

Independence

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I've seen a surprising number of articles in mainstream media lately on the subject of the recording industry's recent woes: surprising to me at least because they seem to voice sob stories from the major producers in the sound carrier industry that I have been hearing since I first worked the cash register at a CD store ten years ago, but presented as breaking news, and as bad news. It's true, only recently have the dollar figures really plummeted, but at their core the majors have been in troubled waters for some time, and they have spent most of it without a paddle. Now CD sales are most definitely falling at a great rate, and digital sales are slow to pick the slack. But apart from the shareholders in these companies, and no, that does not include the artists, is this really bad news, and if so, for whom?

In the 1920s, at the tipping point of sound carrier technology as a true mass medium, the Victor and Gramophone companies dictated the market terms by manufacturing both the technology, and the content. Although independent record companies have always existed in one context or another, they were at the mercy of the majors who pressed their discs for them. These giant furniture manufacturers, who also happened to sell your family entertainment, once practised very different approaches to culture by pressing ten thousand individual titles per year across an impossible plethora of genres, most to sales in the hundreds or perhaps thousands. Financially, this was possible only because the production costs, including any fees and royalties to artists, were manageable and completely controlled.

From the initial downturn as radio became widespread, to the depression and World War II, the industry has faced significant challenges ever since, often met with a possessive approach to new technologies such as new media formats. In 1974, long before illegal downloads were even a possibility, the Record Industry Association of America was successfully prosecuting large-scale cassette tape pirates and much of the Western world levied a fee on blank cassette sales to compensate the majors for lost revenue. As vinyl sales plummeted in the 1980s the single format went with it, apparently doomed.

In the industry's hey-day of the 1950s and 60s, a period in which I am afraid the major companies still base their operating models, record sales revenue leapt upwards by nearly 600% in the US from the birth of rock and roll in 1955 to the summer of love in 1969. While some artists certainly received a share of this success, the model was and is that the company bears most of the cost and returns as little revenue as possible to the artist, which is all good and well for the company as long as the record sells, and generally a rough deal for the artist no matter what happens. As modern culture homogenizes, the hits get bigger and the failures get smaller. The number of artists producing recordings has increased significantly too, as recording technology and distribution formats become more accessible and affordable. A famous article in recent years stated that just 1% of titles released currently account for 99% of the revenue, and vice versa. The pop music industry is rife with tales of would-be top 40 bands that blew a fortune in record company dollars and remain in debt despite respectable sales. Coupled with an inflexible attitude to new technologies that are out of their control, it's not hard to see a large recording enterprise in trouble, chasing elusive record breaking hits and marginalizing smaller genres.

For genres less than likely to achieve the lucrative 1% bracket in sales, major record companies have long been out of the picture. Once upon a time, however, giant recording companies like Columbia employed producers and recording engineers to wander the world recording culture and searching for new artists and new sounds in a sort of philanthropic documentary exercise. These days, picturing the broader market for music as a small universe of niche markets and culture avenues is the key to successfully producing recordings outside the mainstream genre, as well as building realistic financial expectations and cost arrangements between artists, backers and labels.

Touring and live performance was the principal activity of musical artists long before recording came about, and was still the staple for most until the Beatles famously became a studio band overnight. Renowned performers Blind Lemon Jefferson and Robert Johnson earned almost nothing for their hugely influential recordings, yet the brief era of studio bound producers and artists tracking hits and masterpieces seems to have warped all our expectations just enough to breed complacency. In today's market dominated by a small number of overachievers, unless you are U2 or the Arctic Monkeys a CD album is no cash cow. Larger record companies will try to supplement their income from sales underachievers by signing their artists to publishing deals that share the royalties collected on intellectual property such as composition copyright, but robbing artists of ownership can never lead to productive relationships and will definitely not encourage high value output – perhaps if the artist is steeped in debt from the last album.

Independent labels and artists must know that the most effective place to market and profit from CD sales is at live performances, where the audience is captive and keen to preserve their experience. Retail is almost paying lip service. The enormous competition and supply chain margins mean smaller producers pay for their product to sit on the shelf. In a sense, the recording industry is no longer sustainable if it is to be defined only as the process in which music is recorded and distributed. Smart labels, artists and managers see the business as much broader process incorporating every manner in which an artist may reach their audience. Blanket marketing may be completely lost on consumers, despite best efforts to appear cool, exciting, sexy, ground-breaking or old-school. It's much more effective to target interest groups, maintain communication with audiences and give them a chance to see an artist develop their music and performances. In short, actually engaging an artist with their fans will breed a much more satisfying relationship for all involved, and needn't be achievable only by well-heeled corporations with a mandate for extraordinary profit margins.

In order to sustainably produce recordings, truly independent record companies must operate more and more as co-operative entities with their artists: artists take on more of the production costs and in return the labels pay larger royalties. There are advantages in a niche genre audience, such as: loyalty and enthusiasm; fans are more likely to seek out artists that they have heard about or seen once; more likely to try something unknown based on recommendation; and very likely to stay loyal over long periods of time. The longevity of albums in genres such as jazz or classical is something either the executives of today's major recording companies don't understand or their creditors don't care about.

By effectively managing small-scale distribution and marketing, independents can nurture individual artists without pressure and help build a new sound or a musical movement, something the majors have been either too lazy or too greedy to attempt for some time. Major record companies account for about half of worldwide sales, so it stands to reason that they aren't the only ones losing out as revenue falls; but it would be ridiculous to assume there is anything amiss in our society's appreciation for music and musicians. If anything music is more prevalent today than ever before. For a time major record companies profited from being the inventors and owners of the very idea of sound carrier technology, but that brief age is soon to be past. Opportunities abound for creative musicians and their supporters, if they have the desire to make their product available. Despite the implications of the mainstream media, the news is good for music and art, even if it means a slight shift in the operational models of the recording industry.

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