

Music business merchandising and law

Business



**ASSIGN
BUSTER**

Discuss how the Music Business is a system comprised of principle subsystems.

There are several key components to the success of an artist in the music business. These components support one another, and enable each to complete tasks that are designed to further the marketability of an artist or group.

One such component, or subsystem, is the agent. The agent acts as the legal representative of an artist. This person, or company, manages all of the legal issues associated with an artist's image and career.

Agents, typically, are the face of the artist to the business world. These agents meet with promoters, and venue owners to secure the performance rights, and facilitate touring. They also act as mediators between the artist and publishing companies to ensure that all legal issues are addressed, and that the transfer of the artist's created materials are handled in the proper manner.

Another aspect of the agent's responsibility is to maintain and negotiate contracts for the artist, with their respective parent companies. This is to ensure that the artist receives all the proper representation that is required to ensure that the contracts that the artists are bound by are fair, and ethical.

The next subsystem is the parent company itself. Often referred to simply as the "label", record companies are the binding source of power within the music business. The label is the enterprise which holds the contracts,

oversees promotion, ensures distribution, and holds the records on taxes, royalties, and payments to the artist and all his/her employees.

Record companies range in size, depending on the scope of their enterprise. Small or independent companies typically handle a short list of clients, and are able to reach a limited area for the release. The larger companies are multinational conglomerations that hold interests in hundreds of artists. These companies are able to reach markets the world over. They also, typically, oversee a wide range of music business genres.

The next part of the equation is the distributor. It is the job and obligation of the record distributor to procure the reproduction rights of an artist, produce large quantities of the product, and ensure that the product is available for the public demand.

Just as the record company, record distributors range in size and scope. With the small companies reaching a localized market, and the larger, international companies, reaching every market available, the distributors serve the record companies directly. Though they are dealing in the product of an artist, they rarely deal directly with them.

It has only been in recent years that the Music Business has had the ability to find and foster increasing numbers of qualified leaders.

The music business, though in existence for centuries, has only in the past few decades created an environment that fosters a profitable medium. The earliest professional musicians were limited to audiences of royalty, and

noble elites – for they alone possessed the wealth enough to pay for such extravagances.

This early form of the music business was also limited by the desire of the leading nobles or royalty in the scope of content and style. The musicians, such as Mozart, in his day, were allowed to create only what was pleasing to the royal court – and profited very little from it.

However, in the 20th century, artists began to see a freedom that had eluded them in the past. With the increasingly large audience base in the United States, artists from multiple genres were able to procure livable wages in town halls and theaters.

Following World War I, there was a large outcry for artistic expression in the arts in the United States – and a boom of employment followed. The era of the Big Band, saw music leaders, such as Duke Ellington, tour the entire country – playing their own music and earning their own wages.

This boom in musical freedom peaked in the 1950's with the rise of “ Rock and Roll” – and such artists as Elvis Presley, Jerry Lee Lewis and Roy Orbison. The late fifties, though socially repressed, saw the first millionaires rise from the music industry – and along with them, the rise of the industry itself.

The era of Sun Records, in Memphis Tennessee, showed the music world that vast amounts of income that could be generated with a properly maintained and well organized corporate entity. The number of record companies increased drastically, and by the early 1960's there were dozens of large scale companies operating the in United States.

The next big step came in the form of British artists. The arrival of The Beatles, the Rolling Stones, and other English groups into the United States, opened the door for the first multinational company holdings. The rights of these groups to perform and sell their records within the United States meant that American companies had to hold part of their ownership. Soon this would lead to the expansion of American companies to other countries, to acquire the artists directly, and increase the profitability – by eliminating the shared contracts.

Today, we see companies such as Sony, Viacom and Time Warner, as companies that are reaching every part of the globe, and dealing with not only music, but all ranges of entertainment arenas. These world wide conglomerations hold interest in hundreds and thousands of entertainers each, and command vast amounts of yearly income from the music business alone.

Discuss the emphasis placed on the fact that Performing Arts Professionals rely heavily on a full staffed support system to gain and sustain success.

The amount of legal issues that govern an artist today is nearly as expansive as the United States tax code – which is also one of the many things that must be dealt with. The time that is necessary to maintain accurate records, deal with all of the promoters, distributors, lawyers, and agents would be impossible for a single person, or even a small group of people, to undertake.

Nationally marketed artists have dealings with thousands of people that are related to the marketing and distribution of their product. This is why the

music industry has created several specific positions that are intended to deal directly with each facet of an artist's career.

There are tour managers who deal directly with local promoters and venue owners to schedule events and solidify contractual necessities. There are also public relations agents who deal with the entertainment press and ensure that all the necessary information about an artist is available for public knowledge – or in some cases, unavailable.

There are also entertainment lawyers whose job it is to ensure that all of the issues that involve the artist are dealt with accordingly. These issues may include copyrights, ownership of the material, and/or the transfer of these from one party to another.

Another very important part of an artist's career management team would be the accountant. As we have seen with artists such as Willie Nelson and others, improperly managed income can result in terrible personal and economic costs to the artist. The amount of time that is necessary for this task to be maintained successfully, in the cases of especially large acts, is hundreds of hours per week – of course impossible for the artist to worry about and still maintain a career in music.

Finally, there are the people whose job it is to ensure that every recorded track is perfect, and marketable – the producer. Today's recording technology is vastly more complex and sensitive than was seen even twenty years ago. The expertise that is necessary to operate and adjust the sound boards for a recording artist takes years of training within itself.

Some of these producers, such as Bob Rock and Jermaine Dupri, have as much recognition as the artists that they support. They are also some of the highest paid professionals within the music business – as they often hold a large percentage of the finished product's copyright and therefore, profits.

What are the FOUR FACTORS which represent the essential core foundation contributing to the success of those who “ win” in the Music Business?

The first factor is marketability. This is the ability of an artist to create a body of work that is acceptable to the largest possible audience. The more people who would listen to an artist's chosen style, the easier it is to sell and profit from that style.

The term “ Pop Music” is the very definition of this. With artists today such as Jessica Simpson and Kelly Clarkson, who produce mainstream music that pushes few boundaries, the ability for the record companies to market these artists is greatly increased.

Next would be the playability of an artist. This is the ability for an artist to be broadcasted on radio stations and television networks. It is important that an artist be able to be broadcasted on national radio stations to ensure that the artist is heard by the largest possible number of people – thereby increasing the possible number of record buyers. There are acceptations to this rule, however. Groups such as Korn and Pantera have each had number one records in the United States – with little or no airplay. This leads to the next factor – touring.

Touring is the best tool that an artist can utilize to see that their work is seen by the public. Tours are usually very profitable ventures, the most often the source of greatest amounts of income for the artist or group. Tours also enable the buying public to see, first hand, the musical ability and entertainment value of an artist.

Some artists, such as the Grateful Dead and Phish, never had large numbers of record sales, however their non-stop touring schedules ensured them a strong fan following and large profitability. Both bands also used a tactic that brought them much success as artists, but not as enterprises, the use of bootlegged recordings. They allowed audience members to record their performances and sell them on their own, without fear of reprisal. This created a strong fan solidarity, but most certainly contributed to their low actual album sales.

Finally, there is the factor of performance, itself. No artist or group could maintain a career without an enjoyable and entertaining performance. The necessity for performance is at the root of an artist's success. Combining talent, creation and execution in the proper construct will make for a successful artist. As seen with groups such as The Doors, who were arguably the most intellectual group of the 1960's, saw their popularity plummet as the drug and alcohol induced antics of front man, Jim Morrison, became belligerent and sometimes, combative to the audience.

The Business of Music: This encapsulates the sum total of all issues that are involved in the recording, marketing, and obtaining of profit from music. The enterprise of music involves thousands of titles and positions that work to

ensure the profit of an artist or group. Though, sometimes seen as the driving force behind musical trends, the business of music is intended to see that all possible musical endeavors are profitable and lucrative.

The New Professionals: This is a description of groups of people who have left their original positions – such as lawyers, doctors, or CEOs etc. – to become involved with the music business. These people are shown an opportunity to capitalize on an artist or venture relating to the industry and have the resources to embrace it.

Though not always long term, these professionals see the allure of the music business in much the same way as the artist. The desire for fame and fortune inspire these professionals to endeavor to make their fortunes in this business. Often taking to the production chair, or the marketing position, these people attempt to create a sustainable income promoting, producing, or investing an artist or group.

Versatility: This is the ability of company to encompass multiple genres within their network. This ability allows for a single company to reach a diverse audience and increase the sales numbers of the company itself. Also, this enables a company to reach an audience with a diverse selection of musical tastes. For example, should a prospective record buyer feel that the standards of a company are high; they may pursue an artist from the same company, but outside of their normal listening area.

This also allows for a single company to manage markets in multiple countries. Sony, for example, is a company based in Japan, with holdings in many countries, including the United States. Their diverse distribution

<https://assignbuster.com/music-business-merchandising-and-law/>

enables Sony to sell to countries with different languages, genres, and preferred media.

Job Floating: This is a term used to describe an artist who has yet to sign to a set contract, but has a marketable body of work. Much like “Free Agency” in professional sports, Job Floating is the passing of an artist from one agent or producer to another, in hopes that this artist would either sign to the company, or record their project with a reputable producer.

This allows a record company to obtain distribution rights to an artist’s work without that artist signing a committing contract with that company. This option increases the ability for a company to reach the independent markets, as well as the mainstream.

Education: Education in the music business is the acquisition of knowledge that better prepares the individual for all of the possible eventualities that arise within the industry. Just as with any other business venture, preparedness is essential to success.

An individual receives this education from any one of dozens of colleges or technical schools that offer such courses. These schools, such as Art Instruction Schools, International, offer in-depth courses that revolve around the information needed to succeed.

“Commercial” side of Music Industry: This is the area of the music business that is solely interested in the profit of a musical venture. These projects are often called “jingles” and used in advertisements and television commercials.

The artists that are employed in these ventures often differ from the mainstream artists, in that they do not attempt to create an artistic expression, but rather a short, and very memorable tune that can be easily identified with a certain product.

These ventures are also not intended for wide consumption. They are intended for short lived, commercial endeavors that seek to increase the sales of a product or service, outside of the music industry.

Bibliography

Ream, Rundi. "The Songwriter's Guild of America". SGA. COM. 2004. Online access: 29 March 2008. URL: [http://www. songwritersguild. com/index. html](http://www.songwritersguild.com/index.html)

"International Alliance for Women in Music". IAWM. COM. 2006. Online Access: 29 March 2008. URL: [http://www. iawm. org/](http://www.iawm.org/)

Whitsett, Tim. "The Dictionary of Music Business Terms". Mixbooks. New York. 1998.