



The ENCORE Digital Weekly Magazine is a CELEBRITYACCESS publication

SUBSCRIBE FREE TO ENCORE

TELL A FRIEND ABOUT ENCORE

SEARCH TOURDATES

ADVERTISE IN ENCORE

April 16, 2009



ADVERTISEMENT

**NAVIGATION**

- MAIN PAGE
- Feature News
- Touring News
- Festival News
- Business News
- Artist News
- Venue News
- Legal News
- Technology News
- Label & Publishing News
- Classical News
- Awards & Benefits News
- Obituaries
- Artist Snapshot
- Industry Profile
- Lefsetz Letter
- Vital Signs
- International News
- Net News

RSS 2.0

ADVERTISEMENT



ADVERTISEMENT

## LEFSETZ LETTER



**The Lefsetz Letter**

### More Albums

Posted: April 16, 2009

What happens when the labels stop paying an advance?

You know that's gonna happen. With such limited revenue from recorded music, no one's going to pay you a fortune to make it. There's no incentive. Live Nation might pay you a fortune to TOUR, but who, in their right mind, is going to pay you a few hundred k when the only thing selling is singles? Hell, not one album released

this year has yet gone PLATINUM! Do you expect Universal to be ponying up millions of dollars in the future?

Don't be surprised if the major labels morph into management companies. In a way, they already have. That's what a 360 deal is. That's what the manager has ALWAYS had, a share in all revenue streams. You only get paid if there's success. Are the majors going to follow this paradigm?

Of course, there could be a bidding war, generating large advances, but Live Nation/Ticketmaster is always going to win that one. Until the majors merge with a touring company, they're fucked, they just don't have enough to offer, their costs are too high, their margins too thin. If I were a major, I'd be calling Jerry and Army, maybe even Seth right now. After calling Phil Anschutz, of course. In order to survive, labels have to play in the touring arena.

But the foregoing is all about money. Don't you realize that's what the album was about, money? That's how you got paid, by delivering an album. Of course the public didn't know this, but this was the game for eons. Sure, the Beatles made a STATEMENT with "Sgt. Pepper", but Capitol was more interested in the revenue. Selling 33's was much more profitable than selling 45's. And the high-priced/low royalty CD was even more of a moneymaker than the LP record. That's how we got here. Pure greed, not artistry.

E-mail This Article to a Friend

Print This Article

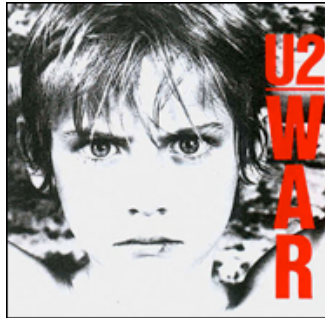
Tell Us What You Think



ADVERTISEMENT



If you want to record a full-length statement, be my guest. I see nothing wrong with that. But are you really interested in laying down ten tracks on wax if you're not going to trigger a payment?



Please don't be blinded by history. If your goal is to make money, and seemingly everybody e-mailing me is focused on bucks, how are you going to make money in the future? I'll tell you. The public is your bank. And people don't pay solely for recorded music, they may not pay for recorded music at all. How are you going to get paid?

By building an audience.

An album's worth of material usually does not build an audience. A TRACK builds an audience. If you're a career artist, people will want more tracks. But only if they're good.

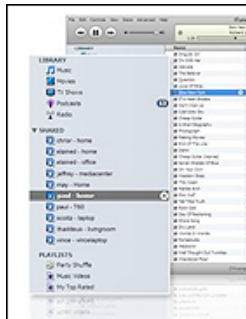
So the focus is no longer on cutting ten songs, but cutting GOOD songs! There's an unlimited audience for GREAT songs. Still, how do you nurture your audience?

Playing every night in a single town is not going to build heat. You've got to go away for a while to increase demand. But you can't go away for TOO LONG or you'll be forgotten. Same deal with music. How do you deliver enough to keep people interested, but not too much to overload them?

DON'T tell me how much you love albums. That's like labels saying no one will ever download music from the Internet. The album is history, you just don't know it yet. STATEMENTS are not history, but are you really making a statement?

Innovate in the new sphere.

If U2 weren't getting paid by Universal upon delivery of an album, they'd be better off releasing tracks in fits and starts. You get continuous publicity. AND, the way they just did it didn't work, the album's sales are small. Imagine going on Letterman EVERY MONTH, not for a week straight. BUILDING, instead of blowing your wad.



Imagine rewarding a fan who buys all ten tracks over the course of months. Maybe buying all ten delivers a code that allows you to purchase guaranteed good seats at the pre-sale. Maybe there's a quiz regarding the content that allows people to qualify.

Maybe when you do that commercial endorsement, the reward is someone can go to the company's Website and download YOUR NEW SONG! The insta-collection of ten tracks is no longer the starting point, rather you dole out your tracks in drips and drabs, making each release a minor marketing event, that keeps people

interested, that keeps them going to the show.

If you're a star, maybe you announce that you're going to play the new track at the top of every show. And maybe then not again for a YEAR! So you've got to download to be familiar, and come if you want to hear it live. Don't you see? Giving up the album delivers FREEDOM!

No one says a fan can't create a playlist of ten tracks that he plays ad infinitum. Maybe the fan creates the album, and posts it to your Website, delineating why he picked this running order, imploring you to play these tracks in this order live. Hell, if the album were such a defined success, how come almost no act plays their latest opus straight through at a gig? BECAUSE

ALMOST NO ONE CARES!

People don't know the music. They want to hear some old stuff too. Just like you do when you make an iTunes playlist. You mix it up. Why shouldn't the artist mix it up?

As for Record Store Day... How laughable is that. If you're salivating over this, you're living in 1990, and hoping we go back to 1970. Record stores are dead. As dead as your Apple II. Some will survive, as dealers in antiquities and tchotchkes, but essentially everyone will buy online.

Point being, how can you lambaste Doug Morris for missing the digital revolution when you too are stuck in the past?

People only want to hear good music. On demand. This has decimated radio. But the album went first. We're just feeling the full effect now. And it's only going to get worse.



Newspapers saw a crisis coming. But they figured it was always in the future. That crisis is now. Newspapers will probably not survive. I get three a day. But I know the paradigm is history. I lament the loss, but look forward to the future, wherein more people report upon more stories in a constant 24 hour news cycle.

You too should look to the future. Not one in which you deliver product to get paid by a middleman, but one in which you and your handlers are all in it together, and you build an audience fan by fan, which lasts. Toyotas were a joke in 1970. Now GM is a joke. Toyota built its brand based on reliability, word of which was spread slowly from mouth to mouth. Toyota took decades to surpass GM as the largest automobile company in the world, but GM will never regain the crown.

So don't tell me about ancient paradigms. Please look to the future. It's coming. It's about great. Fans want more music by the acts they adore. Release all the live stuff, all the alternative versions. They don't taint the original, they allow fans to burrow deeper, the revealing of all your warts burnishes your image!

We live in an information society. That's what your fans want, information. They don't want a CD dropped every few years with canned hype, they want continuous info. Don't get locked into the album syndrome. You're missing the future.

© 2001-2008 Gen-Den Corporation. All rights reserved.

CelebrityAccess<sup>SM</sup> and Gen-Den<sup>SM</sup> are service marks of Gen-Den Corporation.

\*\* ENCORE readers and those that utilize ENCORE features are bound by the [ENCORE NEWSLETTER USE AGREEMENT](#). If you choose not to be bound by this agreement, please discard the e-mail and notify us of your desire to be removed from future mailings. \*\*