. As mentioned before, the response to the falling sales was a price war. Records became cheaper and cheaper in the assumption that people would go for the lowest price, not taking in account people's tastes. However, their musical choices were not just a matter of price. New sales tactics had to be developed and, for the first time, record companies led by *Decca*, ran aggressive advertising campaigns in newspapers and on billboards:

'Here they are – your favorites of radio, screen and stage – in their greatest performances of instrument and voice! Not obsolete records, cut in price to meet a market, but the latest, newest smash hits – exclusively DECCA. Hear them when you want – as often as you want – right in your own home'.¹⁴⁰

Decca was the first company to realize that an investment in advertisements and promotion was more than justified by the consequent increase in sales. According to Frith, the peculiarity of record making is that once the break-even point is passed, the accumulation of profit is stunningly quick. 'The costs of reproduction are a small proportion of the costs of producing the original master disc. It follows that huge sales of one title are much more profitable than even cost-covering sales of lots of titles and that the costs of ensuring huge sales are necessary costs'.¹⁴¹ *Decca* developed the marketing logic that was to become familiar to rock fans in the late 1960's. Promotion costs were established at whatever figure seemed necessary to guarantee huge sales. Only major companies can afford such risks and have the necessary capital available.¹⁴²

According to Lathrop, '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'.¹⁴³

There have of course been some changes in this infrastructure, for example the use of singles. According to Barrow & Newby, in the fifties and sixties, the pop record market was singles led. When an artist had a hit-single, he was given the opportunity to record

¹³⁹ Frith, S., 'The Industrialization of Popular Music', In: Lull, J. (ed.) *Popular Music and Communication*, 58-59

¹⁴⁰ Gelatt in Frith, S., 'The Industrialization of Popular Music', In: Lull, J. (ed.) *Popular Music and Communication*, 60

¹⁴¹ Frith, S., 'The Industrialization of Popular Music', In: Lull, J. (ed.) *Popular Music and Communication*, 60

¹⁴² *Ibid.*, 61

¹⁴³ *Ibid.*, 3

an album. This album was usually named after the hit single or something very similar. Today the system works in reverse. First, an album is recorded and then one or more singles are taken off it for separate release. These singles are then used as marketing tools to promote the album.¹⁴⁴

3.5 Developments influencing Music Marketing

In the last decades of the 20th century, several developments have characterized the music industry. Lathrop describes these in a chronological order:

First, there was the development of radio alongside the phonograph industry. At first this development was considered a threat, it was believed that people would listen to the radio and no longer buy records. However, radio airplay greatly stimulated record sales.¹⁴⁵ Nevertheless, there was a focus on affluent and respectable listeners according to Frith. This left pockets of tastes unsatisfied. Early radio stations were not interested in black audiences and so the market for jazz and blues records became more significant.¹⁴⁶ The introduction of television in the late 1940s caused further segmentation. Television revolutionized the entertainment field by bringing visual performances into the homes of mass audiences. Television boosted radio's use of recorded music. Before television, radio concentrated largely on broadcasting live performances. TV took over this role and radio had to focus more on playing records. Radio stations began to specialize by 'narrowcasting' the broadcasts to suit local listeners' tastes. Radio programming became increasingly segmented with different stations specializing in ever-narrower music formats.¹⁴⁷

In the mid 1960s, the 45-rpm 'single' record and the LP appeared and radio stations turned to stereo FM broadcasting, which improved signal quality. These innovations led to improvements in the music listening experience, to more choices for music consumers and to the overall growth of the music industry.¹⁴⁸

In the 1970's, television advertising was used increasingly to promote record sales. Concert tours began to be linked more directly to album releases by timing, title, packaging and peripheral merchandising. This was the beginning of multimedia marketing in the music business allied to the recognition that continuity of image was very valuable in maximizing public awareness of product.¹⁴⁹

In the 1980s, Music Television (MTV) ushered in the era of the music video, another means of getting music to audiences. Digital recording technology was introduced

¹⁴⁴ Barrow, T., & Newby, J., *Inside the Music Business*, 5-6

¹⁴⁵ Lathrop, T., *This Business of Music*, 3

¹⁴⁶ Frith, S., 'The Industrialization of Popular Music', In: Lull, J. (ed.) *Popular Music and Communication*, 59

¹⁴⁷ Lathrop, T., *This Business of Music*, 4

¹⁴⁸ Ibid.

¹⁴⁹ Barrow, T., & Newby, J., *Inside the Music Business*, 8-9

besides analogue production methods, leading to rapid and overwhelming acceptance of a new playback format, the compact disc. The CD could store more music than a LP record and offer higher-quality sound.¹⁵⁰

On the break of the new millennium, 'Internet music streaming and downloading captured the interest of music consumers and sparked the creativity of musicians and music sellers', which will further transform the music industry and the marketing of music in the 21st century.¹⁵¹

Kotler also believes that this century will be characterized by new marketing communications realities. There are two major factors responsible for this change. First, the market is becoming increasingly fragmented, and therefore mass marketing through mass media becomes less efficient. Focused marketing programs are designed to build closer relationships with consumers in more narrowly defined micro-markets. Secondly, due to improvements in computer- and information technology, there is a movement towards segmented marketing. Internet enables companies to keep track of consumer needs and provides new communication possibilities for reaching smaller consumer segments with more tailored messages.¹⁵² Individuals and small businesses can bypass standard marketing channels (mostly in control of conglomerates) and sell music directly to consumers.¹⁵³ These developments will change the established communication practices. Television, magazines and other mass media remain very important, but their dominance is declining. Market fragmentation has resulted in media fragmentation.¹⁵⁴ 'In all, companies are doing less *broadcasting* and more *narrowcasting*, relying on a richer variety of focused communication tools which allow them to reach their many and diverse target markets'.¹⁵⁵

3.6 Music Marketing

According to Lathrop, 'maximizing the sales and exposure of music is the bottom line of music marketing and promotion'. Marketing and promotion are systematic approaches to following the money trail of commercial music with precision and skill. The marketing process involves shaping a 'product' and then getting it 'rack space', that is making sure it is displayed and sold in record stores and other outlets.¹⁵⁶

Lathrop argues that marketing music is a challenging process, but it is doable when handled systematically. He claims that in some ways music is easier to market than other

¹⁵⁰ Lathrop, T., *This Business of Music*, 4

¹⁵¹ Ibid.

¹⁵² Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 779-780

¹⁵³ Lathrop, T., *This Business of Music*, 4-5

¹⁵⁴ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 780

¹⁵⁵ Ibid.

¹⁵⁶ Lathrop, T., *This Business of Music*, 1

types of products because 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'.¹⁵⁷

Music has its own special marketing and promotion requirements. The typical music marketing effort is, according to Lathrop, more complicated than the simple set of Four P's explained later in this chapter would indicate. In the product development stage for example, the marketing personnel might decide to release the record on 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, merchandise, television appearances, and more. Music distribution involves not only retail store sales, but also just about any channel through which music is transferred to the consumer or reseller, including the Internet'.¹⁵⁸

It is necessary to carefully monitor the marketing program after it has been set into motion, so adjustments can be made if and where the program is ineffective. It must evolve according to market changes. Sales revenue must be managed and expenditures may have to be reallocated.¹⁵⁹

3.7 Role of Marketing Personnel

Both Kotler and Lathrop emphasize that adhering to the customers wants and needs and building long-term customer relationships is not merely the task of marketing personnel. It is necessary for several departments to work together in order to achieve customer satisfaction. As Lathrop states: 'More and more, the marketing of music is a carefully planned process, with specialists in the areas of artist development, sales, distribution,

¹⁵⁷ Ibid.,8

¹⁵⁸ Ibid., 26

¹⁵⁹ Ibid.

promotion and publicity joining forces in a single, methodical effort to break an artists and build a long-term following'.¹⁶⁰ Kotler claims that 'marketing calls upon everyone in the organization to 'think customer' and to do all that they can to help create and deliver superior customer value and satisfaction'.¹⁶¹

Nevertheless, it is the specific task of the marketing personnel to develop marketing activities that form a bridge between the product and market. According to Hirsch, there is an ordered sequence of events that links these two entities together. 'Before it can elicit any audience response, an art object first must succeed in competition against others for selection and promotion by an entrepreneurial organization, and then in receiving mass media coverage in such forms as book reviews, radio station airplay, and film criticism. It must be ordered by retail outlets for display or exhibition to consumers and, ideally, its author or performer will appear on television talk shows and be written up as an interesting news story'.¹⁶² The marketing mix of product, price, place and especially promotion is essential in this process.

According to Hirsch it would be uneconomical for record firms to engage in direct, large-scale advertising campaigns to bring more than a few releases to public attention. By means of a reference to an interview with the general manager of CBS Records, conducted by Clive Davis, Hirsch illustrates that record companies are highly dependent on radio to introduce new artists and new records of artists to the public. Radio accounts for approximately 75 to 90 percent of the promotion of new releases. Hirsch claims that therefore 'the crucial target audience of record companies for promotional campaigns consists of autonomous gatekeepers, or surrogate consumers, such as disc jockeys, employed by mass media organizations to serve as fashion experts and opinion leaders for there respective constituencies'.¹⁶³

Thus the task of the marketing personnel, or contact men at the organization's output boundary, as Hirsch refers to these employees, is linking the organization to retail outlets and surrogate consumers in mass media organizations. There are certain characteristics of the music industry that explicate this task. 'A high ratio of promotional personnel to surrogate consumers appears to be a structural feature of any industry system in which (a) goods are marginally differentiated; (b) producer's access to consumer markets is regulated by independent gatekeepers; and (c) large-scale, direct advertising campaigns are uneconomical or prohibited by law. Cultural products are advertised indirectly to independent gatekeepers within the industry system in order to reduce demand uncertainty over which products will be selected for exposure to consumers'.¹⁶⁴

¹⁶⁰ Ibid., 24

¹⁶¹ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, xv

¹⁶² Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems', 128

¹⁶³ Ibid., 132

¹⁶⁴ Ibid., 134

According to Lathrop, the goal of a marketer is simply 'to make the music earn some money'.¹⁶⁵ This raises the question how involved the marketing personnel are with the music they are trying to sell. Barrow & Newby claim that it is necessary for the marketing personnel to take a step back from the record, they need to be dispassionate about the 'product' they are selling in order to be objective towards it. They speak of 'product' instead of the 'record' or 'song' and 'target groups' or 'consumers' instead of 'people', 'fans' or 'audience'. Barrow & Newby argue that otherwise, each marketing strategy would in part be based on the whims and preferences of the marketing personnel and this would not be fair on those acts that are less popular with the marketing personnel. 'To take a few steps back from the artist and the music means that a clearer marketing strategy can be applied, and that should be beneficial to everyone concerned'.¹⁶⁶ Ryan & Peterson also discuss the jargon used in the music industry to describe the songs that the personnel are dealing with. They show that songs are spoken of in terms of the phase in the production process: a demo, a master, a hit. According to them this suggests that songs are often perceived as a product and not as much as an expression of individual emotions.¹⁶⁷

3.7.1. The Marketing Department

The marketing department is situated between A&R and production. According to Hesmondalgh, the marketing departments have become more prestigious. As mentioned earlier when discussing the issue of marketing, marketing often plays a significant role in the conception stage of cultural production. Marketing departments have been consulted for decades on the likely success of cultural products that require significant investment, but the 'increasing clout in settings where decisions are negotiated concerning the selection of prospective acts of products, and how they might be modified to achieve success', is new.¹⁶⁸

The form of the department depends on the size of the record company or project; it can exist of a single employee, or even an independent, contracted company. The marketing department works closely together with other departments and for example will, in collaboration with A&R, artist management and possibly board members, arrange and coordinate advertising schedules across a number of media, as well as coordinate press and promotions campaigns and visibility at retail outlets. However, in larger record

¹⁶⁵ Lathrop, T., *This Business of Music*, 22

¹⁶⁶ Barrow, T., & Newby, J., *Inside the Music Business*, 82

¹⁶⁷ Ryan, J., & Peterson, R., 'The Product Image: The Fate of Creativity in Country Music Songwriting', 19

¹⁶⁸ Hesmondalgh, D., *The Cultural Industries*, 159

companies, a separate publicity department in collaboration with marketing will in most cases, coordinate press and promotion.¹⁶⁹

3.8 Marketing practices in small organizations (indies)

As mentioned above, it depends on the size of the record company how many employees the marketing department counts. As majors handle much more product than the indies, they have more staff. In general, the tasks within a small organization are not as strictly divided, as is the case with larger companies, but rather concentrated with a small group of people.¹⁷⁰ In an indie it is likely that many jobs cross over.¹⁷¹ This has the benefit that the employees of an indie are better accessible to artist managers and that equal attention is paid to each artist's project. Majors work on the priority system and therefore not every artist gets the same level of commitment from the record company in promoting and marketing their music.¹⁷²

Nevertheless, indies lack the economic power that the majors have and small and large companies are increasingly interdependent: they are involved in complex networks of licensing, financing and distribution. The relationship between the majors and the indies facilitates the spread of the risk of non-profitable investments.¹⁷³

According to Barrow & Newby, a fundamental difference between a major and an indie is that most of the services required to turn a song into a mass-marketable item exist within the structure of the major itself.¹⁷⁴ As soon as there is large demand for an album or a group assigned to an indie, the majors step in to sign the act and take over the marketing and distribution. They are better able to guide the success by means of high quality studio-recordings and promotional campaigns.¹⁷⁵

Cusic explains some of the differences between majors and indies. According to him, the major labels tend to be marketing organizations that have as their main product musical recordings. The indies on the contrary, tend to be music organizations that must use marketing to get their music exposed to interested consumers. Another difference is that the major labels try to have something for everyone; the smaller labels have what a relative handful want. The major media outlet is the most essential difference between the independent labels that market specialty music and the major recording labels for exposing their respective music. For the major labels, airplay on mainstream radio is how most music is exposed and where audiences connect with the music. For specialty music,

¹⁶⁹ Barrow, T., & Newby, J., *Inside the Music Business*, 27

¹⁷⁰ Tannett, S., 'Independent Recording and Publishing Companies', In: York, N. (ed.), *The Rock File: Making it in the Music Business*, Oxford University Press: New York, 1991, 221-222

¹⁷¹ Barrow, T., & Newby, J., *Inside the Music Business*, 31

¹⁷² Ibid. 222

¹⁷³ Hesmondalgh, D., *The Cultural Industries*, 151

¹⁷⁴ Barrow, T., & Newby, J., *Inside the Music Business*, 25

¹⁷⁵ Cusic, D., *Music in the Market*, 16

print media and college- or alternative radio are the major ways in which the label reaches consumers. Print media may take the form of music press periodicals targeted to a specific market, in-house newsletters sent to a core of consumers, or catalogs where consumers may order this specialty music. The marketing at major labels is dominated by mainstream radio, followed by television and then print. With specialty music, the order is reversed. Print dominates marketing, followed by television and, finally mainstream radio. Alternative radio, especially college radio or public radio, plays a key role in the exposure and marketing of some specialty music. However, according to Cusic, it is difficult if not impossible to depend heavily on any type of radio with non-mainstream music. Nevertheless, some kind of radio airplay is the key to hits in specialty music, especially in the field of alternative, gospel, bluegrass, and folk music.¹⁷⁶

There are some specific steps to be taken by marketing personnel in developing an effective communication campaign. These steps are: defining the basic product, identifying the target audience, determining the communication objectives, designing the message, choosing the media and setting the total promotion budget.¹⁷⁷ In the next part of this chapter, some elements of these steps are highlighted because these are essential in the marketing process and provide a better understanding of the practice of marketing.

3.9 Core Product Components

In order to market a product well, the basic product must be defined. Understanding of the difference between a product format and the core product is crucial. A compact disc for example is on one level a product. On another level, it's simply a format for delivering the core product of music.

According to Lathrop, music is raw information that can be configured and marketed in different ways. The total core product of music has three different aspects that have bearing on marketing: the performer, the performance and the music composition.¹⁷⁸

3.9.1 Performer

An artist appeals to an audiences with his or her personality, looks, and other characteristics. The artist can be considered to be the long-term product to be sold and promoted, with records serving as vehicles for generating income and building the career. Concert engagements, television and movie appearances, books, and any other

¹⁷⁶ Ibid., 119-120

¹⁷⁷ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 759-772

¹⁷⁸ Lathrop, T., *This Business of Music*, 34

context in which the performer as a personality is exposed to audiences, forms the direct sale of the 'performer' part of the product. In some cases, the artist becomes the product, and the records are by-products.¹⁷⁹

3.9.2 Performance

'The performance is the audio, and sometimes visual, expression of the performer's personality. People pay to hear a particular performer play music in a particular way. They like the sound of the voice, the style, the instrumentation, and other distinctive qualities. Thus the performance is a distinct product that can generate income by being used on a CD, broadcasted on the radio, presented in a movie or video, showcased in a commercial' etc.¹⁸⁰

3.9.3 Music composition

Without the musical composition, a product all on its own, the performer and performance are nothing. It is considered 'intellectual property', a mental creation that primarily earns money when it is offered to the public in a performance, on a recording, or on paper. There are numerous uses that can generate income for the composition. For example, a song can be licensed to any number of different performers, licensed to producers of TV shows and movies, and sold as sheet music.¹⁸¹

Most music marketing programs focus primarily on these core product components, whether the format being sold is a CD or digital file. A complete marketing program taps into the revenue-generating potential of the total core product and usually emphasizes one of these three key aspects.¹⁸²

3. 10 Target audience

Cusic states that marketing in the music industry, as well as in other businesses in the entertainment industry, is guided by the general notion that entertainment marketing should be aimed toward the youth market (generally considered the 13-25 demographic). This is an attractive segment for TV and radio advertisers because young people are more active shoppers and spenders than those over 45 and the older, adult audiences tend to buy successful youth-oriented products because they like the appeal of

¹⁷⁹ Ibid., 34-35

¹⁸⁰ Ibid., 35

¹⁸¹ Ibid.

¹⁸² Ibid.

these products. Young people are important as consumers because they are just beginning to develop loyalties to particular brands and are more likely to try something new and different. They want to be different, yet fit in with certain groups. The way to achieve this is through rebellion, it is a way of asserting individuality, or separating their identity from that of their parents and establishing their own individual identity, reinforced by their friends and peers.¹⁸³

In marketing products to the youth culture, the entertainment industry often caters to this theme of rebellion. It is this industry that picks up on ideas and turns them into fads and trends quicker than any other kind of business. 'This entertainment industry is usually willing to gamble on offering unique products, and campaigns that shock. They are willing to puzzle, excite, or annoy consumers because they are confident that the consumers will buy. This all begins by targeting the youthful consumer who wants to rebel against the status quo through music and other forms of entertainment'.¹⁸⁴

According to some, targeting youngsters is the reason for declining sales for the majors. Erwin Angad-Gaur, of the Dutch artist union *NTB*, claims that while the majors are releasing a constant stream of Britney Spearses and *K3*'s for youngsters and kids, three quarters of the music sold in the Netherlands is bought by the segment of 30 years and older. Particularly youngsters are spending less money on records and more money on computer games, electronica and mobile phones.¹⁸⁵ Research done in the mid 1990's by Christianen & Hansman shows that the trend of spending less money on music as a percentage of the total budget of youngsters was already current in that time. They concluded that because of the increase in media supply, the differentiation in media usage and the increasing competition from other products and activities, it would be difficult to change the tide.¹⁸⁶ The statement of the *NTB* suggests this conclusion was fair.

3. 11 Consumer response stages

The marketing department can provide ways for consumers to hear recordings and be exposed to artists. Through acceptance at the consumer level and popularity with listeners, some of these recordings might become hits and some of the artists might become stars. The marketing personnel at record companies work hard to get their

¹⁸³ Cusic, D., *Music in the Market*, 18-19

¹⁸⁴ *Ibid.*, 19-20

¹⁸⁵ Stil, H., 'De platenbaas heeft de boot gemist'

¹⁸⁶ Burger, T., 'Muziekindustrie moet jongeren weer aan boord krijgen', In: *Buma Stemra Magazine*, December, 1994, 23-25

product exposed and sold in the marketplace, with the goal to make the music earn some money.¹⁸⁷

According to Kotler, purchase is the result of a long process of consumer decision-making. In determining the communication objectives, the marketing personnel needs to know where the target audience stands and to what state it needs to be moved, it must be determined whether or not the customer is ready to buy.¹⁸⁸ As Cusic states: 'in a market filled with products that are roughly equal, it is often the product with the best marketing that wins'.¹⁸⁹

There are six buyer-readiness-stages, a hierarchy of consumer response stages, that consumers normally pass through on their way to making a purchase. These stages are awareness, knowledge, liking, preference, conviction and purchase. The purpose of marketing communication is to move the customer along these stages and ultimately to achieve final purchase.¹⁹⁰ The information about the buyer-readiness-stages is based on Kotler¹⁹¹, but has been freely applied to the music industry in order to put it in perspective and provide a relevant context.

3.11.1 Awareness

This consists of the level to which the audience is familiar with the artist or a new album. Perhaps they only know the name or just a few things about it. If most of the target audience is unaware, name recognition becomes an important means by which the marketing department tries to build awareness.

3.11.2 Knowledge

The target audience might be aware of the existence of the artist or the new album, but not know much more. The marketing department needs to learn how many people in the target audience have little, some or much knowledge about the artist or album. To create knowledge, the communications campaign must inform potential buyers of the quality and unique features of the artist or album.

3.11.3 Liking

¹⁸⁷ Cusic, D., *Music in the market*, 9

¹⁸⁸ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 760

¹⁸⁹ Cusic, D., *Music in the market*, 9

¹⁹⁰ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 760

¹⁹¹ Information based on text in Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 760-761

Assuming the target audience members know the product, how do they feel about it? Once the artist or album is known, the target audience must develop favorable feelings. If the target audience does not have favorable feelings about the artist or album, the marketing personnel needs to find out why and then possibly resolve the problems identified, before developing a communications campaign to generate favorable feelings.

3.11.4 Preference

The target audience might like the artist or album, but not prefer it to others. In this case, the marketing department must try to build consumer preference by promoting and emphasizing the artist's or album's unique selling points, quality and other features. If many people like the artist or the album, but prefer others, the marketing department will have to identify those areas that people do not like as much and things they do like. These advantages must be promoted to build preference among prospective fans, while redressing its weaknesses.

3.11.5 Conviction

The target audience might prefer the artist or album, but may not have developed a conviction about buying the album or becoming a fan. The marketing department's job is to build conviction that the artist or the album is right for the person because for example, it allows them to express their identity.

3.11.6 Purchase

Finally, some target audience members might have developed a conviction but are not loyal fans yet, or have not bought the album yet. The marketing department must lead these consumers to take the final step by advertising, sales promotion and direct marketing.

3.12 Communication Process

For a message to be effective, the message must be designed so the sender's encoding process meshes with the receiver's decoding process. Thus, the best message consists of words and other symbols that are familiar to the receiver. The sender must know which audiences they want to reach, which media to use and what response they want. They have to be able to identify themselves with the target audience in order to share their

world.¹⁹² The following description of the nine elements of the communication process is based on information provided by Kotler¹⁹³, but has again been freely applied to an example of the music industry, in this case the promotion of a new album release.

Sender; the party sending the message to another party – in this case a record company.

Encoding; the process of putting the intended message or thought into symbolic form – the marketing department assembles words and images into an advertisement that will convey the intended message.

Message; the set of words, pictures or symbols that the sender transmits – this is the actual television commercial for the new album.

Media; the communication channels through which the message moves from sender to receiver – in this case the specific television channels the record company selects.

Decoding; the process by which the receiver assigns meaning to the symbols encoded by the sender – a consumer sees the commercial for the album and interprets the words and images it contains (not always the same as what the sender intended).

Receiver; the party receiving the message sent by another party – a consumer or specifically a member of the target audience who sees the TV commercial for the album.

Response; the reactions of the receiver after being exposed to the message (any of hundreds of possible responses, for example the consumer is aware of the new album, or actually goes out and buys the album)

Feedback; the part of the receiver's response communicated back to the sender – the record company's research and sales numbers show for example that consumers are more aware of the new album or actually went out to purchase the album.

Noise; the unplanned static or distortion during the communication process, which results in the receiver getting a different message than the one the sender sent – for example the consumer is distracted when watching television and misses the commercial for the new album.

¹⁹² Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 759

¹⁹³ *Ibid.*, 758

3.13 Message Content

The message that is sent out to the target audience is important in reaching the desired effect of purchase or building a long-term fan base. A message should ideally get *Attention*, hold *Interest*, arouse *Desire* and obtain *Action*. This framework is known as the 'AIDA model'. In practice, few messages take the consumer all the way from awareness to purchase, but the AIDA framework suggests the desirable qualities of a good message.¹⁹⁴

A message can have several contents. A rational appeal relates to the audience's self-interest and show that the product will produce the claimed benefits. Emotional appeals are messages that attempt to stir up negative or positive emotions that will motivate a purchase and moral appeals are directed to the audience's sense of what is right and wrong.¹⁹⁵

3.14 General Marketing approaches

In the actual selling of the product, in this case music, it is necessary to have a plan and a program. Lathrop describes two contrasting ways of marketing and selling a product to consumers.

3.14.1 'Flying blind' Marketing Approach

The first way to market a product is to release it into the marketplace blindly and hope that it sells. This is the approach used in the first scenario described before. There is no hard information indicating that there is any demand for the product and there is no clearly defined target audience (an identified segment of the populace that research or experience has proven is likely to purchase the seller's kind of product). The seller bases the sale only on gut feeling, on *fingerspitzengefühl*. He purports to know what the current tastes are and what kind of product will appeal. The seller dives thus 'boldly into the marketplace, fuelling the effort with self-confidence, faith, and raw nerve'. Promotion is aimed at informing the public about the product in a general way. Take for example the selling of an album of music in the genre of 'electronica'. The album is released 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. A few ads are placed in the hope that the project is successful.

¹⁹⁴ Ibid., 762

¹⁹⁵ Ibid., 762-763

There is great risk in this 'send it up and see if it flies' approach. First, the taste of the audience is very unpredictable. There is no way of knowing how long a trend will last, no matter how in tune with current popular tastes the seller is. By the time a CD of a current musical trend hits the market, the market might have already turned to a new and different trend. Second, without relying on knowledge of a defined audience, the advertising and publicity lack focus. It may end up being too randomly dispersed to effectively reach specific groups that might find the record appealing. There is the risk that the CD gets lost in the flood of equally attention-getting competitive products.¹⁹⁶

3.14.2 'Planned out' Marketing Approach

In contrast, the second of the two basic sales approaches involves more fine-tuning of the effort, such as the second scenario described before. The seller has evidence that there is a specific group of people inclined to buy the kind of product that is marketed. People from a particular geographic region, age group or with specific lifestyle preferences for example may form this specific group. '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 that the product is distributed to outlets that cater directly to those people, and advertises and publicizes the product in media targeted to those buyers'.¹⁹⁷ For example the marketing of a record by an artist with an established cult following. By tracking sales of previous records, the audience to which the artist appeals is identified. The marketing plan can be based on that market segment specifically.

This approach to selling carries far less risk than the 'flying blind' approach. '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'.¹⁹⁸ It is a 'customer-driven' approach that is based on creating a product that first meets the needs and desires of the consumer.¹⁹⁹

3.14.3 Push versus Pull Strategy

Kotler refers to two other marketing strategies by which products are brought to the market; the push- and the pull strategy.

¹⁹⁶ Lathrop, T., *This Business of Music*, 23

¹⁹⁷ *Ibid.*, 23-24

¹⁹⁸ *Ibid.*, 24

¹⁹⁹ Kolb, B., *Marketing For Cultural Organisations*, 78

The push strategy involves 'pushing' the product through distribution channels to final consumers. The producer promotes the product to wholesalers, the wholesalers promote to retailers, and the retailers promote to consumers. The marketing activities (primarily personal selling and trade promotion) are directed towards the other members in the distribution channel to induce them to carry the product and to promote it to final consumers.²⁰⁰ This is also referred to as the 'sales approach' and is led by the view that any product can be sold if the company has the right sales strategy.²⁰¹ In the music industry, the majors have special promotion departments that employ 'pluggers' who are responsible for contacting, persuading and supplying retail outlets and surrogate consumers such as music television channels and disc jockeys at radio stations to carry or play the record and to promote it to customers and listeners.²⁰²

If a company uses the pull strategy, it directs its marketing activities towards final consumers to induce them to buy the product. This strategy calls for spending a lot on advertising and consumer promotion to build up consumer demand. If the pull strategy is effective, consumers will then demand the product from retailers, the retailers will ask the wholesalers, which will in turn demand it from the producers. Thus under a pull strategy, consumer demand 'pulls' the product through the distribution channels.²⁰³ This strategy is comparable to the 'production approach', which is led by the view that a good product will bring in customers on its own. However, the pull strategy heavily depends on promotion, whereas the production approach does not necessarily, depending on supply and demand.²⁰⁴

According to Kotler, it is common for large companies to use a combination of both strategies. However, the push strategy has become more popular than the pull strategy in recent years. One reason for this is that mass-media campaigns are expensive and less effective as the market becomes more segmented. Another reason is the growing strength of retailers. Mass advertising bypasses them on its way to the consumers, but the push strategy benefits them directly. As there is an overload in supply, retailers can make demands and get what they want from suppliers. Manufacturers are compelled to adhere in order to obtain good shelf space and advertising support from their retailers.²⁰⁵

3.15 Marketing Mix

The approaches and strategies described above influence the marketing strategy for a specific product. Marketing refers to an entire program for selling and the most common

²⁰⁰ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 777

²⁰¹ Kolb, B., *Marketing For Cultural Organisations*, 76

²⁰² Barrow, T., & Newby, J., *Inside the Music Business*, 118

²⁰³ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 777-778

²⁰⁴ Kolb, B., *Marketing For Cultural Organisations*, 76

²⁰⁵ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 777-778

means to do this is by implementing the marketing mix, one of the dominant ideas in modern marketing. The marketing mix is a set of controllable tactical marketing tools – product, price, place and promotion – that a company blends to produce the response it wants in the target market. It consists of everything the firm can do to influence the demand for its product. The many possibilities gather into four groups of variables, or marketing tools, known as the four P's.²⁰⁶

3.15.1 Product

Kotler defines this tool as 'anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organizations and ideas'.²⁰⁷

Lathrop gives a more profound definition of the marketing tool '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'.²⁰⁸

3.15.2 Price

According to Kotler, this is 'the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service'.²⁰⁹

Lathrop states that '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'.²¹⁰

3.15.3 Place

Kotler describes this marketing tool as 'all the company activities that make the product or service available to target customers'.²¹¹

According to Lathrop, 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'.²¹²

²⁰⁶ Ibid., 109

²⁰⁷ Ibid., 110

²⁰⁸ Lathrop, T., *This Business of Music*, 25

²⁰⁹ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 110

²¹⁰ Lathrop, T., *This Business of Music*, 25

²¹¹ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 110

²¹² Lathrop, T., *This Business of Music*, 25

3.15.4 Promotion

This is the marketing tool that is central in this thesis. Kotler defines it as 'activities that communicate the product or service and its merits to target customers and persuade them to buy'.²¹³

According to Lathrop, promotion covers 'all the steps that must be taken to increase customer awareness of the product and to convince customers of the product's value. This includes advertising and publicity, Internet exposure, and sales incentives'.²¹⁴

3.15.5 3 W's and an H

Lathrop introduces another way to consider marketing. According to him, 'the products 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*. Another crucial aspect of marketing is the timing, the *When*, of all the program elements, from production to distribution to promotion'.²¹⁵

3.16 Promotion Mix

A company's total marketing communications mix is called promotion mix and consist of a specific blend of advertising, personal selling, sales promotion and public relations. Due to the increasing segmentation of the market, direct communications with carefully targeted individual consumers to obtain an immediate response, are gaining importance as a communication tool in recent years. Direct Marketing is referred to as the fifth element of the promotion mix. Kotler notes however, that direct marketing techniques are not just communication devices, but are also sales channels in their own right. A wide range of products such as computers, software, clothing and of course music are purchased by phone, mail or Internet.²¹⁶

'Whatever its final components, the marketing plan is created to achieve a goal' according to Lathrop. This goal is at its simplest to develop an audience base and to sell the musical product. A secondary aim along the way is to build up the marketing program to the point where its momentum becomes almost self-perpetuating.²¹⁷

The information about the specific components of the promotion mix as described below, is based on Kotler and again has freely been applied to the music industry.

²¹³ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 110

²¹⁴ Lathrop, T., *This Business of Music*, 25

²¹⁵ *Ibid.*, 25

²¹⁶ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 756-757

²¹⁷ Lathrop, T., *This Business of Music*, 26

3.16.1 Advertising

According to Kotler, advertising is 'any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor'. Advertising mostly takes place through mass media such as print ads and radio and television commercials, but also outdoor advertising, for example billboards, is designed to reach a large audience.²¹⁸ It is not unusual for a record company to promote a new album release of an artist, through TV and radio commercials. This does however depend on the promotion budget set by the record company. Only a selection of high profile artists will have a budget assigned that allows for promotion by advertising because these major acts have a bigger push and a better guaranteed sales return to justify such expenditure.^{219 220}

3.16.2 Personal selling

Personal selling is the 'oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales'. This can take the form of phone calls, press parties, incentive programs and showcases.²²¹

In the music industry, personal selling is a common promotion tool. This practice was referred to earlier when discussing the push strategy. Pluggers working for record companies sell the records to retail outlets and surrogate consumers. In the past a common means of getting airplay was to bribe the disc jockeys with presents, money, cars, holidays and even drugs. This practice has become known as 'payola' and is in fact illegal.^{222 223 224} Press parties and press giveaways are supposed to seduce the press to write about an artist.²²⁵ A live performance by an artist is also a personal selling technique. It is not only a direct source of revenue but also a promotion device boosting retail sales of CDs.²²⁶

3.16.3 Sales Promotion

Short-term incentives to encourage purchase or sales of a product or service are called Sales Promotion. These incentives are demonstrated by point-of-purchase displays, premiums, discounts, coupons, competitions, specialty advertising and demonstrations.

²¹⁸ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 756-757

²¹⁹ Southall, B., 'Major Recording and Publishing Agents', In: York, N. (ed.), *The Rock File*, 208

²²⁰ Alexander, V., *Sociology of the Arts*, 91

²²¹ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 756-757

²²² Cusic, D., *Music in the market*, 116

²²³ Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems', 138

²²⁴ Krasilovsky, M.W., & Shemel, S., *This Business of Music: The definitive guide to the music industry*, Watson-Guptill Publications: New York, 2003, 366-371

²²⁵ Field, S., *Career Opportunities in the Music Industry*, Ferguson: New York, 2004, 13-14

²²⁶ Lathrop, T., *This Business of Music*, 26

For example in music stores they have large carton displays of artists with racks stacking their CDs, posters, headphones with the new release playing and sometimes performances and signing session by the artists.

3.16.4 Public Relations

PR is a form of free advertising. The practice of PR is all about 'building good relations with the company's various publics by obtaining favorable publicity, building up a good 'corporate image', and handling or heading off unfavorable rumors, stories and events. Major PR tools include press relations, product publicity, corporate communications, lobbying and counseling'.²²⁷ Typical activities for a music publicist are booking the artist on television and radio shows, maintaining contact with press, writing press releases with information about the artist and stimulating media interest in the artist and his or her new album or concert tour.²²⁸

3.16.5 Direct Marketing

Kotler defines DM as: 'marketing through various advertising media that interact directly with consumers, generally calling for the consumer to make a direct response'. This aim is obtained by targeting people through catalogs, mail, telephone, fax, e-mail, Internet and other non-personal communication tools.²²⁹

Record companies use DM by sending emails about the artist, a new album or concert tour to members of a mailing list. They also create websites on which songs of the new album can be listened to and the new CD purchased by ordering or downloading. They attract attention to their own website or those of their artists by posting banners and pop-ups on music related websites.

Although these five promotion tools are essential in reaching the target audience, Kotler emphasizes that communication goes beyond these specific tools. 'The product's design, its price, the shape and color of its package, and the stores that sell it - *all* communicate something to buyers. Thus, although the promotion mix is the company's primary communication activity, the entire marketing mix – promotion *and* product, price and place – must be coordinated for greatest communication impact.'²³⁰

Lathrop also makes this point. According to him, it is nearly impossible to completely separate the marketing categories of product, promotion, and distribution in music, as in many other fields. The components of the marketing program tend to serve several purposes and to reinforce each other. As mentioned before, live performance is not only

²²⁷ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 756

²²⁸ Field, S., *Career Opportunities in the Music Industry*, 13-14

²²⁹ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 757

²³⁰ Ibid.

a direct source of revenue but also a promotion device that boosts retail sales of CDs. Television appearances generate both fees and publicity, as do movie soundtracks. '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'.²³¹

3.17 Product Life Cycle

A product, whether it is the artist or a new album, will not sell forever. The record companies are aware of this and want to earn a decent profit to cover all the effort and risk that went into launching it. In the music industry, only approximately 20 percent of all album releases will break even financially and only 5 percent of all releases will make enough money to allow the record companies to release albums on the other 95 percent of the label's roster.²³² The information below is based on Kotler, but has again been applied to the music industry. The artist and albums have a life cycle with five distinct stages: product development, introduction, growth, maturity and decline.

3.17 Product development

This stage begins when the record company finds and develops a new artist or album. During product development, sales are zero and the company's investment costs mount.²³³

3.17.1 Introduction

This is a period of slow sales growth as the product is being introduced in the market. Profits are non-existent in this stage because of the heavy distribution and promotion expenses of product introduction.²³⁴ Much money is needed to attract distributors and to inform consumers of the new product and persuade them to purchase. The amount spend on promotion depends on the marketing strategy.²³⁵ As mentioned before, this spending is higher with high-profile artists. Advertising and Public Relations are good for producing high awareness, and Sales Promotion is useful in getting early trial. Personal

²³¹ Lathrop, T., *This Business of Music*, 25-26

²³² Cusic, D., *Music in the market*, 11

²³³ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 627

²³⁴ Ibid.

²³⁵ Ibid., 629

selling efforts must be geared to persuading retailers and surrogate consumers to carry the product.²³⁶

3.17.2 Growth

This is a period of rapid market acceptance and increasing profits.²³⁷ Record companies will keep their promotion spending at the same or a slightly higher level. Profits increase during the growth stage, as promotion costs are spread over a large volume and as unit-manufacturing costs fall. By spending a lot of money on promotion and distribution, the company can capture a dominant position in comparison with the competition.²³⁸ Advertising and PR continue to be powerful influences, whereas Sales Promotion can be reduced because fewer incentives are needed.²³⁹

3.17.3 Maturity

This is a period of slowdown in sales growth because the product has achieved acceptance by most potential buyers. Profits level off or decline because of increased marketing outlays to defend the product against competition.²⁴⁰ This stage normally last longer than the previous stages and most marketing deals with the mature product. The slowdown in sales usually results in oversupply. Record companies will cut the price, increase the advertising and Sales Promotions and focus on new products.²⁴¹ Sales Promotion becomes important again relative to advertising. Buyers know the brands and advertising is needed only to remind them of the product.²⁴² These steps lead to a drop in profit. Although many artists in the mature stage appear to remain unchanged for long periods, most successful ones stay alive through continually evolving to meet changing consumer needs and demands.²⁴³

3.17.4 Decline

This is the period when sales fall off and profits drop.²⁴⁴ Sales decline for many reasons, including technological advances, shifts in consumer tastes and increased competition. Furthermore, music buyers are unlikely to buy the same record twice. Some artists disappear from the market, others become more low profile and perform for smaller

²³⁶ Ibid., 779

²³⁷ Ibid., 627

²³⁸ Ibid., 630

²³⁹ Ibid., 779

²⁴⁰ Ibid., 627

²⁴¹ Ibid., 630

²⁴² Ibid., 779

²⁴³ Ibid., 630

²⁴⁴ Ibid., 627

audiences. Record companies may cut the promotion budget and reduce the price of the album further.²⁴⁵ Advertising is kept at a reminder level, PR is dropped and salespeople give the product only a little attention.²⁴⁶ Sales Promotion, however, might continue at a high level in order to stimulate trade and prop up sales to customers.²⁴⁷ A weak product is very costly to a record company in terms of money and time. The advertising and sales force attention might be better used to make 'healthy' products more profitable or to create new ones.²⁴⁸ As Wall states: 'the efforts made by the record companies to focus the purchases of consumers onto a small number of artists need to be constantly renewed. There is a finite limit to the number of copies of a release that can be sold, and once the profits from a new release have been realized, then the process must start again for another release to ensure that a stream of sales and profit continues'.²⁴⁹

Not all products follow the same product life cycle. Some are introduced and die quickly, the so-called 'one-hit wonders' for example such as Vanilla Ice and Jodi Bernal. Others stay in the mature stage for a long, long time. Artists who have been around for decades, score regular hits and are still selling old albums such as Madonna, BonJovi and Phil Collins for example. Some enter the decline stage and are then cycled back into the growth stage through strong promotion or repositioning, such as George Michael, Prince, Cher, The Rolling Stones and The Golden Earring.²⁵⁰ In general, artists have longer life cycles than singles or albums.

The PLC concept can also be applied to what are known as styles, fashions and fads. 'A 'style' is a basic and distinctive mode of expression'. A specific music genre such as 'rock' or 'hip-hop' falls into this category. 'Once a style is invented, it may last for generations, coming in and out of vogue. A style has a cycle showing several periods of renewed interest'.²⁵¹

'A 'fashion' is a currently accepted or popular style in a give field'. For example in the case of the genres 'rock' and 'hip-hop' these would be respectively the subgenres 'grunge' and 'gangsta rap'. Fashions pass through many stages. The process it goes through is one similar of that of commodification and standardization. 'First a small number of consumers typically take an interest in something new that sets them apart. Then other consumers take an interest out of a desire to copy the fashion leaders. Next, the fashion becomes popular and is adopted by the mass market. Finally, the fashion fades away as consumers start moving towards other fashions that are beginning to

²⁴⁵ Ibid., 633

²⁴⁶ Ibid., 779

²⁴⁷ Ibid., 779

²⁴⁸ Ibid., 633

²⁴⁹ Wall, T., *Studying Popular Music Culture*, 81

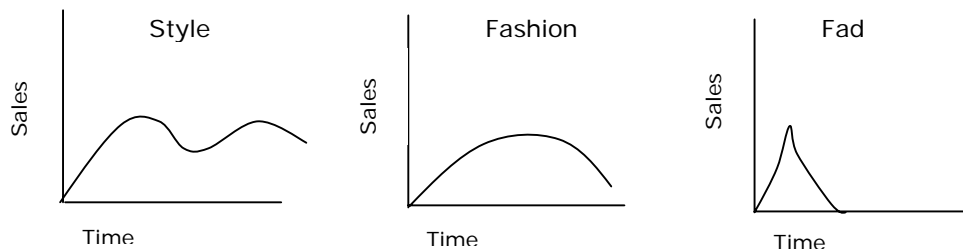
²⁵⁰ Kotler, P., Armstrong, G., Saunders, & J., Wong, V., *Principles of Marketing*, 627

²⁵¹ Ibid., 628

catch their eye. Thus fashions tend to grow slowly, remain popular for a while, and then decline slowly'.²⁵²

'Fads' are fashions that enter quickly, are adopted with great zeal, peak early and decline very fast. They only last a short time and tend to attract only a limited following'. Fads often have a novel or quirky nature and appeal to people who are looking for excitement, a way to set themselves apart or something to talk about to others. 'Fads do not survive for long because they normally do not satisfy a strong or lasting need or satisfy it well'.²⁵³

The PLC concept can be applied by marketing personnel as a useful framework for describing how products and markets work. When used carefully, it can help in developing good marketing strategies for different stages in the product life cycle.²⁵⁴



(Source: Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, Prentice Hall: London, 1999, 628)

3. 18 Conclusion

In this chapter, I have illustrated that marketing has come to play a more significant role in the music industry. Music marketing has been around as long as music has and developed alongside commodification and commercialization of sheet music in the 19th century. However, it has become more professional in the past decades and record companies have become more marketing-focused. In some cases, marketing has even begun to guide the entire process of music recording, including the creation of the song. It has become a carefully planned process that involves cooperation between several departments of the record company. The music being marketed is referred to as a product and this suggests that, in a normative sense, music is not considered as a cultural product in which (marketing) personnel are passionately involved.

²⁵² Ibid.

²⁵³ Ibid.

²⁵⁴ Ibid.

Good marketing asks that the products be catered to the consumer's needs and demands, in order to create customer satisfaction. Indies are claimed to better serve this consumer demand because they are more in touch with their audience than the majors and actually provide what their audiences want. Because they are smaller in size, it is easier for them to react to new market trends.

Although music has its own special marketing and promotion requirements, much of the marketing process is similar to regular marketing. The steps for designing an effective communication campaign are the same as for any other product and music marketing uses the same approaches, strategies and tools as regular marketing.

However, analyzing popular music theory central in the first chapter and marketing theory central in this chapter, has led me to believe that there is a fundamental difference in the marketing of music and the marketing of commodities. The next chapter will explore this difference.

4. Characteristic Features

In the previous chapter, I analyzed marketing theory, both 'regular' marketing, as well as music marketing in specific. While doing this, it became clear to me that the music industry uses the same approaches and tools to market music as industries involved in producing consumer goods. In this sense, it is fair to say that the marketing of music is the same as the marketing of commodities and that the cultural, symbolic value of music does not influence the marketing strategies of the music industry. However, by analyzing the theory, it became obvious that it is much more complex than this.

Although the marketing strategies implemented by record companies might not be different from the ones implemented by consumer goods manufacturers, the theory leads me to believe that there is a fundamental difference at the core of it.

From the analysis of popular music theory and marketing theory, five characteristic features became apparent, which are distinctive for the popular music industry in capitalist societies. These characteristic features may result in regular marketing practices, but they essentially form the marketing strategies of the music industry. These features facilitate that the marketing of music is in a sense different from the marketing of commodities.

These characteristic features are a result from the attempt of the music industry to reduce and control the risk of high investments and unpredictable tastes of the audiences as much as possible by implementing strategies. These reactions to the uncertainties involving the business of music have created a certain environment in which creativity and commerce coexist.

In the remainder of this chapter, I shall explore these five characteristic features of the music industry, which lead to the marketing practices of the music industry. These are: labeling, the star system, processing fads and fashions, branding and synergy.

4.1 Labeling

The first characteristic feature of the music industry is the practice of labeling artists, records and departments through genre formatting. Although it has multiple functions, facilitating marketing is a significant one.

4.1.1 Genre formatting

Genre refers to the types of popular music, so that a categorization of music into distinct categories like soul, rock, house, rap, reggae etc. is a process of genre identification.

In popular music study, there are different approaches to understanding the concept of genre. From the perspective of the musicologist, genre relates to the musical form, which is different from the style that these forms are performed in. From this position, rock for example would be a style, not a genre. However, this is not how the categorization of genres takes place in the whole of the popular music culture.²⁵⁵ Frith has formed the following definition, which also emphasizes the commercial aspect in genre formatting: 'popular music genres are constructed – and must be understood – within a commercial/cultural process; they are not the result of detached academic analysis or formal musicological histories'.²⁵⁶

Wall claims that at a fundamental level, genre can be considered as a code. According to him, this gives two senses to the cultural role of genre. 'First, it is a means by which music is categorized – or codified – and second, this process of categorization sets the rules by which popular music is produced, distributed and consumed'.²⁵⁷

Genre formatting is therefore not reducible to textual qualities, but must be seen as a product of the specific popular music culture, with the orientations, expectations and conventions that circulate within this industry. This culture is formed around the activities of the media industry, the text itself, and the individuals who produce and those who consume the texts.²⁵⁸ Frith researched the different ways that genre definitions change according to who is using them. For musicians, they constitute an effective shorthand for discussing music. For listeners however, they organize the listening process. For the different parts of the music industry, the different genres integrate questions about what the music sounds like with questions about who will buy the music.²⁵⁹

4.1.1.1 Musicians

According to Hesmondalgh, symbol creators are pushed in the direction of genre formatting in order to facilitate marketing and publicity for a particular audience. According to him, 'genre can be a productive constraint, allowing for creativity and imagination within a certain set of boundaries and for enhanced understanding between audiences and producers'.²⁶⁰ For some musicians, a sense of creative fulfillment is realized in working within changing conventions, for others this produces no satisfaction at all, but a sense of frustration, according to Negus.²⁶¹ Playing within the conventions of a genre may also bring recognition. Breaking the conventions of a genre may lead to rejection. Therefore, it is safer for musicians to stick to the conventions within a certain

²⁵⁵ Wall, T., *Studying Popular Music Culture*, 146

²⁵⁶ quoted in Wall, T., *Studying Popular Music Culture*, 146

²⁵⁷ Wall, T., *Studying Popular Music Culture*, 145

²⁵⁸ *Ibid.*, 146

²⁵⁹ *Ibid.*

²⁶⁰ Hesmondalgh, D., *The Cultural Industries*, 71

²⁶¹ Negus, K., *Music Genres and Corporate Cultures*, 183

genre. If they decide to move within or across musical genres, this is not merely a musical act, but also a social act. 'Crossing genre worlds and bringing new genre cultures into being is not only an act of musical creation, it is also an act of social creation, of making connections, of creating solidarities'.²⁶²

4.1.1.2 Listeners

Similarly, listeners may or may not move within or across genres. Some will spend their listening lives within particular genre worlds, resistant to crossing the boundary to other genres. They are guided by the genre signs in music stores and know exactly where to go. Other people will experiment with genres more, always looking for new rhythms and sounds.²⁶³ According to Hesmondalgh, 'genre terms work as labels, not unlike brand names, which suggest to audiences the kinds of pleasure that can be attained through experiencing the product'. Records are suggested and associated with particular uses and pleasures through genre formatting.²⁶⁴

4.1.1.3 Record companies

According to Negus, record companies try to resolve the problem of production and consumption through the organization of catalogues, departments and promotional systems according to genre categories.²⁶⁵ This so-called portfolio management enables a record company to monitor its labels, genres and artists by dividing them into discrete strategic business units. By implementing portfolio management, the performance, profile and contribution of each become visible. Negus claims this is a strategy of diversification, the company spreading its risks across various musical genres and potential sources of income.²⁶⁶

He also states that record companies are not unified businesses, but collections of units organized according to musical genre. This leads to internal tensions as different departments continually struggle for greater recognition and further resources. Portfolio management has also led to some genres and artists becoming more conspicuously subject to monitoring, for example classical and jazz. It is now no longer possible for the classical division to run at a loss supported by the revenues generated from the sales of pop and rock. It now has to deal with budgets and goals like all other divisions.²⁶⁷

²⁶² Ibid.

²⁶³ Ibid., 181

²⁶⁴ Hesmondalgh, D., *The Cultural Industries*, 21

²⁶⁵ Negus, K., *Music Genres and Corporate Cultures*, 47

²⁶⁶ Ibid.

²⁶⁷ Ibid., 49-50

Thus, genre formatting does not only influence artists to work within a certain set of boundaries and provides a frame of reference for listeners, it also influences the structure of the record company and the way it conducts business.

4.1.2 Musical Categories

The labeling of music is important for marketing purposes. According to Lathrop, some artists object to being identified with one category. Marketing however, is largely driven by such categories, beginning with product placement in stores. If there is a clear notion of the musical category and style, it is easier to communicate the product to sellers through promotional material and product packaging. Labeling the music, even in the most general way, helps retailers sell the product, which is one goal of marketing.²⁶⁸ Many records promoted and publicized primarily via genre also carry the artist's name, but until the artist becomes a star, genre is paramount.²⁶⁹ A standard categorization of genres used by Dutch music retail outlets is: Blues, Country, Dance, European, Hip-hop, Instrumental, Jazz, Kids, Classic, Dutch, New Age, Pop, R&B, Reggae, Rock-Metal, Soundtrack-Musical, Collections and World music.²⁷⁰

4.1.3 International Marketing

The international marketing department of record companies exerted a growing influence on the acquisition, prioritizing and circulation of the music or recording artists. Since the middle of the 1980s, the major entertainment corporations began adopting 'global' strategies and the importance of the international department increased.²⁷¹ Negus shows how this department plays a central role in the territorial labeling of music. He argues that there is a major tension between international marketing and the way that artists are usually located within genre departments and separate media routes for 'domestic' distribution. 'The artists are called upon to 'transcend' their genre origins and to produce sounds, which can be accommodated to various aesthetic agendas, media systems and promotional routes, favored by the international marketing staff'. It is difficult for artists to exceed the genre box that they are in. Only a few artists will ever be prioritized for international marketing, all the others will have to find their own way to gain international recognition and fame.²⁷²

²⁶⁸ Lathrop, T., *This Business of Music: Marketing & Promotion*, 37

²⁶⁹ Hesmondalgh, D., *The Cultural Industries*, 21

²⁷⁰ <http://www.freerecordshop.nl/pages/category.asp?navid=2&subnavid=0&gid=0>, consulted July 2006

²⁷¹ Negus, K., *Music Genres and Corporate Cultures*, 153

²⁷² *Ibid.*, 175

4.2 Star System

The second characteristic feature and another way of formatting cultural products is by means of the star system; by associating the names of star performers, songwriters, producers etc. with the record.²⁷³ Frith refers to the star system as 'the marketing of individual performers as spuriously 'knowable' friends and idols'.²⁷⁴ Manuel notes that in the star system, the media 'promote personality cults around the musician's life-style, fashions, or private life; ultimately, this promotion aims to distance the musician from the public in order to weave an aura of fantasy and glamour about him'.²⁷⁵ According to Hesmondalgh, it takes considerable marketing efforts, in order to break a writer or performer as a new star, or to ensure the continuation of the star's aura. This type of formatting is reserved for privileged records which the record companies hope will become big hits.²⁷⁶

4.2.1 Levels of Stardom

According to Barrow & Newby, stardom is not always about record sales. There are artists with success without stardom and there are artists whose record sales might be down but who are still adored by the public. 'Stardom is not part of a natural progression. Artists do not automatically become stars once they reached a certain level of record sales, and controversially, they don't necessarily cease to be a star once the record sales start to fall'.²⁷⁷

According to the writers, the personnel of a record company indicate levels of stardom in the form of lists. There are A-lists and B-lists and even C-lists and D-lists. According to them it is unlikely that artists will grade themselves A, B or C, but for record company personnel these classifications are important, and increasingly so as the multinational music business becomes more about corporate identity, size and power and less about singers, songwriters, their music and their fans.²⁷⁸

Promoting artists as pop stars distinguishes the releases of the record company from those of other companies by building a distinctive brand. According to Wall, 'the most profitable artists will be those whose image and music gain a strong response from as wide a range of consumers as possible because these are the artists that will sell a large number of copies'.²⁷⁹

²⁷³ Hesmondalgh, D., *The Cultural Industries*, 21

²⁷⁴ Frith, S., in Lull, J., *Popular Music and Communication*, 72

²⁷⁵ Manuel, P., *Popular Music of the Non-Western World: an introductory survey*, Oxford University Press: New York, 1988, 3

²⁷⁶ Hesmondalgh, D., *The Cultural Industries*, 21

²⁷⁷ Barrow T., & Newby, J., *Inside the Music Business*, 197

²⁷⁸ Ibid.

²⁷⁹ Wall, T., *Studying Popular Music Culture*, 80

Most performers in the music business are not megastars, and are happy that way according to Barrow & Newby. 'Sustained megastardom requires such extraordinary drive, talent and personality that is and always will be a rarity in the business'.²⁸⁰ A sustained level of success and a manageable level of fame sounds ideal to most artists, but is according to the authors 'also enjoyed by comparatively few acts as it relies on a consistent standard of songwriting and performance, durability of material and style in the face of rapidly changing trends, and a record company that is prepared to stick with the act in question in spite of the fact that profits will always be comparatively modest'.²⁸¹

Wall also distinguishes several categories of artists. He states that there is a clear division between the category of stars like Madonna, who have had long careers and whose personae are widely known, and those 'behind the scenes' music industry workers whose existence is not widely apparent. According to him, 'there is also a whole swathe of performers whose period in the spotlight is shorter-lived, or who seem to avoid the publicity machine completely. Stars are not a consistent, easily delineated group, and the epithet 'superstar' or the less fashionable 'starlet', while they may suggest a hierarchy of stars, are more a product of the industry's hyperbole than any attempt at greater clarity'. According to Wall, the publicity machines of the music industry are linked to a range of economic strategies. 'At one pole the publicity is aimed at giving a personality to an artist who, it is believed, will have a limited period as a star. This is the classic pop strategy, often aimed at young mainstream fans. At the other pole, are artists who sell consistently over several years and whose records are seen as catalogue material'. However, Wall notes that many artists, from Elvis Presley, through the Beatles to Madonna, have started as the new 'seven-day wonder' to emerge later as 'kings and queens of catalogue'. There also seems to be another category of fame, according to the author that functions differently to that of stardom; the celebrities. 'Celebrities are known for being known. It is because their image is circulated in the media that we know of them, and these media appearances associate them with glamour and wealth'.²⁸²

4.2.1.2 Boston Consulting Group Approach

When discussing portfolio management, I already mentioned that record companies divide its labels, genres and artists into strategic business units (SBU). Such a unit has a separate mission and objectives that can be planned independently from other company businesses. Another way of classifying artists (or labels or genres for that matter), is by applying the Boston Consulting Group approach in which four SBUs can be distinguished:

²⁸⁰ Barrow T., & Newby, J., *Inside the Music Business*, 202

²⁸¹ *Ibid.*, 203

²⁸² Wall, T., *Studying Popular Music Culture*, 155

1. **Stars**; According to Kotler, stars are 'high-growth, high share products'.²⁸³ Negus states that they 'require substantial investment, but their profile and market dominance enables the production of profits to finance further acquisitions and expansion. The delivery of albums from star artists can significantly affect a company's turnover and market share. But stars need sophisticated management, experienced staff and personal attention (...). Such arrangements can be costly, as can the financial terms under which a star is kept under contract. Although stars may not necessarily provide the best cash flow, particularly when between albums, they may attract further investment and prestige, and can draw other artists to the record company'.²⁸⁴ When a star artist's growth slows down, they will turn into cash cows.²⁸⁵

2. **Cash cows**; cash cows are 'low-growth, high share products' according to Kotler. 'These established and successful SBUs need less investment to hold their market share. Thus they produce cash that the company uses to pay its bills and to support other SBUs that need investment'.²⁸⁶ According to Negus, 'cash cows can produce sizeable profits, and with minor modifications and modest ongoing investment this category can bring in regular revenue and maintain the company's market share. Cash cows can be managed with a fairly straightforward administrative structure and standard promotional system'.²⁸⁷

3. **Wild cats** or **question marks**; Kotler refers to these as 'low-share business units in high-growth markets'. He claims that they require cash to hold their share, let alone to increase it.²⁸⁸ Negus states that in the music industry, a wild cat or question mark refers to a new genre or artist 'that the company may wish to become involved with so as to increase market interests and to broaden experience and expertise. Any potential commercial success may be difficult to predict, and the company will probably need to invest in staff, artists, offices and equipments, and catalogue before obtaining a significant return'.²⁸⁹ According to Kotler, 'management has to think hard about question marks – which ones they should build into stars and which ones they should phase out'.²⁹⁰

4. **Dogs**; dogs are 'low-growth, low-share products' according to Kotler. 'They may generate enough cash to maintain themselves, but do not promise to be large sources of

²⁸³ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 97

²⁸⁴ Negus, K., *Music Genres and Corporate Cultures*, 48

²⁸⁵ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 97

²⁸⁶ Ibid.

²⁸⁷ Negus, K., *Music Genres and Corporate Cultures*, 48

²⁸⁸ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 98

²⁸⁹ Negus, K., *Music Genres and Corporate Cultures*, 48

²⁹⁰ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 98

cash'.²⁹¹ 'Dogs produce little, if any, profit and are usually considered a bad investment' according to Negus. 'A company may wish to divest itself of a genre or artist defined as a dog. However, record companies might retain a dog for reasons other than immediate financial gain. This has sometimes been the case with more experimental or avant-garde performers and with classical music and jazz. This practice can benefit a company, both internally and externally. Such a strategy can impress and attract other artists and it can boost the morale of personnel with the company. It can be used to justify the claim that the company is interested in 'art' as much as profits (...)'.²⁹²

4.2.2 Rewards and Talent

For a record company it is important to acquire an A-list artist. 'Every major multinational record label wants its A-list artist, a couple if possible. That is why A-list artists are paid such ridiculously high sums to sign (or re-sign) with these companies', according to Barrow & Newby. 'The A-listers act as a sort of flagship for such companies, a mascot, something to please the shareholders, something to wave in the face of the competition'.²⁹³

Besides the lucky few who are extremely wealthy and famous, there is a large group of underemployed artists. According to Barrow & Newby, a fraction of one percent of the people aiming for stardom in the music business at any given time ever achieve it.²⁹⁴ 'The situation of the majority of people attempting to make a living out of cultural production contrasts strongly, of course, with the small number of highly rewarded superstars'. According to Hesmondalgh, creative workers are prepared to spend longer in the reservoir of underemployed workers because they are increasingly aware of the competitive nature of the cultural industries. But the most important reason to accept this according to him is the commitment to doing creative work. 'Creative workers work tremendously long hours under difficult conditions. They trade in financial reward and security for creative autonomy' and the benefits of being involved in creative projects.²⁹⁵ Rewards for creative work continue to be very uneven, with very high rewards for the few superstars and much less for other workers, including creative managers and technical personnel. The rewards for creative workers who do manage to achieve access to the cultural industries depend on the contract they sign.²⁹⁶ Hesmondalgh described the deals in the recording industry. 'Musicians agree to render their services exclusively to a company for a specified period and in certain specified territories. In return, the company will normally make commitments to promote the work of the artists. The

²⁹¹ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 98

²⁹² Negus, K., *Music Genres and Corporate Cultures*, 48-49

²⁹³ Barrow T., & Newby, J., *Inside the Music Business*, 198

²⁹⁴ *Ibid.*, 202

²⁹⁵ Hesmondalgh, D., *The Cultural Industries*, 167

²⁹⁶ *Ibid.*, 168

musicians are paid an advance and then, when this advance has been recouped via sales, they are paid a royalty'.²⁹⁷ This deal is not always lucrative for the artist since 'the advance is essentially a loan against money that the musicians' recordings will make in the future. Repayment is 'cross-collateralized' against costs such as recording and touring. The artist pays for these promotional expenses out of their loan. In many cases, the advance is never recouped and musicians can be in debt to their record company for many years'.²⁹⁸ Even though the royalty rates have risen considerably since the 1970s, most contracts still include that costs are recoupable against royalties. Musicians pay for their recording and for many promotional expenses out of their earnings. The record company retains the largest share of the money and control of copyrights – an increasingly important source of income in the music industry. Big stars gain higher royalty rates and are in a better position to negotiate the terms of their contracts.²⁹⁹

In the second chapter, I have referred to Hamlen, who conducted research in the superstar phenomenon. Hamlen's empirical evidence indicates that even though there was an increase in total record earnings by singers with greater measured levels of ability; the increase in these earnings was less than proportional to the increase in ability. Other factors than talent also determine the success and failure of singers.³⁰⁰ 'These factors consist of those attributes which cannot be directly described as a measure of 'quality'. While some of these other factors are measurable and comparable, e.g., musical style, sex or race, other factors may never be identified or measured, e.g., charisma, song delivery, good looks etc. The presence and importance of all of these other factors, both measurable and non-measurable, make up the demand for variety and tend to alter the simple relationship between quality (ability) and success'.³⁰¹ Hamlen concluded that while quality is rewarded, the rewards, on average, are less than proportional to the quality differences.³⁰²

4.2.3. Manufactured Stardom

Music marketing can be applied to lesser-known artists. As argued before, if enough time and money is spent on a particular act it can be afforded a higher profile than perhaps its talent and material can sustain. According to Barrow & Newby, this is one of the reasons for the increase in the number of acts which appear to rise to the top with considerable speed but which then disappear as quickly. 'Clever marketing can get you there, but it can't always keep you there'.³⁰³ According to the authors, bands are rarely signed for

²⁹⁷ Ibid.

²⁹⁸ Ibid., 168-169

²⁹⁹ Ibid., 169

³⁰⁰ Ibid., 405

³⁰¹ Ibid., 396

³⁰² Ibid., 405

³⁰³ Barrow, T., & Newby, J., *Inside the Music Business*, 83

multi-album deals any longer. The record company will drop a band if one or two albums fail before the financial loss becomes too great. This is the danger of instant stardom, which can be manufactured but as such must be short-lived.³⁰⁴

According to Wall, this manufactured stardom is one of the most prominent features of popular music at the start of the twenty-first century. He states that there has been a 'renewed importance of music made by artists who have been 'packaged' by a manager for the purpose of making money. These artists are almost always singers, their records rely heavily on the professional skills of songwriters and producers, and a key part of their success is dependent upon large-scale media exposure'.³⁰⁵

Manufactured stardom however, is not a new phenomenon, and these 'manufactured' stars have always been a basis of popular music culture. As Wall states: 'from the origins of the music industry in the late 19th century, artists did not usually provide their own repertoire, and it was unusual for an artist to have control over what he or she sang, and how they sang it'. Until the 1950s, pop was always understood to be manufactured entertainment, and this 'manufactured' characteristic of popular music was the quality that was widely understood to distance it from art and folk music. However, from the late 1950s onwards, the discourse about popular music changed as it was presented as more 'authentic' culture than the more obviously manufactured products of the entertainment industry. There was a significant change in the way popular music was valued.³⁰⁶

Fashionable and commercially successful independent producers of the seventies and eighties were in very firm control of their recording artists. Some songwriters turned producer in order to get their material recorded in precisely the way they wanted. To achieve this they brought together custom-tailored groups solely for that purpose, some consisting of session singers and musicians who were quite unprepared for public appearances in concert or on television. The line-up of good-looking singers and musicians to be seen on Top Of The Pops or at concert halls was not always the same one that had recorded the hit single.³⁰⁷ The best example of this is probably *Milli Vanilli*.

According to Wall, the distinctiveness of contemporary manufactured stars is to be found in three main areas: 'First, the textual qualities of the singers' performances as part of multimedia texts and the way the articulate star identities draw upon the musical and cultural repertoires of the past in intriguing ways. Second, the way that these texts are used both by the industry and the audience for commercial and cultural ends is characteristic of major shifts in the market for popular music and in the ways it is consumed. Finally, the way these shifts in consumption are contributing to the changes in

³⁰⁴ Ibid.

³⁰⁵ Wall, T., *Studying Popular Music Culture*, 228

³⁰⁶ Ibid., 228

³⁰⁷ Barrow, T., & Newby, J., *Inside the Music Business*, 8

the economics of the industry has a significant influence on how we understand what pop is'.³⁰⁸

4.3 Processing Fads & Fashions

The third characteristic feature of the music industry is the processing of fads and fashions, stimulated by the high turnover of repertoire. The media strive to promote continual interest in the most recent releases of an artist. According to Cusic, the music industry is part of the same culture that creates trends in fashion, promotes fads and encourages lifestyles. However, the music industry is actually a leader; creating celebrities and role models, fashion trends and slang terms. Music styles are accompanied by subcultures that include clothing, appearance and lifestyle and especially youngsters, in search of their identity, are influenced by the fads and fashions of the music industry.³⁰⁹

4.3.1 Overproduction

By implementing the star system, the music industry has a means of processing fads and fashions. However, the musical tastes of the audiences are irrational and it is impossible for the industry to control music purchasers. In order to benefit from trends the industry has not created or anticipated, record companies release more product than meets the demand. As Negus states: 'The music industry is unable to predict what will become successful or where it will come from, record companies buy up as much repertoire and sign as many artists as possible, in as many areas they can, and throw it all out in the hope that some of it will stick'.³¹⁰ This is also referred to as the 'buckshot approach'. This strategy suggests that the music industry in general is more prone to applying the 'flying-blind' approach. If it sticks, then the companies will pour in further investments; if it fails then they will ignore it. This practice is called selective promotion.

According to Hirsch, 'overproduction is a rational organizational response in an environment of low capital investments and demand uncertainty'. He emphasizes that record companies overproduce titles, not additions.³¹¹ There is little additional cost involved in overproduction for the record companies. Lull notes that 'the pressing plants, A&R departments, sales teams, and studios cost money whether they are being used or not', therefore, record companies seek to exploit fully their fixed capital. Thus, the flops

³⁰⁸ Ibid., 229

³⁰⁹ Cusic, D., *Music in the Market*, 8

³¹⁰ Negus, K., *Music Genres and Corporate Cultures*, 19

³¹¹ Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems', 135

are made without great expense and just often enough a hit is released that covers all these costs anyway.³¹²

The success of a few items subsidizes the majority of records that are deliberately produced by the music industry. According to Alexander, this does not mean that every song offered to the record companies will be produced. She states that the companies do not produce records that they actually believe will fail and therefore they do turn away demo tapes. Because of the relatively low production costs, the firms accept submissions that they believe are good enough to succeed. Besides low production costs, there is another reason why record companies produce records of which they know that most of them will not succeed. The music industry transfers risk and costs onto artists. They usually pay on a royalty basis, so that artists who do not sell, do not get paid.³¹³

4.3.2 Copying of success formulae

The taste of the audience is very fickle and unpredictable. Therefore, if something turns out to be a success, all record companies want a piece of the cake. If all of a sudden, a new genre is popular, all record companies will release records in this style, but even artists are copied. When boy- or girl bands are doing well in the market, more of these bands pop up. Adorno singled out the heavy reliance on standardized formulae governing style, text, melody, formal structure and harmonic progressions of Western popular music, for special contempt. According to him, the copying of success formulae, leads to standardization of music. Producers are reluctant to risk stylistic experiments or innovations when very few records actually make a profit.³¹⁴

External actors also encourage the copying of success formulae. 'Organizations in the managerial subsystem (record companies) are highly responsive to feedback from institutional regulators (e.g. DJ's): styles afforded coverage are imitated and reproduced on a large scale until the fad has 'run its course''.³¹⁵

4.3.3 Formats and conventions

When people buy a record from a certain genre, they expect to hear certain sounds and rhythms. A genre contains certain conventions. According to Alexander, sounds follow the expectations of harmony. Western music is based on diatonic scales; a piece in the key C major should end on a C. The emotions this arouses are pleasant because we know that the resolution is to occur. We know both the conventions that dictate the harmonious

³¹² Frith. S., in, J., *Popular Music and Communication*, 68

³¹³ Alexander, V., *Sociology of the Arts*, 91

³¹⁴ Manuel, P., *Popular Music of the Non-Western World*, 10

³¹⁵ Meyersohn & Katz referred to in Hirsch, P., 'Processing Fads and Fashions: An Organization-Set Analysis of Cultural Industry Systems', 132

sounds and we also know that other sounds will occur in music which will give way to the harmonious ones.³¹⁶

According to Wall, these conventions were established by songwriters whose central aim 'was to produce a quick succession of songs and accompanying melodies that would be accepted by a publishing company and sold to North Americans and Europeans as sheet music'. The songwriters 'utilized a set of conventional techniques they hoped would quickly allow their new song to be recognized, played and sung by the people who bought the sheet music. John Shepherd has suggested that these conventions ordered the production of songs around fashionable musical styles, topical events or appeals to the public's emotions'.³¹⁷ Through the development of public musical entertainment, songwriting became more commercial and more standardized during the first years of the 20th century. The most important changes were: the verses, which before had told complex stories, reduced steadily in number. The short repeated refrains, which had followed the verses, became longer, increasingly carrying the most memorable melodic lines. They shifted to become parts for the solo star rather than the supporting chorus singers. The melodies became organized around fixed lengths of musical time, and built upon simple forms of three chords in major keys. Popular songwriters focused on combining a durable, limited form with quickly exhausted novelty devices.³¹⁸

This 'Tin Pan Alley' tradition provides a basic pattern for a song-based musical composition that remained characteristically strong as the pop mainstream through the 20th century. It has been challenged by pre-war folk, black music and was disrupted by rock & roll in the mid 1950s. However, the basic structure of *Tin Pan Alley* underlay much of this alternative popular music, while professional songwriters utilized many aspects of alternative forms as novelty devices in their own compositions.³¹⁹ New songwriters are influenced by the hit songs they hear on the radio and will stick to similar formats – it is a continuous cycle.

There are also format restrictions from external actors. Producers for example keep in mind that songs need to be less than three minutes long in order to have a shot at radio airplay, where short songs are the norm.³²⁰

4.3.4 Homogenization

The feature of the popular music industry of copying of success formulae is said to be partly responsible for homogenization of music. Manuel claims that in many cases, the development of popular culture has led to a net decrease in the number of musical styles

³¹⁶ Alexander, V., *Sociology of the Arts*, 259

³¹⁷ in Wall, T., *Studying Popular Music Culture*, 23

³¹⁸ Wall, T., *Studying Popular Music Culture*, 23-24

³¹⁹ *Ibid.*, 24

³²⁰ Alexander, V., *Sociology of the Arts*, 94

produced within a given region. Top 40 formats in radio programming can streamline and limit the variety of music available to the public. Variations within particular styles may also decline.³²¹

The oligopolistic market structure of the popular music industry, whereby a few large record companies dominate the industry is also held responsible for homogenization. As mentioned before, Peterson and Berger argue that as the concentration of record sales in the hands of a small number of companies increases, variety in music style declines, and when the sales of records are shared among a larger number of companies, variety in music increases.³²² Lopes concluded from his research however that there is a significant presence of innovation and diversity in the oligopolistic market of the music industry.³²³ Wall argues that the music industry does not produce innovations, although it may regulate them. 'Once the innovations are pulled into the commercial system, the diversity of recorded music may increase as a consequence'. Nevertheless, so he emphasizes, 'the music industry plays a crucial, gatekeeping role in bringing music to the general public, and it can exclude innovations as well as include them'.³²⁴

According to Wall, it is possible to speculate from Peterson and Berger's analysis that when a small number of record companies dominate record sales they tend not to actively recruit new artists, but narrow their promotional strategies to support a small number of 'stars', and rely on the profits from their currently successful artists.³²⁵

This practice of selective promotion might suggest that the records produced by the music industry become very similar as successful formats are copied and recopied. According to Alexander, this can certainly occur, however, she claims that cultural producers do try to inject something new into the current formula, if only to differentiate their product from those of the competitors. Another reason is to maintain customer interest. Consumers are not a static factor and according to the author, they can and do move on when they find something is getting old and boring. When this happens, firms start looking for the next successful genre. The strategy of overproduction helps in this regard as well by allowing the music industry to capitalize on this next successful genre by promoting it more heavily.³²⁶

4.3.5 Buzz, hype or trend

Barrow & Newby state that rock and pop recording artists are increasingly living out the anxieties and the pressures of success in public these days. Journalists are speculating

³²¹ Manuel, P., *Popular Music of the Non-Western World*, 10

³²² Peterson, R. & Berger, D., 'Cycles in Symbol Production: The Case of Popular Music',

³²³ Lopes, P., Innovation and Diversity in the Popular Music Industry, 1969 to 1990. In: *American Sociological Review*, 75, 1992

³²⁴ Wall, T., *Studying Popular Music Culture*, 111

³²⁵ *Ibid.*,

³²⁶ Alexander, V., *Sociology of the Arts*, 92

on how big the next upcoming stars are going to get. When a new band gets a lot of media attention, the trouble is, according to the authors, that such a band gets little opportunity to develop out of the public eye. Especially when a band or artist does not only have commercial success with an album, but also has headline-worthy personal problems, they become the subject of the more sensational media. At the same time, the more heavy weight commentators speculate over the follow-up album and whether it will be as good as the first. The build up to and hype surrounding the follow-up to a hit album can, arguably, damage its chances before it is released. 'It can certainly affect the artists' approach to the creation of the second album, and it can certainly affect the marketing strategy'. Suddenly the artists is writing and recording an album taking place under a completely different set of conditions from those which prevailed when the first one was made. The second is often made under the media spotlight and speculative stories can often provide sufficient hype to ensure that the follow-up will be an anticlimax. If a hardcore fan has not been build up yet, then it is the floating voters as represented by the media who will be determining the fate of the young stars, and this can be very fickle.³²⁷

4.4 Branding

The fourth characteristic feature of the music industry is the practice of branding. According to Kotler, the most distinctive skill of professional marketers is their ability to create, maintain, protect, reinforce and enhance brands.³²⁸ Lathrop's definition of a brand is that it is a 'collection of goods, such as a line of records, identifiable through a unique name, logo and/or other symbolic elements. When that name or logo is printed on a product, the customer knows that the product is of a certain type or has a level of quality associated with previously purchased products of that brand'. For example, buyers of Alligator Records products know they are buying the blues.³²⁹ Branding is thus particularly useful to distinguish an artist or a record to the consumer. Over time branding can boost customer loyalty and help to ensure repeat sales over the long term.³³⁰

According to Kotler, branding has become a central issue in product strategy. Developing a brand requires a great deal of long-term marketing investment, especially for advertising, promotion and packaging.³³¹ The challenge and the hope of branding are to develop a deep set of meanings or associations for the brand and to build brand

³²⁷ Barrow, T., & Newby, J., *Inside the Music Business*, 199-200

³²⁸ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 571

³²⁹ Lathrop, T., *This Business of Music*, 60

³³⁰ *Ibid.*

³³¹ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 571

loyalty.^{332 333} According to Lathrop, audiences are more likely to build an attachment to an artist than to a label.

4.4.1 Brand Identity

Lathrop describes the process of branding. 'The first several products issued under the brand name establish an identity (musical style or styles) and a level of quality. Succeeding products reinforce the identity and maintain the quality. Eventually, the customer begins to automatically link the brand with the style and the quality, and will respond positively to new products that carry the brand name and logo'. This is when the customer has developed brand loyalty.³³⁴

According to Kolb, five components constitute brand identity³³⁵:

1. Brand loyalty; strong percentage of fans
2. Brand awareness: does the potential audience know about the artist and what he or she does?
3. Perceived quality; is the artist best at what matters to his or her audience?
4. Brand associations; what other types of products does the audience associate the artist with?
5. Proprietary assets; besides the core product, what else is the artist known for?

Record companies can use branding to align their product more closely with other types of similar products, which may be attractive to the same audience. This provides the audience with information about the type of music they can expect. If the consumer enjoys the musical style, they will then identify their enjoyment with the brand name and consume the artist's products on a repeat basis – they are likely to buy a new release.

Even if there is no active involvement in the branding of the artists (which is highly unlikely), he or she needs to be aware that it will happen anyway. The branding of the artist is created in the public's mind through word-of-mouth, stories in the media and general advertising. When these reinforce negative stereotypes, the branding works to the detriment of the artist.³³⁶

³³² Ibid., 572

³³³ Lathrop, T., *This Business of Music*, 60

³³⁴ Ibid.

³³⁵ Kolb, B., *Marketing For Cultural Organisations*, 144

³³⁶ Kolb, B., *Marketing For Cultural Organisations*, 144-145

4.4.2 Brand Loyalty

Marketing theory differentiates between the simple, one-time-only transactions, where all that matters is the immediate short-term sale, 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 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.³³⁷

In music, building brand loyalty is an extremely important goal. It means building an audience. Establishing a base of loyal fans means having a core group of consumers who are nearly guaranteed to buy an artist's new CD or show up for their live performance.

According to Lathrop, 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. The music and lyrics speak to a fan personally to the point where they feel a kinship with the artist.³³⁸ However, as argued before, audiences are attracted to more than melodies; they may fall for the performer's personality and looks. 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.³³⁹ 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 is 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 multi-tiered marketing program.³⁴⁰

4.4.3 Image building

The image of an artist is projected not only via a style or via styles of music but also by appearance and personality. Record companies spend a lot of time and money investing in, developing and publicizing a star image for an artist. The reason for this according to Wall is that consumers are unlikely to buy the same record twice. Therefore, the record companies need forms of branding that go beyond individual records. A person, who has bought a particular release by his or her favorite pop star, may not buy the same release again, but he or she is more likely to buy the next. Wall claims that 'an emphasis on newness, star image, and success and celebrity continually renews consumption and

³³⁷ Lathrop, T., *This Business of Music*, 60

³³⁸ Ibid.

³³⁹ Ibid., 30

³⁴⁰ Ibid.

encourages brand loyalty'.³⁴¹ Ryan notes that the Hollywood star system of the film industry shares the same function of establishing brand loyalty. He argues that 'one important role of marketing in the management of cultural products is to reduce the uncertainty associated with the audience's reaction to creative efforts. Marketing activities help stabilize demand by positioning creative efforts in the consumers' recognizable conceptual space of stars and styles. Brand loyalty may to a greater or lesser extent be attached to the actor'.³⁴² This statement also seems applicable to the music industry.

4.4.4 Visual Branding

A brand is a recognizable name. Lathrop states that branding – or building a brand – is important for an artists if their product isn't just a one-shot deal and if they are planning to release a string of records over time.³⁴³ If a record company has categorized an artist as a (potential) star, it will invest much time and money in building the artist's brand.

In building a brand, appropriate imagery in packaging and repeating it in promotional materials can be an important aspect. A logo or another type of visual image can be sufficient to establish brand identity. Take for example the lips logo of The Rolling Stones. This distinctive brand logo makes it easy for customers to identify at a glance, any products marketed by the band. According to Lathrop, such a logo can give the products of a popular artist or band a sales boost.³⁴⁴

A visual brand name or logo also has another function according to Lathrop. When an artist is trying out 'spin-off projects' or new products that are different from what they normally produce, the brand helps to get them accepted in a market where they would otherwise be viewed as unproven products of unknown origin. The product is recognizable for retailers and consumers. This is especially relevant to merchandising.

However, when an artist releases a variety of very different products, establishing a visual brand identity might not always desirable.³⁴⁵

4.5 Synergy

The final characteristic feature of the music industry I have identified is the practice of synergy. According to Croteau & Hoynes, synergy is the idea that separate entities

³⁴¹ Wall, T., *Studying Popular Music Culture*, 81

³⁴² cited in Hoskins, C., McFayden, S. & Finn, A., *Media Economics*, 121

³⁴³ Lathrop, T., *This Business of Music*, 60

³⁴⁴ Ibid.

³⁴⁵ Ibid., 61

working together can achieve results that non could obtain individually.³⁴⁶ Alexander states that in business, synergies are links that generate higher profits at little extra cost.³⁴⁷

There are different concepts that are referred to as synergy. Wall exemplifies the synergy that can exist between different media institutions. For example, record companies and radio stations. 'When a radio station plays a record because it is popular both the record company and the radio station share a synergy; playing records is a form of promotion that is likely to increase record sales; playing records people like attracts radio listeners. Likewise, the press and record companies have synergetic relationships; writing features on popular artists sell copies of a magazine and promotes the artists, possible increasing the artists' popularity, record sales and magazine sales'.³⁴⁸ Another clear example is music videos, which provide content for music television, which in turn, promotes music sales for the companies that produce the videos.³⁴⁹ Wall notes that 'these synergies then simultaneously lie in the area of record or artists promotion for the record companies, and audience building for other media companies. If the two activities can be brought together, then both types of company will benefit'.³⁵⁰

4.5.1 Cross mediality

Another concept that is referred to as synergy is cross-mediality. This element of synergy involves developing and packaging a single concept for various media. Croteau & Hoynes give the example of a children's story, which may be packaged as a comic book, movie, soundtrack, television cartoon series, and a computer game, each adding to the popularity of the other. According to the authors, media conglomerates can take advantage of simultaneous revenue streams by doing this, thereby generating as much profit as possible from a single idea. They even claim that new projects are often created specifically for their potential to exploit synergy in this way. '(...) project ideas now often live or die based on how well they can be exploited across media – rather than just how 'good' they are on their own terms'.³⁵¹ Frith supports this point. According to him, these 'multimedia tie-ups' (record/film/advertisement/book/cable/clothes) change the purpose of pop, the reason why companies sign and develop their stars in the first place. Best-selling records, like films, will be made only when they have been presold to television shows and advertisers as a sound/video/image packet.³⁵²

³⁴⁶ Croteau, D., & Hoynes, W., *The Business of Media*, 116

³⁴⁷ Alexander, V., *Sociology of the Arts*, 96

³⁴⁸ Wall, T., *Studying Popular Music Culture*, 110

³⁴⁹ Lopes cited in Alexander, V., *Sociology of the Arts*, 96-97

³⁵⁰ Wall, T., *Studying Popular Music Culture*, 110

³⁵¹ Croteau, D., & Hoynes, W., *The Business of Media*, 117

³⁵² Frith in Lull, J., *Popular Music and Communication*, 76

This is thus also applicable to artists in the music industry. Negus, who claims that 'artists are now acquired for much more than their ability to perform as musicians', also makes this point. He notes that contracts allow for movements and cross-collateralization into related media. This means that recording contracts have been modified to enable companies to recover money from an artist's earnings through films, books or games to cover any lost investment from music recordings. Synergy can also be non media-related and in the form of merchandise.

4.5.2 Diagonal integration

When a media conglomerate is involved in different types of media, this is referred to as diagonal integration. Horizontal integration exists when a conglomerate holds multiple companies within the same industry and vertical integration constitutes that the conglomerate is involved in all stages of production, from creation to distribution.

With synergies, diagonal integration is relevant for the company. By taking advantage of multiple media holdings to develop or promote a single project with many different facets, synergy is maximized. In this way, media conglomerates seek to maximize the benefits they can obtain from owning many different media firms.³⁵³ According to Eisenmann & Bower, multimedia mergers and conglomerate ownership patterns together with a refinement of managerial skill in the cultural industries are responsible for the tapping of synergies.³⁵⁴

Wall notes that the concept of synergy provides an understanding of three areas of interest in the study of the industries and institutions of popular music culture. Besides the promotion of records and the drive for control of copy and performance rights, the forces behind corporate lateral takeovers are one of these areas.³⁵⁵

4.6 Conclusion

There are five characteristic features that are very distinctive for the popular music industry in capitalist societies. Labeling, with its aspects of genre formatting, musical categories and international marketing, forms the first feature. The second, the star system, is with its aspects of different levels of stardom, rewards and talent and manufactured stardom, one of the most striking features of the music industry. The third feature is the processing of fads and fashions, which includes processes such as overproduction, the copying of success formulae, the implementation of formats and conventions and buzz, hype or trend. Branding forms the fourth characteristic feature and includes brand identity, brand loyalty, image building and visual branding. The final

³⁵³ Croteau, D., & Hoynes, W., *The Business of Media*, 116

³⁵⁴ referred to in Wall, T., *Studying Popular Music Culture*, 111

³⁵⁵ Wall, T., *Studying Popular Music Culture*, 111

one is the feature of synergy that is so striking in this time of cross-mediality and diagonal integration in the music industry.

All these characteristic features express themselves through regular marketing strategies, but are at the very heart of the marketing practice in the music industry. The next chapter will depict the marketing strategies that come forth out of the characteristic features.

5. Marketing Strategies

The music industry employs regular marketing strategies for the marketing of music that are also commonly used in the marketing of commodities. As I had already concluded before, the symbolic and cultural value of music is not of much concern in the marketing of music, which is encouraged by the profit aims of the record companies. However, there is a difference at the core of music marketing. The music industry has five characteristic features that drive all the actions of the record companies. They create a certain type of environment in which business decisions are made that affect the strategies implemented for bringing it onto the market.

The characteristic features of labeling, the star system, processing fads and fashions, branding and synergy all facilitate the usual marketing strategies of the music industry. In this chapter I will depict the most commonly used marketing strategies in the marketing of music. These are: market segmentation, market targeting, product positioning, niche marketing, selective promotion, sponsoring, merchandising, publicity and cross promotion, all regular marketing strategies for any industry.

5.1 Market Segmentation

One of the key steps in marketing is market segmentation. According to Kotler, this is the process of 'dividing a market into groups of buyers with different needs, characteristics or behavior, who might require separate products or marketing mixes'. The personnel from the marketing department have to determine which segments offer the best opportunity for achieving the objectives of the record company. The market consists of many types of consumers, who are grouped in various ways. The groups can be based on geographic factors (countries, regions, cities), demographic factors (sex, age, income, education), psychographic factors (social classes, lifestyles) and behavioral factors (purchase occasions, benefits sought, usage rates). 'A market segment consists of consumers who respond in a similar way to a given set of marketing stimuli'.³⁵⁶

Hoskins connects market segmentation to the marketing concept and satisfying consumer needs. 'As consumer needs vary, one marketing mix cannot adequately meet the needs of the entire market. On the other hand, if the marketer can divide the total market into subgroups of consumers, who themselves have homogeneous needs, then the marketer can provide a separate marketing mix for each of these segments. The result is that the needs of all are closer to being fully satisfied'.³⁵⁷

³⁵⁶ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 107

³⁵⁷ Hoskins, C., McFayden, S. & Finn, A., *Media Economics*, 119

In the music industry, the market segments are primarily based on genre preference and genre formatting allows for marketing and publicity targeted at a particular audience. According to Negus, the marketing department is consciously constructing an audience. Through market segmentation, they attempt to 'articulate the relationship between the identity of the artist and the lived experience of consumers'.³⁵⁸ 'Audiences are subdivided into groups that are associated with particular genre forms. Each audience/genre coupling will then be targeted through different media products seen as suitable to that audience/genre'. Dance music for example is most likely to be promoted directly through club DJs, by giving them free promotional copies of a record even before it has been released.³⁵⁹

According to Kolb, market segmentation allows companies to save time and effort by concentrating their marketing resources to reach the audience that is likely to buy. Not everyone will be interested in the product and therefore companies should not consider everyone a potential buyer.³⁶⁰

5.2 Market Targeting

After the market segments are defined, the record company can enter one or many segments of the music market. Market targeting is 'the process of evaluating each market segment's attractiveness and selecting one or more segments to enter'. Kotler notes that market targeting might differ depending on the size of the company. 'A company with limited resources might decide to serve only one or a few special segments; this strategy limits sales, but can be very profitable'.³⁶¹ This strategy is conducted by the indies, which mostly specialize in one or a few genres. The majors offer a complete range of products to serve all market segments (mostly through labels).

With target marketing, marketing concepts are designed for each specific target market group rather than target one market segment and try to attract everyone with a single mass marketing strategy and message.³⁶²

5.3 Product Positioning

After the company has decided which segments to target, it must determine the position of the product. The product position is the place the product occupies in consumer's minds relative to competing products.³⁶³ It is the choice and implementation of a specific

³⁵⁸ quoted in Wall, T., *Studying Popular Music Culture*, 111

³⁵⁹ Wall, T., *Studying Popular Music Culture*, 111

³⁶⁰ Kolb, B., *Marketing For Cultural Organisations*, 176

³⁶¹ Wall, T., *Studying Popular Music Culture*, 111

³⁶² Kolb, B., *Marketing For Cultural Organisations*, 175

³⁶³ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 108

marketing mix, which is designed to satisfy a segment.³⁶⁴ 'Market positioning gives the product a clear, distinctive and desirable place in the minds of target consumers compared with competing products'. The marketing department personnel plan positions that distinguish their products from competing brands and give them the greatest strategic advantage in their target markets.³⁶⁵ It is really about differentiating the product, whether it is a CD or an artist, from others within the same genre.

5.4 Niche Marketing

In the previous chapter, I already mentioned it is likely that marketing will become more specific and targeted at smaller segments of the market. Because the market is becoming increasingly fragmented, mass marketing through mass media becomes less efficient. This calls for segmented marketing, so-called niche marketing. Market segments in music are mostly defined by genre and consist therefore of large identifiable groups. Niche marketing focuses on subgroups within segments. A niche is a more narrowly defined group with a distinctive set of traits or characteristics. The market segment of rock listeners can for example be divided in progressive rock, heavy metal, indie, grunge, pop rock etc. Niche marketing is often synchronic to specialization. 'Through specialized media products aimed at smaller market segments, companies seek to piece together larger profits'.³⁶⁶ Especially indies focus on one or a few genres that become their specialty. Burnett suggests that 'a small company will specialize in supplying a segment of the market that is too small to be of interest to the dominant, generalist companies. If sales of a particular type of music rise to a certain level they will be perceived to be of more general status and become of interest to the majors who will attempt to contract artists to make this music for its labels. If sales remain low, the independent benefits by the major's neglect of the specialist market niche'.³⁶⁷ The strategy of focusing on specific niche markets can be financially risky according to Croteau & Hoynes, because it places all of the company's eggs in one basket.³⁶⁸ If a music genre becomes less popular, the indie might be in trouble.

5.5 Selective Promotion

Alexander states that cultural industries companies do not have unlimited advertising budgets, therefore the bulk of their advertising is used to support the products that they think are most likely to be successful. Furthermore, they tend to back products that have

³⁶⁴ Hoskins, C., McFayden, S. & Finn, A., *Media Economics*, 119

³⁶⁵ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 108

³⁶⁶ Croteau, D., & Hoynes, W., *The Business of Media*, 123

³⁶⁷ in Wall, T., *Studying Popular Music Culture*, 100

³⁶⁸ Croteau, D., & Hoynes, W., *The Business of Media*, 124

a history of success. A new album release from Madonna will get more backing than the first album of an unknown singer. CDs in genres or styles that are currently popular get more backing than selections in other genres. CDs that are already selling well will get further promotion and those that are not are dropped. CDs that do not sell well in the first few weeks are not seen as likely ever to sell well, and no further effort is made to promote them. Alexander claims that in this way, an artist's success in the cultural industry depends quite a bit on luck.³⁶⁹

Promotion is important for the success of a record. Frith notes that the first sign of success for 'hit groups' means a sudden surge of record company investment designed to realize the sales potential to the full. The 'miss groups', the majority, whose records are released with out fanfare, vanish without a trace.³⁷⁰

From research conducted by Ryan & Peterson, it turns out that recording company executives hold the opinion that no amount of publicity will make a weak product sell, but that without publicity, even the best products are doomed to failure.³⁷¹ Alexander claims that it may seem unfair to release individual products without promotion or to withdraw promotional support the instant the product fails to sell. However, according to her, this is just good business practice by industry standards. 'Selective promotion means not only that the industry initially backs only the products they think will win, but that they are also quick to drop losers and to pick up on successes they had not anticipated'.³⁷²

5.6 Sponsoring

The costs of touring are high and one way some artists have cut these costs is by gaining the sponsorship of a corporation. In return for plugging the corporation's product via onstage banners or displays, inclusion of the company logo on tour posters and in ads and other artists-corporation tie-in strategies, the sponsor underwrites some of the costs of the tour.³⁷³ Sponsorship also takes the form of endorsements for which the artist is paid a sum of money to plug a brand, in real life, at events and in advertisements. The artist and the corporation benefit from cross-promotion.

For these corporations, music is an attractive way of reaching the target audience. Music is an indispensable means for youngsters to express themselves and to declare their independence. It is an important way to express who they are and to which group they belong. Brands hope this association with youth culture will make them 'sexier'.³⁷⁴

³⁶⁹ Alexander, V., *Sociology of the Arts*, 91

³⁷⁰ Frith, S., in Lull, J., (ed.), *Popular Music and Communication*, 68

³⁷¹ referred to in Alexander, V., *Sociology of the Arts*, 91

³⁷² Alexander, V., *Sociology of the Arts*, 92

³⁷³ Lathrop, T., *This business of Music*, 210

³⁷⁴ Heeg, R., 'In Pepsi zit al jaren muziek', In: *Sponsor Magazine*, October, 2003, (5), 19

It is expected that in the future sponsored events will increase in importance since normal advertising is becoming less powerful. Experience is key. By means of events companies can communicate much more, they can convey an image.³⁷⁵ Kotler defines sponsorship as 'any vehicle through which corporations gain public relations exposure'.³⁷⁶ Kotler notes that sponsorship can be cheaper than advertising as well and small investments can result in spectacular returns. However, according to the author, sponsorship should not be used as a substitute for advertising. He argues that they should be used together in order to form 'integrated communications' which yields more effective results. 'Sponsorship is a deed. Advertising tells the public about it'. In this integrated communications, sales promotion and direct marketing are integral too.³⁷⁷ According to Graham, sponsorship and tie-in merchandise (endorsements), which form an artists highest income, are an implication of the move from record sales to rights exploitation as the basic source of music income.³⁷⁸ Record companies are looking for ways to generate income other than from CD sales. In the past only the artists made money from a sponsor deal, but now the record companies want their share. They have invested a lot of money in building the brand and nowadays they are trying to profit from sponsors, merchandising and concert sales. Their goal is to become less dependent on CD-sales.³⁷⁹

Few artists will these days refuse to allow a particular brand name to ally itself with their success, if some of the money of large-scale tours, which require large-scale budgets, can be recouped through a sponsorship.³⁸⁰ According to Mustsaers, marketing manager at *Universal Music*, there has been a change in how sponsoring is perceived. In the past, it was thought that it would affect an artist's credibility; they did not want to be seen as a 'sell-out'. Because the costs and production-requirements have increased and the sales have declined, there is a realization amongst artists, that endorsements or commercials are sometimes necessary to enable performing.³⁸¹ The audience nowadays is also less indignant about the obvious link of music with commerce.³⁸²

A sponsor deal can be very beneficial for an artist. There are examples where an artist got a new impulse from commercial help. Featuring music in commercials has almost become an alternative way of getting airplay. It was not until *Vodafone* used the song 'Bohemian Like You' by the American alternative rock band *Dandy Warhols* for its new advertising campaign that the song became a hit and the band was allowed to promote its album, which had flopped, again by means of a tour and became popular around the

³⁷⁵ Ibid.

³⁷⁶ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 832

³⁷⁷ Ibid., 834

³⁷⁸ Frith, S., in Lull, J., *Popular Music and Communication*, 76

³⁷⁹ Effting, M., 'Artiest B.V.', In: *de Volkskrant*, 21 juni, 2003

³⁸⁰ Barrow, T., & Newby, J., *Inside the Music Business*, 137

³⁸¹ Heeg, R., 'Muziekindustrie laat terrein liggen bij sponsoring', In: *Sponsor Magazine*, September, 2002 (4),

18

³⁸² Effting, M., 'Artiest B.V.'

globe. A similar thing happened to *Junkie XL*, who was asked by *Nike* to make a remix of the Elvis-hit 'A Little Less Conversation', which became an international hit, that launched his career.³⁸³

The downside is that, just as in advertising, the performer may suffer from association with the product.³⁸⁴ In the music industry, image is central. A creative misstep can be fatal for an artist. At the same time, a brand might not want to be associated with a particular artist or music style. For some acts it is still nonnegotiable to bind themselves to a brand that doesn't fit their own image or to any brand whatsoever. Some artists do not want to be involved in commercial projects. For record companies it is important to guard an artist's image. They always need to consider if a plan really contributes to the popularity of an artist.³⁸⁵ Sponsoring is not always good for a musician. Some bands will lose their credibility and for new, beginning bands or underground music it can impede their career.³⁸⁶ However, according to Lathrop, 'sensible matches of artists and corporate entities have long served as viable methods of subsidizing the arts while burnishing the reputations of the businesses'.³⁸⁷ 'So soft drink brand names, credit card company logos and other familiar images adorn an increasing number of concert posters and tickets, venue entrances and sometimes even stage space, in return for often large sums of money which go to cover artists' fees and tour costs (...)'.³⁸⁸

There is also another reason why sponsorship is beneficial to both parties involved. For a concert promoter, the large sum of money offered by sponsors, often serves to reduce his risk.³⁸⁹ The same is true for record companies who seek partnerships with corporations because these have larger marketing budgets available.³⁹⁰ According to Klomp, general manager of the *Virgin/EMI* label *Capitol*, it will become less relevant for record companies to search for new artists such as Jim and Jamai, if there is not a sponsor such as *Pepsi* or *Mars* linked to them. These acts are short-term and therefore carry a lot of risk for the record company. They require heavy initial investment before any returns are recouped. So he states that 'the market of artists such as Jim and Jamai must also be the market of A-brands such as *Pepsi* and *Mars*'.³⁹¹

A-brand *Pepsi* has been sponsoring music longer than any other brand. Spelbos, marketing manager of *Pepsico Beverages International*, states that *Pepsi* is searching for win-win opportunities. Other brands connect their activities to an artist once and thus create one-offs. For *Pepsi* consistence is very important. At the end of 2002, *Pepsi*

³⁸³ Heeg, R., 'Muziekindustrie laat terrein liggen bij sponsoring', 18

³⁸⁴ Lathrop, T., *This Business of Music*, 210

³⁸⁵ Heeg, R., 'Muziekindustrie laat terrein liggen bij sponsoring', 20

³⁸⁶ Effting, M., 'Artiest B.V.'

³⁸⁷ Lathrop, T., *This Business of Music*, 210

³⁸⁸ Barrow, T., & Newby, J., *Inside the Music Business*, 137

³⁸⁹ Ibid.

³⁹⁰ Heeg, R., 'Muziekindustrie laat terrein liggen bij sponsoring', 20

³⁹¹ Heeg, R., 'De juiste match is belangrijker dan de grootte van de artiest', In: *Sponsor Magazine*, October, 2003, (5), 12

enforced its music commitment by closing a worldwide marketing deal with *Sony Music Entertainment*. This includes that *Sony* artists participate in actions in the media and stores that are sponsored by *Pepsi*. Klomp described the millions of *Pepsi* cans portraying an artist as media. By working together with *Pepsi*, an artist has additional opportunities to be promoted at the same time through music stores, soda drink-outlets, as well as supermarkets, pop stages and media partners.³⁹²

5.7 Merchandising

Merchandising is the commercial exploitation of the popularity of famous persons such as movie stars, artists and athletes, as well as characters from movies, comic books and television programs.³⁹³ 'Within the broad scope of marketing, merchandising is concerned more specifically with promoting the sale of goods and services to consumers (*i.e.*, retailing) and hence is more characteristic of free-market economies'.³⁹⁴

There are several forms of merchandising. The most common form to be considered merchandising is the sale of images and logo's on paraphernalia for fans. For example, key chains, posters, stickers, caps, pens, etc. In endorsements the imagery or name of an artist is used on other products such as clothing, drink bottles and video games. This is also considered merchandise.³⁹⁵

Merchandising was originally only used for sales promotional activities and market research aimed at sales promotion. This was reached by producing bags with the name of a store, key chains of a brand, and posters with images of the product or logo. Then the production and sales of these paraphernalia became also referred to as merchandise. It is still used to describe the use of paraphernalia as free promotional gifts by purchase of other products.³⁹⁶

Merchandising has become increasingly important for the music industry. It has become a fundamental source of promotion, advertising and income for artists in the music industry. In the age of illegal downloads and plummeting record sales, it accounts for an ever-growing percentage of a band's, and record companies income. Traditionally the proceeds of merchandising were exclusively for the artist, but nowadays, record companies demand a share.³⁹⁷

A touring stadium act can make almost as much money selling programs, posters and T-shirts at the venues as it can from tickets.³⁹⁸ Roos of *Universal* claims that fans at

³⁹² Heeg, R., 'In Pepsi zit al jaren muziek', 19

³⁹³ <http://nl.wikipedia.org/wiki/Merchandising>

³⁹⁴ Encyclopaedia Britannica Online. 10 Aug. 2006, <http://search.eb.com/eb/article-9109821>

³⁹⁵ <http://nl.wikipedia.org/wiki/Merchandising>

³⁹⁶ Ibid.

³⁹⁷ Berkhout, K., 'Popmuziek per muisklik ; De metamorfose van de muziekindustrie', In: *NRC Handelsblad*, 9 July, 2004, 15

³⁹⁸ Ibid

concerts in the US spend even more money on T-shirts than on the ticket.³⁹⁹ Older musicians are mostly thriving financially on income of tours and merchandise.⁴⁰⁰ The band Kiss is the market leader here: two decades after their last hit they continue to do a roaring trade in condoms, comic books, cheque books, clocks, bowling balls, number plates etc.⁴⁰¹ Bands are now required to come up with even more imaginative products such as frisbees and scarves. Kiss even sells laminated steel coffins.⁴⁰²

Merchandising is not a new phenomenon; Beatles souvenirs took in everything from dolls and beach towels to novelty mugs and jewelry. However, in the last decade it has become more specialized, targeting specific age groups. The music industry has identified 'tweenies' as a rich source of revenue: five to thirteen-year-olds now make up the lion's share of record buyers. Manufacturers anticipate this trend by manufacturing children's toys such as dolls.⁴⁰³

By collecting objects from their idol, fans are able to identify themselves with them. They are showing their support for a band or artists by wearing a T-shirt. Associating with that artist also gives them an identity; it shows the world who they are. All the while, they are providing the artist with free advertising.⁴⁰⁴ Merchandising is the ultimate key in the commodification of the artist. It turns them into a mass-product, a commodity.

5.8 Publicity

Publicity is part of PR and is the occurrence of activities to promote an artist or CD by planting news about it in the media, for which the record company does not pay.⁴⁰⁵

These activities can be planned by the artist's publicist, whose task it is to generate positive media exposure. According to Barrow & Newby, artists in all sectors of the music business can benefit from publicity representation. An unknown newcomer can use PR attention to support a first record release or initial public performances. A well-established chart-topping recording star who has limited amount of time to spend on interviews and photo sessions, needs expert advice over which editorial opportunities to take and which to turn down with the minimum loss of good will. Especially with celebrities, controlled publicity includes an element of protection against unfavorable stories. Bad press can do a lot of damage to an artist's reputation.⁴⁰⁶

The press is crucial in providing an artist with a star image or turning them into celebrities. According to Wall, star constructions must be emphasized as dynamic

³⁹⁹ Berkhout, K., 'Popmuziek per muisklik ; De metamorfose van de muziekindustrie'

⁴⁰⁰ Ibid

⁴⁰¹ Sturges, F., 'Music merchandising is big business', In: *The Independent*, 8 July 2005

⁴⁰² Ibid.

⁴⁰³ Ibid.

⁴⁰⁴ Author Unknown, 'Een worden met je idool' In: *De Telegraaf*, 24 June 2004, 27

⁴⁰⁵ Kotler, P., Armstrong, G., Saunders, J., Wong, V., *Principles of Marketing*, 830

⁴⁰⁶ Barrow, T., & Newby, J., *Inside the Music Business*, 106

processes, 'in which the musical forms of the recorded performances, and our interpretation of artists, is altered by the developing star personae. In this approach the media, and their attempts to attract fan attention, have a far greater role in defining the star persona that the recording artists themselves'.⁴⁰⁷

5.9 Cross promotion

This is the promotion of a single concept via various media. An artist can be repackaged for the movies, television, magazines, CDs, Internet, computer games and other media and music CDs are developed for various media such as music videos, movie soundtracks and ring tones.

Heavy synergy driven promotion, or intensive cross promotion, helps record companies launch a new artist and to brand him or her as a star. By circulating songs across many different media, the artist becomes increasingly present in public consciousness.⁴⁰⁸ When they become a multimedia phenomenon, the artist classifies as a celebrity. Through heavy synergy driven promotion, an artist can become a multimedia phenomenon, catapulting the artists to the celebrity stratosphere.

A company is able to use some of its many media tentacles to generate buzz about the artist or CD and to promote the artist's CD and its related products across various media. Hoskins calls this the 'promise of synergy' for major media corporations. A result of synergy according to Hoskins is that smaller competitors are not economically able to match the development and promotion of projects of the conglomerates, which have enormous resources and diverse holdings. He notes that it is not a guarantee that a project on which a lot of money is spend will be popular and economically successful, but according to Hoskins, it has more chance to succeed in an busy and overcrowded media marketplace than projects without the backing of major media conglomerates.⁴⁰⁹

5.10 Conclusion

This chapter described the regular marketing strategies that are used in the marketing of music, as well as other commodities. The marketing strategies of market segmentation, market targeting, product positioning, niche marketing, selective promotion, sponsoring, merchandising, publicity and cross promotion, form the guides by which I will explore the case studies in the next chapter. I will illustrate that these marketing strategies come forth out of the characteristic features of the music industry, that these features in fact enable, facilitate, encourage or support the implementation of these marketing strategies in the music industry.

⁴⁰⁷ Wall, T., *Studying Popular Music Culture*, 156

⁴⁰⁸ Hesmondhalgh, D., *The Cultural Industries*, 143

⁴⁰⁹ Hoskins, C., McFayden, S. & Finn, A., *Media Economics*, 118

6. Case studies

The purpose of this chapter is to combine the characteristic features of the fifth chapter, with the marketing strategies discussed in the previous chapter. The aim is to illustrate that the characteristic features are indeed the driving force behind the marketing strategies employed in the music industry, even though these are also common in other industries. In order to do this, I will review cases that are a typical example of the characteristic feature, by discussing some of the marketing strategies that give shape to this characteristic in practice.

I would like to note that although all the marketing strategies described before are applicable to all the characteristic features of the music industry, for the case studies I have restricted myself, for time and space purposes, to the most significant marketing strategies to clarify the characteristic feature by the case. Strategies such as market segmentation are fundamental in any marketing campaign and are key strategies in the implementation of any of the characteristic features in practice. As they are very significant in the practice of labeling, emphatic attention is given to these aspects in the discussing of this case. However, as they are at the base of product positioning, which is handled in all cases, market segmentation and market targeting are not specifically mentioned any further throughout the cases anymore. The case being here is that although all the described marketing strategies are relevant to all of the characteristic features and cases, a selection has been made to describe each particular case.

The cases that are central in this chapter are: 'world music' to review the characteristic feature of labeling, the characteristic feature of the star system will be reviewed by the case of *Idols*, boy bands are the case for reviewing the characteristic feature of processing fads and fashions, the characteristic feature of branding is reviewed by the case of *K3* and finally *50 Cent* is the case by which the characteristic feature of synergy is reviewed.

6.1. Labeling - The case of World Music

World music is a good example of the practice of labeling in the music industry. As mentioned before, this practice of labeling facilitates marketing and the origination of world music, as a label was in fact to resolve a marketing dilemma.

In the late 1980s, music that was variously labeled as 'ethnic', 'traditional' or 'roots', was becoming increasingly popular and it was necessary to construct a market space to position this diversity of music.⁴¹⁰ Record shop managers did not quite know what to do

⁴¹⁰ Negus, K., *Music Genres and Corporate Cultures*, 164

with this new international product because there was a lack of an identifying category to describe it. Because they did not know what to call it, they were inclined in the absence of an appropriate niche in their racks, simply to reject it. The executives of record companies and advertising specialists determined that popular music from outside the Anglo-American and European mainstreams needed a distinctive name.⁴¹¹ Through a month-long promotion campaign, the music industry introduced the label 'world music'. Record shops created space in their racks and within months, the term was used in British press. Within a few years, it was in regular mainstream music industry use in Britain, the United States and northern Europe.⁴¹²

The conception of the label 'world music' illustrates the kind of drives that create markets and niches, how they came to being on the sideline and moved into the mainstream, and how creating a physical market space to put the products in has much to do with how the product is labeled, marketed and bought.

With this case study, I will illustrate how the music industry's characteristic feature of labeling results in regular marketing strategies. The marketing strategies central to labeling are: market segmentation, market targeting, product positioning and niche marketing. To clarify and define the subject of this case study, I shall first provide some general theory on world music. After that, I will review this label according to the aforementioned marketing strategies.

6.1.1 General Theory on World Music

There is not a clear definition of 'world music' as this label comprises many different styles of music, from Portuguese *fado* to Yugoslavian *narodna*, from Greek *Bouzouki* to African *gnawa*, from Spanish *flamenco*, to Irish *folk* and from Czech *polka* to Dominican *merengue*. According to Negus, 'world music is a label that is used to refer to 'an eclectic mixture of styles, rhythms and sounds'.⁴¹³ Taylor notes that it has become an umbrella category for the musics of the world that are folk and/or traditional.⁴¹⁴

Because of its diversity and lack of clear definition, it is not really considered a genre by many authors.⁴¹⁵ However, Goodwin and Gore point out that it is constructed as a genre because it has its own sections in record stores, its own magazines, shops, labels, festivals, radio and television programs, and so on. According to these authors, world music is in fact institutionalized within the music and media industries.⁴¹⁶

⁴¹¹ Bohlman, P., *World Music: A Very Short Introduction*, Oxford University Press: Oxford, 2002, preface

⁴¹² Taylor, T., *Global Pop: World Music, World Markets*, Routledge: New York, 1997, 3

⁴¹³ Negus, K., *Music Genres and Corporate Cultures*, 164

⁴¹⁴ Taylor, T., *Global Pop: World Music, World Markets*, 3

⁴¹⁵ Guilbault, J., 'Beyond the 'World Music' Label: An Ethnography of Transnational Musical Practices', Contribution for FPM conference 'Grounding Music', Mai 1996, 2, URL: www2.hu-berlin.de/fpm/texte/guilbau.htm, consulted July 2006

⁴¹⁶ Ibid.

There is some discussion on whether to consider world music as folk and traditional or if it has become a form of popular music. Although world music is marketed and distributed by commercial record companies in the same way as popular music, there are some factors that distinguish the genres of world music from popular music. Manuel notes as these factors; the relatively low profit of record sales for performers and composers and the peripheral relationship of folk music to the commodity market.⁴¹⁷ The same can be said for classical music styles, yet artists such as Andrea Bocelli, Sandra Berger and the 'classical boy band' *// Divo*, show that it is possible to transcend these boundaries and distinctions. This is already the case with world music artists such as Youssou N'Dour and Mariza.

The fact that traditional musics evolved independently of the mass media is according to Manuel, the most important distinguishing factor.⁴¹⁸ Popular music, on the contrary arose hand-in-hand with the media, is disseminated primarily through them, and is embedded in a music industry based on marketing of recordings on a mass commodity basis.⁴¹⁹ Nevertheless, world music is traditional music repackaged and marketed as popular music. Although this music does not differ substantially in style or orchestration from their traditional predecessors, these traditional musics may be enhanced with orchestral or synthesized accompaniment in typical pop fashions. Folk musics are being commodified as commercial recordings and disseminated extensively via the mass media. Many world music genres have existed as folk musics well before the advent of the mass media, but have now been absorbed into recording and broadcast repertoires and are marketed and consumed much like any other pop genre.⁴²⁰

6.1.2 Market Segmentation

Labeling is an important driving force behind the strategy of market segmentation. Labeling involves the formatting of music into genres. Genre classification is for the purpose of marketing and by dividing the market up into segments based primarily on genres, clear target audiences are defined on which marketing efforts can be attuned. Market segmentation thus gives shape to this characteristic feature of the music industry. Because world music includes so many different genres of folk and traditional music, the market segments for world music are just as varied. There is a distinction made by the marketing department between positioning the Irish band *Clannad* and flamenco singer Ginesa Ortega.

⁴¹⁷ Manuel, P., *Popular Music of the Non-Western World: an introductory survey*, 3

⁴¹⁸ *Ibid.*

⁴¹⁹ *Ibid.*, 4

⁴²⁰ *Ibid.*, 5

In general, the target audience of world music is young professionals, so called yuppies in the age group of 28-45. World music listeners are considered to be intelligent and cosmopolitan in their outlook and tastes.⁴²¹ This audience has certain know-how to recognize the sounds and is able to locate these sounds to particular places.⁴²²

However, besides appealing to a western audience, the audience of world music also consists of diasporas of 'transmigrants' with the same origins as the artist. As Guilbault illustrates in her ethnography on transnational music practices, performances by English-Caribbean stars at festivals such as *Caribana* in Toronto, help develop 'diasporic intimacy' and reinforce collective identities.⁴²³ From my own experience as a cashier at concert hall *de doelen* in Rotterdam, I can attest to this. *De doelen* offers a wide variety of world music concerts, from Cape Verdean singer Lura to Moroccan singer Abdelwahab Doukali. Besides a few exceptions, the audience of these particular two very popular concerts consisted of respectively Cape Verdean and Moroccan immigrants.

Guilbault even goes as far as claiming that Caribbean superstars, the case study in her paper, as international artists, or transnationals as she calls them, are to a large extent dependent upon the Caribbean diasporic populations and organizations for their living, more specifically for their concert- and record sales.

6.1.3 Market Targeting

Once the market segments are defined, decisions need to be made about which one to target and in what way. The key feature of labeling is based on marketing principles and in marketing it is not only key to know *who* the target audience is, but also *how* to reach them in the most effective way. By labeling an artist or record, it becomes clear in what way the target audience can best be reached. For example, a record in the dance genre can best be promoted through DJ's in clubs.

According to Taylor, much of world music is sold in new age stores, museum shops, and bookstores and only about one third of the records is sold in record stores.⁴²⁴ Thus, a record in the world music 'genre' can be best promoted through new age stores, museum shops, and bookstores in order to reach the target audience. Most of these stores play world music as background music or offer displays on which consumers can pick from a selection of world music CDs to listen to. The characteristic feature of labeling thus facilitates target marketing by offering genre-marketing conventions.

In reaching the target market, an emphasis is placed on the place of origins and the thus the authenticity of the music. According to Taylor, the western consumers that comprise

⁴²¹ Negus, K., *Music Genres and Corporate Cultures*, 167

⁴²² *Ibid.*, 165

⁴²³ Guilbault, J., *Beyond the 'World Music' Label*, 14

⁴²⁴ Taylor, T., *Global Pop: World Music, World Markets*, 26

the target audience are looking for anything real, rather than the produced. By the western discourse of authenticity, world music must resemble the indigenous music of their place.⁴²⁵ 'What is of concern to listeners is that the world music they consume has some discernible connection to the timeless, the ancient, the primal, the pure, the chthonic; that is what they want to buy, since their own world is often conceived as ephemeral, new, artificial, and corrupt'.⁴²⁶ According to the author, it demonstrates the 'European disaffection for the modern, civilized world and celebrates the pure and natural existence of the noble savage'.⁴²⁷ Taylor refers to the names of the new labels specializing in these new genres, which help connote the primal, the original, the authentic, the unfettered, the real: *City of Tribes*, *EarthBeat*, *EarthSounds*, *Roots Records*, etc.⁴²⁸

The label of world music musicians restricts an artist who has been formatted into this genre, to cross over to other genres. The artist is constrained to the western discourse of authenticity to make music that resembles the indigenous sounds of where he comes from.⁴²⁹ The audience expects a certain sound and stepping away from this may lead to rejection. It is safer for the musician to stick with his style of world music and is therefore for always confined to that sound. Under pressure of the international marketing department, world music is also accommodated to various aesthetic agendas, media systems and promotional routes for international distribution of world music.

World music is often allied with spirituality and this is often used in the marketing of world music. It is often presented as something exotic (in the sense of unusual), romantic (in relation to the lyrics), sensual (in relation to dance), mystical (in terms of its philosophy), attractive and yet not equal. In advertisements, in newspapers or magazines, world music is often referred to as dance music, as a thrill, and as a source of unusual and original sensations.⁴³⁰ There is always an emphasis on 'otherness' in order to make it authentic. According to Negus the repackaging is not for people who live within these territories, but for those outside who may have no immediate experience of them. World cinema, world literature and world travel and everyday products such as coffee or exotic rain-forest shower gels are marketed the same way.⁴³¹

The place of origins becomes an important marketing tool in the 'packaging' of the artist. Negus notes that 'an emphasis on their origins becomes integral to their presentation to people outside their home domestic market'. Place is not only used to file the individual artists under their country of origins, but also in creating an image for the artist. The CD-covers often portray the artist in a traditional setting that fits their music and its origins.

⁴²⁵ Ibid., 23

⁴²⁶ Ibid., 26

⁴²⁷ Ibid.

⁴²⁸ Ibid., 27

⁴²⁹ Ibid., 23

⁴³⁰ Guilbault, J., *Beyond the 'World Music' Label*, 2

⁴³¹ Negus, K., *Music Genres and Corporate Cultures*, 167

Gilroy has observed how world music makes use of an enduring logic of authenticity to make non-European and non-American musicians acceptable in the western music market.⁴³²

6.1.4 Product Positioning

The characteristic feature of labeling also encourages the marketing strategy of product positioning. By labeling an artist or record, it is placed in a genre amongst other artists and records. A key factor in successful marketing is distinguishing the product from that of the competition. Therefore, the unique selling points of the product must be emphasized and these only become clear by comparing with other similar products on the market. Labeling thus actually enables the practice of product positioning.

The processes at work in positioning music from other countries are deterritorialization and reterritorialization. Negus refers to the definitions given to these processes by Garcia Canclini. Deterritorialization is "the loss of any 'natural' relationship between culture and geographical and social territories". Negus argues that the positioning of international repertoire in the market involves an attempt to deterritorialize artists and their music.⁴³³ The origins of international repertoire of artists such as Madonna, Britney Spears or Robbie Williams is not as easy to locate as those of world music artists. Although usually considered as 'western' or Anglo-American, international repertoire requires the development of an accent and sound that cannot be placed.⁴³⁴ Most artists sing in English, and although most international stars are from America and England, there are stars from other countries, such as female artist Bjork from Iceland, whose nationalities cannot be determined by their music. The music by these stars is open for local appropriation.

Reterritorialization 'involves the relocalization "of old and new symbolic productions."' World music, entails an attempt to reterritorialize both old and new recordings, to *relocalize* the meaning of music.⁴³⁵ Thus, old and new 'domestic' repertoire is reterritorialized and recategorized as 'world music'. 'Artists are selected from the 'domestic' repertoire of specific localities (...) and repackaged, re-labeled as 'world music' and distributed to consumers in other particular places, for whom this label has a particular meaning (...)' It can however also involve the re-labeling of domestic artists as world music within the same national territory.⁴³⁶

In positioning world music, an emphasis is put on 'otherness'. The label 'world music' is loosely associated with the wide encompassing geographic reference 'from around the

⁴³² Ibid.

⁴³³ Negus, K., *Music Genres and Corporate Cultures*, 153

⁴³⁴ Ibid., 165

⁴³⁵ Ibid., 153

⁴³⁶ Ibid., 165

world', however in literature it comes not to be defined as sounds from somewhere else in the world, but in the 'narrowest of terms by actually relating world music strictly to "outside the normal Anglo-American (and Australian and Canadian) sources", or simply to tropical countries'.⁴³⁷ 'It is described as "the outgrowth of an evolutionary process aimed at enhancing traditional non-European musical styles"'.⁴³⁸ World music is said to specialize in music from Third World countries and is habitually presented as non-western, with non-English lyrics.

Negus argues that in positioning world music, affirmation of place of origin is a key strategy. The successful marketing of world music requires accents, languages and sounds than can be 'placed'. The sounds of specific instruments, musical tones, rhythmic patterns and voices can be located to a geographical place. As Negus states: 'Music has no *necessary* belonging to specific places, but certain sounds have come to *signify* particular places'. As examples he notes Zimbabwean guitar patterns, Bulgarian folk styles, Irish melodies and Latin rhythms. These musical codes are decoded and recognized as such by the interpretive communities who have acquired the competence to 'know' these sounds and who constitute the audience that is targeted for the selling of world music.⁴³⁹

Negus notes that in order to facilitate consumers who do not have the competence to recognize 'territorial significations that are encoded within the musical sounds', record companies provide information to assist in the placing of the artist. For example by providing additional information about the origins of the music in the CD sleeve. There is thus also an aspect of educating the audience involved.⁴⁴⁰

According to Negus, this emphasis on the place of world music was very soon routinized and institutionalized. In press releases for example, the national origins of the artists categorized as world music, is always specifically mentioned, while the nationalities of the pop and rock artists are rarely mentioned.⁴⁴¹

6.1.5 Niche Marketing

As mentioned before, one of the purposes of the characteristic feature of labeling is to facilitate marketing efforts by genre classifications. These marketing efforts are most effective if they are targeted at the smallest segments possible. Labeling involves the formatting of music and distinguishes styles within genres in order to reach the subgroups within market segments, a practice called niche marketing. Thus, the characteristic feature of labeling facilitates niche marketing by the formatting of music.

⁴³⁷ Mitchell quoted in Guilbault, J., *Beyond the 'World Music' Label*, 2

⁴³⁸ Aubert quoted in Guilbault, J., *Beyond the 'World Music' Label*, 2

⁴³⁹ Negus, K., *Music Genres and Corporate Cultures*, 165

⁴⁴⁰ *Ibid.*, 165

⁴⁴¹ *Ibid.*, 166

World music is probably the 'genre' to include the most diverse styles. Therefore, niche marketing is essential. It is impossible to consider the world music audience as one market segment for, in general, a fan of the upbeat, danceable Caribbean *calypso* music can not possibly be compared to a fan of the slow and melancholic songs of Portuguese *fado*. In the marketing of world music, it is necessary to distinguish between all the various music styles that composites the genre of world music.

The case of world music illustrates that labeling is the driving force behind strategies such as market segmentation, market targeting, product positioning and niche marketing. It shows that an artist can, in theory, be taken from anywhere and sold to anywhere else, if there is affirmation of place, an emphasis on authenticity and origins. The next characteristic feature is reviewed by the case study of Idols.

6.2. Star System – The case of Idols

In 2003, the Netherlands knew a new phenomenon, the TV-program *Idols*. Ever since the first edition of *Big Brother*, there had not been a program more talked about – and watched for that matter. The first episodes of *Idols* attracted an average of 2,5 million viewers. The final was even watched by more than 4 million people.⁴⁴² *Idols* was a hype and the ten selected contestants were instantly famous throughout the Netherlands. The press was working over time and the *Idols* contestants had a lead role on primetime television for weeks.

Idols was not only popular in the Netherlands, in Great Britain, where the show was aired for the first time in November 2001, the final obtained, with an audience of 14 million viewers, an unprecedented market share of 75 percent. After that the program was sold, for a large sum of money, to South-Africa, Poland, the US, Germany, and the Netherlands. In many of these countries, it became the best-watched show ever. Next, the search for an idol started in Belgium, Norway and even the Middle East and finally also in France, Russia, Canada and Finland.⁴⁴³

For the second edition of *Idols*, 16.731 Dutch youngsters applied.⁴⁴⁴ In the audition rounds, which comprise six episodes, the jury selects thirty potential idols from thousands of candidates. These then compete for ten places in the big live-shows. The audience decides by voting, which contestants get to sing songs live on television every Saturday during the next nine weeks. The viewers vote via telephone for their favorite.

⁴⁴² Bril, P. 'Festival van superlatieven' In: *de Volkskrant*, 10 March 2003, 13

⁴⁴³ Renson, I., 'Iedereen beroemd', In: *De Financieel-Economische Tijd*, 26 April 2006, 1

⁴⁴⁴ Meershoek, P., 'De glans van succes', In: *Goudse Courant*, 31 January 2004, zat3

The contestant with the least votes is eliminated from the show. The winner of the show wins a record deal.⁴⁴⁵

Idols is experience TV. For weeks people watch their favorite contestant singing, talking about love, as babies on home videos, experience the tension and emotions when he or she is placed on the seat and the relief when their favorite is not voted off and gets to sing again next week, all leading up to the moment where they are either voted off sometime, or actually win the final. Maarten Reesink of the University of Amsterdam calls *Idols* the ultimate combination of mean-tv, (bad candidates were informed about their bad singing qualities in a harsh and unsubtle manner by the jury), and experience-tv. 'The audience watched rough diamonds, supported by a great deal of marketing, being transformed into real stars'. According to him, people are looking for authenticity and *Idols* satisfies this need.⁴⁴⁶

The man behind the concept is Simon Fuller, also the inventor of the *Spice Girls*. He invented the concept of *Idols* while auditioning for the girl group. This attracted so many non-talented, over-convinced girls that he thought a camera should be present. It are of course these losers that are a huge strength of the program. Even some of these 'losers' that did not make it past the auditions have become idols in there own right and are making a living now of their failure in *Idols*. Herman, the most famous Dutch loser of them all, shows that stardom and being an idol is not always related to record sales. He has never recorded a song, yet is adored by many. The popularity of Jamai and Boris⁴⁴⁷ translated itself during the show in text messages and telephone calls, but after the show not in huge record sales.

Idols is an excellent example of the star system, for it is the ultimate form of manufactured stardom. It shows the process of how ten unknown teenagers are placed in the top of the market and transformed into stars within six months. Not only that, it involves the audience in the process. It guarantees that there is a market for the idol because the audience determines who should record the song. It ensures that the risk of a flop is very small.

With this case study, I will illustrate how the music industry's characteristic feature of the star system results in regular marketing strategies. The marketing strategies central in this case are: product positioning, selective promotion, sponsoring, merchandising, publicity and cross promotion.

⁴⁴⁵ Hooghiemstra, D., 'Sterrenhandel; Behalve het liedje verkoopt de moderne artiest ook zijn persoon', In: *NRC Handelsblad*, 1 March 2003, Z4

⁴⁴⁶ Langeslag, M., 'Patty is goed plat, Patricia niet ; Wetenschappelijk boek over massa-televisie', In: *Algemeen Dagblad*, 3 June 2003, A26

⁴⁴⁷ Respectively the winners of the first edition and second edition of the Dutch *Idols*.

6.2.1 Product Positioning

The star system is all about positioning artists as pop stars by surrounding them with an aura of fantasy and glamour and by promoting personality cults around the musician's life-style, fashions, or private life. This is all done in order to build a distinctive brand that distinguishes the releases of the record company from those of other companies. Thus, the characteristic feature of the star system encourages the marketing strategy of product positioning, since this practice is essentially about distinguishing the product from those of the competition.

The concept of *Idols* is basically an updated talent show, but Wall notes some elements that set it apart from the normal talent show. Firstly, even though *Idols* was positioned as a process in which they were *looking* for a pop idol, in fact it showed the public the process by which a pop idol was *made*. The audience was actively involved in creating the star and a target audience for it.

Secondly, as an updated talent show, it formed a synergy of star making, tying together a record company, a management and promotion company and primetime television.⁴⁴⁸

In each episode, one of the contestants was voted off in the elimination round. This not only cut down the number of contestants, it also built up an image for each of them. Viewers participated in this as they discussed the contestants, voted for their favorites, read the stories placed in the popular press, watched interviews or debated online. The star images formed week by week eventually led to the selection of songs that were considered to suit a particular contestant.⁴⁴⁹

6.2.2 Selective Promotion

Not every artist is prioritized for stardom. It takes considerable marketing efforts and thus promotion costs, to build a star image for an artist and to ensure the continuation of the star's aura. Record companies therefore make a selection from the available artists and choose the ones they consider likely to become most successful. These artists will be more heavily promoted than others. Therefore, the characteristic feature of the star system supports the marketing strategy of selective promotion.

Although the *Idols* jury selects the contestants mainly based on their singing talent, this is not the only criterion. Dutch *Idols* jury members Henkjan Smits and Jerney Kaagman admit that they are looking for more than a great singer, they are looking for an idol, someone with star potential and looks are an important part of that.^{450 451} This became

⁴⁴⁸ Wall, T., *Studying Popular Music Culture*, 156

⁴⁴⁹ Ibid.

⁴⁵⁰ Hooghiemstra, D., 'Sterrenhandel; Behalve het liedje verkoopt de moderne artiest ook zijn persoon'

⁴⁵¹ Meershoek, P., 'De glans van succes'

harshly apparent when 17-year-old Samantha participated in the auditions and showed that she had greater singing talent than most of the other participants. However, Samantha was slightly overweight and with the star system in mind, the jury turned her down.⁴⁵² The ten contestants that make it to the live shows are ultimately all attractive, young persons – boys that the target audience of teenage girls can fall in love with and girls that they can envy and aspire to be.

Beyond the selection of a final winner, *Idols* details the way individuals learn the skills of the pop star. Furthermore, it contrasts the opinions of key music industry staff with the audience-democracy of the phone vote. Wall claims that the audience knows it is the manager, the producer and the record company executive who will mould their selection for stardom. Nevertheless, they also invest in that star-making process through participation in the show. The audience has 'made' these new stars, even before a CD has been released. However, this is not a guarantee that the record buyers will sustain their investment. It is difficult for these TV-created starlets, whose process of star making is documented and who become famous for being famous, to maintain a career.⁴⁵³ After the show, the heavy promotion of these selected 'stars' needs to continue.

In many ways, the first series of the Dutch *Idols* revealed the tension between TV participation and CD sales. In record industry terms the audience picked the 'wrong one', and probably self-consciously so. For the investment made by TV viewers in eventual winner Jamai were not sustained into CD sales, and gay, glasses-wearing high school boys are not the usual stuff on which pop stars are made. Runner-up Jim, of course, was much more the traditional pop star and transferred to the world beyond the television program far more readily. However, through heavy promotion, *Idols* winner Jamai was turned into a star, if only for a little while.

For the record industry, it is worth to invest money in selected stars, after all, it was the audience that already made the selection from these potential idols. According to Wall, 'the short life of the pop star is more than compensated for by the profits of their short media existence for the record industry. Part of this profit is achieved through the old-fashioned economics that it is far better to sell millions of copies of a single release than hundreds of copies of a thousand releases'.⁴⁵⁴

6.2.3 Sponsoring

The characteristic feature of the star system encourages the creation of artists into stars. However, as mentioned before, this takes considerable investments in marketing and

⁴⁵² <http://www.idolsonline.nl/?ppage=read&id=58>, consulted July 2006

⁴⁵³ Wall., T., *Studying Popular Music Culture*, 232

⁴⁵⁴ Ibid.

publicity. Sponsors make it possible for record companies to invest in idols such as Jamai and Jim, for they are short-term stars and therefore carry a lot of financial risk for a record company. Therefore, the star system supports the practice of sponsoring.

The four most popular contestants of the first Dutch edition of *Idols*, Jamai, Jim, Hind and Dewi, were all sponsored by an A-brand. Their last names have been made redundant, as is often the case with in the TV-branding machine. Their first names are all registered as brands. Brand registration is necessary in other for companies to use their names for exclusive and lucrative joint-promotions.⁴⁵⁵

Winner Jamai was sponsored by *Specsavers*, and appeared in commercials for glasses. The company felt that Jamai was a good ambassador for glasses because he wore a different frame every Saturday night in his live performance.⁴⁵⁶ *Mars* pays to use the brand Jim. The campaign consisted of TV and radio commercials, abri's, advertisements, a website and in store material such as 4500 life-size Jim's in supermarkets and gas stations and fan cards (signed photographs).⁴⁵⁷ In return, the manufacturer *Masterfoods* financed the whole campaign around Jim's first single. That Jim was a strong brand was proven by the fact that it was recognizable that the billboard was about *Mars* and Jim, by only putting his name instead of *Mars* in the same font on there. It was a good deal for *Mars*; people were smashing in abri's in order to get the posters of Jim. He has given the chocolate bar another dimension.⁴⁵⁸ Dewi was sponsored by *Vodafone*. As part of the sponsor deal, the platform www.dichtbijDewi.nl was developed. On this, *Vodafone* customers could follow Dewi from up-close and get to know more about her. The site featured a MMS picture album on which Dewi shared her daily life. On the site visitors could test their 'star potential' and they also had a chance at winning a meet-and-greet with her.⁴⁵⁹ Hind was sponsored by *Nivea* and starred in an advertising campaign for *Nivea* body lotion.

The tv-show *Idols* itself was sponsored by *Rexona*, a product of manufacturer *Unilever*. *Idols* is good for the image that *Rexona* wants to portray; *Rexona* deodorant gives you extra self-confidence in exciting situations – and '*Idols* is all excitement' according to Harry Dekker, communication channel manager at *Unilever*. 'By billboarding "This program is brought to you by *Rexona*", you link this experience to your brand'.⁴⁶⁰

⁴⁵⁵ Wijman, E., 'Ik Ben Mij ; Voornaam als merk rukt op', In: *de Volkskrant*, 22 May, 2004, 1M

⁴⁵⁶ Hoff, van der, C., 'Specsavers ziet gouden tijden aanbreken - 'Meer brillen nodig door computerspel'', In: *Algemeen Dagblad*, 1 May, 2006, 15

⁴⁵⁷ <http://www.adformatie.nl/nieuws/nieuws2003-04-24.html#Item25269>, consulted July 2006

⁴⁵⁸ Effting, M., 'Artiest B.V.'

⁴⁵⁹ <http://www.adformatie.nl/nieuws/nieuws2003-09-08.html#Item27602>, consulted July 2006

⁴⁶⁰ Geelen, J.P., & de Rek, W., 'Gewone mensen zijn te gewoon', In: *de Volkskrant*, 7 December, 2002, 1M

6.2.4 Merchandising

The key feature of the star system is about promoting the artist as a star, in as many ways as possible. This includes merchandising. Merchandising is also an important source of income and while the star is a hype, this can be very profitable. Fans want to identify themselves with their idol and do so by collecting objects from him or her. The star system thus also encourages the marketing practice of merchandising as it is a key strategy in the promotion of the star and it contributes to the hype.

Besides all sorts of paraphernalia of the individual idols, the program itself is also surrounded by merchandise. There is an *Idols* board game by Jumbo, manufacturer *Bolletje* released a special series of *Idols* biscuits a couple of weeks before the final episode, picturing all ten contestants of the second edition of *Idols* on the package. There were the regular merchandise products such as, DVDs, videos, postcards, caps, pens, posters, stickers and sticker albums, key chains, key cords, T-shirts, mugs, flags, notebooks, backpacks and schoolbags, wrapping paper and even phone covers and the list goes on. There were also more unique products such as an *Idols* Magazine and even *Idols* jewelry, perfume, make-up, hair gel, and *Idols* wallpaper.⁴⁶¹ *Rexona*, the main sponsor of the tv-show also participated, by providing scarves with the purchase of two deodorant sprays at a signing session by second edition finalists Boris and Maud at the pharmacy store *Kruidvat*, the sprays were sold out within hours.⁴⁶² The year before, *Rexona* spread more than two million posters of Jim and Jamai through the *Kruidvat* stores weeks before the finale. The free posters were gone within hours. By putting the posters up in front of a window, people had a chance at winning a car. A hype can always use an extra stimuli.⁴⁶³

All these merchandising activities are not only beneficial to the idol and the producers and manufactures of the merchandise. The other beneficiaries are the *Idols* management agency *AT* and Simon Fuller, the inventor of the program. Besides receiving a percentage of the record sales of all *Idols* candidates for three years, and part of the income made from the text messages and telephone votes, he has the right to shares of the proceeds of concerts and other commercial activities such as merchandising for one and a half years.⁴⁶⁴

⁴⁶¹ Roes, J., 'Door Idols, melkkoe van RTL4, blijft de kassa heel lang rinkelen', In: *Rotterdams Dagblad*, 1 May 2004, 702

⁴⁶² Vlimmeren, van, D., 'Gillen en janken om Maud en Boris', In: *Rotterdams Dagblad*, 26 April 2004, 702

⁴⁶³ Scholten, E., 'Idols is de ideale melkkoe; Idols-rage', In: *Trouw*, 8 March 2003, 21

⁴⁶⁴ Hooghiemstra, D., 'Sterrenhandel; Behalve het liedje verkoopt de moderne artiest ook zijn persoon'

6.2.5 Publicity

In the positioning of an artist as a star, publicity is essential. A key part of their success is in fact dependent upon large-scale media exposure. They need to be hyped in the media. Therefore, the characteristic feature of the star system pushes for the practice of the marketing tool publicity.

The high success rates of *Idols* on television spurred the publicity machine. For weeks, it was the most talked-about program. The Netherlands had not seen a success like that since the first edition of *Big Brother*. Not only the program received a lot of publicity, the contestants were also in the spotlights. When Jim was one of the finalists and the suspected winner, the paparazzi was all over him. They hid in his yard, they were at his school and every week he made the tabloids. According to Jaap Paulsen, press officer of TV-channel *RTL 4*, it would have gotten really out of control if the publicity department of the channel did not put a hold on it sometimes.⁴⁶⁵ *Idols* realized the importance of the publicity however and the popular press was part of the PR-campaign. Dutch tabloids such as *Privé*, *Story* and *Weekend* and the newspaper *De Telegraaf* were present in the press room of *Idols* every Saturday night to interview the contestants after the show.⁴⁶⁶

6.2.6 Cross Promotion

According to Wall, *Idols* is one of the best examples of promotion in a synergetic way. The *Idols* concept is based on an updated talent competition and talent shows have always been an important aspect of popular music and light entertainment television. As mentioned before, *Idols* is set apart because it directly ties into the record business with the show's winner gaining a record contract. The popular press covered the show extensively with several pages of tabloid papers given over to *Idols* stories in the run-up to the final.⁴⁶⁷ The teenage magazine *Breakout!* for example printed two different covers. The readers of the magazine could chose between a front cover with second edition finalist Boris or Maud.⁴⁶⁸

The singles of the two finalists were already recorded before the finale episode. Once the winner was known, a phone call was made to the pressing plant, so the singles could be out in the store the next week.⁴⁶⁹ The single of last year's winner Rafaëlla was downloadable from the *Idols* website within an hour after the result. So many people downloaded the single, that it was gold a few days after the finale.

⁴⁶⁵ Ibid.

⁴⁶⁶ Ibid.

⁴⁶⁷ Wall, T., *Studying Popular Music Culture*, 112

⁴⁶⁸ <http://www.adformatie.nl/nieuws/nieuws2004-04-30.html#Item31930>

⁴⁶⁹ Renson, I. 'Iedereen Beroemd'

The *Idols* website posted daily news on *Idols* contestants and fans could sign up to receive a text-message on their mobile phone with news on the idols as well.⁴⁷⁰

Wall states that 'this is an exemplary case of promotional synergy, with the television show, the record company, the tabloid press and the radio stations all gaining massive benefits from the carefully choreographed activity'.⁴⁷¹

Idols is also a good example of company integration. *Fremantle Media* is, together with Simon Fuller's management agency *19*, owner of the *Idols* concept. This production house is a daughter of the *Bertelsmann Group*, who controls the commercial channel *RTL*. The record company involved, *BMG*, is also part of this German media conglomerate. Fuller's management agency contracts the American and English idols.⁴⁷² So all the costs of recording, managing and promotions are held within the enterprise, and so are all the revenue streams. In this process, record sales are only one part of the source of profit, and it is possible to sustain the activity without record sales.^{473 474}

Idols is an excellent example of the star system at work. The program is actually a relief for the music industry. Instead of first investing a lot of time and money in an artist to then find out that he or she will not get airplay or television time, now the record company invests in an artist who has won a talent competition in the public eye of millions of viewers. The radio stations and television programs are fighting over the scoop of the new release and there is a proven market out there for the product. The characteristic feature of the star system is the driving force behind regular marketing strategies such as product positioning, selective promotion, sponsoring, merchandising, publicity and cross promotion. Next, I will review the music industry's characteristic feature of procession fads and fashions by the case study of boy bands.

6.3. Fads & Fashions – The case of boy bands

The term 'boy band', a type of pop group usually featuring three to six young male singers, did not exist until the late 1990s when the marketplace was saturated by the success formula and although the term is mostly associated with groups from the 1990s onwards, boy bands have always existed throughout the history of pop music, for example *The Monkees* who were popular in the 1960s.⁴⁷⁵

⁴⁷⁰ Hooghiemstra, D., 'Sterrenhandel'

⁴⁷¹ Wall, T., *Studying Popular Music Culture*, 112

⁴⁷² Renson, I. 'Iedereen Beroemd'

⁴⁷³ Wall, T., *Studying Popular Music Culture*, 232-233

⁴⁷⁴ In the Netherlands, the concept was sold to the Holland Media Group (HMG) and the management agency involved is AT-Productions.

⁴⁷⁵ <http://en.wikipedia.org/wiki/Boybands>, consulted July 2006

Wall claims that although today's manufactured pop bands bear much similarity with those of past decades, there are some distinctive qualities. The repertoire of these pop bands draws heavily on those of the *Tin Pan Alley* pop tradition, but contemporary pop integrates influences from the African-American tradition.⁴⁷⁶ Maurice Starr, creator of *New Kids On The Block* and who is usually credited for starting the boy band trend, came up with the idea to take the traditional template from the R&B genre (in this case his teenage band *New Edition*) and apply it to a pop genre.⁴⁷⁷

Most of these bands are prefabricated; they are often put together by managers or producers who audition the groups for appearance, dancing, and singing ability. However, some has also considered *The Beach Boys* and *The Temptations* a form of boy band.⁴⁷⁸

Boy bands generally do not compose or produce their own material, unless the members lobby hard enough for creative control (e.g. *The Monkees* and **NSYNC*). In most cases, their music is written, arranged and produced by a producer who works with the band at all times and controls the group's sound.⁴⁷⁹ Almost all of the music performed by the manufactured stars takes the dominant form of the song, with its conventional patterns of melodic repetition and variation, melodic and lyrical hooks located in the chorus, and themes of love and sex. The songs are produced in such a way that they can be used as the basis for a synchronized routine that emphasizes the singers as personalities.⁴⁸⁰

It is also very rare that the members of a boy band play instruments. There is no pretence that the singers are part of a larger music-making ensemble, and none of the groups is shown to be composed of musicians as well as singers.⁴⁸¹ Even though they are referred to as "bands", the acts are essentially vocal harmony groups.

The influence of R&B can also be seen in the stage presence of these pop groups in the way that their routines are derived from the choreography and dress, with its mixing of the glamour of high fashion with street clothes and postures.⁴⁸² A typical boy band performance features elaborately choreographed dancing, with the members taking turns singing and/or rapping.⁴⁸³ Spoken or near-spoken singing styles are mixed with a high-key emoted singing style that draws on older gospel-influenced soul styles and can found in contemporary R&B.⁴⁸⁴

The key factor of a boy band is being trendy. This means that the band conforms to the most recent fashion and musical trends in the popular music scene. They follow mainstream music trends and change their appearances to adapt to new fashion

⁴⁷⁶ Wall, T., *Studying Popular Music Culture*, 230

⁴⁷⁷ <http://en.wikipedia.org/wiki/Boybands>, consulted July 2006

⁴⁷⁸ Ibid.

⁴⁷⁹ Ibid.

⁴⁸⁰ Wall, T., *Studying Popular Music Culture*, 230

⁴⁸¹ Ibid.

⁴⁸² Ibid.

⁴⁸³ <http://en.wikipedia.org/wiki/Boybands>, consulted July 2006

⁴⁸⁴ Wall, T., *Studying Popular Music Culture*, 230

trends.⁴⁸⁵ Because trends, fashion and lifestyles are essential in processing fads and fashions, boy bands make a good case for this characteristic feature of the popular music industry. The marketing strategies central to processing fads and fashions are: product positioning, selective promotion, merchandising, publicity and cross promotion. The characteristic feature of the star system is closely related to this one as it are often the stars that as opinion leaders, focal points of media attention, and chief representatives of fashion and conventions, process the fads and fashions.

6.3.1 Product Positioning

The group that is most susceptible to fads and fashions is the teenage segment. They identify themselves with artists in search of an identity. They keep up with the recent fashion and musical trends and adjust easily to new ones in order to fit in. Their tastes are therefore very fickle because they are more easily influenced by peers than older age groups. It is therefore very important that the artist is positioned in a way that coincides with the current fads and fashions. In general it are in fact stars who actually create the fads and fashions and these can be used as unique selling points to set the artist apart from other artists in the same genre, or in general. The characteristic feature of processing fads and fashions therefore encourages the marketing strategy of product positioning.

Using market research, major record companies position manufactured pop stars as central to an early-teen audience, a preteen female audience with boy bands in particular. This group has grown significantly in recent years to the point that it now constitutes about 10 percent of CD sales.⁴⁸⁶ Younger audiences find that the high media profile of manufactured stars such as boy bands, makes them far more accessible than the artists that produce music for the older markets, which require the sorts of cultural capital associated with record collecting or less mainstream media.⁴⁸⁷

The image of the group is seen as important to a boy band group's commercial success. Therefore it is carefully controlled by managing all aspects of the group's dress, promotional materials, and music videos.⁴⁸⁸ The cultural link of boy bands to R&B and hip-hop, gives them a sense of street style and modernity. Many of these manufactured bands seem to make a claim through their songs and performances, to be part of a street-based, authentic culture.⁴⁸⁹ This is sometimes even used in the names of the bands, for example *The New Kids on The Block*, and *The Backstreet Boys*. The

⁴⁸⁵ <http://en.wikipedia.org/wiki/Boybands>, consulted July 2006

⁴⁸⁶ Wall, T., *Studying Popular Music Culture*, 231

⁴⁸⁷ Ibid.

⁴⁸⁸ <http://en.wikipedia.org/wiki/Boybands>, consulted July 2006

⁴⁸⁹ Wall, T., *Studying Popular Music Culture*, 230

'borrowing' of elements from an underground/street musical culture is a tried and tested formula for music industry workers who want to make 'modern' mainstream music.⁴⁹⁰

Typically, each member of the group will have some distinguishing feature and be portrayed as having a particular personality stereotype, such as "the baby", "the bad boy", or "the nice boy".⁴⁹¹ There is an emphasis on the personality of the manufactured stars within both the record industry and fan practices.⁴⁹² The target audience of teenage girls often has a crush on one of the members.

However, Garratt argues that fandom is built more around the relationship between fans themselves, than that with the object of their fandom, and she notes the importance of androgyny and sexual ambivalence in the images of stars that attract large young followings.⁴⁹³ For example in the 1990s, there were some male alternative rock stars who wore nail polish and in the 1980s stars such as Davie Bowie wore make-up. Male stars often also wear jewelry, such as (big, golden) necklaces, bracelets and (diamond) earrings and set trends with that.

Singles by boy bands are played on radio stations that have listeners in other demographic groups than 12-year old teenage girls. Wall claims that more recent manufactured pop stars are located within a wider audience age range. 'Older audiences treat manufactured pop stars with a knowing irony, which glories in celebrity and spectacle. This sensibility has made *Tin Pan Alley* pop acceptable to a wide spread of audiences form across all ages and social position. This postmodern sensibility may not translate into new audiences for singles, but it has led to a willingness to make a phone vote, take the kids to a concert or buy a compilation CD'.⁴⁹⁴

6.3.2 Selective Promotion

Selective promotion is actually based on fads and fashions. The current trends and fashions decide the amount of investment in promotional activities. It are the artists in popular genres or styles that are promoted more heavily. Therefore, the characteristic feature of processing fads and fashions drives the marketing practice of selective promotion.

When in the 1990s the boy band genre was a real trend, many record companies released CDs by boy bands. The market place was saturated with them. Some only had a short-lived success such as the U.K. band *5ive*, others such as *Take That*, *The Backstreet Boys* and **NSYNC* had more success, but where still a fashion of the late 1990s, early 2000s. Now, as most of their at that time teen-age fans have outgrown them, and hip-

⁴⁹⁰ Ibid.

⁴⁹¹ <http://en.wikipedia.org/wiki/Boybands>, consulted July 2006

⁴⁹² Wall, T., *Studying Popular Music Culture*, 231

⁴⁹³ Ibid. 231

⁴⁹⁴ Wall, T., *Studying Popular Music Culture*, 231

hop is the new music trend, there is not really any place for the typical boy band on the market.

6.3.3 Merchandising

Merchandising products are also often based on fashion trends. For example, nowadays fans can buy telephone covers of their idols. It is not uncommon that the trademark article of an artist, whether it is a piece of jewelry or clothing is produced as a merchandise product, carrying the name or imagery of the artist. Therefore, the characteristic feature of fads and fashions in a sense determines the marketing strategy of merchandising.

6.3.4 Publicity

Publicity is in essence about news, about new things, about fads and fashions. Fads and fashion are the fuel for publicity. The characteristic feature of processing fads and fashion enables the marketing practice of entertainment publicity.

When the boy band genre was popular, the record companies heavily promoted the boy bands. They constantly provided promotional material to the (popular) press, thereby increasing the hype of the fashion.

6.3.5 Cross Promotion

The characteristic feature of processing fads and fashions, requires as many media outlets to promote the fads and fashion as possible and therefore triggers the strategy of cross promotion.

According to Wall, one of the striking characteristics of more recent manufactured pop stars such as boy bands, is how they are located within a wider sense of an entertainment industry. This has some parallels with pop music stardom that were dominant before the 1950s, when popular music stars were also stars of stage and screen. The new stardom relies heavily on primetime television rather than film, and audiences engage with the star image in a way that has little to do with the division between 'authentic music-makers' and 'manufactured pop'.⁴⁹⁵

At the peak of the boy band trend, the boy bands were heavily promoted on television, appearing and performing in television shows, giving interviews, their video clips were heavily rotated on music video channels and the American boy band *O-Town* even had a

⁴⁹⁵ Wall, T., *Studying Popular Music Culture*, 231

weekly docu-soap. Boy band records were regularly played on mainstream radio stations and the boys appeared in teen-age magazines on a weekly basis.

The concept of boy bands has also been a source of parody in popular culture. There are Television series such as *2ge+her*, there is a fake boy band in the talkshow of Conan O'Brien, and a Norwegian movie/mockumentary *Get Ready to be Boyzvoiced* about the boyband *Boyzvoice*, their fans and management. The movie *Josie and the Pussycats* featured a fictional boy band named *Du Jour*. Boy bands are also used in cartoons such as *South Park* and *The Simpsons*, in which boy band *NSYNC's members did the voices of their own characters. The advertising world also jumped into the trend by creating the *Meaty Cheesy Boys* who were a fictional band created for an advertising campaign for *Jack in the Box* restaurants. There is also an Australian musical theatre play called *Boyband*, featuring a band named *4ORCE* and parodying the boy band phenomenon of the 1990s with songs such as 'Coming from Behind', 'Our Love is Like Water - H40' and 'Integrity'. *Altar Boyz* is an off-Broadway musical about a fictitious Christian boy band from Ohio. The Disney Channel series *That's so Raven*, also has some episodes featuring a boy band named *Boyz in Motion*, which are most likely a parody of *The Backstreet Boys*. The video clip for 'All the small things' of rock group *Blink 182* is a parody of boy bands.⁴⁹⁶

Boybands have been a real trend of the 1990s and one of their objectives was to be trendy, the bands conformed to the most recent fashion and musical trends in the popular music scene. They followed mainstream music trends and changed their appearances to adapt to new fashion trends. The case of boy bands, illustrated that the characteristic feature of processing fads and fashions is at the core of marketing strategies such as product positioning, selective promotion, merchandising, publicity and cross promotion. The next characteristic feature is that of branding which will be explored by the case study of *K3*.

6.4. Branding – The case of K3

One of the strongest brands in the Netherlands is that of *K3*, a Flemish girl group that consists of three women, Karen Damen, Kathleen Aerts and Kristel Verbeke. Their first names are the basis for the name *K3*. Originally, *K3*'s target audience consisted of females in their twenties and their first single was a big flop. When they participated in the preselection rounds for the *Euro Song Festival* for Belgium in 1999, *K3* sang 'Heyah Mama'. One of the jurors said that what they were singing was children's music. Despite the bad comments, 'Heyah Mama' became a mega hit in Belgium, where the single was

⁴⁹⁶ <http://en.wikipedia.org/wiki/Boybands>, consulted July 2006

number one for sixteen weeks and had a notation in the Flemish top ten for 33 weeks.⁴⁹⁷ On the contrary, to what many people think, *K3* is not a prefabricated concept, the singers already knew each other before their breakthrough and after the auditions for the song festival, the group repositioned itself. After 'Heyah Mama', *K3* became very popular in Fleming amongst small children and scored many hits, a year later they conquered the Dutch market as well. In the 2005, *K3* was the best selling artist in the Netherlands. With 420.000 sold albums, *K3* left popular artists such as Marco Borsato and Robbie Williams far behind.⁴⁹⁸ The group has released seven successful albums, which by standard are multiple platinum.

The brand *K3* is since 2003 owned by *Studio 100*, a Belgium production company that also owns the amongst Dutch and Flemish children very popular brands *Samson & Gert* and *Kaboutert Plop*. In 1989, the company saw a niche in the market, as Disney did not have much interest in the relatively small Dutch language region of the Netherlands and Belgium.⁴⁹⁹

K3's logo is very simple and very recognizable, especially for the target audience of children. The *K3* fans are very brand loyal; *K3* merchandise is extremely popular and the concerts and theatre shows are sold out within hours. This girl group is a good case for the characteristic feature of branding.

With this case study, I will illustrate how the music industry's characteristic feature of branding results in regular marketing strategies. The marketing strategies central to labeling are: product positioning, niche marketing, sponsoring, merchandising, publicity, and cross promotion.

6.4.1 Product Positioning

Branding is about creating, maintaining, protecting, reinforcing and enhancing brands. The purpose of branding is to build a distinctive brand. Branding determines the brand position. Once it is clear what the brand is about and what the unique selling points are, the product can be positioned in the market amongst other brands and be distinguished by the consumers. The characteristic feature of branding thus enables the marketing strategy of product positioning.

In the beginning of their careers, *K3* was just singing and dancing. Now they profile themselves more as all-round artists by doing diverse things such as acting, presenting, and dancing. *K3*'s target audience is children from 4-10 years old, a market that has become very popular since the success of *K3*. The marketing concept is basically: pink, bows, braids, sweet, innocent and cheerful.

⁴⁹⁷ <http://www.planet.nl/planet/show/id=75090/contentid=460331/sc=d19b43>, consulted July 2006

⁴⁹⁸ <http://www.planet.nl/planet/show/id=75090/contentid=460285/sc=008e1c>, consulted July 2006

⁴⁹⁹ Unknown author, 'Disneyland in Vlaanderen: strategie jarig studio 100 bouwde entertainmentimperium op eigen figuren, shows, tv, pretparken en merchandising', In: *De Tijd*, 9 June 2006

According to the singers of *K3*, children can identify themselves with *K3* because they are approachable, unlike other artists. The 'girls' look like big children. Their clothes and jewelry are cheerful, their hair is playful, their make up makes them look young so children don't see the small wrinkles. The fact that there is a singer with blond hair, one with dark hair and one with red hair, ensures that every child can recognize themselves in one of them. Their behavior is a bit silly, they are always happy and their music is swinging and modern. *K3* describes it as 'optimistic, happy, poppy music'. The subjects of their songs – being in love and tolerance between all colors (races) for example - appeal to children. All of this has created a strong brand identity of *K3*, even at press conferences they do not step out of their role as friendly, happy friends.

The success of *Studio 100*, and thus *K3* is that they build a modern, fantasy fairytale world for children and their parents. It sells fun moments to the whole family, the medium is only a matter of secondary importance. Mothers rather have their children looking up to *K3* than to Britney Spears, who has a very strong sexual image, whereas the *K3* girls are innocent.⁵⁰⁰

6.4.2 Niche Marketing

Branding an artist will build a distinct image that will appeal to a particular market segment. However, branding can make a brand so (visually) strong, that it will appeal to a very specific sub group of the market segment. Therefore, the characteristic feature of branding enables the practice of niche marketing.

K3 is positioned within the children's segment of the market. However, the brand image of *K3* is very girly. They wear pink glittery shirts, pink flowered sneakers, light purple trousers with mirrors and pink flowers. They have their hair in piggy tails and are giggly. They sing about silly boys and being in love with Leonardo DiCaprio. By doing so, they are specifically targeting young girls. The songs they sing are all in Dutch. This all implies that they are not only targeting the children's segment of the market, but the niche market of Dutch-speaking children of the female gender in the ages of four to ten years old, a very specific niche market.

6.4.3 Sponsoring

The characteristic feature of branding, can build a strong, distinctive brand with clear characteristics. It is than possible to match it to other brands that will complement the brand image rather than being an illogic or harmful match. This characteristic feature

⁵⁰⁰ Unknown author, 'Disneyland in Vlaanderen'

therefore supports the practice of sponsoring, which can be very beneficial to both parties.

K3 has endorsements with different corporations. They have a deal with *JBC*, who produces their clothing line, with *Pinkelotje* for toys and they have an endorsement with the Dutch television station *Tros* for their television program *De Wereld van K3*⁵⁰¹, part of the children's program *Z@ppelin*.⁵⁰² All these corporations are family/children orientated and *K3* matches the image they want to portray. For *K3* these are all other outlets to promote themselves to the target audience.

6.4.4 Merchandising

Once branding has created a strong, distinctive brand with a highly recognizable logo, this logo can be used on merchandising. It makes it easy for customers to identify at a glance, any products that belong to their idol. Such a logo can give the products of a popular artist or band a sales boost and therefore the characteristic feature of branding facilitates the marketing strategy of merchandising.

Merchandising is one of the main sources of income for *K3* and *Studio 100*. There are *K3* bed covers, underwear, (cook) books, school supplies, lollypops, hairclips, games, shirts, mugs, lunchboxes, socks, bags and suitcases, bicycle baskets, summer hats, wristbands, notepaper, and even *K3* cookies, ice-cream and chocolate spread and the list goes on. There are even dance lessons to learn the '*K3* dance' and there was a company that had plans to release a car navigation-system with the voices of *K3*. At this time, 40 percent of the turnover comes from the Netherlands.⁵⁰³

The younger children are, the more susceptible they are to commercial activities. Children up to about eight years old are most susceptible. Only after that age they become more critical.⁵⁰⁴ American research shows that children increasingly influence the buying behavior of their parents. This mostly happens by nagging, children ask and scream for something and eventually the parents give in. Depending on the product group, up to 40 percent of the family purchases is determined by nagging. This happens mostly when toys, movies and theme parks are involved.⁵⁰⁵

Advertisers use the popularity of programs of *K3*, *Samson & Gert* and *Kaboutert Plop* to advertise products during the commercial break. Often it are these artists themselves who are featuring in the commercials.⁵⁰⁶ Due to the abolishment of the so-called five-

⁵⁰¹ The World of K3

⁵⁰² <http://www.studio100.be/K3>, consulted July 2006

⁵⁰³ Unknown author, 'Disneyland in Vlaanderen'

⁵⁰⁴ Bakker, M. 'Elke leeftijd heeft zo zijn gevoeligheden', In: *De Tijd*, 7 June 2006, 17

⁵⁰⁵ <http://www.planet.nl/planet/show/id=75090/contentid=460285/sc=008e1c>, consulted July 2006

⁵⁰⁶ Bakker, M. 'Elke leeftijd heeft zo zijn gevoeligheden', 17

minute rule, that prohibits commercials before and after children's programs, *Studio 100*, the producer of *K3*, is seriously considering starting an own Belgium TV-channel.

The image of a product can have a very powerful effect. A good logo with bright colors such as the *K3* logo, appeals a lot. Between the ages of four and six, children learn how to use the media (television, radio, computer, games) that are available in house. Children start to distinguish characters and identify themselves with them. For companies this offers opportunity to advertise products by using familiar characters. Children up to the age of six are an ideal target group for marketers. They are not easily bored and cannot get enough of *K3*. It is a homogeneous target market that does not have a large variety in interests. This makes them easy to reach.⁵⁰⁷

K3 merchandise such as cookies and chocolate paste show that it does not stop with advertising alone. The stores are full of products that are especially aimed at children.

There is also a group of 'adult' products such as cosmetics, perfumes, magazines and pop concerts including all the merchandising such as those of *K3*, that have a children's variant now.⁵⁰⁸

6.4.5 Cross Promotion

The characteristic feature of branding is also about creating loyalty for the brand amongst the target audience. Loyal fans are guaranteed to buy the next CDs, go to the concerts and involve themselves in anything the brand has to offer. There is a market out there for the products, waiting for all sorts of activities concerning their idols. Therefore branding sparks the practice of cross promotion.

Besides the CDs and concerts, the 'girls' of *K3* also know how to entertain children on the cinema screen. In 2004, *K3* starred in their debut film *K3 en het Magische Medallion*.⁵⁰⁹

The movie was one of the best-visited movies of the year 2004 in Belgium as well as the Netherlands. Recently they released their second movie, *K3 en het Ijsprinsesje*.⁵¹⁰

K3 also presents a television program for children, named *De Wereld van K3*.⁵¹¹ The program used to have two versions, a Flemish and a Dutch one, now only the Dutch version exists. The first Dutch episode of the program was watched by 228.000 people over the age of six, which accounts for a market share of 15 percent. In the target audience of six to twelve years old, the market share was 50.3 percent. The programs before and after *De Wereld van K3* reached a little over 100.000 viewers.⁵¹²

⁵⁰⁷ Ibid.

⁵⁰⁸ Plekkenpol, A., 'Steeds jongere klantjes' In: *BN/De Stem*, 27 March 2006

⁵⁰⁹ *K3 and the Magic Medallion*

⁵¹⁰ *K3 and the Ice princess*

⁵¹¹ The World of *K3*

⁵¹² Unknown author, 'De Wereld van *K3*', In: *NCRV Gids*, 7 march 2003, 9

There are multiple DVDs of *K3* on the market. *K3* is also active in theatre plays. Together they starred as the fairies in the musical *Sleeping Beauty* and the lead roles in *The three little piglets*. Kathleen has played the lead role of Ariel in *The Little Mermaid*.⁵¹³

K3 has its own comic book series that also sell well. Thirteen comic books have been released so far, but future releases are already planned.⁵¹⁴

At the celebration of *Studio 100*'s 10th year anniversary, *K3* opened their own *K3*-museum in *Studio 100*'s theme park *Plopsaland* in Belgium. The museum offers an overview of *K3*'s career. There are interviews, clothes and props from the movies. The many golden and platinum records are also present.⁵¹⁵

K3 is a strong brand that especially attracts young children. By good branding practice, *K3* has managed to build brand loyalty amongst its fans and everything that has the *K3*-brand attached to it, is successful on the market. The case study of *K3* showed that characteristic feature of branding, encourages the application of regular marketing strategies such as product positioning, niche marketing, sponsoring, merchandising and cross promotion. The next case study, *50 Cent*, will explore the characteristic feature of synergy.

6.5. Synergy – The case of 50 Cent

In 2002 the popular rap artist *Eminem* released a semi-autobiographical movie. The soundtrack of *8 Mile* featured the tracks 'Wanksta', 'Love Me', and 'Places To Go' by gangster rapper *50 Cent*. 'Wanksta' became a hit single and went into heavy rotation on *MTV* and many radio stations across America. This introduced *50 Cent* to the mainstream audience. His record-breaking debut album *Get Rich or Die Tryin'* has sold over 12 million units worldwide and is the best debut album since 1991. In its first week of release, the album sold 872,000 copies.⁵¹⁶ The album was certified gold in its first week and platinum the next, and it broke the record for first week sales of any major label debut in the entire SoundScan era. In April 2004, *Get Rich or Die Tryin'* was certified six times platinum by the RIAA. His follow-up album *The Massacre*, sold over 1.14 million copies in its first four days of release, the multi-platinum artist has since become the first artist to have four songs in the top ten of *Billboard's Hot 100* since *The Beatles* in 1964.⁵¹⁷ Furthermore, *50 Cent* had the 'Top Music Video Sales' title of the year 2003 with *The New Breed* and his success was completed when readers of *Rolling Stone* named *50 Cent*

⁵¹³ <http://nl.wikipedia.org/wiki/K3>, consulted July 2006

⁵¹⁴ Ibid.

⁵¹⁵ Ibid.

⁵¹⁶ http://en.wikipedia.org/wiki/50_cent, consulted July 2006

⁵¹⁷ http://www.ebooks.com/ebooks/book_display.asp?IID=236541, consulted July 2006

as the Best New Artist. ⁵¹⁸

Before that time, Curtis James Jackson, the rapper's real name, was already active in the music industry. He started out rapping on the streets of New York and his reputation helped build *50 Cent* a large following in New York before ever signing a major record deal. He was discovered by *Jam Master Jay* of *Run-DMC* and signed up to his label for a brief time. After leaving *Jam Master Jay*, *50 Cent* began working with hip-hop producers *The Track Masters*. During this time, he had a record deal with *Columbia Records* and his career took off after the release of the successful, but controversial single 'How to Rob'. This single was an ode to robbing a number of industry rappers. These were not happy with this and it was the start of a feud between *50 Cent* and several other rappers.

After releasing mixtapes independently, rapper *Eminem* showed interest in working with the rapper. *Eminem's* mentor *Dr. Dre* was also convinced by *50 Cent's* talent and *50 Cent* signed a deal with *Interscope Records*, mother company of *Eminem's Shady Records* and *Dr. Dre's Aftermath Entertainment* who had just joined efforts. After the success of his first two albums, *Interscope* granted *50 Cent* his own label, *G-Unit*.

Besides a rapper, *50 Cent* is also a businessman and his activities form an excellent example of synergy. Synergy is about separate entities working together, it is about cross-collateralization, about multimedia tie-ups and *50 Cent* is involved in numerous non-media related synergies as well as cross-media synergies. With this case study I will illustrate how the music industry's characteristic feature of synergy supports regular marketing strategies. The marketing strategies central to synergy are: product positioning, sponsoring, merchandising and cross promotion.

6.5.1 Product Positioning

Synergy involves the development and packaging of an artist for various media. This characteristic feature therefore already influences the all the strategies surrounding the artist. Even before product positioning is at order, decisions have already been made about certain aspects of product positioning. The characteristic feature of synergy therefore determines the product positioning strategy of the artist.

Under *Interscope*, *50 Cent* was marketed as the real deal: '50 Cent is the real deal, the genuine article. He is a man of the streets, intimately familiar with its codes and its violence, but still, 50, an incredibly intelligent and deliberate man, holds himself with a regal air as if above the pettiness which surrounds him. Couple his true-life hardship with his knack for addictive, syrupy hooks, it's clear that 50 has exactly what it takes to ride down the road to riches and diamond rings. 50 is real, so he does real things'.⁵¹⁹

⁵¹⁸ <http://www.50centonline.com/info/facts.php>, consulted July 2006

⁵¹⁹ <http://www.50centonline.com/info/biography.php>, consulted July 2006

As mentioned earlier in this thesis, hip-hop originated in the black ghettos of American cities. The music illustrates the tough reality of life in the ghetto: unemployment, murder, drugs, bad education and broken families.

In *50 Cent's* background, all these aspects are present. Jackson grew up in a neighborhood known as South Jamaica, located in Queens, New York. Under poverty-stricken circumstances, his mother was murdered in her home in a failed drug deal, which led to the rapper being raised by his grandparents. At the age of twelve, he himself was also selling drugs and burgling.⁵²⁰ He got kick out of high school and in 1994, he was incarcerated for drugs charges, and he has been in and out of prison.⁵²¹ He became a successful crack dealer and named himself *50 Cent*. The birth of his son put things in perspective for the young rapper and he began to seriously pursue a career in the music industry.⁵²²

Hip-hop is characterized by feuds amongst rappers that are fought out on records, as well in real life. *50 Cent* is an active participant in this and this reinstates his gangster image. While signed to *JMJ's* label, *50 Cent* released a single 'Ghetto Qu'ran', that went in-depth about the drug trade and exposed the names of many in the business. This led to a feud with a drug kingpin and to the infamous shooting of *50 Cent*, where he caught nine bullets in the jaw, hand, chest and legs at close range. Before signing with *Interscope*, *50 Cent* was engaged in a well-publicized dispute with rival rapper *Ja Rule* and his label *Murder Inc. Records*. The rappers engaged in numerous mix tape "disses". The conflict stemmed from the rapper's alleged robbery of *Ja Rule's* jewelry, which led to a confrontation and *50 Cent's* stabbing.⁵²³ *50 Cent* has numerous other feuds going on with rappers from other labels.

50 Cent has become one of the most controversial rappers in hip-hop history. He is known for his ultra gangster image. The rap sheet, and being a former second-generation drug dealer and multiple gunshot survivor makes *50 Cent's* claim to being a gangster rapper authentic. This authenticity has helped *50 Cent* to the top according to Steve Berman, senior executive marketing and sales at *Interscope Geffen A&M Records*, part of *Vivendi Universal's Universal Music Group*. *50 Cent* also employed self-marketing by building his own buzz before he'd ever put out a record, by circulating his mix tapes and working the hip-hop circuit as his own goodwill ambassador. 500,000 copies of *50 Cent's* first CD, *Get Rich or Die Tryin'*, included a DVD about his up-from-the-streets life story. *50 Cent's* background is an important marketing tool in positioning him and his life story lends itself to various media. His relation with the famous rappers *Eminem* and *Dr. Dre* who were backing him, was also used in the marketing. They were photographed

⁵²⁰ <http://www.50centonline.com/info/facts.php>, consulted July 2006

⁵²¹ http://en.wikipedia.org/wiki/50_cent, consulted July 2006

⁵²² <http://www.50centonline.com/info/facts.php>, consulted July 2006

⁵²³ http://en.wikipedia.org/wiki/50_cent, consulted July 2006

together for the cover of *XXL* magazine and they appear in the video for 'In Da Club',⁵²⁴ the best sold single of 2003.⁵²⁵

6.5.2 Sponsoring

Because synergy is about cross-collateralization, it involves multi-media tie-ups. However, synergy can also be non-media related and endorsements with clothing-, shoe- and food manufacturers are good examples of this. The key characteristic of synergy therefore supports the marketing practice of sponsoring.

Endorsements are an important aspect of the hip-hop scene. Hip-hop and corporate life go hand in hand. Very often, it are the hip-hop artists who aggressively court marketers, often using brand placement in their music as bait. 'They consider big brands to be a part of their identity and enthusiastically weave them into their music, videos, and public lives. Getting paid for it is just an extra measure of success'.⁵²⁶ The following statement emphasizes that brands are seen as an important part of hip-hop culture: 'Without three or four business deals with major brands, you [the rapper] aren't seen as cashing in, and cashing in is part of the hip hop culture'.⁵²⁷

Despite the often-rude lyrics in rap songs, advertisers are increasingly interested. This has to do with the large audience of hip hop. There are an estimated 50 million hip-hop fans in the U.S. and 100 million worldwide, mostly under 34. This is a desirable demographic group, and one that's increasingly tuning out traditional ads. Bob Levite, vice-president of marketing for *Wendy's*, says the American fast-food company 'has to get into hip hop, because that's where the kids all are'.⁵²⁸ The influence of hip-hop stems from its runaway crossover popularity in suburbs, besides its obvious domination of urban markets. New York marketing consultant *Mastermind Group* estimates that what it calls the 'urban mindset', with lyrics about city life, sex, violence, sports, and brand worship, includes 100 million consumers worldwide. That is bigger than the U.S. Baby Boom generation.⁵²⁹

Perhaps no artist is better at managing this mutual exploitation than *50 Cent*, he is a real businessman and is involved in many endorsements. The most well-known and lucrative one is the deal with *Reebok*. *50 Cent* has designed his own sneaker line; *G-Unit* and is besides rapper *Jay-Z*, only the second non-athlete to have a *Reebok* signature athletic

⁵²⁴ http://www.businessweek.com/bwdaily/dnflash/may2005/nf20050516_5797_db016.htm, consulted July 2006

⁵²⁵ http://www.dgs-online.nl/news_display.asp?id=14459, consulted July 2006

⁵²⁶ http://www.businessweek.com/bwdaily/dnflash/may2005/nf20050516_5797_db016.htm, consulted July 2006

⁵²⁷ Josh Taekman, former executive at Sean "P. Diddy" Combs's Bad Boy Worldwide Entertainment Group and now president of marketing firm Buzztone,

http://www.businessweek.com/bwdaily/dnflash/may2005/nf20050516_5797_db016.htm, consulted July 2006

⁵²⁸ Ibid.

⁵²⁹ Ibid.

footwear collection. *50 Cent's* first sneaker *G6*, was tightly allocated to *Foot Locker* stores in key global markets such as New York, Philadelphia and London and flew off shelves the first day. The shoes that were available on *Reebok's* website, sold out completely in one day. *Reebok* had seldom had such a success of a debut shoe. The hot-selling *G-Unit* collection has surpassed sales for any NBA basketball star and for rival artist *Jay Z*.⁵³⁰ *G6* was priced at eighty dollars and 'fifty cents'. Fifty cents of the proceeds of each pair sold was donated to charitable causes supported by *50 Cent*.⁵³¹ The deal with *Reebok* calls for *50 Cent* to help develop products, perform in ads, and wear the clothes and shoes in performances and videos.⁵³² According to the *New York Times*, the rapper's *G-Unit* footwear line through *Reebok* made him \$20 million.⁵³³ The rap artist's annual profit, based in part on sales, could also pass the seven-figure mark.⁵³⁴

Reebok, is cross-promoting *50 Cent's* music in advertisements. Chris Lighty of *Violator Records & Management*, *50 Cent's* dealmaker, says the rapper did not plug *Reebok* in his lyrics before the deal. 'But as a good business partner, *50 Cent* has mentioned the brand since in songs and performances'. In the hit song 'Ryder Music', for example, *50 Cent* raps: "Soon as I step on stage, the crowd applauds. Soon as my sneaker wear in stores, *Reebok* stock soar."⁵³⁵

Next to footwear, *50 Cent* is also involved in clothing. In 2003, he teamed up with Marc Ecko, the acclaimed designer and founder of *Ecko Unlimited*, to create the *G-Unit Clothing Company*. *G-Unit Clothing* is a top contender in the urban fashion market and it stays true to fresh and original designs. *Ecko Unlimited* was already a sponsor of *50 Cent* before he was a signed artist.⁵³⁶ This deal brought in over \$50 million in wholesale sales, according to the *NYT*.⁵³⁷ There is now also a women's division of *G-Unit* clothing.

With the endorsement with *Jacob & Co*, *50 Cent* makes his move into the jewelry business, by launching *G-Unit* watches that feature and MP3 playing timepiece. The MP3 watches were initially available with 256 or 512 megabytes of storage. Later on, a 1 gigabyte (240 songs) model was released. Although quite unique and a good example of cross-promotion, the *G-Unit* MP3 models are not the first MP3 playing watches; *BMW* was the first company to do so.⁵³⁸

50 Cent has another endorsement with enhanced water category leader *Glacéau Vitaminwater*. The new variety, limited edition drink *Formula 50* with a grape flavor, delivers fifty percent of the recommended daily intake of vitamins. Like the rest of the

⁵³⁰ Ibid.

⁵³¹ <http://www.50centonline.com/ventures/>, consulted July 2006

⁵³² Ibid.

⁵³³ Burke Jr., C., '50 Cent Rakes In Over \$50 Million in 2004', 26 December 2004, URL:

<http://www.allhiphop.com/hiphopnews/?ID=3897>, consulted July 2006

⁵³⁴ <http://www.50centonline.com/ventures/>, consulted July 2006

⁵³⁵ http://www.businessweek.com/bwdaily/dnflash/may2005/nf20050516_5797_db016.htm, consulted July 2006

⁵³⁶ Ibid.

⁵³⁷ Burke Jr., C., '50 Cent Rakes In Over \$50 Million in 2004'

⁵³⁸ <http://www.50centonline.com/ventures/>, consulted July 2006

vitaminwater line of *Glacéau, Formula 50* is all-natural and low-calorie. It is sold in select retail stores in America and like everything else involving *50 Cent*, is very popular.⁵³⁹ *50 Cent* is also involved in cross-media endorsements, which will be considered later on in the section about cross-promotion.

6.5.3 Merchandising

As mentioned before synergy is about cross-collateralization, it is about a single concept that can be used in various ways for promotion. Merchandising is one of these ways. The key characteristic of synergy therefore supports the marketing practice of merchandising. *50 Cent's* name and imagery are used on all sorts of paraphernalia. Besides the regular merchandise such as caps, T-shirts, posters, bed covers, pins, pens, mugs etc., the shoes, clothing, watches and vitamin drink are also all forms of merchandise. Just as his film, book and game are, for all these products market the brand of *50 Cent* and commercially exploit his popularity.

6.5.4 Cross Promotion

Cross-mediality is an aspect of synergy. This aspect involves developing and packaging a single concept for various media. Nowadays, artists are acquired for this purpose, and record companies take a share in an artist's earnings from films, books or games, so it is in the interest of the record company if the artists are involved in promoting themselves via different media forms. The characteristic feature of synergy therefore encourages the strategy of cross promotion.

50 Cent is promoted through virtually every medium you can think of. The most substantial one is probably the videogame starring the rapper; *50 Cent: Bulletproof*. By January 2006, the game had sold more than one million units. Since its global launch in late November 2005, the game has been in high demand at retail stores in the U.S. and U.K.⁵⁴⁰ The game is available on the two most popular consoles, *PlayStation 2* and the *Xbox* and also the *PlayStation Portable* (PSP). The game is based on his life story, after being shot nine times and left for dead, *50 Cent* is out for revenge on his enemies. Working together with his *G-Unit* 'soldiers', the other rappers of the record label, *50 Cent* takes on the most powerful gangs and crime syndicates in New York, uncovering a criminal conspiracy with international implications. This very violent and bloody urban action game that was listed on *Family Media Guide's* top 10 list of most violent games for

⁵³⁹ Ibid.

⁵⁴⁰ Unknown author, '50 Cent: Bulletproof Becomes A Blockbuster Hit At Retail', 25 January 2006, URL: http://psp.gamezone.com/news/01_25_06_08_31AM.htm, consulted July 2006

2005 also stars *Eminem* and *Dr. Dre*.⁵⁴¹ What makes this game such a good example of cross-promotion and so popular, according to Bob McKenzie, Sr. Vice President of Merchandising of *Vivendi Universal Games*, is its unique convergence of gaming and music.⁵⁴² It makes full use of the PSP multimedia features with audio and movie components. Linking into *50 Cent's G-Unit* label, the game contains 160 music tracks, including thirteen exclusive new tracks and remixes from *50 Cent*⁵⁴³, and sixteen *50 Cent* and *G-Unit* music video's, as well as a 40-minute documentary and other bonus features.⁵⁴⁴ There is also an option to listen to two of the rappers albums and the game also offers tracks from other hip-hop artists, some from his own label *G-Unit*.⁵⁴⁵ Gamers are able to set up their own playlist using the music supplied to provide the background to the in-game action. *50 Cent's G-Unit's* clothing label is also brought into play in multiplayer modes, where instead of kicking cash out of the opponents, the gamers gain jewelry from deploying the toe of *50 Cent's* game character's *G-Unit Reebok* sneaker. Cash earned in the game can be used to buy different *G-Unit* outfits.⁵⁴⁶

The game also makes use of a new, upcoming marketing trend, called 'advergaming'. Brands were already used in videogames as 'wallpaper placements', on billboards for example. Now marketers are intertwining the products into the storyline. The trick with the *Reebok* sneaker is one example and there is also a role for *50 Cent's* other endorsement: *Glacéau Vitaminwater*. The *Formula 50* drink is used as a power boost when the *50 Cent* character is running low on energy. Gamers buy *Formula 50* with virtual dollars and can virtually experience the grape-flavored beverage.

Since increasingly more time is spent on playing videogames, this tool helps to reach hard-to-reach consumers and core audience —predominantly males 18-34, but also soccer moms, professionals and children.⁵⁴⁷ According to *Video GameTraxx*, a weekly video game tracking survey by *OTX* (Online Testing Exchange) more than 40% of gamers respond well to products and services that appear in video games; about one-third said they are likely to buy products and services advertised. Some 57% of respondents said they are open to in-game advertising if it helps reduce the cost of the game.

50 Cent and *G-Unit Records* have a three year endorsement with *Gamer Graffix*, a company that creates epoxy coated skins for many multimedia and gaming consoles.⁵⁴⁸

There are future plans of *Vivendi Universal Games*, to offer *50 Cent: Bulletproof* as a cell-phone game as this is also becoming more popular. His songs are already available as

⁵⁴¹ <http://www.50centonline.com/ventures/>, consulted July 2006

⁵⁴² Unknown author, '50 Cent: Bulletproof Becomes A Blockbuster Hit At Retail'

⁵⁴³ Unknown author, '50 cent: Bulletproof soundtrack geen verrassing', URL: http://www.dgs-online.nl/news_display.asp?id=16644, consulted July 2006

⁵⁴⁴ Jordan, J., 'There is blood on our hands – we're playing 50 Cent: Bulletproof on PSP', URL: <http://www.pocketgamer.co.uk/r/PSP/50+Cent:+Bulletproof/news.asp?c=1229>, consulted July 2006

⁵⁴⁵ Unknown author, '50 cent: Bulletproof soundtrack geen verrassing'

⁵⁴⁶ Jordan, J., 'There is blood on our hands – we're playing 50 Cent: Bulletproof on PSP'

⁵⁴⁷ http://promomagazine.com/marketing_in_the_game/

⁵⁴⁸ <http://www.50cent.com/>

ring tones on this medium and pictures of *50 Cent* can be downloaded as background screens, so called 'wallpaper'.

Another cross-media project by *50 Cent* was the semi-autobiographical gangster film *Get Rich or Die Tryin'*. The movie was presented by *Paramount Pictures* and *MTV Films* and is about an orphaned street kid, Marcus, who makes his mark in the drug trade but finally dares to leave the violence behind and become the rap artist he was meant to be. Marcus (*50 Cent*) has always known he was going to be a rapper, but when his mother is murdered, he turns to dealing – hustling drugs pays the rent. As his world spirals out of control, he begins to apply the same manic intensity to his writing as he does to dealing; he has to write down his words to stay sane. For years, he endures this living hell until a tragedy that nearly kills him gets Marcus to change his life.⁵⁴⁹ According to the rapper, it is about 75 percent accurate.⁵⁵⁰ The movie soundtrack of *Get Rich or Die Tryin'* was of course also made by *50 Cent*. The rapper is currently working on his upcoming role in the movie *Home of the Brave*, along side Samuel L. Jackson. He also has a role along side Nicolas Cage in the upcoming film *The Dance*.⁵⁵¹

50 Cent has also used a book as a medium to tell the story about his life up to his success entitled *From Pieces to Weight: Once Upon a Time in Southside Queens*. It is described as 'a violent and introspective memoir that reveals not only 50's story but the story of a generation of youth faced with hard choices and very little options. A tale of sacrifice, transformation and redemption, but it is also one of hope, determination and the power of self. Told in 50's own unique voice, the narrative drips with the raw insight, street wisdom, and his struggle to survive at all costs...and behold the riches of the American Dream'.⁵⁵²

As far as television is concerned, the rapper's music videos are heavily rotated on music channels *BEM* and *MTV* and although he does not have his own cartoon yet, *50 Cent* did appear on an episode of the popular cartoon series *The Simpsons*, entitled 'Pranksta Rap'.⁵⁵³

Film and television are likely to become even more important in establishing *50 Cent* as a 'multimedia phenomenon' as the rapper's future plans are to dominate the film and television worlds by diagonal integration. Through two new *G-Unit* ventures in the film- and television industry, he will expand the music label into other media industries.⁵⁵⁴

⁵⁴⁹ <http://www.50centonline.com/info/grodt.php>, consulted July 2006

⁵⁵⁰ <http://abcnews.go.com/Entertainment/WolfFiles/story?id=1338853>, consulted July 2006

⁵⁵¹ '50 Cent met Nicolas Cage de bak in', 6 April 2006, URL: http://www.nieuws.nl/dossiers/muziek/254/207251/50_Cent_met_Nicolas_Cage_de_bak_in, consulted July 2006

⁵⁵² http://www.ebooks.com/ebooks/book_display.asp?IID=236541, consulted July 2006

⁵⁵³ http://en.wikipedia.org/wiki/50_cent, consulted July 2006

⁵⁵⁴ http://www.ebooks.com/ebooks/book_display.asp?IID=236541, consulted July 2006

50 Cent is a businessman, his business empire includes: a record label (*G-Unit Records*, a division of *Interscope Records*), apparel/footwear ventures (*G-Unit Clothing* and footwear, joint ventures through the *Ecko Clothing Company* and *Reebok*, respectively), vitamin water (*Formula 50*, through *Glacéau's Vitamin Water*), watch line (*G-Unit Watches*, through *Jacob & Co*), and a video game (*50 Cent: Bulletproof*, through *Vivendi Games*).⁵⁵⁵ Furthermore, *50 Cent* featured in a semi-autobiographical movie by *Paramount Pictures* and *MTV Film* and the rapper has written his own memoirs. With all these different ventures and endorsements, *50 Cent* is an excellent example of the characteristic feature of synergy that drives marketing strategies such as product positioning, sponsoring, merchandising and cross promotion.

6.6 Conclusion

In this chapter I have illustrated by reviewing case studies of world music, *Idols*, boy bands, *K3* and *50 Cent* that the five characteristic features of labeling, the star system, processing fads and fashions, branding and synergy are at the base of the marketing strategies that the music industry employs. Although these are regular marketing strategies that are commonly used in other non-media related or creative industries as well, it are the five features that are so characteristic for the music industry, that essentially serve the marketing of music by either enabling, facilitating, supporting or encouraging the marketing strategies. It is therefore in essence the music industry that controls the marketing and not the marketing that controls the industry.

In the next and final chapter, I will conclude this thesis by revisiting the research question and sub questions and by discussing the results of my research.

⁵⁵⁵ Ibid.

7. Conclusion

The first thing that became clear to me when researching all the literature for the theoretical framework, was that there is this continuous tension in the music industry between music as a symbolic and cultural product and music as a commodity, a tension between creativity and commerce that also translates itself on a meso-level into a tension between public interest and profit and on a micro-level in a tension between artists and record companies. This tension has been the leading thread of this thesis.

Employees in the music industry are dealing with this tension every day. It brings the excitement of working in a dynamic environment, while at the same time dealing with the difficult task of incorporating the interests and wishes of all the different parties involved in the process.

Music is a cultural product and the user value of it as a product is purely symbolic. A CD is nothing more than a disc with grooves, it has no functional purpose other than that it is the device on which a most emotional-loaded matter can be found, namely music. The great thing of music is that its functional value is determined by the meaning given to it by its consumers, and everyone is free to do so by their own wishes. Music may mean something different to individuals and this is what makes engaging in listening to music personal, it makes music personal. At the same time, music brings people together, it allows them to find like-minded people to share the passion with and it provides them with an identity. It are these qualities that sets music apart from other commodities such as washing machines. However, more often nowadays, identities are in fact derived from all sorts of commodities. A larger amount of commodities is not just products anymore - they are becoming experiences. Clothes and jewelry make a statement about a person's identity, just as well as the car they drive and the coffee they drink. The marketing of these products is increasingly making an appeal to people's emotions, it tries to get them personally involved – and it is working. Not ever before was there a society that celebrated consumerism as much by indulging in commodities of all sorts. This has led to the commodification of almost everything, up to the point where babies and dogs are wearing *Dolce & Gabbana*. Music is experience, but so are many other products these days. Therefore, it more likely that the fact that cultural products are dealing with information, ideas and culture, really makes them different from commodities. These are, and probably never will be, characteristics of a washing machine.

The processes of commercialization are at the core of the commodification of cultural products. Most businesses that are involved in the contemporary cultural industries are commercial businesses; their aim is to make a profit. The cultural industries function in capitalistic, economic markets and need to adhere to the rules that apply in order to survive. Record companies are in the business of producing records. The very process of

actually turning music into a CD, is the process that commodifies it. It becomes a product to be bought and sold. Moreover, not only the music is commodified, so is its maker. The artist is turned into a product as well; his symbolic value is linked to all sorts of paraphernalia. Commodification also takes place through processes of standardization. The record companies notice new creative innovations and alter it for the mainstream market. Music is modified, marketed and made profitable - it is commodified.

An important aspect in the process of commodification is marketing. Marketing links the cultural products to the consumer market. Operating in the capitalist market, the success of music is measured by sales and profits. Marketing is a practice that makes the insecurities surrounding the production of music, a little more bearable. The tastes of the audience cannot be predicted and is very inconstant. By applying marketing, the record companies feel they have some control over these insecurities. The marketing strategies employed by the record companies, are no different from those in other industries. In the marketing of a washing machine or the latest release by Madonna, the same basic marketing processes, tools and strategies apply. The most common of these strategies are: market segmentation, market targeting, product positioning, niche marketing, selective promotion, sponsoring, merchandising, publicity and cross promotion.

The creative goals of the record companies seem to cease to exist the further down the path of production the record is progressing. In the input phase, there are high concerns for creativity, especially held by the A&R department, but as it proceeds through the throughput phase and eventually reaches the output phase, the music has become a product. The contact men on the output side are concerned with sales. Their job is to make the music profitable. Marketing personnel is located at the output phase and are not really influenced by the creative goals that are relevant at the input side. Therefore it depends on the phase in which the employees are situated whether the song is considered as an economic product by a record company.

By analyzing the theory on marketing, both regular as well as music marketing, I had to conclude that my assumption was indeed right and that music is marketed in the same way as commodities with the use of regular marketing strategies and that the symbolic and cultural value of music does not bear a significant influence on the marketing of music. The marketing department personnel do not reflect on this symbolic and cultural value. Their aim is to reach the target sales for the month; that is after all what they are judged by. While referring to the music, they speak of the product – and that is what it is to them, a product that needs to be placed in the market in the most effective and profitable way by implementing standard marketing strategies.

One of the most significant developments in my research came however, when I had concluded that the symbolic and cultural value of music did not influence the marketing strategies. Although, this was indeed the result from the literature research, I was left

with the feeling that there was something that made the marketing of music in essence different from the marketing of commodities. The answer lied in the characteristic features of the popular industry in capitalist societies. From the literature it had become apparent that the music industry had implemented certain practices and processes throughout the years in order to better control the uncertainty concerning the production of music, that had formed the basis on which the music industry operates. It are these characteristic features, the practice of labeling, the star system, processing fads and fashions, branding and synergy, that are distinctive for the music industry and create a particular environment in which decisions are made. These features influence every aspect of the music industry, including marketing. More strongly, they not only influence the practice of marketing, but also shape it. The characteristic features of the music industries form the basis of the marketing strategies of the music industry – they are the driving force behind it. These features of the music industry provide a typical content to the marketing strategies used. Therefore, even though these marketing strategies are regular marketing strategies that are also used in the marketing of commodities, the basis on which music marketing is founded is different and distinctive of the music industry. This assumption was supported by the case studies that each reflected one of the characteristic features of the music industry and reflected its influence on the marketing strategies. Each of the case studies was carefully selected in order to illustrate one of the characteristic features. They were all clear examples, for instance the star building concept of *Idols* makes this an excellent case of the characteristic feature the star system. The fact that rap artist *50 Cent* is cross-promoted through virtually every medium, makes his case exemplary for the characteristic feature of synergy.

By means of reviewing five cases concerning world music, *Idols*, boy bands, *K3* and *50 Cent*, I was able to demonstrate that the characteristic features of labeling, the star system, processing fads and fashions, branding and synergy determine the marketing strategy of product positioning. The cases of world music and *K3* have demonstrated that the characteristic features of labeling and branding determine the strategy of niche marketing. The cases of *Idols* and boy bands demonstrated that the characteristic features of the star system and processing fads and fashions, determine the strategy of selective promotion. The cases of *Idols*, *K3* and *50 Cent*, demonstrated that the characteristic features of the star system, branding and synergy, determine the strategy of selective promotion. The cases of *Idols*, boy bands, *K3* and *50 Cent*, demonstrated that the characteristic features of the star system, boy bands, branding and synergy, determine the strategy of merchandising. The cases of *Idols* and boy bands demonstrated that the characteristic features of the star system and processing fads and fashions, determine the strategy of publicity. Finally the cases of *Idols*, boy bands, *K3* and *50 Cent*, demonstrated that the characteristic features of the star system, processing

fads and fashions, branding and synergy, determine the strategy of cross promotion. I would like to remind that all five characteristic features of the music industry are at the base and are applicable to all of the marketing strategies discussed in the fifth chapter. However, there are always some marketing strategies more significant for that particular characteristic feature of the music industry.

Based on the outcome of the theory and the application of the theory on the practical examples of the case studies, I must finally conclude that it are the characteristic features of the music industry that influence the marketing of music. It is essentially the music industry that controls the marketing and not the marketing that controls the industry.

Although the tension between commerce and creativity has been the leading thread throughout this thesis, it was not my intention to focus specifically on this. Negus claims that a study about the cultural industries ultimately cannot tell us too much about creativity. Rather it tells us about industry, business, regulatory regimes, and the institutions of production, and that has been the aim of this thesis. From the analysis of literature, I had to conclude that profit is of more importance to commercial record companies than creativity. This conclusion might partly result from the chosen strands of theory, which have an emphasis on the economics of the cultural industries. However, Negus concludes from his study that 'the rumors of the death of the creative artist and the rise of the managerial symbol creator, cultural intermediary and creative industry have been greatly exaggerated'.⁵⁵⁶ Nevertheless, we cannot deny that music and commerce are resiliently bound together. The question arises what the long-term effect of this will be on the creativity, innovation, diversity and cultural value of music.

The formulation of the five characteristic features of the music industry in capitalist societies as part of my research is based on the consulted literature for this thesis as referred to in the fourth chapter. Negus has written about the corporate strategies employed in the music industry and discusses the practice of labeling and the star system. Other authors such as Wall, Frith and Hesmondalgh also deal with this practice to some degree. The processing of fads and fashions is discussed by Meyersohn and Katz, Frith and Hirsh, Croteau & Hoynes discuss the strategies of the 'new media giants' such as the practice of branding and synergy, which are also handled by Kolb, Wall and Frith. However, it has been my own interpretation and I am not ruling out that the music industry has more characteristic features than the five I have been able to identify.

Further and more extensive study of the music industry, which includes primary research, could provide more insight into the features and to what degree these affect not only the marketing strategies, but all the decisions made by the record companies.

⁵⁵⁶ Negus, K., & Pickering, M., *Creativity, Communication and Cultural Value*, 67

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