

Chapter 2

20% of Nothing: Australian Rock Music Management

This chapter addresses an industrial issue. As previously stated, while there are hundreds of thousands of aspiring musicians who would like to obtain a contract with a record company, only a small percentage sign one (Frascogna and Hetherington, 2004: 4). Failure is the norm for artists who are trying to obtain recording contracts, and for the majority of artists who do actually sign recording deals (Frith, 2001: 35). Although major record companies recover from a success rate that is less than 10% because of the overwhelming success of a minority of their artists (ibid), the majority of Australian musicians operate outside the high-budget, high-risk star system that major record companies depend upon. Despite failure being the norm in the recording industry, many Australian artists do survive and a substantial amount of Australian music is produced and consumed (McMartin, Eliezer and Quintrell, 2002: 8).

This issue is addressed through a series of case studies that highlight the multi-faceted nature of commercial Australian musicians' careers. The multi-dimensional careers of artists are better understood through an analysis of managerial strategies that are employed to sell live music, recorded music, intellectual property/songs, merchandise and brand images (through sponsorship deals) to local and/or national and/or international consumers. The case studies involve comparing local artist management practices with international artist management practices, *organic* careers to *inorganic* careers and low-risk/small budget operations to high-risk/large budget ones. These specific strategies are juxtaposed against general industrial trends. This ensures that a

detailed analysis of contemporary rock music management practices is provided in conjunction with an overview of the industrial context they are used within.

This approach is primarily needed because the managerial practices outlined in the first section of this chapter are the most relevant for the majority of Australian rock musicians. This is because these managerial practices primarily concern income that is generated through live performance. McMartin, Eliezer and Quintrell (2002) observe that in Australia: “about 345,700 people are involved in music across the industry. Of this number, 276,100 work as live performers and 96,450 are musicians who are paid for their work.” (ibid) This chapter also serves to highlight the challenges that Australian artists will face if their goals are actually realised and they do progress to the macro/national and macro/international levels of the industry where more income stream groups become available to them.

I. Case Study 1: Selling Out or Buying In?

The Micro/Local Level

This section is concerned with the operations of the Sydney tribute band the Longboards, a band that primarily covers material by the Beach Boys, and Dion Jones & the Filth²³ (a Sydney based originals band). The commercial viability of the Longboards, particularly within the New South Wales (NSW) club circuit, will be compared with the financial status of bands operating within Sydney's local original music circuit. Linking semiotics to branding theory, the rise of the tribute band phenomenon within the local live music scene in Sydney, and its interaction with other scenes, will be explored. Particular attention will be paid to self-managed musicians who work simultaneously in both tribute/cover bands and original music acts – musicians who are caught within complex patterns of the signification of meaning. This chapter draws on my own experience as a former drummer for the Longboards, and as a current drummer in other cover bands that subsidise an original band that I co-manage with David Halter²⁴, Dion Jones & the Filth. I will compare the operation of the recycled brand image of the Longboards with that of the original band, addressing the common managerial strategy of using income derived from the lucrative tribute band circuit in order to fund original music projects.

The strategy of balancing covers work with original music production and performance practices is common because the tribute/cover band circuit in Sydney is

²³ Band line up as at April 2005: Dion Jones: Lead Vocals, Guitar. David Halter: Keyboards, Lead and Backing Vocals. Peter Edmunds: Bass. Guy Morrow: Drums. Kate Tulip: Lead and Backing Vocals.

²⁴ Halter also co-writes songs with Dion Jones.

larger²⁵ and more lucrative²⁶ than the local originals circuit. Many within the industry believe that this practice is beneficial for the financial growth of bands as business entities, the development of performance technique, stage presence and musicianship, and the production of original music. It is through this process that musicians can afford to pay for recording time and marketing campaigns. At the same time, artists can be accused of 'selling out'²⁷, which may hamper their ability to cross over to have a successful career as an original recording artist. Through this process, their image and brand-name will have been tainted by their start in tribute bands, and, because the tribute/cover band circuit is the easier career option, the argument that these musicians are destined to remain on the tribute/cover circuit is fairly widespread. In order to avoid such a perception of 'contamination', musicians who employ this strategy are encouraged to keep their two operations entirely separate and to proceed with caution through this minefield of signification.

²⁵ Of the hotels in NSW that host live popular music, 64% employ cover and tribute bands as compared to the 34% that employ bands that play original music. 57% of clubs in the state that host live popular music employ cover and tribute bands, while 43% employ bands that play original music (Johnson and Homan, 2003: 18).

²⁶ Cover and tribute bands usually play for a set fee that is guaranteed while local original bands play for the money they can make through a door charge in relatively small venues. Bookers of key originals venues in Sydney have verified this. As the booker of the Hopetoun Hotel, with a capacity of 200 people, Loren McHenry notes, it is "always a door deal at the Hoey". The booker of the Annandale hotel (450 capacity), Brent Lean, states that: "it's a combination at the Annandale, though we try to avoid guarantees though it does depend on the calibre of the act", while Gaelic Club (900 capacity) booker Scott Leighton stated that "the Gaelic club always runs with a door deal".

²⁷ This is arguably a misconception that is based on a set of spurious romantic assumptions about musical creativity.

a. The Good Old Days

John Brewster²⁸ is a rhythm guitarist in the successful Australian originals band the Angels (1976 – present). In order to explain the difference between the 1970s live scene and his perception of the contemporary live circuit in Australia, Brewster states:

From a live point of view, we came of age as a band at a very exciting time in Australia's history. It was amazing. We'd play a gig out in Punchbowl²⁹ on a Monday night and put 1500 people in the room. On a Tuesday night they'd have another band like Rose Tattoo or Cold Chisel putting 1500 people into the same room – and then Wednesday night and Thursday night would be similar. Everyone wanted to go and see bands and I guess that it's amazing how much the scene has changed.

From Brewster's point of view, the viability of the live scene has substantially diminished. In an industry in which the majority of aspiring musicians are unable to obtain recording contracts and in which the limited number of artists who do have recording contracts rarely recoup their recording costs in order to receive royalties, live performance remains the most significant form of income for Australian rock musicians (Johnson and Homan, 2003: 2). For non-composers in signed bands,³⁰ for

²⁸ All comments attributed to Dion Jones, John Brewster, Chris Harper, Andrew Kelly and Stephen White in this chapter are, unless otherwise indicated, taken from personal correspondence with the author conducted in January and February 2004.

²⁹ Punchbowl is in the Western suburbs of Sydney.

³⁰ Non-composers perform but do not contribute to songwriting efforts and therefore they do not usually receive any royalties.

the majority of composers in signed Australian bands, and for non-composers and composers in unsigned bands, venue income is crucial to survival within semi-professional and professional contexts. Johnson and Homan claim that at the end of 1997 the Australian music business generated an income of \$1.063 billion and contributed \$255.4 million to the Gross Domestic Product (GDP). Of the \$697.6 million the music industry contributed to the nation's GDP in 1991-2, live music was believed to comprise \$212 million (ibid.). This income is unevenly spread throughout the industry as the Australian music industry revolves around a 'star-system'. A star-system exists because, as stated earlier, the many losses are more than covered by the size of the returns on a small number of successes (Frith, 2001: 33).

Chris Harper is a pianist, vocalist, lead guitarist and founding member of the Longboards. Like Brewster, he claims that he too has witnessed the evaporation of local performance opportunities. Of the causes that Johnson and Homan envisage, Harper states that the introduction of drink driving legislation was particularly detrimental to Sydney residents' consumption of live popular music product:

I think that the big factors that led to the demise of this scene were that the drink driving laws became stricter or they took more action on that and obviously people tended not to go out and drink so much.

Although many young rock musicians today are interested in performing their own original compositions and in using live performance as a marketing tool for self-

financed CDs, the decline in original music venues is making it harder for the managers of these musicians and the musicians themselves (if they are self-managed) to make their small businesses financially viable. The majority of these musicians are also unable to gain support from record companies to produce and market their recorded and live products. This is not only because a tiny fraction of the artists who approach record companies are signed, it is also due to the fact that these companies have fallen on hard times.³¹ The use of income derived from the comparatively lucrative tribute and cover band circuit has thus played a larger role in funding original music projects for many bands.

There is a negative correlation between the decline in local performance opportunities, particularly those involving original music, and the concurrent growth in performance opportunities for tribute bands. Harper states that:

I was playing the live scene back in the 1980s and it was towards the late 80s and early 90s that tribute bands really seemed to come to the fore. There was a 'Fat Out of Hell' [Meatloaf] show, there was a Madonna show, the Doors Show and a Blues Brothers show. These bands started to do really well and then other people started to get the idea.

³¹ According to IFPI data, world sales of recorded music fell 7.6% in value in 2003. This fourth consecutive year of falling record sales is attributed to the combined effects of digital and physical piracy and competition from other entertainment products (2004). It is in this industrial context that Sony Music merged with BMG in 2004 in order to generate \$400m in cost savings. BMG chief executive, Rolf Schmidt-Holtz, said of the deal that "If [Sony and BMG] stood alone, we would have to cut artist rosters and even close activities in smaller countries ... This merger is the best guarantee that we can maintain a broad roster of artists in the current environment" (Groendahl and Caney, 2004: 1).

For young Australian rock musicians, the local live circuit in Sydney operates in a way that almost forces them to work in tribute bands if they wish to make a living in the early stages of their career. For example, relatively low profile local bands are usually not paid by the actual original music venues at which they play. Usually these venues will be booked independently or by an agency that will negotiate a standard deal involving the musicians taking the door sales revenue (with production costs debited), while the venue keeps the revenue from beverage sales. Harper notes that there are also socio-cultural issues that make the contemporary originals circuit difficult to operate in:

A lot of the young population used to go and see originals bands because that's what young people did. They'd say, "this is our venue, there's a few bands playing – let's go down and check them out" – whereas people won't do that now. It is not in the culture of young people to the same extent to go and see live original bands and it's down to a much reduced number of venues ... The main period that I knew for the originals circuit was probably between 1980 and 1985.

The artists who play the contemporary originals circuit usually do not know how much the agency or independent booking agent is paid by the venue.³² These bands can usually only charge between \$5 and \$8 per show, and the venues that host shows at this micro-level of the music industry are by nature relatively small and often only

³² The statements and figures in this paragraph are based on my own experience of managing and playing in bands that worked at the micro/local level of the Sydney music industry between 1997 and 2005.

fit between 100 and 120 people in them for a 'sell-out' show.³³ There are usually three bands on a local bill – an opening band, a middle band and the headlining band – and the money is normally split evenly between the three bands. Therefore, if three bands on a bill charge the maximum entry fee that the market will bear for this type of show, and the event sells out, the show will gross \$960 (\$8 x 120 payers) – if all of the audience members pay to enter.³⁴ As a maximum amount, this figure is above average for this type of show, and has to be split between the musicians in the three different bands.

A sound person is usually required to mix these bands and it is often the musician's responsibility to cover their payment. He/she will normally need to be paid AUS\$90 on an off night and \$120 on a Friday or Saturday night, with the money coming from the door takings. Shows normally only sell out on the weekend and therefore the musicians who play a sell-out show will be left with \$840 (\$960 - \$120). Therefore each band as an entity will receive \$210. If the band has 4 members and this amount is split evenly between them, this means that each member will receive \$52.50 for a sell-out show. This situation works well for the venue because they have not had to pay for the evening's entertainment and the 120 people the musicians have brought to the venue will often drink a substantial amount of alcohol and gamble. In order to get 120 people to attend the show the musicians and their management will have to put in a lot of work. They need to call their friends and family, email a lot of people, distribute many flyers, pay for advertisements in the street press and pay for pole posters to be (illegally) put up around the city. Even with such efforts, the band's

³³ For example, the Sandringham hotel in Newtown is a 100 person capacity venue and the Cat and Fiddle hotel in Balmain is a 120 person capacity venue.

³⁴ A significant number do not pay the door charge, including guests of the bands, media and music industry personnel.

friends and family will not attend every show and therefore the agencies will not let them work more than once every 2-6 weeks.³⁵ It is also in the musician's interest to draw people to the show because if the show flops the musicians still have to cover production. If they are not taking any money from people entering the venue then the money has to come from them and they end up 'paying to play'. The musician's other expenses for such shows include petrol, equipment maintenance and rehearsal studio rent.³⁶

Although the originals circuit is financially weighted strongly in favour of the original music venues, performing live at these venues remains an essential marketing device for artists seeking recording opportunities. For artists in the initial stages of career development these venues provide an opportunity for them to market their self-financed CDs directly to audiences. However, the cost of producing CDs of a competitive quality by far exceeds the income the musicians can expect to receive through touring their self-financed CDs around this circuit.

The following budget outlines were formulated for an artist I co-manage, Dion Jones, a local Sydney musician who is the lead singer for tribute band the Longboards, the cover band Coverdrive, and an original band entitled Dion Jones & the Filth. This budget is an example of the costs local bands face if they wish to independently produce an album that is of sufficient quality to gain the band a distribution deal and possibly airplay on national radio stations. In order to produce a 9-track album, the

³⁵ From the perspective of the bookers of two key Sydney originals venues, Brent Lean of the Annandale hotel (450 capacity) and Scott Leighton of the Gaelic Club (900 capacity), this is absolutely crucial because they make a living through their commission of door takings (MMF Forum 28/9/04).

³⁶ In London, local bands have to pay the venue 100 pounds as a guarantee. They then need to recoup this from the door takings. Fortunately, Sydney's local music scene does not operate like this ... yet.

band partnership/production company spent AUS\$9,221.00 on recording, mixing and mastering the album and a further \$9941.50 on the physical production of the album, the first launch show and the marketing campaign for the album. These budgets do not include the expenses incurred touring the band nationally after this first launch and marketing the tour. The initial expenses outlined in these budgets totalled \$19,162.50 and were balanced against the income the band received from playing the tribute and cover band circuit. Detailed breakdowns of these expenses are included in figures 1 and 2. Without the income from the tribute/cover circuit, this small business entity would be financially unsustainable.

Figure 1. Album Production Budget

| | | | | |
|---|-------------------|--|--|-------------------|
| Dion Jones & the Filth: Album Production | | | | |
| | | | | |
| INCOME | \$ | | EXPENDITURE | \$ |
| | | | | |
| Filth Productions | \$9,221.00 | | Mastering Engineer William Bowden employed to master 9 tracks at \$187 an hour. This took 5 hours. 5 x 187 | \$935.00 |
| | | | 1 x recording session at Zen Studios in order to demo songs for the album | \$294.00 |
| | | | 1 x track recorded and mixed at Zen Studios in 1 x 8 hour day | \$294.00 |
| | | | 1 x track recorded and mixed at Zen Studios in 1 x 8 hour day | \$294.00 |
| | | | 1 x track recorded at Velvet Sound Studios in 1 x 12 hour day | \$850.00 |
| | | | Producer employed for Velvet Sound track at \$150 a day | \$150.00 |
| | | | 1 x mixing session for Velvet sound track | \$300.00 |
| | | | 2 x tracks recorded at Damien Gerard Studios in a 2 day block | \$1,650.00 |
| | | | 1 x mixing session for Damien Gerard tracks 1 and 2 | \$418.00 |
| | | | 2 x tracks recorded at Damien Gerard Studios in a 2 day block at discount rate of \$700 a day | \$1,400.00 |
| | | | Producer employed for Damien Gerard tracks 2 and 4 at \$100 a day | \$200.00 |
| | | | 1 x mixing session for Damien Gerard tracks 2 and 4 | \$418.00 |
| | | | 2 x tracks recorded at Damien Gerard Studios in a 2 day block at discount rate of \$700 a day | \$1400.0 |
| | | | Producer employed for Damien Gerard tracks 5 and 6 at \$100 a day | \$200.00 |
| | | | 1 x mixing session for Damien Gerard tracks 5 and 6 | \$418.00 |
| | \$9,221.00 | | | \$9,221.00 |
| | | | | |

Figure 2. Album Launch Budget

| | | | | |
|---|--------------------|--|-------------------------------|-------------------|
| Dion Jones & the Filth Album Launch | | | | |
| | | | | |
| INCOME | \$ | | EXPENDITURE | \$ |
| | | | | |
| Cash at Bank @ 11/12/04 | \$6,687.58 | | CDs 500 Regency Recordings | \$1,450.00 |
| | | | Packaging and design | \$2,200.00 |
| Future Income | | | Fog Horn Marketing | \$1,250.00 |
| | | | Posters (Remedy) | \$880.00 |
| CD Sales 70 @ \$20 | \$1,400.00 | | The Hands (Support band) | \$400.00 |
| T-Shirts 40 @ \$25 | \$1,000.00 | | Flan Atlantic (Support band) | \$150.00 |
| Tickets Presold 100 @ \$10 minus \$2.8 (venue commission) | \$780.00 | | Sound Engineer | \$200.00 |
| On Night Tickets 70 @ \$10 | \$700.00 | | Alex Mesker (web design) | \$1,250.00 |
| | | | Advertising Drum Media | \$300.00 |
| | | | T-Shirts 100 @ \$12 each | \$1,200.00 |
| | | | Sydney Posters | \$150.00 |
| | | | Badges | \$154.00 |
| Profit: \$626.08 | | | Posters (Shoog) | \$192.50 |
| | | | Food | \$200.00 |
| | | | | |
| | \$10,567.58 | | | \$9,976.50 |
| | | | | |

The album production strategy and publicity campaign that accompanied the recording's release through MGM distribution led to the following quote sheet³⁷ being published and distributed to promote the album (see Figure 3). These (albeit edited) critical responses were then often quoted in advertisements in order to build the meaning behind the band's brand images (see Figures 4 – 8).

³⁷ Quote sheets are not referenced in an academic fashion. The inclusion of the edited quotes here is meant to serve as an example of what was actually distributed during the promotional campaign.

Figure 3. Reviews of Dion Jones & the Filth's Debut Album, *Velvet Fever*.

"An album like *Velvet Fever* is like seeing the sun for the first time after years of grey skies. Dion Jones & the Filth are acting as a living reminder of what music can be ... if you're a fan of good music then the filth is your new 'must listen' band."

Lesley Rickman, Neucleus UNE

"... a voice that is arresting, thick, clear and robust. The setup is that of a 70's jam session ..."

The Brag Live Review Jager Uprising 22/3/05

"This CD shows Dion to be one of the best local discoveries of 2005 ... It's the voice that is so noticeable and striking. The range is breathtaking and amongst very few I've heard in Australia in recent times. As long as Dion can write prolifically and sing with such skill, there is much to be optimistic about."

Carmine Pascuzzi, Mediasearch: Music, Film and Fashion in Australia

"I've just been listening to the new Antony and the Johnson's album and as I put yours on I thought 'Well, nothing will stand out for the rest of the day.' Not so! This is an awesome effort! Congratulations!"

John Carver, 3PBS FM

"Delicious Music"

The Brag

"Dion Jones is a white man with the voice of Nina Simone and the passion of Roberta Flack. He sings with an effeminate grace that channels the energy of 70s soul, creating epic pop that brushes past lounge jazz, big band funk, and subtle rock as it rattles and soars towards a lithospheric level of distinction." **Erik Jenson, The Drum Media 17/5/05**

Dion Jones & the Filth "conjure up similarly delicious music to Antony and the Johnsons." **Andrew Weaver, The Brag 9/5/05**

"Perhaps this album is what critics were expecting Jeff Buckley's album to sound more like: a songbird with a rock and roll attitude ... 4/5"

Mark Mitchell, The Brag

"From the get-go, these guys are nailing it; their road tested blend of soulful rock is polished, professional and totally infectious." - **Drew Boy, Faster Louder**

"A confident debut from this Sydney four piece ... *Velvet Fever* is a strong excursion ... 4/5"

Evan Alexander, Tsunami Magazine

"A shimmering, well-crafted and touching collection"

Ed Montano, SX Magazine

www.thehandsmusic.com

*'Clayton and Lachlan Doley released
this very fine sounding record...
to steal a line from Jerry Kagavoy,
"They may be white, but they be funky."
Peter B Lowry, Rhythm Magazine*

**the
hands**

the hands & **DION JONES** & Andy Walton
AND THE FILTH Band

**The Annandale hotel
Thurs November 17
8pm**

*"Dion Jones is a white man with the voice of Nina Simone and the
passion of Roberta Flack. He sings with an effeminate grace that
channels the energy of 70s soul...big band funk, and subtle rock
as it rattles and soars towards a lithospheric level of distinction."
Erik Jensen, The Drum Media*

DION JONES
AND THE FILTH

www.dionjonesandthefilth.com

Figure 4. Street Press Advertisement 1.

Dion Jones and the Filth "conjure up similarly delicious music to Antony and the Johnsons." Andrew Weaver, The Brag 9/5/05

Album launch
The Vanguard

42 King St
Newtown
Wednesday, June 1
8pm
+ Voodoo Soup
+ Adrian McNeil
& Joseph Tawadros

Bookings:
Moshtix phone charge
9209 4614
www.moshtix.com.au

DION JONES AND THE FILTH



"The album switches between good old rock and roll and charming acoustic numbers, all carried along by Dion's majestic rock solid voice. Perhaps this album is similar to what critics and MTV reps were expecting Jeff Buckley's album to sound more like:
a songbird with a rock and roll attitude."

Mark Mitchell, The Brag 25/4/05

Debut album Velvet Fever out now thru MGM

"Dion Jones is a white man with the voice of Nina Simone and the passion of Roberta Flack. He sings with an effeminate grace that channels the energy of 70s soul, creating epic pop that brushes past lounge jazz, big band funk, and subtle rock as it rattles and soars towards a lithospheric level of distinction." Erik Jensen, The Drum Media 17/5/05

FILTH
PRODUCTIONS

www.dionjonesandthefilth.com

Figure 5. Street Press Advertisement 2.

DION JONES AND THE FILTH



Now added to Nova, SMA, FBi, Tune FM, PBS, RRR,
Sounds Like Cafe, ABC Regional

DRUM MEDIA: "Dion Jones is a white man with the voice of Nina Simone
and the passion of Roberta Flack."

THE BRAG: "DELICIOUS MUSIC". "Perhaps this is similar to what critics and MTV reps were
expecting Jeff Buckley's album to sound more like: a song bird with a rock
and roll attitude."

On Your Desks Now

Album 'Velvet Fever' out now through MGM

Media Enquiries:
Marshall Cullen
Foghorn Media
02 9331 0666



Catch Dion Jones & The Filth next at:
The Manly Fishos Fri June 17 - 9pm

Transit Lounge - Metro SOLD OUT
The Vanguard SOLD OUT
The Hopetoun SOLD OUT



FILTH
PRODUCTIONS

Figure 6. Street Press Advertisement 3.

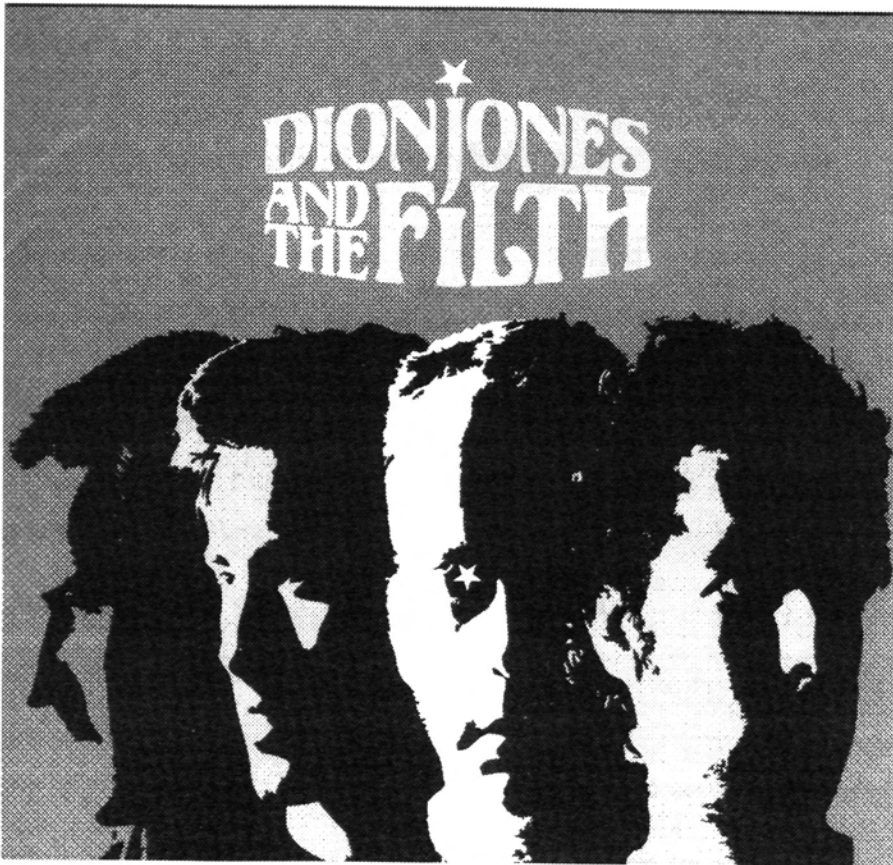


Figure 7. Dion Jones & the Filth (album cover).

DION JONES AND THE FILTH

Figure 8. Dion Jones & the Filth brand image.

Often 500 units is the smallest CD run local Sydney bands can organise with manufacturers and because the original music circuit is relatively small, the musicians who financed the CD are often left with a surplus of units that they end up giving away for free. Although the musicians may consider their CDs to be promotional ‘demos’, this study focuses on musicians who do wish to profit from the CDs they produce. Unless these musicians are content to be hobbyists and have a surplus amount of spare cash to keep their hobby or ‘small business entity’ going, or unless they obtain a recording contract through this process, these small business entities are unsustainable.

b. Survival

The Sydney and NSW tribute/cover band circuit is larger than the local original music circuit due to the sheer number of pubs and clubs that play host to tribute and cover bands.³⁸ These bands can also get work playing at weddings, parties and a variety of

³⁸ In non-metro areas of NSW, 67% of hotels that are also live music venues host cover and tribute bands, while 32% host originals bands (Johnson and Homan, 2003: 18).

private functions. If an original band that is working the local originals circuit can add about 50–60 cover songs to their repertoire, then their financial opportunity can change dramatically. If the band is able to play a 3–4 hour show, and if the band owns their own PA system to cover their own production, the band can make anywhere between \$450 and \$3000 a night with payment guaranteed.³⁹ In contrast to the originals circuit, the NSW club circuit in particular is much easier for the musicians and their managers and agents to work in. It often does not matter if no one attends these shows because their payment is guaranteed.

The 1999 introduction of poker machines into NSW hotels has, in some instances, had a negative impact on the presentation of live music (Johnson and Homan, 2003: 39). However, it is also evident that gaming legislation can in fact help subsidise live music. Johnson and Homan note that:

Among other factors, it was the licensing of poker machines in clubs in NSW in 1956 which made the state, and Sydney in particular, a magnet for popular musicians throughout the country, as gaming revenue subsidized the presentation of live music. (ibid: 39)

NSW clubs are often not-for-profit organisations, yet their poker machines turnover a substantial amount of money that can be spent on entertainment. According to Johnson and Homan's study, musicians are employed to create a 'party atmosphere' through energising the ambience of the venue (35). It is evident that this 'product' is

³⁹ The Longboards averages \$1200 a night while Coverdrive averages approximately \$850 a night.

not necessarily consumed by patrons while they are isolated from other activities. Rather, the 'atmosphere' the music helps to create is often consumed while patrons are playing the club's poker machines. Jones claims that:

If the venue is in a separate room to the poker machines it can seem like it is in the club's interest that the majority of patrons stay in the gaming rooms rather than interact with the musicians in the venue because this arrangement generates more revenue for the club. We often play to people who are in a room that is around the corner from the stage while the performance area itself remains almost completely empty.

c. The Longboards

The tribute band the Longboards operates within the lucrative club, pub and function circuit in Sydney. When asked why he decided to form a Beach Boys tribute band, Harper, the band's founding member and current manager, claimed that:

I wanted to be in a viable working band so I needed to have some kind of product that was easy to get work with. I mean, it is never easy, though it helps if you have an angle. So I looked for features such as which concept was going to be saleable and beach music is pretty popular, as Sydney has a vibrant beach culture; it's good danceable material and it is quite fun to play. That's why I put it together.

The concept of branding is useful here. With regard to musical consumption, the familiarity of a piece of music and the brand image it signifies is a surrogate for the quality ascribed to it. Indeed, to like it is almost the same thing as to recognise it, and if the brand image has a point of difference then this aids the process of recognition. Harper believes, therefore, that there is a need to carve out a particular aesthetic position within the live market.

Although, for example, the circulation of the Coca-Cola brand is to a certain extent different from how music is identified, packaged and consumed, there are also similarities. While bands/genres come to be 'known for' particular aspects or attitudes, the music extends beyond its use/exchange value;⁴⁰ it's more than a commodity. However, marketers/business people are also envisaging their products as being more than just commodities. Instead, they also see them as entities through which meaningful worlds can be created (Klein, 2000: 25).

As the manager of the Longboards, Harper did not have to generate a brand image from scratch because he effectively tapped into the vast resources that have been spent since the 1960s by the Beach Boys' management and label. The economic capital that has been spent over the original band's career has generated a vast amount of cultural capital and a perception of success that can be recycled. Surf music articulates a series of concepts, lifestyles and other qualitative phenomena that have in turn been used to sell associated surf products. In this case, the Beach Boys' music is the signifier that provides the meaning surrounding the re-contextualisation of the

⁴⁰ Use/exchange value is drawn from Marxist terminology. Use-value is the value that an object has for satisfying a want or need. For example, the value of a car is that it can transport people from place to place. Exchange-value is the value that a commodity has in a market. This is a socially created value. Exchange-value is the value that commodities are judged to have in relationship to other commodities.

Beach Boys' music and image into the sign's abstract potential. The canonical status of the Beach Boys' music has been effectively used by Harper in order to find a niche for the Longboards within the local live music circuit in Sydney.

The surf music genre has traded on key lyrical signifiers about the 'good times' of summer that recall beach parties and long days riding waves. For the Longboards, this is augmented by specific Beach Boys aesthetics: flower patterned shirts in the Hawaiian style; promotional shots of the band driving 1960s automobiles (such as the Deuce Coup of 'Little Deuce Coup' fame), and of the band on the beach. On stage, the band employed an extensive range of harmonies in keeping with the Brian Wilson arrangements, with additional female vocalists and dancers.

Harper uses these signifiers in order to link the Longboards' performances to the Beach Boys' global brand image and also to translate and 'glocalise' (Robertson, 1995: 28) this brand image within the specific surf/beach culture of Sydney. However, in an interview, this band's lead singer notes that the Longboards' brand image was not just created in order to attain market differentiation. Rather, he states that he has a genuine love for that surf music period; is interested in experimenting with four part vocal harmonies; and the vocal style of the band suits his large vocal range.

The rise of tribute bands within Sydney is partly due to the success of this business model and the way in which it enables audiences to readily identify with the core images and band narratives of canonical artists such as the Beach Boys. Original music also involves artist managers coordinating the construction of the link between

a musical act's signifier and its sign. Artist managers are therefore 'brokers of meaning' (Klein, 2000: 25) rather than solely being music administrators. However, in the case of tribute bands such as the Longboards, the musicians can use their band as a vehicle to generate revenue from live performance without having to spend the resources needed to generate an original brand image that will appeal to consumers.

Marketing simply sets up a point at which an identification or connection between a signifier and a sign can be made in the first place. This process is becoming increasingly difficult to initiate because the amount of capital needed for an artist's marketing efforts to break through our increasingly saturated media landscape is rising (Klein, 2000: 9). The most efficient way for local musicians to get consumers to create excitement and long-term interest in music lies in their ability to tap into and recycle such a long-standing and global brand name as the Beach Boys. Increasing competition between rival tribute bands within the Sydney circuit seems set to fuel the rise of this phenomenon in the future.

When asked whether he thought that the Longboards risked being over-exposed to the market, Harper replied:

I can't really see a time when it would be over-exposed by the Longboards. I guess there's the potential for it to be over-exposed by 'beach party bands' but I think that the market is big enough for more than one band. Endless Summer are probably the most well known beach party band. But there's enough work for them around and I think that there is still an

untapped market for the Longboards because I don't think that we've achieved our potential yet.

Rather than being built through the circulation of various discourses of authenticity that often characterise the originals circuit, the Longboards' brand name was built through the circulation of discourse that concerned how well they could re-create the identity of the Beach Boys. Rather than emphasising a sense of originality or authenticity, or commercial success within the realm of mass culture, the band signified high calibre musicianship and professionalism. This is exemplified in the Longboards' promotional biography and song list (figure 9):

The Longboards specialise in the Surf/Beach sound of the sixties. A beach party atmosphere comes alive with those familiar harmonies and well-loved guitar sounds. With the band churning out hit after hit, mainly from the Beach Boys, but also from the Surfaris, Sunrays, The Ventures, Jan & Dean, and others, the audience will be partying on until closing time. To complement the focus on the Surf Sound era, the Longboards also provide an 8 song visit to the early Beatles rock'n'roll period with classics like Twist and Shout, I Saw Her Standing There, and Can't Buy Me Love. In tying off the night into a complete package, the Longboards include a selection of regularly requested party songs (old, retro & new) that never fail to keep the crowd on the dance floor. Examples are She's So Fine, Eagle Rock, What I Like About You, an

*Elvis Medley, Satisfaction, Born to Be Wild, Start Me Up,
Echo Beach, Hot Stuff, Sk8ter Boi, etc.*

Figure 9. The Longboards' Song List (as at June 2003):

| Beach Songs | Beatles | Other Party Songs |
|---|---|--|
| <ol style="list-style-type: none"> 1. Surfin' USA 2. Surfin' Safari 3. I Can Hear Music 4. I Get Around 5. Surfer Girl 6. Do It Again 7. Fun Fun Fun 8. I Live for the Sun 9. Little Deuce Coup 10. Don't Worry Baby 11. Dance Dance Dance 12. Surf City 13. California Girls 14. In My Room 15. Echo Beach 16. April Sun 17. Help Me Rhonda 18. Darlin' 19. Surf's Up Tonight 20. Under the Boardwalk 21. Capricorn Dancer 22. Hawaii 23. Barbara Ann 24. You're an Ocean 25. Walking on Sunshine 26. Tide Is High | <ol style="list-style-type: none"> 1. Twist & Shout 2. I Saw Her Standing There 3. I Feel Fine 4. Day Tripper 5. Eight Days a Week 6. Can't Buy Me Love 7. I Wanna Hold Your Hand 8. I Should Have Known Better 9. All My Loving 10. A Hard Day's Night | <p>50s</p> <ol style="list-style-type: none"> 1. Johnny B Goode 2. Elvis Medley <p>60s</p> <ol style="list-style-type: none"> 3. I Only Wanna Be with You 4. Fortunate Son 5. Higher & Higher 6. You Can't Hurry Love 7. She's So Fine 8. Rock Medley 9. Bad Moon Rising 10. All Along the Watchtower 11. Brown Eyed Girl 12. River Deep, Mountain High <p>70s</p> <ol style="list-style-type: none"> 13. What I Like About You 14. Limbo Dance 15. Proud Mary 16. Eagle Rock 17. Rock 'n' Roll 18. Tush 19. Waterloo 20. Hotel California 21. Honky Tonk Woman 22. Old Time Rock 'n' Roll 23. Bad Case of Loving You <p>80s</p> <ol style="list-style-type: none"> 24. Start Me Up 25. All Fired Up 26. Candy 27. When Tomorrow Comes 28. Alone with You 29. Papa Don't Preach 30. Hurt So Good 31. Heart of Glass 32. Beast of Burden 33. The Boys are Back in Town 34. Mustang Sally 35. What's My Scene <p>90s</p> <ol style="list-style-type: none"> 36. (I've Got to) Fly Away 37. The Way 38. Sweet Child O' Mine 39. The One I Love 40. Mr Jones 41. Wicked Game 42. Better Man 43. Torn <p>2000+</p> <ol style="list-style-type: none"> 44. Beautiful Day 45. Out of My Head 46. Scar Tissue 47. Sk8ter Boi 48. All Torn Down 49. You Get What You Give 50. My Happiness 51. Complicated 52. By the Way 53. Drops of Jupiter 54. I'm a Believer 55. Can't Get You Out of My Head 56. Murder on the Dancefloor |

The way in which an artist manager builds and then guides a musical brand name is best understood through the employment of the semiological concepts advanced by Nattiez (1990). The different levels of Nattiez's framework, the 'immanent', the 'poietic' and the 'esthetic' were outlined in the literature review. These levels are useful for an understanding of how artist managers coordinate the 'departure point' for the constant construction and re-construction of the metaphorical link between a musical act's sound structure and the identity, social structure or ideal that an act's brand name symbolically represents. The poietic (production) discourse of professionalism evident in the band's biography effectively formed the departure point for the construction of the Longboards' brand essence. This had an impact on the way in which audience members at the esthetic level (the set of meanings and perceptions of those who subsequently consume and/or criticise the text) of musical reception interpreted the Longboards' music and identity.

At an esthetic level, the Longboards are competent 'musical tradesmen' who are respected by other professional musicians who work the circuit. When considering the evolution of their brand name, it is clear that poietic discourses of professionalism have played a crucial role in the generation of such a response at the esthetic level. Rather than signifying an original and 'authentic' vision, the Longboards' brand image is attached to their reputation as musicians and entertainers.

As previously discussed, the generation of a work of art is subject to a reliance upon a network of workers/players and 'art worlds' (Becker, 1982) and it is dependent on the person, the field and the domain (Csikszentmihalyi, 1988). In a similar way, the generation of an artist's brand identity is also dependent upon the interplay of music

industry networks, domains and fields. While the discourses of professionalism concerning the Longboards' operation form a major facet of their brand identity, different perceptions remain about the 'original' and 'cover' musician. It is potentially advantageous for a musician to have a 'reputation' that is not solely attached to their original product, or to their cover product, because this can enable them to add a seemingly infinite number of venues to their 'gigging' circuit. At a time when many artists are struggling for work, original musicians can provide some stability of employment through participation in the tribute/covers circuits. However, they run the risk of contaminating the original brand image they are trying to construct because the discourses of 'in-authenticity' that surround their tribute/cover operation can undermine attempts to strike out on their own. This in-authenticity could potentially deplete any sub-cultural capital that they have built on the originals circuit. In their pursuit of economic capital, musicians engaged in tribute and covers work need to be careful not to turn the broader community of original music practitioners away. The discourses of in-authenticity that surround their work in tribute bands can generate the perception that these musicians have 'sold out' and are therefore failures; they have pursued economic capital at the expense of cultural and sub-cultural capital.

d. A Question of Perspective

Hebdige (1979: 97) defines 'selling out' as being "a process of incorporation into the hegemony ... [where] previously subversive sub-cultural signs (such as music or clothing) are 'converted' or 'translated' into mass produced commodities". Tribute musicians employ the signifiers of previously 'successful' mass-produced commodities in order to generate their own potentially successful signs and therefore the process of forming a tribute band does not fit this strict definition of selling out.

However, some practitioners within the originals scene have a problem with this process.

From his perspective as a musician who works in both the originals and the tribute/covers circuits in order to survive, Jones believes that the strategy of playing both circuits is beneficial to his career. The small amount of money and prestige involved often means that musicians like Jones are self-managed, or that they are managed by fellow musicians. Jones (and myself as his manager) have come to the understanding that this strategy is less risky and that it is beneficial because it generates 'organic' growth and longevity. Rather than taking a large risk by investing the money they need into their small business themselves in order to inorganically fertilize their careers, artists such as Jones use the tribute/cover circuit in order to organically develop their careers. Instead of taking the risk and going into debt through attempting to grow his business inorganically, Jones realised that if he does not 'make it' he will not be at a financial loss because his band will have been generating revenue the whole time. The idea of keeping such an operation small and manageable is appealing to such a musician because signed Australian bands rarely recoup recording costs (Johnson and Homan, 2003: 2); the larger a band becomes, the more expensive it is for them to tour.⁴¹ Therefore, larger entities can appear to be financially irrational.

While this strategy has been presented as a way to 'buy in' to both the creative and commercial sides of the Australian music industry, from the perspective of other musicians, this strategy involves 'selling out'. As a member of the Longboards, a

⁴¹ Influential Australian artist manager Stephen White (who currently manages the country artists Lee Kernaghan and Catherine Britt) believed that the cost of touring is relative to the status of the artist (in that there is a positive correlation between the two) (interview, 2004).

cover band 'Coverdrive', and an original band, Jones is a Sydney musician who has employed this strategy for a number of years. Rather than 'selling out', Jones employed this strategy as a way to 'extract revenge':

Our plan at first was relatively simple. We wanted to extract our revenge on the music industry in Sydney, through infiltrating the lucrative covers circuit, through getting onto the books of various cover agencies that would book us shows at which we would play original music and a minimal number of covers. Therefore we'd be getting paid good money to play our own music.

For artists like Jones, the tribute/cover circuit presents one of the few opportunities to 'buy' into the music industry, given the decline in the number of original music venues in Sydney. In order to align himself with artists who work the originals circuit so as to fit into this art world, Jones does express disdain toward the tribute/cover band circuit, however, he believes that "if you want to defeat your enemy, sing his [sic] song" (Goodman, 1998: 352). In response to a question asking whether he has found gigs harder to come by in recent years, Jones replies:

No. Once you've cracked the covers circuit and you start working this circuit as well as the originals circuit, the gig offers come flowing in. Keep in mind that if you're working a band around the covers circuit twice a week, and the same band is playing the originals circuit once every fortnight or so,

the standard of your playing or your 'musicianship' steadily increases.

For Jones, the strategy of working both circuits simultaneously is a means to a particular end: a sustainable career that provides the funding to attempt to infiltrate the star system. At the same time, his career as a live performer remains independent from the high-risk recording industry.

e. Dancing with the Devil

A manager's role is to create a perception of success. While some feel that working both the original and cover circuits is necessary, perceptions of commercial motivation can lead to career death for rock artists who are interested in being known for producing original music. This is why artists who employ this strategy are encouraged to use a different name for their cover band. Harper states that such bands need to keep their cover band operation 'a secret' so as not to confuse their audience(s), and to ensure their original music is not tainted by a discourse of 'selling out'. Jones states that:

Some people have a real aversion to cover bands. But the fact of the matter is that since the dawn of time musicians have gone from venue to venue or – if they were troubadours – they went from town to town, and they have played what people want to hear. They have been paid money for this service and then they have gone home. The covers scene is the same. Sometimes you feel like a musical tradesman. I don't think that

cover bands have led to the demise of original music in Sydney, I think the fact that the general public in Sydney don't give a shit about original music has more to do with it.

There are obvious commercial and creative dangers in playing across the covers, tribute and original circuits. On the one hand this strategy enables these artists and their managers to 'over-sell' their bands to the covers circuit because overexposure is not as much of an issue and their aim is simply to milk every last dollar from these markets. Alternatively, they can 'under-sell' the originals market to make sure that their originals shows have full capacity audiences. This builds excitement and generates a positive perception of their band. The idea is to attempt to make sure that demand for their original music remains unsatisfied, thus making it appear greater than it might be. While this strategy can in some instances enhance and preserve their sub-cultural capital and thus their 'credible' careers on the original music scene through underexposure, it can also be detrimental. Bands may generate the perception that they are more of a cover band than an original band, a perception that is reasonable because they do actually play more tribute/cover shows than original gigs.⁴²

Brewster argues that the rise of the tribute band phenomenon has led to a negative change in the Australian music industry's structure:

[Young bands] start off with all the right ideas about playing original music but then they leave school and realise that they

⁴² For example, Dion Jones played about 12 originals shows in 2004 and 110 tribute/cover shows in the same year.

need to earn a bit of money and they think 'here's this cover band thing that we can do', and so they start to fall into this middle ground of mediocrity.

Andrew Kelly is a Sydney musician who only plays his own music and therefore refuses to fall into the trap Brewster believes is present. Kelly is a multi-instrumentalist and performs under the stage name Andy Clockwise. Through making an analogy between perceptions of cover bands and sexual promiscuity, Kelly's attitude typifies that of many Sydney musicians who only play original music and who primarily focus on sub-cultural capital:

Covers bands are like sluts. If somebody knows they're always able to have sex with you it's not very dignified is it? ... It's ridiculous to see that there's more money in covers than there is in original music. I mean what kind of backward country are we living in? It's a country in which people don't want to hear anything new and if they hear something new then it really annoys them.⁴³

Kelly recalls that he:

went into a lot of debt promoting my record because I took out ads in the street press and paid for a designer and then I tried

⁴³ Although this analogy does problematically draw on sexist notions of (implicitly female) promiscuity, it does form a part of the music industry vernacular.

*to just cut even on the door so I could pay back the debt ...
once people have seen you a few times, you've got to stop
doing gigs because you start to kill it through overexposing
yourself.*

Like Kelly, Brewster has concerns about the managerial strategy of using income derived from the comparatively lucrative tribute and cover band circuit in order to fund original music projects. He believes that original artists at a local level are better off going into debt:

*I know a girl who has a fantastic voice and she's writing great
songs and then you find out that she's playing in restaurants
doing covers. She has her MIDI tracks programmed and she's
basically doing that glorified fucking karaoke thing – which I
just can't stand because the backing tracks are always shit.
[The problem is that] she loses the drive or the determination
to get that original thing she's doing through somehow
because this is such an easy way out.*

He contends that it is therefore risky for original artists to employ this strategy because if they want to succeed in the original music industry they may struggle due to the prevalence of such attitudes.

However, this perspective is not an historical one. Indeed, it assumes that there are no previous models of operation that one can learn from; this, of course, is not true. The

problem here is that the covers/originals dichotomy is a relatively recent phenomenon that now appears to be 'naturalised'. An alternative historical model is for a musician to play a set of other artist's songs in order to learn how to write (McIntyre, 2003: 277). Then at a later stage in their development as a songwriter they may introduce original songs to their set as they adapt what they have learnt. This method, which is employed by songwriters to learn their craft, has been in operation for far longer than the covers/originals scenario outlined in this chapter indicates (ibid). Artists such as the Beatles, the Rolling Stones and David Bowie (amongst innumerable others) learnt their craft in this way. Brewster and Kelly's arguments (the origins of which can be traced back to various punk/alternative movements) do not allow for this historical method of working and it is a problem that such 'naturalisations' have come to govern many Australian original music scenes.

f. Ironic Consumption

Perceptions of credibility are not as black or white as such negative discourse articulates. Although on the originals circuit the authenticity effects that signify that a band is 'cool' are crucial to the branding process, it is evident that at times 'selling out' is not only accepted but it can actually be considered 'hip'. It is clear that at times ironic consumption can lead to an uncool-equals-cool aesthetic.

Fuery and Mansfield (1997) state that in semiotics anything has the potential to be a sign. They assert that any particular sign is composed of a materiality (signifier) and an abstract potential (signified). The argument that there is a clash between an artist's cover act and its 'sign', and the same act's original music and its 'sign', implies that the abstract potential, or what is 'signified', is finite, absolute, always remains the

same, and will be interpreted in the same way by all consumers. Semiologists argue that all signs have a never-ending set of connotations and that one of the implications of connotations is that we can never attach a single, fixed meaning to a 'sign' (Fuery and Mansfield, 1997: 49). Therefore, while some consumers may argue that there is a clash between such an act's brand images, ironic consumers may believe that an uncool-equals-cool aesthetic is present due to the fact that the artist's 'sign' or 'brand name' can be interpreted in multiple ways.

As a musician who employs this managerial strategy, Jones believes that a clash between the contrasting brand images he works under is irrelevant because his overall image is attached to his reputation as a musician rather than solely to his original 'product' or to his covers 'product'. He claims that this managerial strategy enabled his reputation to become not only more ubiquitous, but 'weightless', because it did not revolve around a single brand image or product. This strategy enables such a musician to expand his/her operation by adding a significant number of venues to his/her gigging circuit, while remaining financially independent. Therefore they can maintain complete control of both of his/her brand images and all of his/her various products.

This 'weightlessness' also enabled Jones to work with a greater number of different agents on a casual basis. Artists such as Jones are more likely to be able to ride a turbulent market such as the music industry and stay afloat. Agents can rarely guarantee such artists enough work because they win and lose venues on an ongoing basis. It is unwise for an artist to sign exclusively to just one agent because if such a venue booker lost their market position (as they often do), the artist would lose their

position in the market place as well. This methodology is not dissimilar to the way in which an investor may spread investments out over a number of different asset classes in different industries in order to minimise risk. In a similar way, the managerial strategy of simultaneously working such contrasting circuits gives Jones a better chance of survival.

g. Conclusion

The artists discussed within this chapter are located within an art world (although this art world has conflicting brand images within it). Artists such as Jones feel that they must be located within this context/art world, although the art world itself has the potential to destroy their career because of the clashing process of signification that it generates. Johnson and Homan (2003) argue that the local live scene in Sydney is widely regarded as an incubator for artists seeking international success, and that since the 1980s, the local music industry has contributed significantly to the wider economy through the export of live and recorded products. In 1991–2, the local music exports trade was estimated at \$120.5 million (Price Waterhouse in Johnson and Homan, 2003: 2). If musicians, managers and recording companies share a belief in the value of the NSW live circuit in preparing artists for regional/global success, and if there is a continuing decline in the number of original music venues and environments, then the crucial ‘local music apprenticeships’ will become more dependent on the local cover and tribute band circuits. Economically viable artist management practices at the local level of the music industry are crucial because it is here that recording and live performance careers begin, and where the overwhelming majority of working musicians operate.

An artistic identity or brand image is dependent upon its location within an art world. Artist management involves managers coordinating the development of, and then nurturing, a context or art world in which an artist can thrive. However, the point has been made that in order for an original artist such as Jones to 'thrive', their management has to develop and nurture two separate and conflicting art worlds. This means that the overarching context for an artist's career becomes a minefield of signification, in that success remains a subjective concept. To progress within their art world, some local musicians have to rely upon music industry practitioners who have both positive and negative perceptions of their operation. Greater recognition is needed of the role that the tribute and covers sector plays in equipping musicians for the global stage, and of the pressures musicians are placed under through necessarily being located in an ambivalent position that involves them being bombarded by the discourses of 'selling out' and of 'buying in'.

II. Record Companies Versus Artist Managers:

Macro/National Level

Watson⁴⁴ (2003) notes that record companies have historically only received their share of earnings from one of the artist's revenue streams – the sale of records. He also argues that this revenue stream has traditionally provided an average Australian artist little in the way of record royalties.⁴⁵ This is because in terms of the international and national trade in sound recordings in Australia, Australian artists are

⁴⁴ All comments attributed to John Woodruff, Gregg Donovan, John Watson, Roger Grieson and Brett Oaten are, unless otherwise indicated, taken from personal correspondence with the author in 2002–2003 and at the Australian branch of the Music Managers Forum's conferences during this time.

⁴⁵ These points were made in an unpublished paper Watson delivered at the Australian branch of the Music Managers Forum's annual conference in October 2003 at the University of Sydney.

disadvantaged. For example, in 2000 Australia imported US\$595 million worth of sound recordings while US\$92 million worth of sound recordings were exported⁴⁶ (UNESCO Institute of Statistics in Throsby, 2002: 11). Similarly, in Australia, 75% of sound recordings sold by transnational conglomerate Sony Music Entertainment's operation are recordings by overseas artists.⁴⁷ While in terms of the Australian recording industry Australian artists have a small share of a relatively small market,⁴⁸ Watson (2003) also points out that Australian artists have been quite content to sign record deals because if a record company makes them a star they will receive income from the other four income stream groups: touring, merchandising, song publishing and sponsorship. He claims that record companies have also been satisfied with this situation because the record business was still viable enough for them to just earn their money from the sale of recordings. That record companies were missing out on money from the other revenue streams did not really matter according to Watson; as their contracts with artists were strongly weighted in their favour given they were taking the main financial risk. Due to the slowdown in the global music market that began in the second half of the 1990s,⁴⁹ some record companies have attempted to gain more access to the other revenue streams. Throsby (2002) states that "record companies and music publishers are fighting to retain dominant positions in a market increasingly subject to forces which could relegate the traditionally powerful players to a minor role, or could even see their disappearance altogether" (27). It is in this

⁴⁶ In contrast to this, in 2000 the US imported US\$3854 million worth of sound recordings while US\$5056 million was exported from this territory (UNESCO Institute of Statistics in Throsby, 2002: 11).

⁴⁷ These percentages were taken from an unpublished paper delivered by Sony Music Entertainment's Queensland Promotions Manager, Brent Hampstead, at the Australian Institute of Country Music's annual conference in August 2004 at the Gympie Muster festival, Queensland.

⁴⁸ For the Australian market in 2005, the sales value of all music recordings sold was US\$440 million. In the same year the sales value of music recordings in the North American and German markets was US\$7012 million and US\$1457 million respectively (International Federation of Phonographic Industries www.ifpi.org accessed 26/9/06).

⁴⁹ According to Throsby (2002), between 1999 and 2000 there was a 1.3 percent decline in the value of record sales (8).

industrial context that record companies, according to Watson, are seeking access to all of the revenue stream groups that stem from Australian artists' creative work. Record company executives feel that this push is justified because they are the entities that are investing the capital needed to raise their artists' profiles. While other industry players may be receiving a return from this investment, record companies as entities are no longer receiving a large enough return from their investments in artists.

Watson (2003) notes that:

Meanwhile, the artists who are being made into stars through the investment of this capital are receiving a return through touring and merchandising. From the perspective of some artists and managers, the fact that record companies are trying to access these additional income streams seems unfair because they feel that record companies have been exploiting them with their recording deals and now these companies want access to their other revenue streams as well.

This section examines both sides to this argument through debating the issue of the directional control of artists and their work.

a. The Fight for Revenue Streams

Woodruff⁵⁰ (2002) claims that the music business will fundamentally change because consumers are able to download recorded musical product for free. Although other

⁵⁰ John Woodruff has had a long career in the Australian Music Industry. He has worked with a vast number of artists though most notably he managed The Angels and then Savage Garden. Savage Garden has sold 40 million records worldwide.

Australian artist managers such as Donovan⁵¹ (2003) believe that digital downloading has not hurt the music industry at all,⁵² there is a general perception that survival in the music business is becoming more difficult. The managing director of Festival/Mushroom Records Australia, Roger Grierson, states that “it costs \$1.20 to make \$1 in the record business these days and that’s clearly unsustainable, whether you’re a big guy or a little guy, it’s incredibly competitive and the harder it gets the more competitive it gets and so it goes” (2003). However, from the perspective of some Australian artist managers, the fact that record companies are finding it harder to make money from selling records does not affect their situation because they have never relied on this revenue stream. They have instead used the services a record company provides as a means through which to generate revenue from touring/live work, merchandising, sponsorship and song publishing. When asked in 2003 which of these revenue streams is most important to him in a financial sense, Australian artist manager Gregg Donovan replied:

Tickets and t-shirts. No doubt. No way is it records. I can count how much money I’ve made on records on one hand. Literally in 14 years I’ve made a couple of grand on records. We use records to try to create other income streams ... So we try and get the record company to spend as much as they can in order to lift the profile of the band as much as possible so that we have bigger ticket sales and bigger T-shirt sales and so there are more opportunities for sync’ rights.

⁵¹ Gregg Donovan currently manages contemporary Australian rock bands Grinspoon and Airbourne.

⁵² This difference in opinion may simply be put down to the fact that Donovan makes most of his money through live work while Woodruff’s main act has sold 40 million records.

Therefore from his perspective as an Australian artist manager, record companies' attempts to access the other four income stream groups that stem from an artist's work are problematic. Such a move would take away his independence, his ability to negotiate, and, in some cases, his ability to make money because he and his artists rely on these income streams in order to survive. A record company's desire to recoup costs may impact on the other revenue streams that stem from an artist's work and therefore this provides a direct threat to the survival of Donovan and his artists. Donovan points out that even when artists and bands are successful they are unlikely to recoup recording and marketing costs as the 'bar' keeps being moved – the more successful they are the more each entity involved starts spending on the next film clip, the next recording session and on the next marketing budget:

That's why every one bitches about record companies because even when you do well, the bar keeps moving on you ... After 14 years in the business I've had one record company royalty cheque paid to me from a label due to my commission on an artist. But I've made a lot of money on T-shirts, ticket sales from touring and those sorts of things but not from record sales. (Donovan, 2003)

It is for this reason that declining record sales do not have a *direct* financial impact on this typical Australian artist manager's operations.

This debate that has erupted between record companies and artist managers concerning the rights to income from the five main revenue stream groups was

originally sparked by a deal that EMI in the United Kingdom made with British artist Robbie Williams. According to Grierson (2003), EMI allegedly made a deal with Robbie Williams that was worth AUS\$180 million so that the company could receive income from all of his revenue streams over a long period of time. Williams will receive fractions of this amount when he delivers subsequent records and tours. Indeed, Williams and his management have decided not to take risks anymore through portioning a guaranteed income over time. However, the record company has taken a large risk and only time will tell which entity has benefited the most from this deal. When asked what he thought of this deal, Gregg Donavan stated that:

Everyone's talking about this being a new business model and it's not at all. This is going back to the archaic days of the music industry. I mean, when you signed to Island Records when they first started up – when you put your name on that piece of paper that was your management, publishing, merchandising, records, it was everything. You signed for the lot. You got brought in lock, stock and barrel. Over the years really savvy managers and lawyers managed to start separating everything and find ways for the band to actually make some money and some income to get on ... Any band that didn't absolutely skyrocket basically ended up with massive debts and couldn't get the deals because they had to cross-collateralise their recoupment debts ... but yes there is more scope for that starting to happen even with the smaller bands because they're wanting to do it more.

The argument for record companies becoming more involved in aspects of an artist's career other than recordings is clearly outlined in the following quote:

Look at Machine Gun Fellatio for argument's sake, the amount of money they made from merchandising their tour at the end of last year⁵³ totalled around a couple of hundred grand. This is coincidentally approximately the amount that we overspent in marketing the group to get them to the point where they were popular enough to tour and be as successful as they are and they make a fortune live as everybody knows – particularly from merchandising. At that point, from a record company perspective, you think, “well gee if we'd really been tight asses and thought we're not going to spend the extra couple of hundred grand on marketing, we're going to cap it at – pick a number say – four hundred thousand dollars or five hundred thousand dollars – which is what you need to spend in order to sell a few hundred thousand records, maybe the tour wouldn't have been as successful, maybe the group wouldn't have made as much from their merchandising.” That's a practical example of where you think, “gee maybe in the wash we should have had a share of that.”

⁵³ Grierson is referring to Machine Gun Fellatio's Australian tour of 2002.

Obviously this issue is not black or white, as each artist needs to be considered within the specific context in which they are located within the music industry. A deal like this would involve the manager losing much of the directional control of the artist's career and therefore would not suit many (particularly non-mainstream) artists whose career trajectories are not very obvious. Robbie Williams may not be that concerned about his direction because it is obvious – he has a commercial mainstream direction and he is operating out of the UK which is a major music market. Therefore any parallel drawn between Williams and the management of specific Australian artists is tenuous. However, this argument is affecting mainstream and non-mainstream Australian artists because some record companies now desire a stake in their artists' websites. Grierson (2003) notes that Sony had an international policy stating that no artist can have a record deal with them unless Sony can own their website. As a record company executive,⁵⁴ Grierson argues:

One fundamental thing is changing in that our artists come to us on a fairly regular basis and say, "you're the record company – I need \$50,000 for a website, I need \$20,000 to upgrade my website." If digital delivery is the future and one is to ask how do the record companies come into that, our attitude as a company is that – and I think it's very practical – we say, "we'll give you all the money you need for your website but we'll take a stake in your website, we'll do it as a partnership but unlike the other record companies we'll give you the domain name back when we end our relationship

⁵⁴ Grierson points out that Festival/Mushroom is a large Australian independent label that is now owned by the Murdoch family and as such it operates slightly differently to the major labels in that there is an explicit attempt to prioritise Australian product.

rather than keeping it forever.” For example the band 28Days have a great site that puts the band and the fans closer together and that helps them sell their merchandise and that gives people information about the band – that’s really useful for everybody including the record company so at that particular point the record company should say, “we’ll do that for you, we’ll help you with your website, we’ll look after it and you can own it at the end of the day but by the same token if you sell t-shirts on it then we should share in that revenue and if you sell records through the site then don’t expect us to sell them to you at cost so that you can make all the money on a website that we’ve paid for.”

Although this appears to be a reasonable argument, some artist managers and music industry lawyers fear that if they give or sign away their artists’ rights to record companies, and other businesses, these entities may not have a true ability to be able to help them to exploit these rights. If a manager takes an upfront payment so that a record company can participate in their artists’ merchandising rights, this may appear to be an attractive offer in the short term. However, in the long run, if the artist becomes financially successful and the entity that now owns the rights cannot effectively exploit those rights then such a deal becomes detrimental. Australian music industry solicitor Brett Oaten notes:

*It's about the money – because it's always about the money –
but it's also about the ability to take those rights and
effectively exploit them and to deliver a return to the band.*

Oaten also believes that record companies see Robbie William's EMI deal as being a good business model. However, such companies do not acknowledge that this deal involved a large amount of capital being paid to the artist at the outset. Oaten notes that it is unreasonable for record companies to expect to just automatically do such a deal without a large financial transaction to justify it. It is therefore not a viable alternate model for the management of Australian artists.

b. Directional Control

As previously stated, in order to describe the structure that evolves when the manager and the artist assemble a network of other relationships in order to try and further the artist's career, Watson's bicycle wheel analogy (2002) identifies that the artist and manager might build a team that includes record company staff, booking agents, live crew, publicists, accountants, music publishers, record producers, merchandisers and many other specialists. His analogy involves the unique combination of the artist and manager constituting the hub in the middle of a wheel, the spokes of which include the industry players in the 'team'. If a record company were to assume the managerial role in order to receive income from all of an artist's revenue streams then these 'team members' would no longer be independent of one another. If the relationship between the artist and their record company went sour this would taint all of the other relationships that constitute the 'wheel' as the contracts between these specialists would belong to the record company. Watson also claims that while the individual

spokes themselves are important (and choice of the right team members is crucial) the artist/manager hub remains pivotal in every situation (2002: 2).

If record companies gain access to all of an artist's revenue streams then the artist/manager hub may not remain so pivotal. Managers may lose much of their independence and thus their ability to coordinate, to persuade and to steer an artist or a band in a particular direction. The record company and the artist would instead form the 'hub in the middle of the wheel'. In order to articulate why managers are indeed needed to form this 'hub', Gregg Donovan argues that:

The record company doesn't know anything about t-shirts, the t-shirt company doesn't know anything about records, and the publisher doesn't know anything about records. You need to have somebody in the mix who knows how to put it all together. You need someone who can say "OK, we're going to release the record here, we're going to tour here and we're going to do this." So you need a manager there who can say, "well, we don't need to play those shows because that's just commission for you. We need to play these shows and we need to do this."

Donovan believes that a deal involving record companies assuming the managerial role is fundamentally flawed because a record company's objectives and a manager's objectives quite often contradict each other. He argues that record companies tend to focus on the short term while the majority of managers focus on building careers that

have longevity. Such a deal would therefore involve an inherent conflict of interest.

Watson (2003) illustrates this by noting:

Record companies are more likely to want to sell 10 million records in one year and then move onto the next big thing, whereas a manager is more likely to want to sell one million records every year for 10 years as they often make their money from the other revenue streams that revolve around these sales.

Donavan (2003) claims that for the band he is managing, Grinspoon, he is attempting to generate 'organic' growth and an organic career:

Not a record company career, which is generated through releasing a record, spending half a million dollars on marketing and it will then either work or it won't work. If it works they'll give you more money and they'll help your career, and if it doesn't work they'll throw you in the bin. We want to build things organically and we want to make them happen ... record companies just play the numbers game, they think, "if we do that to 10 bands, three of them will come through and pay for the others."

Whether major record companies would endorse an organic, long-term approach to building artists' careers if they were receiving a return from all of their artists'

revenue streams remains to be seen. The star system that is in place within much of the mainstream recording industry simply does not lend itself to such a long-term approach. Frith (2001) argues that the vast majority of the record industry's products are economic failures because they fail to cover their costs. He points out that such losses are more than covered by the size of the returns on successes, which means that "star-making, rather than record selling, is a record company's core activity: the latter is dependent on the former" (2001: 35). Therefore, if record companies continued to play the 'numbers game' while owning the rights to all of their artists' revenue streams, the few of their artists who are successful would be financially secure while the majority of their artists would potentially end up with massive debts and with no separate revenue streams that would help them to survive financially.

Donavan (2003) claims that from his perspective as an artist manager, another major problem with record companies potentially owning the rights to all of an artist's revenue streams is that record companies will be able to trade with the artist in all areas whereas before they could only trade with the record deal. Donovan argues that:

You're giving up any right to negotiate any more or to talk about anything. It's a literal sell-out, whether you think the words 'sell' and 'out' have bad connotations for you or not is a whole other story ... I still think it's very dangerous and anyone moving in that direction needs to be very wary of the consequences because I think that the more those record companies have control over you – and this is obviously a huge amount of control – the less important managers get –

and the truth is that they are important otherwise they'll just keep fucking you and taking your money. It's human nature, you've got to have someone working for you who profits from you profiting, not the other way around. (2003)

As detailed in this section, a trend is emerging in the music business that is blurring the line between the role of record companies and the role of artist managers. The majority of Australian artists and managers do not recoup the capital record companies invest in them in order to make records. This is the case even when artists are successful because the size of these investments is relative to the artist's or band's profile. For many Australian artists and managers to survive financially the five revenue stream groups generated by their work need to remain independent of one another.

III. Case Study 2: Grinspoon's Suburban Force

This section involves a detailed examination of the work of Australian rock music manager, Gregg Donovan⁵⁵. As well as managing the Australian contemporary rock band Grinspoon, Donovan also runs a niche marketing company, Suburban Force. The specific way in which Donovan relies on income derived from Grinspoon's live work and merchandising will be discussed in conjunction with an analysis of his 'word of mouth' marketing company.

Grinspoon is a four-piece Australian contemporary rock band which took their name from a pro-marijuana activist named Dr. Lester Grinspoon. They formed in Lismore in Northern New South Wales (NSW) in 1995 and first came to prominence via Triple J's *Unearthed* competition, a competition designed to help regional bands attain a national profile. Grinspoon was the inaugural winner of this competition and the band independently funded and released its first self-titled Extended Play (EP) recording in late 1995. This CD was distributed by Oracle Records and the band began touring nationally in order to support its release. In 1996 the band produced their second release with Universal Records. This EP, entitled *Licker Bottle Cozy*, gained high rotation on Triple J and also crossed over onto commercial FM radio. The band's debut album *Guide To Better Living* was released in late 1997, and after constant touring through the summer of 1997/98, and the release of four singles, this album achieved platinum sales status in Australia (70,000 copies), and has since achieved double platinum sales status (140,000 copies). This album was released by Universal Records in New York and in 1998 the band toured the US extensively.

⁵⁵ All comments attributed to Gregg Donovan are, unless otherwise indicated, taken from an interview with the author in November 2003.

However, they failed to make a significant impact on this market. The band released their second album *Easy* in 1999. Although this album reached gold status even before the release date due to pre-ordering, it did not sell as well as *Guide To Better Living*; it reached platinum sales status. The band's third album *New Detention* was released in mid-2002 and was re-released in early 2003 with a bonus copy of their latest EP entitled *Panic Attack*. The band completed numerous successful Australian tours during this period in order to support this release, and sales of this album have surpassed double platinum status.

Suburban Force is a niche marketing company that works through the process of word-of-mouth marketing. It consists of a community of young consumers who are all theoretically early adopters of new products. In marketing terms, the premise of this company is that the target consumers who belong to this community will market product 'organically' to other target consumers. This online community is dependent on Suburban Force's website.⁵⁶ The members of this community are considered to be a part of the company because through the website they have the ultimate say in which products the company will promote. Once a particular product is accepted, free samples and other promotional material are sent to the members and these members are then left to simply consume the product and discuss it with their friends who are also theoretically 'Early Adopters' of new products. Members also have the chance to win various prizes. This form of marketing is used in a conscious attempt to create various 'word-of-mouth epidemics' and to lay the foundation for conventional marketing campaigns. Rather than trying to push musical product and youth brands

⁵⁶ Suburban Force's URL is: <http://www.suburbanforce.com/>

through the mass media, this form of 'grass-roots' promotion provides an alternative, supposedly more 'authentic' channel for the process of branding to begin.

a. Personality Versus Context

As previously discussed, Rogan (1988) makes the argument that management strategies are more a question of personality than policy. His mode of analysis aims to enable the researcher to come to a better understanding of the strategies and methodologies of different managerial types through accessing how they stem from the different personalities of the managers concerned. However, this approach is problematic as Rogan does not substantiate the existence of these personality types and because such a methodology conceptualises personality in terms of 'absolutes' and neglects the role of situations or contexts. Gladwell (2000) states that:

All of us, when it comes to personality, naturally think in terms of absolutes: that a person is a certain way or is not a certain way ... this is a mistake ... when we think only in terms of inherent traits and forget the role of situations, we're deceiving ourselves about the real causes of human behaviour.

(158)

Within the context of an analysis of a managerial personality type, it is a mistake to think of character as being something that is unified and all-encompassing. Gladwell points out that psychologists call this tendency the Fundamental Attribution Error (FAE), which means that when it comes to interpreting other people's behaviour, human beings invariably make the mistake of overestimating the importance of

fundamental character traits and underestimating the importance of situation and context (ibid: 160). He argues that human beings are a lot more attuned to personal cues than contextual cues because reliance on the FAE makes the world a much simpler and more understandable place. Gladwell notes that character:

Isn't a stable, easily identifiable set of closely related traits ...

Character is more like a bundle of habits and tendencies and interests, loosely bound together and dependent, at certain times, on circumstance and context. The reason that most of us seem to have a consistent character is that most of us are really good at controlling our environment. (ibid: 163)

Thus, in this section, a contextual explanation of Donovan's managerial strategy will be employed rather than a 'dispositional' explanation that adheres to Rogan's methodology.

In order to develop theories concerning artist management, writers such as Rogan (1988) argue that every manager is different and that every manager would handle the same situation differently. This argument focuses on personal cues rather than *contextual* cues. The hypothetical argument that every manager would handle the same situation differently would be very difficult to prove because two managers could not be located in exactly the same context. This hypothetical argument suggests that a manager's inner state or character is a unified whole that can, to a large extent, dictate how a particular artist is managed within the specific context in which they are located in the music industry. However, the crux of the argument concerning the

power of context suggests that a manager's inner state, or personality, is often largely the result of their immediate circumstances. Therefore if a particular manager were to be relocated to an entirely new context, their 'inner state' or personality would appear to be quite different.

As previously stated, Watson (2002) notes that because every artist is different, individual managers inevitably differ from one another and that to understand a manager you have to first understand the artist they are managing (2). These arguments suggest that an individual manager's approach and even personality can change dramatically depending on the particular artist they are managing within a specific context.

When arguing in terms of the power of context it is important to note that these 'situations' and 'contexts' do not include the major internal factors that influence all of our lives. Rather, in line with Bourdieu's (1993: 5) theory of 'habitus', subjectivism (agency) and objectivism (structure) are linked (McIntyre, 2003: 81). Indeed it is the interplay between these two spheres that makes managerial practice possible and the tool used to link them is habitus. Managers, while capable of free choice "do not act in a vacuum, but rather in concrete situations governed by a set of objective social relations" (Johnson in Bourdieu, 1993: 6). As previously mentioned, Bourdieu labels these concrete social situations fields. Therefore the argument being made here concerning the power of the context or 'field' that the artist manager is located within does not seek to deny that an artist manager's past working experience, up-bringing and other 'environmental' factors influence how they operate; it merely concerns the belief that an analytical reliance on such personal cues is too simplistic

and that often the immediate context a manager finds himself/herself within can overwhelm, and should overwhelm, their inherent predisposition.

b. Experience and Context

Donavan's experience and the immediate context he and Grinspoon found themselves in played important roles in the development of his managerial strategy. Donovan outlines his own background as follows:

With Grinspoon for example, at the start of me managing them it was clear to everyone that I had a large amount of experience in the live world because I was a tour manager for 8 or 9 years. I worked with everyone from Pearl Jam to Shania Twain to Fugazi and At The Drive In to NoFX and The Beastie Boys. So I've worked with a lot of big international acts. I did five tours with Ben Harper. I was with him in the Basement⁵⁷ and I was with him when he played the Horden Pavilion⁵⁸ ... I had watched him build and grow through touring. So that was the concept with Grinspoon. We decided that we were going to go out there and we were going to tour. That was my strength.

In contrast to Rogan's (1988) belief that managerial strategies are dependent on the manager's personality, Donovan notes that it was his experience as a tour manager

⁵⁷ The Basement is a 400 capacity venue.

⁵⁸ The Horden Pavilion is normally a 5500 capacity venue though Ben Harper drew about 6000 people to the show Donovan is discussing.

that suited Grinspoon as a touring band. The 'situation' Grinspoon found themselves within after their second studio album is another factor that influenced Donovan's managerial strategy. Referring to their original plan, Donovan posits:

The guys were going to go and make a great record and we were going to do the right kind of touring – not the wrong kind. They used to go out on the road and just tour. They'd just try to get to as many people as they could. That was an old concept if you ask me. What I brought to the table with Grinspoon was that I had seen it work differently and so we decided to do it differently. So the idea was to disappear for a while, starve them for a while because the story was going backwards a little bit with 'Easy' because their first album went double platinum while their second album went platinum. So if you want to be really technical about it and you're standing in the marketing room at the record company, you've got a graph that's spiralling down. So from the outside it still looks good because you're selling 70,000 records and you're still selling out shows while in the boardroom people are yelling at you and the line's going down on the graph, so you've got to do something. Believe me people get mad when you sell 70,000 records. If your first one sold 140,000 they're still mad at you – it's bizarre but it's true.

After their second album had sold about half as many copies as their first album and from an insider's perspective their career appeared to be in decline, the band purposely disappeared from the public eye to record their album *New Detention* (2002).

c. *New Detention*

The recording of *New Detention* involved the band spending much of 2001 completing an exhaustive and extended bout of songwriting in Byron Bay on the North Coast of NSW, then once again working with leading Australian producer Phil McKellar⁵⁹ at Festival studios in Sydney and Mangrove studios on the Central Coast of NSW. While McKellar produced and engineered the entire album and mixed the majority of tracks, the first single, *Chemical Heart*, was mixed by David Sardy, the second single *Lost Control* was mixed by Ulrick Wild and the album's opening track *Anyday, Anyhow* was mixed by Paul Lani. The studio band included all of the members of Grinspoon: Phil Jamieson (vocals), Joe Hansen (bass), Kristian Hopes (drums) and Pat Davern (guitar) as well as the additional string players.⁶⁰ Jackie Orszacsky arranged and conducted the orchestrated tracks and Fiona Jamieson provided backing vocals for the album's final track *Hate*. The album is a professional production that fits smoothly into the genre of contemporary Australian rock music.

The album contains 12 original tracks including a 45-second electronic instrumental segment that opens the album. The two ballads on the album, the first single *Chemical Heart* and the final track *Hate* represent a departure from the band's trademark guitar-

⁵⁹ McKellar also produced the band's double platinum debut album *Guide To Better Living*. He has also worked with Australian bands Midnight Oil, The Cruel Sea, silverchair and Spiderbait.

⁶⁰ Adrian Keating, Scott Tagart, Nguyen Bui, Mirka Rozmus, Deborah Lander, Stefan Duwe, Kate Morgan and Peter Morrison recorded the string parts for the album.

driven style. The orchestrated string sections, layered backing vocals, heavily produced drum sounds, clean guitar sounds and catchy melodic vocal lines enable these two tracks to stand out. These two tracks suggest that Grinspoon is a versatile, multi-dimensional band. It was Donovan's idea to release *Chemical Heart* as the first single from the album. He thought that because it presented such a different sound for Grinspoon it would "slap the Australian record buying public in the face." The song's production and 'softer' sound meant that it crossed over and received a substantial amount of airplay on commercial radio stations all over Australia as well as on the ABC's Triple J. Vocalist Phil Jamieson states that "I didn't really think *Chemical Heart* would be a single – no one else did, I guess, but our manager wanted to put it out ... I think he saw it as a strength, whereas we saw it as a weakness".⁶¹ However, the single spent 13 weeks within the top 10 of the Triple J Net 50. Jamieson continues by saying, "I think that's why we wanted to put *Lost Control* out before the album came out because it was going to be more indicative of what the rest of the album sounds like." *Lost Control* is a much heavier song (as discussed below) and as such it is more in line with the sound most often associated with Grinspoon's brand of rock music. From Donovan's perspective, while the first single was meant to 'slap' consumers in the face and get their attention, *Lost Control* was meant to 'pull' them into Grinspoon's overall sound and brand image.

Lost Control is in common time (4/4) and begins with multiple tracks of distorted guitar riffs which combine with the bass playing up-tempo eighth notes and the drummer playing a quarter note rock beat. The thick texture of the first 8 bars contrasts with the textural sparseness of the next 8 bars that involve a heavily

⁶¹ This quotation was taken from an interview with Jamieson posted at this URL: <http://xpressmag.com.au/> (accessed 8/10/03)

syncopated drum beat and the introduction of the vocal line which is sung in a high register. Each alternative bar then involves a thick distorted guitar and bass sound that continues while the drum beat changes to a straight quarter note rock beat that is no longer syncopated against the pulse. As this beat changes, the main vocal line is interwoven with another heavily affected vocal line in a repeated question and answer phrase. The drummer then plays a fill from this verse into a stadium-anthem type chorus that has a very thick texture. All of the instruments play a tight syncopated rhythm together in this chorus while Jamieson's vocals soar over the top. The three sections of the verse are then repeated, as is the chorus. After the second chorus there is a bridge section which involves a distorted rhythm guitar playing by itself. This bridge leads into a brief instrumental section then there is a third chorus. The third chorus is followed by a repeat of the three different sections of the verse that form the outro.

Although Jamieson is more often than not lyrically abstract, the lyrics for *Lost Control* are thematically in line with the band's slightly immoral and roguish public persona:

Times up yeah you should've known

Pretty little princess put it in a hole

Cold expect it's not a disease

Can you take a photograph of us for them to see

Bam bam bam trick or treat want to stay

We can do it ours and you can do it your way

Not so bad if you follow the plan

That's how it goes with your head in the sand

We've already lost control

Already lost control

We've already lost control

Already lost control

Here Jamieson's abstract lyrics seem to express an endorsement of archetypal rock rebellion. In terms of genre and style, *Lost Control* is quite similar to the album's second track *Anyday, Anyhow*, the album's fourth track *Gone Tomorrow* and the album's seventh track *Boltcutter*; all of these tracks are lyrically abstract and have similar anthem-like choruses.

The third single from the album *No Reason* typifies the band's sometimes poppier style, while the screaming vocal style Jamieson employs in the verses of the album's sixth track, *Make It Happen*, represents their heavier or darker side. In terms of drum sounds, the album's ninth track, *Killswitch*, is similar to *Chemical Heart* in that it alternates from electronic kit sounds to acoustic drum sounds. Similarly, the album's second last track *Damn Straight* makes use of electronic synthesizer sounds that are juxtaposed against standard distorted guitar sounds. In contrast to the rest of the album, the tenth track, *1000 Miles*, seems to be a parody of an irreverent, zestful

hoedown style country song with its introductory banjo and morbid lyrical content:

Well I got drunk and I got stoned

Shot my family left my home

Went out on a killing spree

Cause what you did was fucked to me

The morbid subject matter and endorsement of the drug marijuana evident in these lyrics are thematic concerns that were unlikely to alienate Grinspoon's core audience.

d. Suburban Force

In order to understand the development of Donovan's strategy for Grinspoon, a strategy that was put in place just before the production of *New Detention*, it is necessary to outline how his marketing company Suburban Force operates. It was through this company that Donovan embarked upon the first promotional campaign for *New Detention*. The marketing methods used by Suburban Force encompass the concept of 'Street Teaming'. In order to explain how the process of Street Teaming works, Donovan states that:

Street teaming works on a word-of-mouth process, but based on the right people. So in other words you've got these early adopter kids who are all being attracted to an online music community – which is the website. On this website we try to give them a lot of ownership – they have their own forums, we

have a move it or lose it section and we don't run teams or get clients on board unless our members say, "we like this, we'll do this band, we're happy to do this play station game." We've had big offers from corporates that we've had to turn down because our kids say "no". So we're really trying to create something that they do honestly have some participation in and that they honestly can get involved with. These are those kids who want to be involved, they want to break bands, they want to be the cool kid on the block with the new information.

Donavan's belief in the effectiveness of beginning his promotional campaign for Grinspoon's album *New Detention* with the word-of-mouth marketing Suburban Force's infrastructure allows was largely informed by the work of Gladwell (2000). Gladwell draws a parallel between the way ideas, products, and messages proliferate through societies and the way viral epidemics operate. He claims that ideas, products, messages and behaviours spread in a similar way to the way viruses proliferate. Gladwell's argument revolves around the concept of a 'Tipping Point'. According to Gladwell, the tipping point is the name given to the one dramatic moment in an epidemic when everything changes all at once (2000: 9). He argues that the three characteristics surrounding the proliferation of products are: contagiousness, the fact that little causes can have big effects, and that change happens not gradually but at one dramatic moment (ibid. 9). Therefore the premise of 'Street Teaming' is that the products Suburban Force distributes to willing participants will become 'contagious' through the way in which early adopters of products talk to one another. However, the

process of starting such a ‘word-of-mouth epidemic’ is a lot more complex than this outline suggests. The success of Suburban Force as a marketing company is largely the result of Donovan’s (and his partner’s in Suburban Force) understanding of the subtle nuances that make or break social epidemics.

Gladwell points out that there is more than one way to ‘tip’ an epidemic. Firstly, the Suburban Force team is well aware of the fact that epidemics are a function of the *people* who transmit infectious agents. Donovan argues that Suburban Force’s ‘organic’ recruitment process ensures that the consumers who willingly receive products are influential individuals who will ‘infect’ their peers. Donovan states that street teaming is:

[a] way to start your brand. Street teams are not the big marketing plan, they are the fertilizer you lay down before you kick in your marketing plan. Street teams will never break your band, they just create a base. The bands who come to us are already cool – and they know it. They’re trying to get to the cool kids because they know they’re cool – not the other way around. So it’s not that we’re branding people as cool because they’re associated with us – they’re already cool and they want to get to our cool kids and we’re just the conduit in the middle of all that.

Donovan’s belief in his ‘merchants of cool’ is in line with Gladwell’s argument that the success of any kind of social epidemic is heavily dependent on the involvement of

people with a particular and rare set of social gifts (2000: 33). Gladwell calls the necessary personality types 'Connectors', 'Mavens', and 'Salespeople', and firmly believes that 'the law of the few' governs which information turns into a word-of-mouth epidemic and which information does not. He asserts that the degrees within Milgram's (1967) famous 'six degrees of separation experiment' are not equal. Gladwell (2000) argues:

Six degrees of separation doesn't mean that everyone is linked to everyone else in just six steps. It means that a very small number of people are linked to everyone else in a few steps, and the rest of us are linked to the world through those special few. (37)

Gladwell claims that 'connectors' are people with a special gift for bringing the world together because they have a unique ability to make friends and acquaintances. To substantiate his ideas, Gladwell draws on the work of Granovetter (1974), who argues that when it comes to finding out new information or understanding new ideas, 'weak ties' or acquaintances are always more important than strong ties. This is because one's friends ('strong ties') occupy the same world as they do whereas one's acquaintances, by definition, occupy a very different world. 'Weak ties' are therefore more likely to give one information they do not already know. Gladwell (2000) believes 'connectors' are masters of the extraordinarily powerful 'weak tie'. He writes: "we rely on them to give us access to opportunities and worlds to which we don't belong" (54).

Mavens are also involved in the control of word-of-mouth epidemics. The word 'maven' comes from Yiddish; it means 'one who accumulates knowledge'. Gladwell points out that economists have spent a great deal of time studying mavens because if market places depend on information, the people with the most information must be the most important. Typically, mavens are also socially motivated; they want to share the information with others in order to help them. Through this process, mavens aid word-of-mouth epidemics as they spread detailed information amongst their acquaintances. Gladwell notes that:

In a social epidemic, Mavens are data banks. They provide the message. Connectors are the social glue; they spread it. But there is also a select group of people – salesmen – with the skills to persuade us when we are unconvinced of what we are hearing, and they are as critical to the tipping of word-of-mouth epidemics as the other two groups. (70)

Charming, persuasive 'salespeople' are therefore also a key to the spread of social epidemics. Donavan believes that Suburban Force's organic recruitment process ensures that at least some of their members are going to have these necessary social gifts.

e. Word-of-Mouth, Quality and Groups

Even in this age of mass communication and multi-million-dollar advertising campaigns, 'word-of-mouth' is still the most important form of human communication. Gladwell claims that there are plenty of advertising executives who

think that because of the sheer ubiquity of contemporary marketing efforts, word-of-mouth appeals have become “the only kind of persuasion that most of us respond to anymore” (2000: 32). However, obviously the process of word-of-mouth promotion involves a certain degree of meritocracy in that the product itself has to be of a certain quality. In other words, social epidemics are also a function of the ‘infectious agent’ itself (ibid: 18). Donavan argues that Suburban Force only promote products that have an infectious agent through the way in which the members themselves choose which products they are going to promote:

With Levi’s⁶² for example, we put a posting up on our website saying “hey kids – Levi’s want us to do a street team for them, we don’t know about this – what do you feel about it all? We don’t want to abuse you on it, so how do you feel about it?” And we’re honest with them. We tell them how much money they’ve offered us, we tell them all this stuff and open it up. We consider the kids to be a part of the company. So we opened up this topic and asked what the kids thought of it all and we had the kids come back saying “you know what – just tell the fuckers to give us some free jeans because we’re cool and we’ll wear them and we’re not going to tell anyone. So we went back to Levi’s and said our kids are cool – give them all free jeans. 5,000 kids want free jeans, can you supply them?”

⁶² Klein (2000) claims that the Levi Strauss corporation was originally ostracised as a corporate ‘nerd’ because it originally missed the branding paradigm shift. She states that “The verdict was merciless: Levi’s didn’t have superstores like Disney, it didn’t have cool ads like the Gap, it didn’t have hip-hop credibility like Hilfiger and no one wanted to tattoo its logo on their navel, like Nike. In short, it wasn’t cool. It had failed to understand, as its new brand developer Sean Dee diagnosed, that ‘loose jeans is not a fad, it’s a paradigm shift’ (Klein, 2000: 76).

*And they said “what are you going to do for us? So we said,
“Nothing but wear them.” And they gave them to us.*

Donavan passionately believes in the quality of Grinspoon’s product and states that Suburban Force’s infrastructure simply enables him to “spread the word on music”. With regard to the distribution of products he notes: “all we can do is say here it is – do what you want with it.” This methodology involves a large amount of meritocracy because for the product to spread like a virus it has to have an infectious quality.

Suburban Force is the perfect company for a corporation such as Levi’s to use in their attempts to brand their products. As Klein (2000) claims, ‘coolness’ is the make or break quality in contemporary branding practices:

Fueled by the dual promises of branding and the youth market, the corporate sector experienced a burst of creative energy. Cool, alternative, young, hip – whatever you want to call it – was the perfect identity for product-driven companies looking to become transcendent image-based brands. Advertisers, brand managers, music, film and television producers raced back to high school, sucking up to the in-crowd in a frantic effort to isolate and reproduce in TV commercials the precise ‘attitude’ teens and twenty-somethings were driven to consume with their snack foods and pop tunes. (75)

In response to a question concerning whether he thought Suburban Force was simply another marketing company that was trying to problematically start any client's branding process through accessing this 'cool' demographic, Donovan replied by saying:

The thought had never crossed our mind that it was bad. The thought had crossed our mind that this was simply taking fan clubs to another level because we were never going to ask kids where to be or do these things. So we try and police ourselves on this. I think there's absolutely massive scope for this to be abused by street team companies – and it is being abused by others ... But the one thing they're forgetting is that kids are super smart. They know exactly what they're doing and as soon as we push it and tell them to do one thing they just tell us to fuck off.

For Suburban Force to be effective they have to actually be in with the 'in crowd'. Unlike market researchers who use focus groups and one-way glass to study kids, Suburban Force is 'one of them', and any attempt by this company to blatantly start the branding process for a client whom the members do not approve of would render the company completely ineffectual. However, through building a credible relationship with such a demographic in this way, Suburban Force are more effectively able to be 'cool hunters' for the corporate world through having direct contact with new pockets of cutting edge lifestyle.

The Suburban Force team understand the critical role that groups play in social epidemics. Suburban Force's mission to "take fan clubs to another level" manifested itself through the creation of small 'street team' communities that have been set up all over Australia. Rather than starting the marketing campaign for Grinspoon's *New Detention* album through advertising in conventional ways that would simply enable the brand image or essence to reach a large number of separate individuals, Suburban Force begins the process of branding through creating small and separate communities around the products where the brand image/essence or lifestyle can be practiced, expressed and nurtured. By promoting the first single, *Chemical Heart*, through Suburban Force's infrastructure, the song did not just connect to many separate consumers, the song became connected to many separate groups that all operate like individual fan clubs.

Managers coordinate the discursive construction of the metaphorical link between a musical act's sound structure and the identity/ideal, social structure and lifestyle that their brand name represents and this aspect of Donovan's job as manager of Grinspoon was greatly aided by the fact that *Chemical Heart* was being consumed and discussed by such groups. Indeed, it is easier to remember and appreciate a musical product and the brand essence surrounding it if you discuss it for two hours with your friends. It becomes a social experience. Suburban Force aided the early adopter stage of Donovan's marketing campaign. Such small, close-knit groups had the power to magnify the epidemic potential of Grinspoon's brand essence and first single *Chemical Heart*.

f. Tickets, T-shirts and Perception

Donavan's overall strategy for marketing Grinspoon's *New Detention* album was structured in a way that would eventually enable the band to receive income via ticket and t-shirt sales from what he called the 'pay off tour'. Donovan's strategy for Grinspoon in part stemmed from his belief that the band could not rely on revenue from record sales for their financial survival. This case study highlights the fact that a manager like Donovan needs the five main income stream groups that surround their artist's work to remain separate from one another and out of the control of the record label to which the artist is signed. Donovan outlines his overall strategy for Grinspoon and argues that an artist's revenue streams need to remain separate as record companies simply do not think like managers:

I've seen promotional departments of major labels screw up releases because of timing, purely and simply because they toured the band the same day they released the record, they put it all into one little basket and off they go – they don't spread it out. Now I know as a manager that I need at least four weeks of working the single at media before I put the band on the road – at least. I mean it takes at least two weeks for it to get through the music meeting for them to decide they're going to add it and to actually add it takes time and then it takes another couple of weeks for people to actually hear it and talk about it to each other and build up some sort of energy you know ... So you're finding ways to get to the pay off tour. So there's this one big tour where the band's actually

creating an income on t-shirts and tickets. Every record should have a payoff tour ... if you have a successful record there should be one tour where the t-shirts and the tickets make money.

Donavan's campaign for Grinspoon was structured so that each single release, show, city-tour, regional-tour and interview enabled the band to strategically work towards a large 'pay off tour'. The pay off tour that Donovan and Grinspoon were working towards was not only meant to generate a financial return; it was also meant to generate the 'perception' that the band was hugely successful. In order to achieve this, Donovan needed to generate a good perception at each stage of the campaign.

After the band had been promoted 'organically' by Suburban Force's street teams, Donovan hired a publicist and the band spent approximately a month doing media interviews in order to promote their first single and upcoming shows. After this he booked shows in venues he knew would sell out so that the people who saw the show would leave with a positive perception of the band and to create more of a demand for the product. Donovan explains how he and the band went about generating a positive perception of their first shows:

We went into the Metro⁶³ and did one show in Sydney, Brisbane and then Melbourne. We could have done bigger rooms but the idea was to go in there, sell them out and put all the media in there as well. So we advertised to our fan base

⁶³ The Metro theatre in Sydney is a 1000 person capacity venue.

first in order to try and get real fans in the room so there was a vibe. Then we gave away a lot of media tickets and spent more money than we needed to on the lights and the PA. We wanted to make the show look and sound the best anyone had experienced in that room so that people would walk away from the room saying that it was sold out, we haven't seen Grinspoon for a while – how cool was that light show, how great was the show? The band's new songs are awesome, they're on fire right now. We went into those Metros and the High-Fi bar in Melbourne and we fucking blew the roofs off them.

Because these shows sold out, peer pressure led to the generation of a positive perception that became contagious and that spread through the mainstream media because key journalists were given free tickets to the show. Discussing such a phenomenon, Gladwell (2000) points out that:

Anyone who has ever been to the movies knows that the size of the crowd in the theatre has a big effect on how good the movie seems: comedies are never funnier and thrillers never more thrilling than in a packed movie house. Psychologists tell us much the same thing: that when people are asked to consider evidence or make decisions in a group, they come to very different conclusions than when they were asked the same questions by themselves. Once we're part of a group, we're all

susceptible to peer pressure and social norms and any number of other kinds of influence that can play a critical role in sweeping us up in the beginnings of an epidemic. (171)

Frith (1996) states that an identity is always already an ideal and that a musical identity is both fantastic, because one does not just idealise oneself but also the social world one inhabits, and real because this sense of fantasy is enacted in activity (274). The peer pressure evident at Grinspoon's initial sell out shows would have greatly enhanced this sense of fantasy and 'special-ness' that was enacted through such activity. Successful managers do not just coordinate the discursive construction of the metaphorical link between a musical act's sound structure and the identity/ideal, social structure and lifestyle that their brand name represents. They also aim to generate 'perception' through strategically working to enhance a sense that the music being produced is 'special'.

g. Signifying Success

Donavan was well aware of the fact that such a positive perception 'infected' consumers or audience members when they engaged with the discourse surrounding Grinspoon's music. Nattiez (1990) asserts that "sonorous events fill an intermediary role between the producer's side, and the side of those who perceive them: they serve as a vehicle for communicative connections" (31). The positive discourse that was generated by these shows enabled a positive perception of the band's new material to pass from the innovators and 'Early Adopters' (Gladwell, 2000: 197) to the 'Early Majority' (ibid: 198) of consumers. Donovan states that the relatively small sell out tour:

set us up for a great small capital cities tour. That was for single number one "Chemical Heart". They were mainly media shows. After that we left it a little while and just did media. After that we went out and just did capital cities. We went out and just did two or three Metros in the capital cities. We worked the capital cities in the hope that that would build out to the regionals.

Moore (1991) argues that the attitude of the Early Adopters and the attitude of the Early Majority are fundamentally incompatible. He maintains that products, musical or otherwise, do not just slide effortlessly from one group to the next. There is a 'chasm' between them; what makes sense to an Early Adopter does not necessarily make sense to the Early Majority. It was the discourse surrounding the music that managed to translate Grinspoon's music and brand image so that it could be endorsed by the Early Majority of consumers. This is why the band took a break after the first mini-tours and just did media interviews. Donovan's idea was that the word-of-mouth discourse that was generated by the sell out shows would combine with the media's reviews of the shows, band interviews, and the band's advertisements in the written press, on radio and on TV; thus a positive perception would be generated that would enable auspicious discourse concerning Grinspoon to spread like an epidemic.

Donovan argues that this 'epidemic' spread from the major metropolitan areas to regional areas where it then built and subsequently spread back to the metropolitan areas. After the sell-out shows in the capital cities, Donovan notes that the band:

then went on a pure hardcore regional tour which was the big one where we went all through mid-Victoria. We were playing in far north Queensland and all through far north WA. We played Kalgoorlie, we played Darwin, we played in Cairns and Mackay and Townsville. We decided to go to everybody's backyard in order to shake their hand. And then when we were in Sydney, instead of going and doing a big Enmore,⁶⁴ the idea was to tour it properly.

Popular music products flourish via the process of signification. Indeed, a touring/marketing campaign needs to be spread out over time as it takes awhile for the process of signification to spread from the Early Adopters to the Early Majority, and then to the Late Majority (Gladwell, 2000: 197) and then to the Laggards (ibid). Fuery and Mansfield (1997) note that it is important to acknowledge that one of the central aspects of semiotics is the interplay between systems of communication, social contexts and how we make sense and meaning from signs (48). Grinspoon's brand identity is one such 'sign'. In terms of semiotics, the interrelationship between the Early Adopters and the Early Majority was formed through the way in which Grinspoon's successful city and regional tours enabled esthetic discourse to signify 'success'. Fuery and Mansfield state that:

In semiotics anything has the potential to be a sign. Composed of a materiality (signifier) and an abstract potential

⁶⁴ The Enmore Theatre is a 2200 capacity venue.

(signified), the sign is at once concrete and shadow. The materiality of the sign – that which we grasp, see, hear and so on – cannot be separated from the abstract – that which we understand or interpret. (1997: 48)

In the case of Grinspoon's regional tour, the abstract interpretation of the sign/brand-name 'Grinspoon' manifested a positive 'perception' of the band and its shows; this perception that was largely generated by the quality of the product and by peer pressure. Donovan then used this perception to build up to the band's 'pay off' tour. After surrounding Sydney with smaller shows that were "packed and great", Donovan points out that the idea after this was to:

hold off for a little while, do a couple of major festivals, release another single – starve it for another couple of months and then that's where the pay-off is. What you're doing is making it look like the band is getting much bigger, but it's really a bit of an illusion, like using mirrors and strings because what's actually happening is this. We sell out three nights at the Enmore, we sell out one night at Melbourne Festival Hall, one night at Brisbane Festival Hall and everyone inside and outside the business goes "Grinspoon have blown up – they've made it, it's all gone great". The truth is we're getting the same amount of people I got to two months ago, we're just bringing them all into town ...We turned the band around completely, we're back to double

platinum sales, we're selling out big shows. The perception is now that they are a pre-sale band which they weren't before.

As an artist manager, Donavan successfully guided the re-construction of the link between the material aspect of Grinspoon's 'sign' and what it stands for. As discussed above, semiologists argue that all signs have a never-ending set of connotations. Barthes (1973) calls this the 'cultural operation of myth', and Eco (1984) refers to 'unlimited semiosis'. Both of these theorists discuss the continual roll of possible connotations. Fuery and Mansfield (1997) argue that one of the implications of 'connotations' is that we can never attach a single, fixed meaning to a 'sign' (49). Donavan was very aware that the abstract 'perception' attached to the material aspect of Grinspoon's sign constantly changes over time. Donavan's strategy for Grinspoon's *New Detention* album was a success because he was able to generate/signify a positive perception of the band. Proof of this positive perception lies in the fact that so many of their large concerts sold out. Tarasti (2002) states:

Values have no influence, however, unless they are embodied in our everyday lives and social interactions. In our daily activities, we constantly evaluate things, including the way we communicate with each other. No object or thing has any existence for us unless it means or signifies something. Music thus mediates between values be they aesthetic, ideological, or whatever – and fixed, ready made objects. In fact, music as a sign provides an ideal case of something meaningful and

communicative, and thus of something semiotical par excellence. (4)

Donavan's strategy for Grinspoon successfully enabled their music to mediate between aesthetic values, ideological values, a perception of artistic and financial success *and* the material aspect of their music.

h. Foreign Territories

Donavan planned to use such positive perceptions in order to develop Grinspoon's career overseas. Before he began managing Grinspoon, the band had tried but failed to make significant inroads into the US market. According to Donovan, this was because Grinspoon's original management team "just sent them to America to tour like crazy for six months". Because of this previous attempt:

The industry thought "oh they've kind of done it so it's not going to work". There was a bit of a bad perception with Easy and everything so my theory with overseas was this: "this is a two album thing – overseas is no fucking around, it's not easy, so we need to do it right." So what we need is a good story at home first. So let's get this next record out, let's create a big story, let's sell out the Enmore so that we've got a story that we can tell people overseas.

Donavan planned to use the positive discourse surrounding Grinspoon's *New Detention* album and recent Australian tours in order to 'signify success' to music

industry insiders in the UK. Once he created a positive 'Grinspoon story' in the UK he planned to use this momentum to get the band back into the US market. Donovan believes there is a need to show that the band is progressing; otherwise industry insiders within these territories will not be interested. This is why Donovan generated a positive 'perception' of the band in Australia by focusing on this territory while at the same keeping his overseas contacts up to date with the band's progress.

In the UK Donovan organised 'soft' import releases for the band's recordings with the band's label (Universal) rather than one big release, as he purposely wanted the recordings to appear in the 'import' section of record stores. He then hired a publicist to organise small advertisements in the street press in a conscious attempt to keep the band's profile 'low key' to begin with. He initially tried to build a small groundswell for the band and an infrastructure so that the band could progress in this territory. After focusing on the Australian market, Donovan's next step was to build a "war chest of money" and fly to the UK with the band in order to get them to actually play to industry insiders there. Donovan states that:

Suddenly everyone said "oh – I see what this is all about". So we started getting interest from agents, from our own record company, from these people. So what we're sitting on now is that the head of international A&R for them (Universal) is a guy called Eddie Ruffet and he's now seen the band play live, when before he didn't get it – he didn't know anything about them – he has import released us over there, he has supported it, he is definitely releasing the next record and he is putting a

marketing budget to it and I now have a co-manager – who is Pete Townsend's manager, a guy called John White. So now we have an infrastructure over there.

Donavan plans to handle each overseas territory very carefully by being realistic about these territories and by achieving many small goals. His 'financially realistic' strategy is aimed at creating a long-term career for himself and Grinspoon overseas:

We'll go over there and the first thing we want to do is play every toilet⁶⁵ we can get our hands on. If we can go to Bath and play to 40 people but if it's the coolest little bar in Bath and it's the one the Early Adopters go to then we want to get in there. We want to go and just play for a few months in just every little backwater and do all of the right groundswell things – utilise our release in order to get into those rooms and after that we want to try and get back through those towns by supporting Placebo or The Red Hot Chilli Peppers or somebody like this on Emma's stable that we can support and then go and do the festivals and then go back and do our own headlining tour in clubs that are a little bit bigger than that. So the idea is that over one record and two years we can get the band to a base level of just having a fan base with about 500 to 600 tickets sold in each town, maybe a few hundred

⁶⁵ Music industry practitioners often call small venues that are not prestigious 'toilets'.

*thousand record sales under our belt and then we'll just move
on to another record.*

Donavan is therefore setting reasonable sales targets in Western Europe and the UK in order to achieve success so that they can use this 'story' for the band's second attempt to penetrate the US market.

To understand a manager and the managerial strategies they construct, it is important to first understand the artists they are managing and further to understand the specific context these artists are located within. Grinspoon are primarily a touring rock band. It is clear that Donovan's experience as a tour manager and the immediate context Grinspoon were in led to the adoption of an overall strategy that revolved around touring. This strategy was successful in building a new context for the band from which a positive perception of their work could emanate.

IV. Case Study 3: Macro/International: Trajectories and Perspectives

This section will consider the perspectives of Australian artist managers and companies that operate at the macro/international level of the global music industry. If an artist manager and artist stay and operate in Australia alone, they will only ever be able to access 2% of the global market for popular music (Welsh, 2005). There are multiple ways in which an Australian artist can break into foreign territories. This section seeks to compare and contrast some of the various options that Australian artists have available to them. Of the myriad ways in which Australian managers can

see their artists' recordings released in foreign territories, the following three methods have been identified for comparison here:

- 1) Signing directly to a foreign independent or major label.
- 2) Licensing or assigning the right to exploit the copyright in a pre-existing record to a label in a foreign territory.
- 3) Sourcing a deal with a multinational out of Australia and having it released in a foreign territory through an inter-company license agreement.

This section deals first with two case studies of Australian artist management companies that have become production entities through shadowing record companies. These entities were established so that the practitioners involved could more efficiently sign their artists directly to foreign independent or major labels and/or license the right to exploit the copyright in pre-existing recordings to foreign labels. The perspectives and opinions of various industry practitioners who are actually located in key foreign territories will then be considered in relation to the three methods outlined above. Finally, this section analyses an Australian artist manager's experience of sourcing deals with multinational record companies out of Australia in order to see Australian artists' recordings released in the US through inter-company license agreements.

a. Towards a Film Industry Model of Management

Symbiotic relationships have been formed between Australian music management and production companies and major record labels in foreign territories. These relationships have developed as a result of the problems facing major labels in the

new digital environment and the challenges Australian artist managers face when trying to break into foreign markets from Australia. As many record companies downsize⁶⁶ by employing fewer marketing and promotion staff, and through outsourcing artist and repertoire (A&R) to freelance producers, an interesting trend is emerging. Some management companies are effectively shadowing record companies through the way in which they are beginning to fulfill many of the responsibilities that used to belong to independent or major record labels. This is enabling these companies, and the artist managers who run them, to play a much greater role within the music industry. These companies are analogous to production companies that exist within the film industry (Biskind, 1999: 90).

In some situations, major record labels are streamlining their operations by becoming funding operations that foster relationships with artist management companies, relationships that are similar to those between large film studios and film production companies. This process means that outside artist management and production entities have the responsibility for developing and manufacturing the actual product; therefore the business models they are employing are extensions of the way in which independent record labels have licensed recordings to major labels in the past. This model suggests that major labels will become funding, marketing and distribution operations that will focus on producing *brands* rather than *products*.

⁶⁶ According to IFPI data, world sales of recorded music fell 7.6% in value in 2003 and this fourth consecutive year of falling record sales is attributed to the combined effects of digital and physical piracy and competition from other entertainment products (2004). It is in this industrial context that in 2004 Sony Music merged with BMG in order to generate \$400m in cost savings. BMG chief executive Rolf Schmidt-Holtz said of the deal that: "If (Sony and BMG) stood alone, we would have to cut artist rosters and even closing activities in smaller countries ... This merger is the best guarantee that we can maintain a broad roster of artists in the current environment." (Groendahl and Caney, 2004: 1)

This trend can be located in an historical context. Throsby (2002) notes that there have been important structural changes in the global music industry since the 1970s. He asserts that the independent distribution system that had existed for many years began to break down in the 1980s and this led to an increasing number of the directors of independent labels agreeing to have their products distributed by one of the major distributors. He notes that:

This trend has continued to the point now where many otherwise independent labels are distributed by one of the major transnationals. In fact it has been suggested that the independent record companies act in a way that serves the potential interests of the majors. They are generally involved in developing music outside the mainstream; if their music is successful they may begin to pose a threat to the majors' market dominance. If so they may be absorbed by the majors ... the relationship between the two types of companies may be thought of as symbiotic rather than oppositional. (ibid: 15)

The two artist management and production companies that are the focus of this section, Eleven and Engine Room, have taken this already symbiotic relationship between 'indies' and 'majors' even further. Indeed, the two companies were not absorbed by the majors after beginning as independent record labels in the aforementioned way; rather the artist managers who began these companies worked closely with major labels from the beginning. Although the way these two companies operate is similar to the way in which independent record labels have operated for

many years, these companies are not miniature models of majors that are either symbiotic or oppositional to the larger labels. These companies are in direct partnership with majors; they take only some of the responsibilities that used to belong to the major labels.

In order to illustrate how these companies deviate from the norm, the way they operate will be compared with the more conventional strategy and business model that was outlined in the last case study concerning Donavan's management of the band Grinspoon. Also, an outline will be given of Daniel Henessey's⁶⁷ experience of sourcing deals with multinational record companies out of Australia in order to see Australian artists' recordings released in foreign territories through inter-company license agreements. The arguments for and against the production company business model will be explored.

At its most extreme, the production company model would give musicians the freedom to make records on a project by project basis by working with the most appropriate practitioners in a production team, rather than them being signed to one independent or major record label for all of their projects. The product produced by the team would then be signed to whichever record label was willing to work with this company in order to market and distribute a ready-made product. The musicians would then be free to team up with whoever they pleased in order to produce their next 'project'. The Australian music production company Engine Room is the

⁶⁷ Henessey and his business partner Steve Betts run a Sydney-based music management company entitled Aloha. Shihad, Faker, Sparkadia, and Cog are the bands that are currently signed to Aloha for management. Shihad (aka Pacifier) and the Superjesus are the two bands that Henessey has tried to achieve success with in the US (to date).

company that has gone the furthest down this path, while the operation of music production company Eleven represents a slighter departure from the norm.

b. Frustration and Inter-Company License Agreements

My earlier analysis of the overall managerial strategy for the band Grinspoon revealed that the band is signed to Universal Records for five album options and for the world.⁶⁸ It is for this reason that in the UK the band's recordings are assigned to Universal Records for marketing and distribution rather than to another label. Although Donovan⁶⁹ firmly believes that this arrangement is not detrimental to Grinspoon's cause, and that through Universal Records the band will be able to generate a presence in foreign territories, this standard way of working Australian artists in foreign territories has frustrated other Australian artist managers so much that they have found other pathways and arrangements. Australian artist manager Todd Waggstaff⁷⁰ and music producer/songwriter and Engine Room co-founder, Andrew Klippel, have worked with a number of different Australian acts who were signed for the world from Australia. Waggstaff notes that because these acts had to go through the label to which they were signed, the artists' products were neither prioritised or released in foreign territories.

⁶⁸ When an artist is signed for the world, one multinational company controls their copyrights/intellectual property in all countries/territories. It depends on the individual deal and the company (recording or publishing or combination) as to whether this includes administering performance royalties or mechanical royalties (or both).

⁶⁹ All comments attributed to Todd Waggstaff, Gregg Donovan, John Watson, Kim Thomas, Daniel Hennessey are, unless otherwise indicated, taken from personal correspondence with the author in March 2002, November 2003 and from notes taken at the Australian branch of the Music Managers Forum's annual conferences in November 2002 and October 2003.

⁷⁰ Waggstaff has worked for Festival/Mushroom records, Roo Art records and has also managed successful Australian band You Am I in Australia and in the US for a number of years.

Waggstaff claims that if an artist is signed to a branch of a multinational record company in Australia, the fact that their recordings have to enter foreign territories via the channels this company provides means that there is no bidding war and no discovery process for the A&R staff in this territory. The foreign record company's employees are simply given a finished record with finished artwork and a finished video clip. Waggstaff and Klippel started Engine Room in partnership with Australian media tycoon James Packer in order to satisfy their desire to work on recording projects that would definitely be released and prioritised in foreign territories. They became frustrated while working with Australian artists who were signed to multinational companies from Australia; these artists would be blocked by the conventional inter-company arrangement. According to Waggstaff, it is not just a question of the discovery process; inter-company license agreements work against Australian artists who are trying to access foreign markets. He specifically states that:

The reason why you don't get prioritised is that when the US company releases an artist signed to the Australian company they have to pay a fixed inter-company license rate, 30% is about the royalty they have to pay, so if Warner Australia sign an artist and Warner America release it, they have to pay 30% as the royalty whereas they pay 15% or 17% for local American product.

Australian artist manager John Watson also desires to work around the limitations that worldwide deals with major labels out of Australia cause. However, Watson's label Eleven is quite different to Engine Room because everything his label does is done in

partnership with major label EMI. Discussing the reason for setting up his new label, Watson notes:

What we found is that when we approached major labels with artists and said that we wanted to sign for just this part of the world we were told that it couldn't be done. When we walked in and said that we're a label and we want a label deal for just this part of the world they said "yeah that's fine", and so in that case we said "fine, we're a label".

Therefore, the impetus for the creation of these unorthodox arrangements was the fact that such inter-company license agreements hamper Australian managers' attempts to break into foreign territories. At times such deals render these attempts completely ineffectual. Although these managers still wished to work with major labels, to meet their goals they needed to change the nature of their agreements with the majors.

c. The 'Products to Brands' Paradigm Shift

The particular approaches that these two managers have employed effectively enabled them and their artists to maintain artistic control through the way in which they now, to differing degrees, carry the financial and creative burden of actually producing the product. This product is then licensed to various major record labels that primarily focus on marketing, distributing and ultimately 'branding' this ready-made product. This trend within the music industry needs to be located within a larger trend that is occurring within the global economy. In this wider context, successful corporations

are increasingly producing images of their brands rather than products or 'things', and this has therefore shifted the emphasis from manufacturing to marketing.⁷¹ As previously discussed, Klein (2000: 4) claims that the formula of *buying* products and 'branding' them, rather than *producing* products and 'advertising' them, has proven to be so profitable that companies are competing in a race towards weightlessness. This trend within the larger capitalistic economy, of which the music industry is a part, is enabling Australian artist managers such as Waggstaff and Watson to navigate around the pitfalls of signing and developing Australian artists intended for the international marketplace. On the other hand, this trend is allowing various major record labels to become 'weightless' due to the fact that they are no longer burdened with the liabilities associated with record production. In this case, the process of marketing or 'branding' has become their focus.

This paradigm shift can be beneficial for the artists it affects. Watson's label Eleven offers the artists signed to it the advantages of having more creative control over their products and also of receiving more points.⁷² When setting up Eleven, Watson was faced with a potential conflict of interest. When a manager also becomes the owner of the record label or production company to which their artists are signed there is the potential for this manager to receive a label share of the artist's royalties (and other income) as well as a manager's share. Rather than paying himself twice, Watson got around this inherent conflict of interest through passing any potential benefits the new structure generated onto the actual artists:

⁷¹ The marketing or 'branding' phenomenon has seen a 700% increase in US corporate sponsorship spending between 1985 and 1998 (IEG Sponsorship Report, December 22, 1997, and December 21, 1998 in Klein, 2000: 37).

⁷² Industry practitioners use the term 'points' to refer to what percentage of the royalties each individual involved receives because one percent often represents, or has the potential to represent, a viable amount of money.

From our point of view the 'up-side' we feel that we offer to our clients is as follows. Firstly, because they're not paying a label share, they're actually receiving a label royalty which is usually higher than an artist's royalty. So they're actually making more per record because the benefit we get from being a label is passed onto them and the benefit that comes to us is generated because our commissions are greater because we're getting the same size slice of a slightly bigger pie. The second benefit is that we have the control that we want over the marketing and promotion of the records and certainly over the A&R of the records as well ... And finally, probably most importantly from our standpoint, it's our profound belief that having a person behind the desk in New York or LA or London with a direct stake in your career is more likely to lead to your success internationally.

Watson's artists had a better deal, and he was in an advantageous position because he was commissioning the standard twenty percent of the artist's income (under the new arrangement this also included the label share of the royalties). However, Eleven still had the advantage of being able to work through a major label's marketing and distribution networks. Eleven's artists are also free to sign with whichever label they please in foreign territories. Watson and his artists are therefore receiving the best of both worlds; Eleven has access to the all important marketing and distribution

networks of a major label – it is still closely associated with EMI Australia – while the artists receive more money and retain a huge degree of creative control.

Although Watson set up Eleven as an independent ‘music’ company, EMI invested in the label. As manager of the successful Australian band silverchair (a band whose original recording contract with Sony music had expired), Watson was able bring the band in on the deal and utilise them as ‘the carrot’ to the record company. He negotiated a deal with EMI stating that if they wanted to sign the band they would have to distribute and market the band’s products, accept their terms with regard to creative control and invest in the label. In this way, unlike Engine Room, Watson has aligned Eleven with one particular major label. This is how Watson was able to get around another conflict of interest that necessarily manifests itself when managers also run their artists’ record company. Australian artist manager Kim Thomas⁷³ explains the tension and conflict that arises when one person fulfills both roles:

I actually find it difficult being the manager of the artist and running the record label. The only way that I deal with that is I keep my manager’s hat on and I stay over there as a manager and I treat my other partners in the label as a record label. This is because for me it doesn’t actually work because from a record label point of view there are issues involved with marketing expenditure. For example, the record company

⁷³ Thomas runs Black Yak Records as well as Black Yak Management. The Australian bands The Whitlams, Iota and Pre-Shrunk are signed to these companies.

will not want to spend the money whereas on behalf of the artist you want the money.

Watson gets around this problem because Eleven is run in partnership with a major label, EMI. This major label is responsible for the marketing expenditure, not Eleven. He states:

It's completely in our interest as Eleven to get EMI to spend as much as possible on marketing our artists and we're never backwards in coming forward and asking them to spend more because it's their money not ours and it therefore doesn't effect our income one bit.

Watson's position as director of Eleven also had the potential to change the relationship he had with his artists. The relationships between an artist and their manager and an artist and their record company are fundamentally different. Goodman (1998) states that, "a manager is employed and paid by the artist, while a record company essentially hires – and as a rule owns the work of – the artist" (240). By becoming the record company, Watson in a way reversed his relationship with his artists; instead of working for them, they work for him. However, although a superficial assessment of Eleven would suggest that this is the case, Watson is a manager who claims that he has always understood the leverage that he has had at his fingertips through being an artist manager. Watson asserts that although he is now the manager and the record company, the artists are still in charge because they are the only ones who have a 'trump card' to play. He points out that:

I think that the artist could say that they don't want to make music anymore and then just go home. I think that the artist doesn't always act like they're in charge and it's probably in the manager's interest that that's the case often, but I think that when the biggest call comes, the artist is the one who ultimately has to make it. They can decide not to make a video, they can decide not to go on tour.

Watson believes that Eleven's business model gives the artists the power to be in charge of their own creativity and ultimately their own career trajectory. The paradigm shift from products to brands has led to the generation of a management and production company that enables the people who love making music to get more involved with making music, rather than only the people who love making money getting involved with making music. Donovan states that:

Sure, the production companies in the movie world want to make money too but I'd dare say they got there because they wanted to make movies, where as this is not always the case with record company guys because they've come in from other industries that their parent company owned and they restructure and relocate. They really do just want to make money, they're really not interested in the art 99% of the time.

They always employ someone to act like they care – that's what A&R guys are.

When artists are signed to a management and production company rather than directly to a record company they belong to more of a supportive 'artistic community'; this suggests that the negative 'gang-warfare attitude' that exists between many artists and bands may become diluted:

You're opening it up to a lot of collaborations and you're creating a community which is the idea of what it used to be. I mean that's where the term 'stable' came from. You never hear anyone using that terminology anymore. I mean those words came from the Motown guys who really believed in the records they made. They were music people. Most of the MDs back then were musicians with business skills. You find a record executive these days who can strum one note or play a beat – I'd be very surprised. But they've all got accounting and law degrees. (Donavan, 2003)

Watson's strategy is in line with the argument that major labels will change how they operate simply through becoming distribution facilities much like the larger entities in the film industry. In this particular case, rather than create content in-house through using their own A&R department, EMI and Watson have fostered a relationship together. EMI is willing to let Watson and Eleven discover acts and develop them

while understanding that their role will be to brand these products and get them to people – whether through digital means or through the distribution of physical products. However, unlike Engine Room, Eleven has not fully endorsed a film industry model in which major film stars do not do long-term deals with a particular film studio. It is clear that the musicians signed to Eleven are not entirely free to make records on a project by project basis in this way as Eleven is still attached to EMI.

d. Engine Room

Engine Room is more like a production company in the film industry than a record label in the music industry. Engine Room manufactures records completely independently of a major label and then assigns most of the rights to these products to various major labels in foreign territories. The fundamental difference between Engine Room and Eleven is that Engine Room is not aligned with one particular major label and is more like an independent record label. Engine Room signs their artists' publishing and recording rights for the world from Australia and then arranges partnership deals that involve them assigning most of those rights to whichever label suits the artist or to whichever label gives them the best deal. Like Eleven, Engine Room maintains creative control. However, creative control is maintained through investing the capital needed to make the records and videos themselves. This strategy simultaneously puts Engine Room in a high-risk situation while also generating their main competitive advantage. Because they themselves carry the financial burden of originating their artists' careers, major labels in foreign territories are more willing to sign their artists. Once Engine Room produces the records and video clips, they are taken directly to labels in the UK and the US, territories that lead the worldwide popular music market. Wagstaff notes that:

We don't take out artists and develop them here and then sign them into an inter-company license agreement in this country, we take them overseas and we end up being the middle ground. It's more expensive to sign an artist from us than it is to sign them directly, but then we've taken the financial punt and have put up the first maybe half a million dollars, so it takes the risk out of their equation ... It decreases the royalty you'd have to pay an Australian artist coming through an inter-company license agreement and it decreases the risk that they would have to take if they were signing a local band.

Engine Room is a 50/50 joint venture between music producer and songwriter Andrew Klippel and James Packer.⁷⁴ Packer's ownership of Channel 9 and other online and print media outlets in Australia is advantageous for the artists signed to Engine Room. There is a perception that in terms of the publicity these outlets can provide, Engine Room's artists are implicitly (or otherwise) prioritised due to Packer's involvement. Todd Waggstaff is the company's manager. Waggstaff and Klippel have spent more time over the last decade working overseas than they have in Australia and this has given them a deeper understanding of what is applicable to specific foreign territories. In a conventional record company, A&R staff and other employees do not go straight to the public to sell new performers, the overall marketing process involves these employees selling artists to their own company first,

⁷⁴ James Packer is the son of the deceased Australian media tycoon Kerry Packer and is now the head of the family businesses.

then to the trade, and then to the record buyers (Goodman, 1998: 281). Engine Room has effectively assumed the responsibility of selling artists to record companies. Waggstaff claims that the time he and Klippel have spent working in foreign territories has given them an insight into how to best cater for the subtle nuances of each major territory. He says that they:

choose artists who are great and who will hopefully transcend current fashion. We're not trying to guess what the current trend is, but we do know what certain label's preferences are, we know what individual A&R people have signed in the past and what they have been successful with. We know where there are holes in the repertoire of certain labels that we could plug something into. So it makes our pitch a little bit more precise in that we understand the market, we understand why our artist is relevant to that market and we understand why our artist is relevant to media in that market.

Within 12 months of Waggstaff and Klippel returning from Los Angeles and securing the funding with Packer in a 50/50 joint venture, Engine Room, after developing and manufacturing their records and videos, signed Holly Valance to London Warner, The Vines to Capital/EMI in the US and the UK, and Carla Werner to Columbia/Sony in New York. Engine Room's strategic plan involves establishing a track record via the initial success of their artists. Once a few of their artists become financially successful and they demonstrate their ability as a development and production company, the

slightly one-sided assignment of copyright deals they have to agree to in order to work in partnership with major labels will eventually be replaced with deals that are weighted in their favour. This theory is based on the premise that the balance of power shifts with success. Fortunately, The Vines and Holly Valance have become financially successful artists and their success should lure other major labels into signing contracts that are increasingly weighted in Engine Room's favour. Waggstaff notes:

We'll maintain more rights as we move forward ... so that our economic model is that we start out giving away a whole lot to establish a track record and then as it moves over time we give away less and less and in a few years time, rather than do a license deal, it becomes a license of copyright, then it becomes a short term license of copyright, then it becomes not a license of copyright, but a license to distribute certain records and so it moves from a deal where all the services of a record label outside A&R are performed by our partners, then it moves overtime to one where we become a full service label and we perform all functions other than the warehousing and distribution to retail.

Therefore, Engine Room is building towards becoming a full service label. While it appears they have endorsed a film industry model through becoming a management and production company that shadows various record companies, they are in fact only

using this strategy in order to lay the foundation for Engine Room to become a conventional record company in its own right.

e. If Image is Everything, Production is Nothing

Although Engine Room's strategic plan suggests that over time the company's evolution will enable this entity to become a full service label, the company faces a number of threats. This strategy may well lead to Engine Room becoming caught in a paradigm shift that involves international record companies beginning to focus more on the marketing of brands rather than the manufacture of product. At first it appears that Engine Room has successfully been able to work Australian acts in foreign territories and it seems that the model they employ has enabled them to come to the forefront of this sector of the industry, however, on closer inspection it is increasingly clear that Engine Room may have simply been burdened with the liabilities associated with record production.

Klein (2001) claims that the sports company Nike has become the prototype for the product-free 'brand'. Nike outsources the production of its products to contractors who are located all over the world.⁷⁵ Freed from the "chains of production" (Klein, 2001: 219) through employing such an outsourced structure, Nike has an abundance of time and money to constantly create and recreate the Nike brand image. Klein argues that in Nike's case, branding has replaced production entirely and that the staggering success of this business model has led to a wider acceptance of the business philosophy of no-limits spending on branding. This means that increasingly there is limited value in simply making 'things' anymore, as value is added by careful

⁷⁵ Klein argues that Nike lent itself to this business model because the company actually began as an American import/export scheme for made-in-Japan running shoes.

research, innovation and marketing (ibid. 217). Engine Room's audacity to take the first financial risk through manufacturing their artist's products themselves forms their present competitive advantage. However, this means that the advantage the record company involved has is that the capital they would normally spend producing records can instead be allocated to the marketing department. This would give the company a distinct advantage over their competitors because in popular music "image is everything" (ibid. 217). If this outsourced production structure and marketing focus proves to be successful then the majority of major labels will have to follow this trend in order to remain competitive.

The timing of this trend within other industries, and potentially within the music industry, not only reflects branding's status as the perceived economic cure-all, it also reflects a corresponding devaluation of the production process and of producers in general. If Engine Room's current business model became the main model endorsed in the music industry because a series of management and production companies successfully employed it, the competition between these companies would potentially lead to them offering major labels the best deals possible at their (Engine Room's) expense. Not only would these music management and production companies be burdened with the liabilities associated with record production, the competition would mean that they would have to provide these records at rock bottom prices. Through outsourcing manufacturing and focusing on brand management, the record company would have a distinct advantage over the music production company.

f. No Guarantee

The products to brands paradigm shift can be detrimental to artists. There is never a guarantee that any particular musical product will see a release because any deal or relationship can fall over. However, if other companies were to follow Engine Room's lead, and emerge as entities that are analogous to production companies in the film industry, the artists who signed to them would have even less certainty that their work would be released. This is because it is unlikely that other music production companies would have the connections required to form a partnership with someone who is as powerful as James Packer. According to Donovan (2003), because Engine Room is making the records and then looking for the marketing and distribution deals, their business model presents their artists with a large degree of risk. As they are not directly connected to one major label like Watson's company Eleven is, there is the potential that they will not be able to get a marketing and distribution deal for some of the records they produce. Donovan states that:

I would not want to sign a band to Engine Room who's going to make a record for us that might not see a release. I'd want to know that if I was going to sign my rights over to a record company that I was definitely going to get a record out in the marketplace.

According to Donovan (2003), word would start spreading that this particular artist could not even get their first record released and the artist would then be many steps back from where they started. The artist would not be approaching other industry practitioners with a positive 'story'.

From an artist's perspective, Engine Room's business model represents a risky situation. Engine Room's business model is also potentially problematic for their artists because the growth this model generates is not organic. Engine Room's methodology may only generate short-term interest from the record labels they form partnerships; Holly Valance's relatively short career is an illustration of this. Engine Room's business model is analogous to a production company in the film industry, a company that would be free to be associated with any of the major film studios. From the perspective of the record label Engine Room forms a partnership with, the arrangement may become problematic as this business model could breed disloyalty. A brand (music or otherwise) is built over a long period of time. If a music production company and their artists are free to work with major labels on a project-by-project basis, any label that invests in these artists in order to further brand them through their marketing and distribution campaigns is not necessarily going to be there when the overall long-term branding campaign pays dividends. A production company model that is analogous to certain production companies in the film industry may not work in the music industry. This is because music marketing campaigns often focus more on the artist as a brand whereas, in the film industry, a film's title is often the focus and this lends itself to companies that work on a project-by-project basis (Biskind, 1999: 110).

Compared to Engine Room, Watson's company Eleven represents less of a departure from the norm and therefore this venture does not present the participants with as much risk. From an artist's perspective, Eleven's business model is advantageous. As Eleven is in partnership with a specific major label, the artists signed to this company

receive a guarantee that their work will be released, they have more creative control, and receive more points while still having access to this major label's marketing capital and distribution systems. These artists are also still free to sign with whoever they please in foreign territories. From Watson's perspective as an artist manager, this arrangement takes care of the inherent conflicts of interest that arise when the one person fulfills the roles of both band manager and record company executive.

V. Creative Process as Strategic Alliance

The case studies of the companies Eleven and Engine Room exemplified the notion that for Australian managers to see their artists' recordings released in foreign territories, they have to form partnerships with entities in these territories as it cannot be done from Australia alone. Signing with a multinational record company for the world from Australia and licensing the right to exploit the copyright in a pre-existing record can be challenging routes for the release of Australian products overseas. Through these means no partner in a foreign territory has involvement in the creative process of the recording from its inception. Indeed, often the most viable method of breaking into foreign territories through major labels involves considering management and marketing as being essentially the same as the artistically creative process.

The following section will compare and contrast a selection of the various methods that Australian artist managers can employ to see their artists' recorded product released in key foreign territories. While no argument can be made for a single/definitive method that should be employed above all others, various pragmatic points can be presented concerning major and independent label trajectories.

Managers who are targeting major label deals should locate marketing at the beginning of the creative process rather than just applying it at the end. Involving A&R staff, producers, songwriters, co-managers, publicists and other practitioners who are located in foreign territories in the creative decisions that impact upon the artist's work is a form of industrial marketing. It enables such practitioners to take creative ownership of the work. In some instances, people in foreign territories need to be involved in the creative process so that they have an incentive to push the project. While this issue of the creative ownership of the artistic work will be discussed with regard to major label deals, the concept of a 'flip tour' will be examined in relation to how the independent sector often operates. Flip tours involve managers forming reciprocal and balanced relationships with like-minded practitioners in foreign territories. These arrangements involve managers trading networks and knowledge with one another so as to access each other's territories.

a. Signing Directly

Daniel Henessey⁷⁶ is an Australian artist manager who has worked extensively with major labels in Australia, North America and Europe. Henessey's perspective is one that highlights the experience of being an Australian artist manager operating at a macro/national and international level through working with a major label in order to try and break into the US:

*I have found the process of getting deals in the US for bands
that I have managed fairly arduous, expensive and*

⁷⁶ All comments attributed to Daniel Henessey, George Stein, Tim Prescott, Catherine Moore, Reid Hunter, Keith Welsh, Marshall Cullen, Peter Jenner, Michael McMartin, and Michelle Margherita in this chapter are, unless otherwise indicated, taken from personal correspondence with the author conducted between May-August 2005.

unrewarding. This is probably an experience that is matched by anyone in any territory. Obviously the US is a priority due to the fact that it is the biggest market in the world. Every manager and more particularly every band wants to be successful there, so therefore it is the most competitive and the hardest to get into.

Henessey has had two positive experiences in terms of actually having Australian artists' recordings released in the US. One was a direct signing and the other was a release through a joint venture with an Australian major and its US parent company. According to Henessey, the two releases came at the back of several trips to the US and were the result of knocking on doors and maintaining a presence there as a manager, as well as leveraging relationships that were formed over a ten-year period. The bands, the Superjesus and Shihad,⁷⁷ also maintained their profile through living, recording and touring in the US for a period of time. Henessey signed the Superjesus to Warners in Australia and Warners in the US although their album flopped in North America.

In many instances, making the art is the management of the art. The production strategy for an album needs to be one and the same as the management strategy. A musical product is not a raw material that is selected and then processed through a system; it is instead located at the end of the industrial process (Frith, 1988: 12). Selecting a producer who is located in a foreign territory is a strategic alliance that directly impacts the creative product. Furthermore it enables such a foreign industry

⁷⁷ The band Shihad came to be known as Pacifier for this campaign because their management was concerned that their original name would problematically signify Islamic extremism in post 9/11 North America.

player to take ownership of the project, and, through their involvement, the artist's management can link through to a new art world that they would not otherwise be able to access. The producer's and/or the Artist and Repertoire (A&R) person's involvement in the creative process from the beginning can initiate a groundswell of positive discourse concerning the project simply because the ego of this practitioner is attached to it.

It is Hennessey's understanding of the US market that the process of licensing the right to exploit the copyright in a pre-existing recording is fallible because:

From the US point of view, with the majors, the A&R guy [sic] is the gatekeeper because he dictates taste. He is the guy through whom bands come onto the label and A&R is ego driven ... and if an A&R guy has a band come to his table that doesn't have the baggage of another A&R guy, an Australian A&R guy for example, and he likes it then he is probably more likely to act on it because he can take ownership of it. If it comes through and it's another A&R guy presenting it to them then that presenter is really going to want to involve the American A&R guy – they'll usually have something to offer the US A&R guy so that he really becomes involved in the record. This often involves remixing or presenting the Americans with demos that they can then develop into a recording. But delivering a record that is entirely complete very rarely gets you a deal in America.

The management here is intricately connected to the psychology of the A&R staff who are involved with the project. In this regard, the management and marketing strategy for the project is one and the same as the creative process. The A&R person's expertise with regard to music trends in the specific territory is utilised in this way. Their knowledge of, and connections within the art world in which the artist is located can also be used.

From his perspective as a US attorney and artist manager who is based in New York City, George Stein⁷⁸ (2005) comments that getting resources and backing are the central concerns in relation to the following methods of seeing Australian artists' recordings released in the US:

- 1) Signing directly to a US independent or major label
- 2) Sourcing a deal with a multinational out of Australia and having it released in the US through an inter-company license agreement
- 3) Licensing or assigning the right to exploit the copyright in a pre-existing record to a label in the US

Stein notes that signing directly to a US independent or major label is the most viable option because, firstly, they own the record, and secondly, there is a longer-term relationship and commitment to the project. These two points mean that this option would lead to the strongest backing. Stein labelled the process of sourcing a deal with a multinational out of Australia 'the sister label option' and notes that it involves the

⁷⁸ Stein is most well-known for being the late Jeff Buckley's manager. He currently manages Kristin Diable, is a practicing attorney and teaches music business at New York University.

Australian artist/label not being as attractive. The US affiliate is less interested in pushing the foreign artist and they are therefore the weak sister. Stein also notes that licensing music to a US label is fallible because the relationship is not perpetual. The relationship may only last for 2–3 years, or one maybe with an option for two. There is less of a connection and Australian artist and manager team is not likely to get the resources because it is not their project. He notes that: “they’ll only do it if there is already a buzz, but not if they have to create it.”

The emphasis here is on the marketing power of the relationship and the issue of the ownership of, and involvement in, the creative process. Stein’s reasons for believing that signing directly to a major label in a foreign territory is indeed the most viable option are clear: the overseas label partner is involved in the prototyping process for the recording from the beginning, and the major label has the marketing power to break the artist in the territory. In terms of record making, prototyping is simultaneously an evaluative process – it generates feedback and enables the practitioners to make ‘mid flight’ corrections – and it is a storytelling process. It provides a point of dissemination for the meaning or ‘buzz’ that the product will signify within the industry. It generates a long-term relationship between the entities involved and the product, and it generates commitment to the product through sharing ownership of the creative process.

This is an extension of Ryan and Peterson’s (1982) previously discussed notion that all the practitioners involved in the creation of the artistic work have a ‘product image’ that guides and coordinates their efforts. The argument here is that the product itself is involved in this process. The constantly evolving managerial strategy is linked

to this process because it is the manager's task to generate enthusiasm for the artist's work within the record company. In this way the marketing of the artist's work can begin at the start of the creative process and at the start of the relationship between the practitioners involved.

Signing directly to a major label in a foreign territory such as the US is also advantageous as the Australian manager can sign their artist for the world from the centre of the global music industry and then they can work back out to a relative outpost like Australia. The issue of marketing power comes to the foreground of this discussion when considering the flow of international music trade, as outlined in the Figure 10: