

<p>Richard Cree</p>	<p align="center"><b><u>Papa's Got A Brand New Brand : An Investigation of Brand Strategy in the UK Music Industry.</u></b></p> <p align="center">The International Journal of Urban Labour and Leisure, 4(2) &lt;<a href="http://www.ijull.org/vol4/2/cree.pdf">http://www.ijull.org/vol4/2/cree.pdf</a>&gt;</p>	
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## Abstract

This dissertation examines the nature of branding within the UK music industry, exploring the extent to which brand development is actively encouraged, and strategically organised. Evidence is provided that while powerful brands exist within the music business, only a handful of executives and companies are beginning to grasp the potential of strong branding. Research into the attitudes within the industry to branding is presented. This reveals that not much of the industry currently considers branding a key part of what they do. At the same time many recognise the possibilities that branding presents. The research also suggests that a large part of the industry recognise the commercial potential of branding, in particular in the new-look industry built around the Internet, which appears to be the future of the music business. There is little evidence from this research of branding being strategically organised.

## Why study branding in music?

A number of separate developments led to the selection of strategic brand development in the music industry as the subject of this dissertation. It seemed appropriate to draw on my personal marketing experience and to choose a topic to study from this area of the business. It also seemed that there was both a professional problem worth investigating and a significant gap in the body of knowledge. Branding and the existence of brands in the music industry is one part of marketing activity to which frequent reference is made, in both consumer- and industry-oriented music press (see discussion below), but about which little is known.

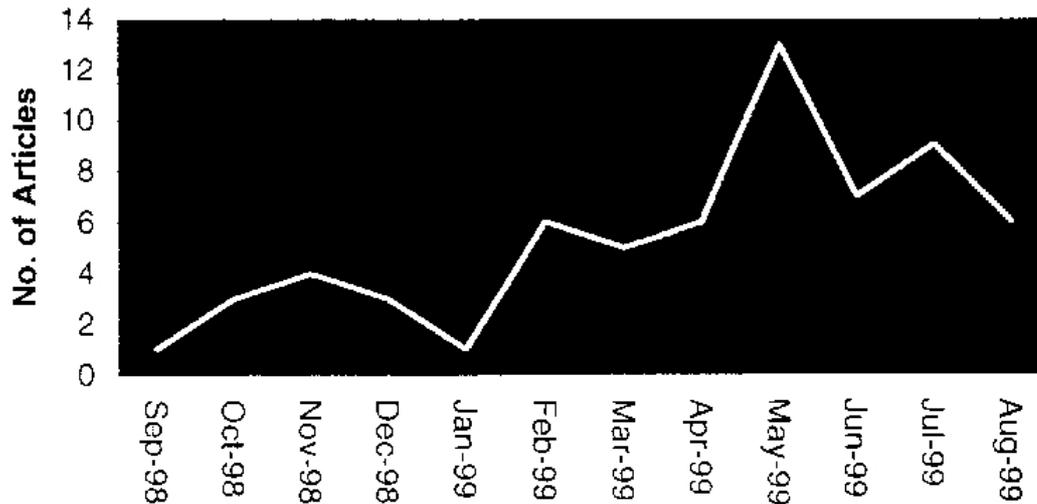
Brands of all types and sizes play a part in everyone's life and there are very few markets where brands do not play a significant role. De Chernatony and McDonald' argue that the term 'brand' has outgrown its early meanings and now can be used to describe a broad range of activities:

“when we refer to the term brand. we use it to encompass not only consumer products. but a whole host of offerings, which include people (such as politicians and pop stars). places (such as Bangkok), ships (such as the QEII), companies, industrial products, service products and so on.”

A review of *Music Week*, the major journal for the UK music industry, reveals that for the year from September 1 998 to August 1 999 the number of articles making reference to brands or branding has increased significantly. This period also saw the introduction in *Music Week* (in the last week of February of a dedicated page of marketing news, which has had a clear impact on the number of branding stories covered (see figure 1.1 below).

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### Branding Articles in Music Week (September 98 to August 99)



This increased interest in brands in the trade press has been matched by an increase in the references to branding within the 'consumer press'. In October 1998, Nicky Wire, bassist and lyricist with the Manic Street Preachers, was quoted as saying:

"It's a business now, isn't it? We're a business. The Manic Street Preachers is a brand name, just like Pepsi"<sup>2</sup>

In a recent article in Q magazine Tony Wadsworth, Chairman & Chief Executive Officer, EMI commented:

"That's the sophistication of dealing with artists like Radiohead and Blur who make uncompromising artistic statements which at the same time are what grocers call EMCG - fast-moving consumer goods"<sup>3</sup>

Meanwhile DJ magazine recently ran a cover story about the growth of the 'superclub phenomena', which it dubbed the 'battle of the brands'<sup>4</sup>. In the feature members of the public were asked to identify a list of words including 'Cream, Home, Ministry and Gatecrasher, Oakenfold, Cox, Tong, Rampling, Tall Paul and Morales'. Some of these are the names of famous DJs~ the others are the four biggest club brands, the logos for which the respondents were also shown. The exercise revealed little about consumer awareness, being no more than a journalistic straw poll. But it does highlight an awareness and understanding within the music press of the role of brands.

In almost every consumer market across the world the power of brands is growing.

Corbett<sup>3</sup> has argued that this is partly due to brand owners placing increasing importance on so-called 'power-brands'. The corporations responsible for these brands have begun to create an almost self-perpetuating branding boom, as they invest ever-larger sums of

revenue in them with the expectation of increasing their marketing capital. This in turn has led these organisations to place great value on these 'marketing assets'. Are the major record companies aware of the value of their marketing assets?

But consumers too are playing their part in this branding boom. Cohen<sup>6</sup> has described how consumers today are increasingly "brand literate", several generations of adults having grown up with historically strong brands such as Kellogg's Corn Flakes and Rowntree's KitKat. Consumers are more comfortable than ever with the concept of brands. These literate consumers are prepared for and indeed demand a relationship with producers. Using the brand as the mechanism through which this relationship functions. Poor brand husbandry will lead to disaffected or disillusioned consumers who may react with surprising ferocity to any perceived infidelity on the part of the producers (such as the reaction of consumers provoked by changing the original formula of Coca-Cola).

The continued growth of 'power-brands' has led several organisations to place even greater importance on these key assets as they increasingly provide a means for corporate diversification through brand stretching. While the most popular model for business success has been growth by acquisition, several large organisations have begun to recognise that many of their growth goals can be achieved by stretching brands. Using an existing base of loyal customers, organisations can extend the company's offering. Thus Coca-Cola, the owners of the world's biggest brand, announced in January 1999 that they were following other brand owners (such as Philip Morris, the owners of the Marlboro cigarette brand) into the clothing market. They claim this is different from previous forays into merchandising (marketing the drink product through branded tee shirts and shorts, for example). This represents an extension away from their core drinks market into a new market (clothing) in which they intend to use consumers' relationship with the Coca-Cola brand to compete.<sup>7</sup>

Some see these exercises in brand stretching as evidence of a 'new culture of brands with companies attempting to stretch their expertise and reputation into new areas. Advocates of such stretching claim that the boundaries between sectors are breaking down, as are those between retailers and producers. This shift is evident in the music industry and is discussed later. Other, more cautious observers claim that there is a risk to the core brand through over-stretching, the so-called 'brandicide' of the stretch too far<sup>9</sup>.

In the music industry moves to extend out of a core activity have been as popular as elsewhere, with hip-hop collective the Wu-Tang Clan operating a record label, film production company and fashion house all under the Wu-Tang brand name. Their latest offering is a Wu-Tang computer game. Likewise in the increasingly lucrative dance music market, superclubs such as the Ministry of Sound have expanded out of their core club activity into publishing, record labels and even clothing and internet service provision. David Bowie has similarly launched his own internet service provider (ISP), 'Bowienet', and is increasingly attempting to align his image or brand with the hi-tech future of the music industry, lending his name, image and music to a computer game and releasing new material over the Internet. A successful attempt to appeal to a younger audience led to a change in musical style, with the release in 1997 of 'Earthling', an album hailed as 'drum and bass' at a time when this genre was just breaking into mainstream awareness. However, it is interesting to note that his latest album has seen a return to the more 'typical' Bowie sound.

Despite these few examples, many feel that not enough music products are developed with strong brand strategies. Marc Fox, A&R Director at RCA recently commented in a TV documentary about manager Tom Watkins, that he was:

“One of a very small group of people who understand the idea of band as brand and the possibility of developing the identity of the brand in tandem with the music”<sup>10</sup>

While there may be reluctance within the music industry with all its ritualistic self-obsession and desire to stand apart from other markets, to embrace the principles of branding, it is not immune from modern corporate pressures. Four out of five of the ‘big five’ major record companies (Universal/Island, Sony, BMG, and Warners) are owned by large multinationals with non-music interests and significant brand assets. While these corporations often leave the music subsidiaries to run themselves, it is evident that there are pressures to integrate successful management techniques across all divisions of the corporation. Sony, for example, has just launched a Sony magazine aimed at pulling together the brand messages surrounding the hardware (electronics) and software (music and films) brands. This suggests that branding is an issue that will grow in importance, as the chief executives of the parent corporations impress the significance of successful strategic brand growth on their music subsidiaries.

### **Brand theory and models of brand development**

The word brand is derived from the Old Norse word *brandr* meaning to burn. Branding was then, and remains today, the principal means by which owners of livestock marked their animals. The brand today is still in many respects the means by which a business differentiates its goods.

The benefits of branding have become more important as makers of goods have gradually become more distant from the buyers. Manufacturers and sellers of goods have gradually lost face-to-face contact with customers as technological advances have opened up the geographical spread of markets. In the absence of a direct, face-to-face customer-supplier relationship a brand serves as a means of assuring product quality and authenticity. The brand acts as an assurance that the features, functions and characteristics of the brand will remain invariable from product to product.

De Chernatony and McDonald<sup>11</sup> describe brands using the following definition:

“A successful brand is an identifiable product, service, person or place augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Furthermore, its success results from being able to sustain these added values in the face of competition.”

Brands are more than just products given a name. Runkel and Brymer<sup>12</sup> have decried what they call “Field of Dreams brand management” where companies give a product a name and expect it to succeed as a result. They go on to explain that while all companies and their products and services need to be called something the mere creation, application or use of a name does not make a brand. A brand is much more than just its name or the object it identifies. According to Larry Light, (quoted in Runkel and Brymer) Chairman of the Coalition for Brand Equity, it is not the brand itself but rather *brand loyalty* that is the asset. It is only

through the creation, build-up and retention of a brand's loyal customer base that a corresponding increase results in brand revenues and over time in brand value.

Like all aspects of consumer behaviour, loyalty to a certain brand is difficult to explain and even harder to predict and manage. Some marketers try to classify their customers according to their usage and loyalty, a process made easier by the proliferation of individualised marketing information. Academics<sup>13</sup> have suggested the existence of a 'loyalty ladder', progressing from suspects (non-users) through prospects to advocates (keen users who suggest use of the brand to others). Because music is so emotive and a strong social indicator, many music brands will generate the extremes of passion, and consumers are likely to 'shout it from the rooftops' whether they love or hate it.

Several marketing writers, including de Chernatony and McDonald<sup>14</sup> and Davidson<sup>15</sup> have applied to brands a model initially used to describe the concept of a 'total product offering'. This model attempts to demonstrate the complexity of the purchase process by identifying the range of factors involved in a product beyond merely the physical item at the centre of the purchase. The fundamental point is that consumers buy products for more reasons than the functionality they offer.

Figure 1.2 below illustrates the traditional total product model, with the core physical product at the heart of the offering, surrounded by such key attributes as its functionality, its price and its design. This core product offering is then extended by service elements such as delivery and guarantees. The final layer in this model are the intangibles, and this is where issues such as brand value, corporate identity and the perceived value (as opposed to price) of the offering are placed. De Chernatony and McDonald<sup>16</sup> point to the existence of a so-called 80/20 rule, claiming that the core product accounts for 80% of the cost of the total offering, but only 20% of the value to consumers. In contrast the extended product accounts for 80% of the value and only 20% of the cost.

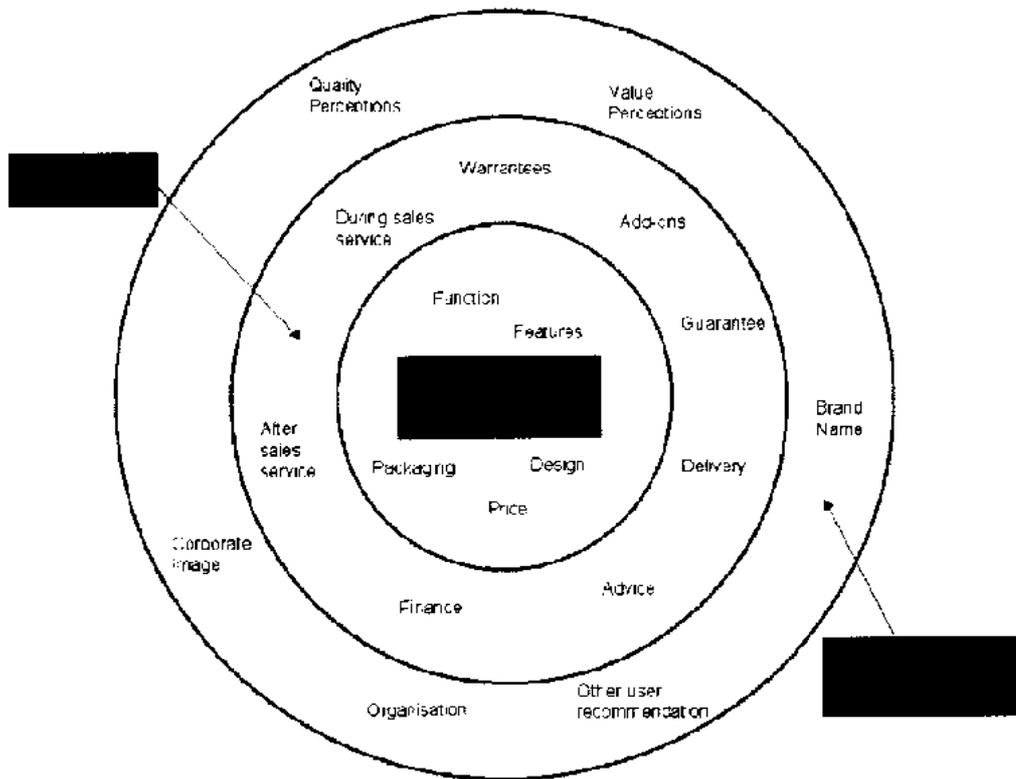


Figure 1.2 — The Total Product Offering

It is clear from this diagram that brand activity operates on the intangible outer or extended product level. This demonstrates the key role played by brands in the purchase process. For many consumers the first contact with a product is through experience of a brand message. The brand values conveyed by these messages will act as a shop-window for the product and a weak or negative experience at this stage may prevent a potential consumer from even trying a new brand. Brand values will also help to keep current consumers happy with the product, reinforcing their purchase decisions and reducing post-purchase dissonance, thus strengthening brand loyalty.

In some versions of this model each of the concentric rings around the core product represents a different level of brand activity. This is an attempt to show that one or more brands including the product itself, the company and the retailer selling the product may influence consumers making a purchase. However, Goodyear<sup>17</sup> has argued that such static models of how brands are perceived are inadequate to explain the evolution of brands over time, as the relationship between consumers and producers develops through the brand. Goodyear maps this process in her 'brand consumerization spectrum'.

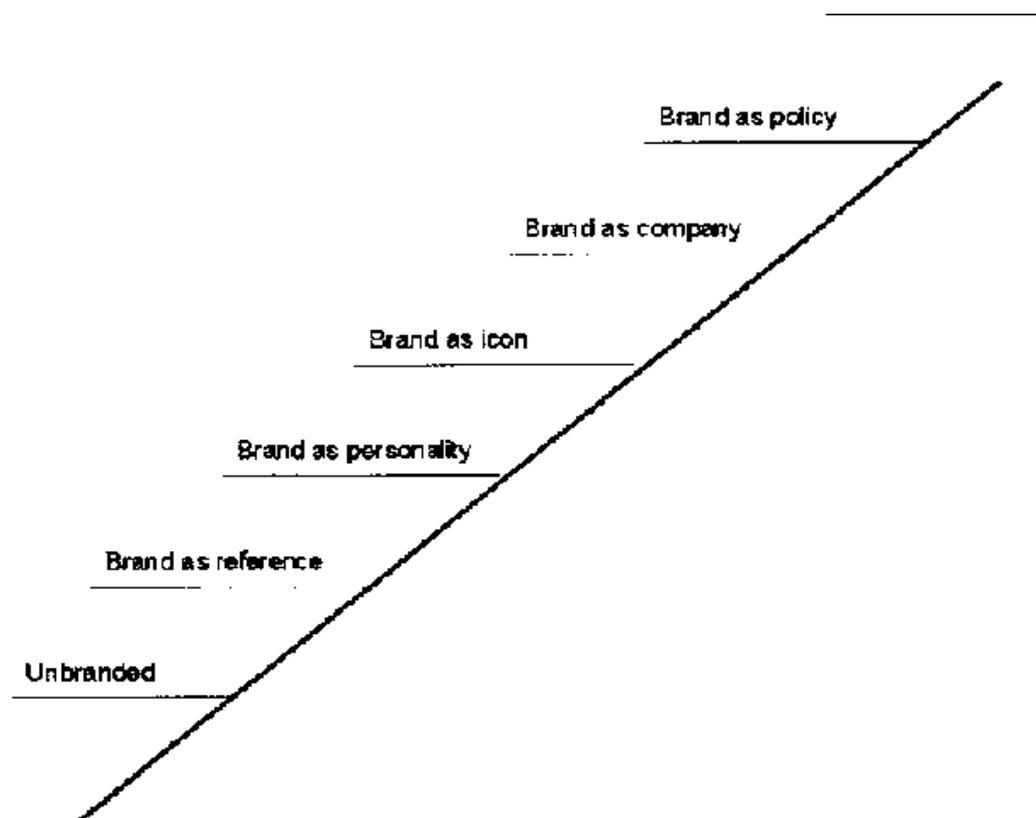


Figure 1.3 - Brand Consumerization Spectrum

In this model brands progress from an initially unbranded purchase situation, where factors such as price and availability will determine what a consumer buys to different degrees of branded purchase as the relationship between producers and consumers develops. Thus initially Goodyear characterises brands as a reference for quality or consistency. As this relationship develops brand owners get more in tune with the social and emotional needs of their consumers, and the brand is able to project a certain personality, to which consumers can aspire or subscribe. At this stage an even greater level of emotion is invested in the product by both parties, and the brand reaches iconic status. After this consumers become so familiar with the brand they begin to demand that the whole company offers a set of values they are familiar with and the company becomes tied up with the brand. The final stage represents a situation where the brand has become synonymous with company policy to take a larger role in consumers everyday lives (e.g. the embracing of environmental issues by Body Shop).

It is possible to see this model at work at many levels within the music industry. Of the various music brands that can be identified the brand represented by artists can most readily be seen to progress along this spectrum. Starting out as just another unknown or new act, they are dependent on solid product and good marketing to make an impact. Over time an artist may become recognised as a source of consistent quality (certainly their fans will perceive it this way) and gradually they will develop into the personalities of the celebrity pop star before eventually a few reach the iconic status of the super -star. At this stage the identity of many of the biggest artists begins to become tied up with that of their label, sometimes

because they outsell other artists on that label but often because they start their own label. Thus the Beatles became synonymous with Apple, Prince with Paisley Park and, to a lesser extent, Madonna with Maverick.

Whether any artist brands have successfully achieved the final stage is harder to define. A cynical view of Bono's work as the main force behind the Jubilee 2000 debt relief campaign, and the various activities of Geri Halliwell at the United Nations, might see them as examples of pop stars attempting to align themselves (and their brand image) with a clear social policy.

## **Brands and Consumer Behaviour**

A well known marketing aphorism states that the difference between products and brands is that products are made in factories while brands are made and exist only in the consumers' head (quoted in Runkel and Brymer<sup>18</sup>). Where the physical attributes of products can be easily cloned or copied the intangible benefits represented by a strong brand make their copying harder, thus making the brand's competitive advantage more sustainable.

Powerful brands no longer, if they ever did, come about by chance or accident. The creation of a powerful image and identity is an essential part of brand management. Runkel and Brymer<sup>19</sup> identify the inherently strategic nature of branding, arguing:

“Brand management must now, out of necessity, be increasingly concerned with creating a *Gestalt* for the brand - defined as being the ‘unified physical, psychological or symbolic configuration or mix of elements, that when combined are greater than the sum of the parts’. This is no easy task, particularly in the identification and blending of the relevant mix of psychological values that a brand needs to embrace and reflect. Even when properly done, successful brands require considerable time and significant financial investment, and of equal importance, the consistency of a well-managed brand-identity programme to effectively take root’ in the minds of consumers.”

It is this gestalt, guided by a vision or philosophy for the brand - its reason for being - that lies at the heart of brand differentiation, and the brand's ultimate long-term success.

Much of the research into branding has focused, understandably, on the role of brands in the minds of consumers. Thus, Park<sup>20</sup> and colleagues classified brands according to the type of consumer need they satisfy, identifying three types of brand, namely functional, symbolic and experiential. Many products satisfy a mix of functional and emotional needs, for music these are mostly emotional. Consumers make purchase decisions on a unique set of needs which are satisfied by the product they buy. This is represented below by the emotion-function spectrum, which will be different for each consumer.

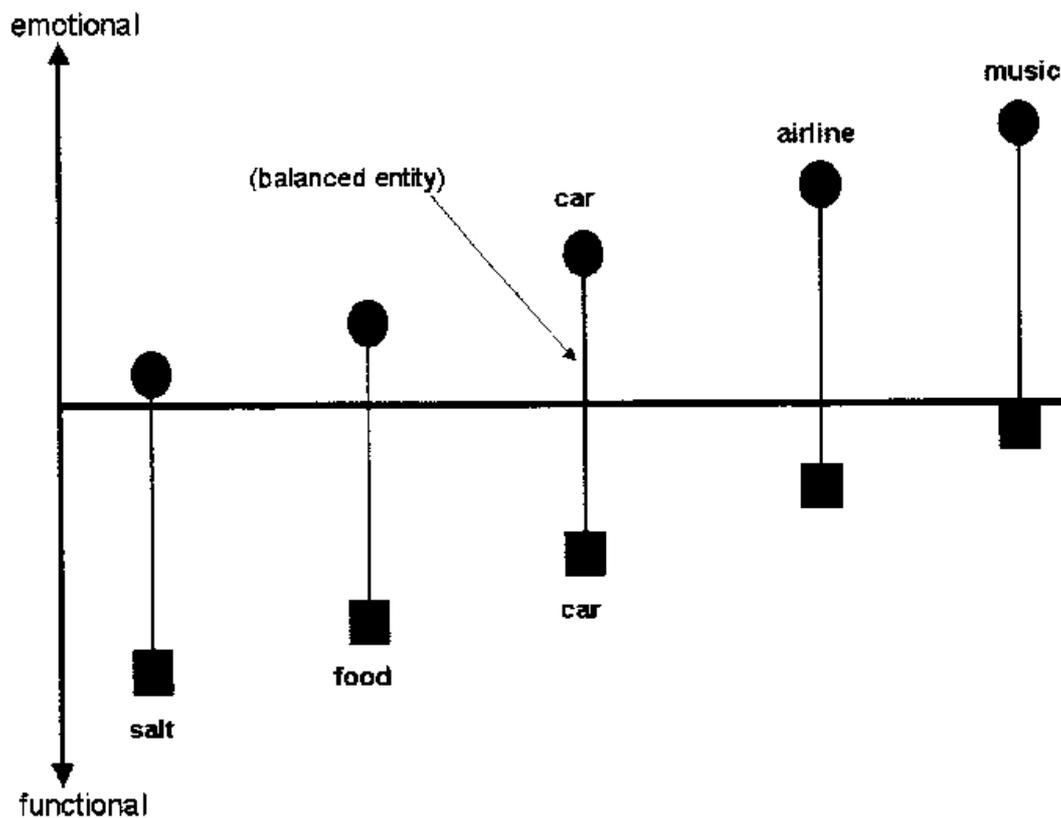


Figure 1.4 — The Emotion-Function Spectrum

Every purchase meets a bundle of functional and emotional needs. Some meet an equal measure of both (the balanced entity). It is difficult to place real brands into distinct categories. Individual consumers will make choices based on situation-specific factors. Gordon<sup>21</sup> has researched extensively the differences between consumers' needs in different contexts, identifying that differences between the same consumer on different occasions are greater than the difference between different consumers. Gordon describes these context-specific needs as consumer 'need-states'.

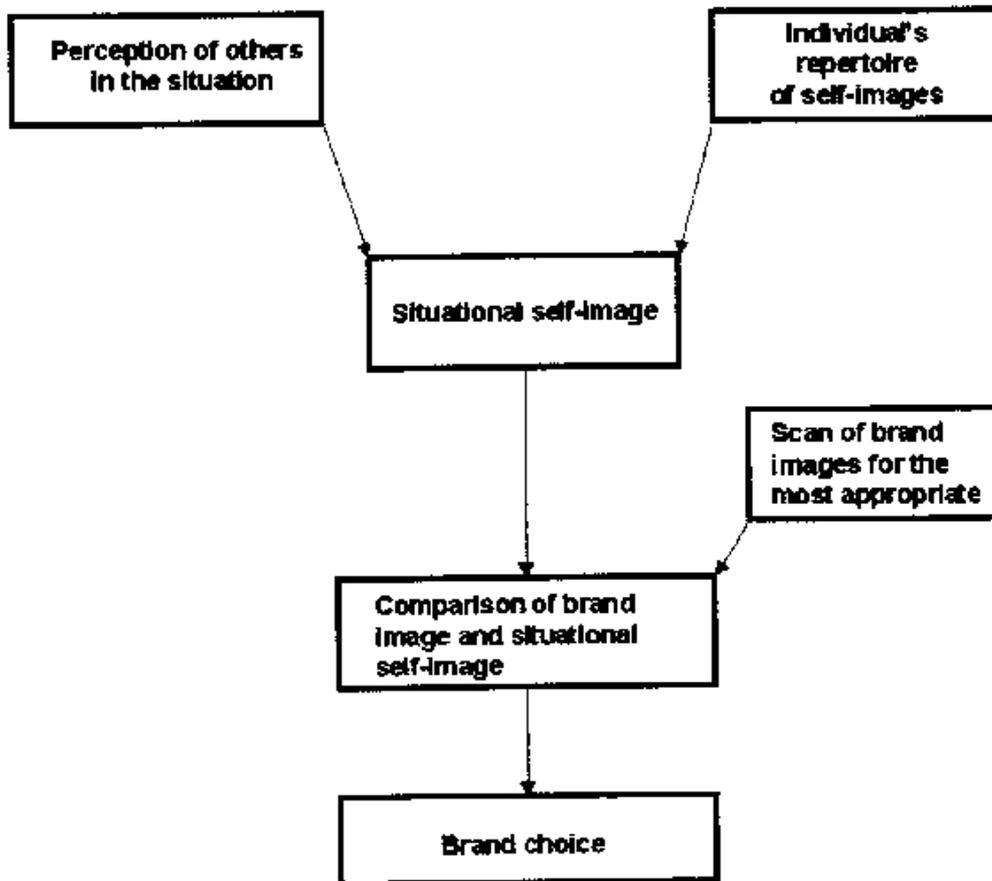


Figure 1.5 - The impact of situation and self -image on brand choice

This model has resonance for music purchases, due to the socio -cultural impact of music we enjoy and are seen to enjoy. The model helps to explain why a socio-cultural 'scene' often comes with music successes. Whether it's the flares and ecstasy of the 'baggy madchester' scene of the late 1980s, or the mop -tops and suits of the 1960s 'merseybeat' explosion, such scenes are always locally grounded. They develop away from the mainstream, before breaking through to the wider population. Rogers<sup>22</sup> has mapped this diffusion and his approach identifies how consumers might react to a new brand.

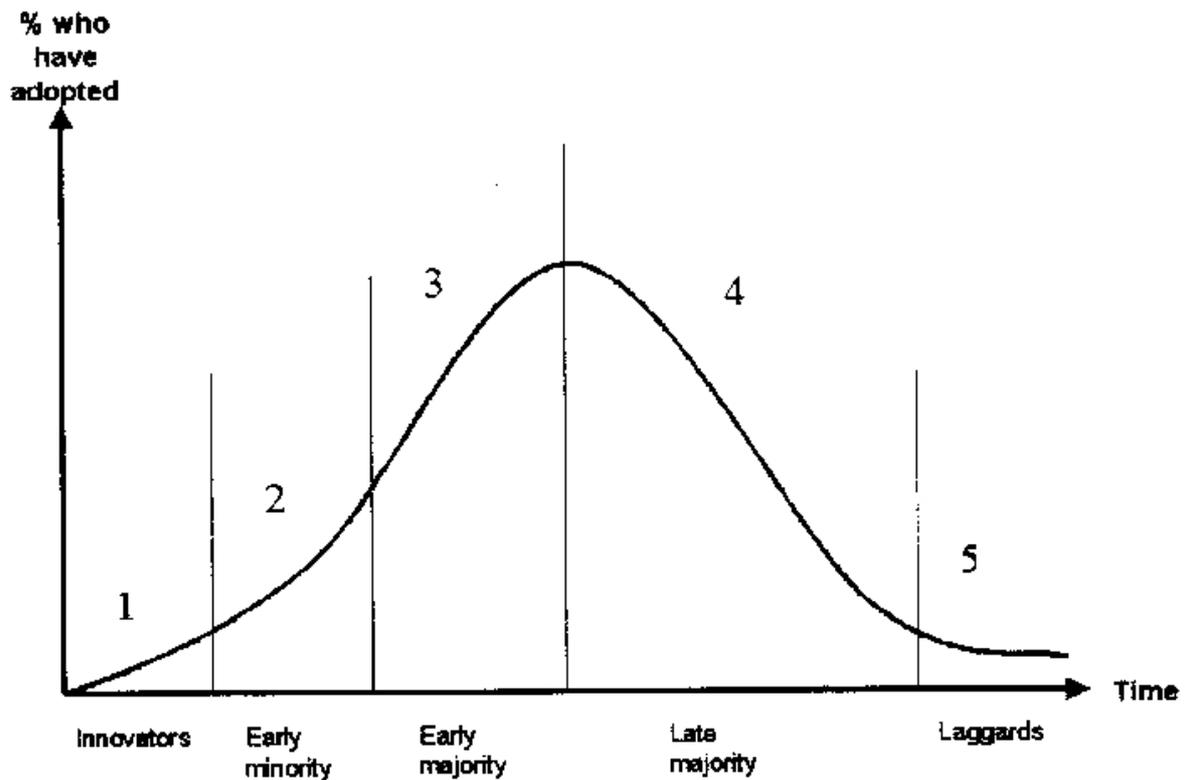


Figure 1.6— The Product Adoption Process (after Rogers)

There are clear overlaps between this adoption process and progression along Goodyear's Brand Consumerization Spectrum, discussed earlier. It is in sections 1 and 2 of the process that new ideas are developed and taken up by a few opinion leaders, usually operating locally in an underground (i.e. non-mainstream environment). If a brand exists at all at this stage it is very much the brand as reference according to the Goodyear spectrum. The early minority in stage 2 are possibly the first non-local consumers to pick up on the brand. At this stage and as it passes to the start of stage 3 and the early majority the brand develops as a personality. By the time the late majority in stage 4 is on board, the brand is well and truly in the mainstream and will be developing as an icon.

The trick of effective brand development is to delay or postpone the apparently inevitable 'sales tail' which can occur. Especially in the music market, as the late majority accept s brands, they may become seen as 'uncool' or boring. This gets to the heart of successful music brand strategies in that the brands that attract the biggest successes manage to appeal to a broad cross-section of the market (managing to keep on board all but a minority of the most conscientious innovators, and also appealing to the majorities). Similar models, notably the product life cycle, use different words to describe the same behaviour pattern.

A good example of this model in practice is how the band (and brand) Oasis have developed. Initially a locally based (Manchester) band they quickly attracted an early group of followers, the innovators of what arguably developed into the 'brit-pop' scene. As they began to get interest from the specialist music press they developed a brand personality based around

aggression and heavy drinking (perfect for the advertising driven 'new-lad' culture developing at the time). At this stage they were attracting the early minority although after a few well - orchestrated publicity stunts and some solid hit records they were picked up as tabloid pets and quickly progressed to the late majority stage. After only three albums (the last of which sold less than expected) they have developed into both the brand as icon and saturated the late majority stage. It is worth noting how at this time the band is attempting to re -invent itself, with personnel 'leaving' and greater use of elements of dance music. Collaboration with popular dance acts like the Chemical Brothers has helped achieve this.

There are almost too many factors in any purchase to make sense. Consumers engage in complex mental processes before buying anything. There are various different models that attempt to classify and explain these processes. One simple model, which includes many of the factors affecting music buyer behaviour, is the stimulus response model of buyer behaviour shown below<sup>23</sup>. The stimulus response model identifies a broad range of influencing factors on a purchase decision. It does, however, recognise that once these factors have been received the action of any individual consumer will depend on how their 'black box' (i.e. internal cognitive characteristics) processes these messages.

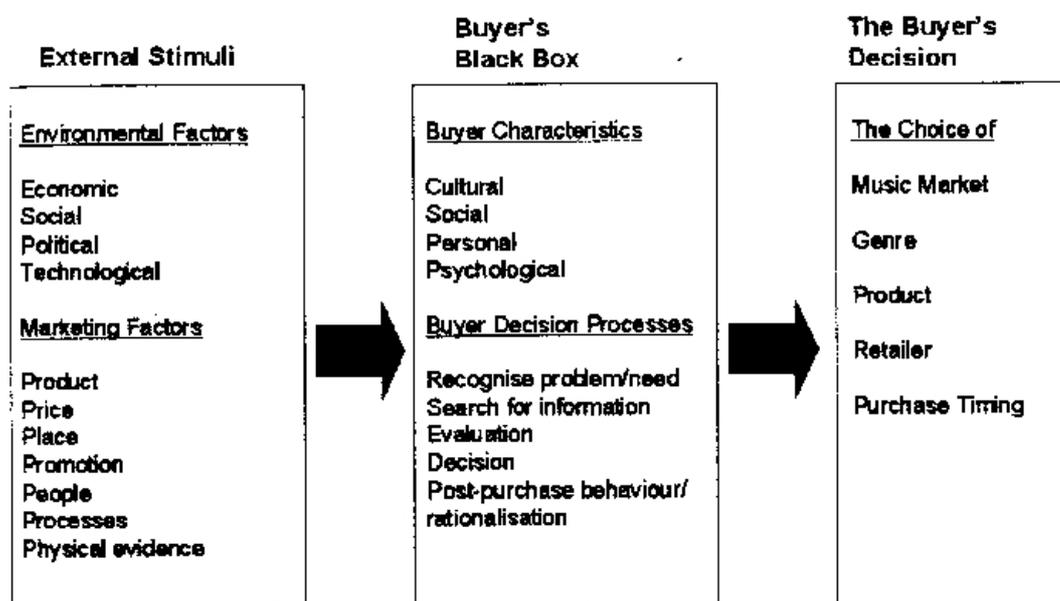


Figure 1.7 — A Stimulus-Response Model of Buyer Behaviour

The model shows that many of the external stimuli, such as political, legal and social developments are beyond the control of the marketer. Similarly, the black box and how individual consumers react to changes in the marketing mix are often unpredictable. From this model it is evident that all marketers walk a difficult path in selecting an appropriate and effective mix of marketing messages. This is in contrast to a widely held belief, expressed as early as the 1950s<sup>24</sup>, that marketers control consumers.

## Branding and the Music Industry

There is a revolution currently underway in the music business globally. Relationships between all stakeholders within the industry are being redefined through technological innovation and digital revolution. Music producers, especially the major record companies, need new ways of creating and sustaining competitive advantage and ensuring the best chance of success for their releases. One potential source of competitive advantage is the development of the sort of relationship with consumers represented by strong brands.

The re-evaluation of relationships within the music industry is leading writers such as Frith to suggest that the current model for copyright protection is about to be superseded by one where exploitation of rights is no longer central. Frith argues:

“In this multi-media setting the relationship of intellectual and industrial property is once more confused, and it increasingly seems that pop stars are better thought of as designer goods rather than as creative artists. The importance of image for sales - whether specific images like A-Ha or corporate images applied (as with Duran Duran) to every aspect of ‘company’ product (records, posters, tee shirts, videos etc.) - puts musicians under the protection of trade mark and registered design rather than that of copyright.”<sup>25</sup>

Although Frith wrote this towards the end of the 1980s, his words take on an increasing prescience when read as a description of a music industry, ten years later, populated by the Spice Girls, S-Club 7 and Steps. Longhurst<sup>26</sup> takes Frith’s suggestion of a move to exploitation of trademarks rather than copyrights as evidence of the development of branding within music, quoting Lury<sup>27</sup> when he describes the possibilities of cross media transfer which branding represents. Lury explains branding as “the forging of links of image and perception between a range of products”. Branding facilitates the development of images that are transferable between different media. It is also worth considering the broader cultural impact that brands have. Longhurst<sup>28</sup> highlights this when he concludes:

“Michael Jackson is not simply a recording artist, but an image that connects a number of different areas of culture.”

One of the major attractions of developing a strong brand is the ability to sustain a price differential over competitors, based on the perceived extra value to users of the brand as opposed to competitor brands. In the music industry price is heavily regulated and often controlled by retailers rather than record producers. With the exception of a few labels known for quality, and who are able to a limited extent to charge a premium, will consumers pay extra for a strong music brand?

Price differentials are therefore unlikely to be available as a strategic tool within the music industry, although this indeed may change as a result of the current shakedown within the industry. However, there are other added values that music brands may bring to consumers - such as ‘cool’, a sense of belonging to a group (a subculture) or social status (e.g. classical music). The trick for marketing executives is to put together a set of marketing messages that add up to produce added value that the consumer perceives as unique to a specific brand. A brand needs to try and own a specific area of the perceptual map (Blue Note for jazz, Island for mainstream reggae, Two Tone for ska etc.).

One way for brand builders to begin to approach the question of how to successfully strengthen and grow their brand is to apply the technique of perceptual mapping. Thus music

brand owners might sketch out where they perceive their brands to be in the current market place against one or two key criteria, such as age and genre. This is an approach used in other markets as part of the market segmentation process that assists in the development of a positioning strategy for brands and products.

But the traditional approach to business in the music industry has been to focus on product and on marketing individual releases (whether singles or albums). Of course thought is given to longer-term considerations such as the careers of artists or the long-term market position of record companies, but it is fair to question the extent to which models of strategic thinking explain behaviour in the industry. Previous investigations of my own have led me to conclude that:

“Traditional conceptualisations of strategy are inadequate to explain behaviour in organisations [within the music industry].”<sup>29</sup>

Certainly more forward thinking artists and companies, if only through their business affairs team or management will have prepared a longer-term plan. But as explained above, the language of the music industry is not often couched in terms of strategy, if it is hard to find strategy being employed in the music industry, it is virtually impossible to find musicians or music executives thinking about developing a long-term relationship with consumers. This is partly due to the fact that, unlike in most consumer markets, the product changes on a weekly basis. The possibility of building relationships is further confused by the volatile, fashion-led nature of music purchase decisions.

There are writers who take issue with traditional, rational notions of strategy. The sort of strategic planning many business school academics are so keen to espouse may be hard to find in the music industry, but this does not mean there is no strategy. It is possible to find evidence of the slightly more ‘creative’ strategy, postulated by academics such as Stacey<sup>30</sup>, who are prepared to accept that strategy more often than not emerges out of actions, rather than the other way around. There are also some that posit chaos theory can be applied to management. The idea of a form of strategy at work within the music industry, albeit of a ‘trash-can’ nature, is an appealing one, which I will return to.

### **Are there Models to Describe the Behaviour of Music Brands?**

Shostack<sup>31</sup> has argued that traditional marketing models that are based on marketing tangible goods are not robust enough to describe complex purchases where there are intangible elements in the product. Although his argument is aimed at clearing the ground for a new approach to service marketing his model is equally applicable to the marketing of music product which involves a combination of tangible and intangible elements. Applying Shostack’s model to the music industry, it is necessary to separate out the various factors which impact on the purchase in order to attempt to build a comprehensive notion of what the ‘total product’ might look like. This model also allows for a number of different brands to play a part in a single consumer purchase that more accurately describes music purchases.

Thus any consumer decision is made on the basis of a number of factors including the interaction of several brands (artist, label, record company, and retailer) the marketing and promotional activity, cultural or social factors and individual psychological factors (the black

box described above). What is not clear is exactly how these elements interact and what role brands play in this process.

As explained above the pricing structure within the industry is fairly rigid and in terms of customers' end-price is to some extent in the hands of retailers. Even though record companies set dealer price there is little scope for imaginative pricing strategies and rules such as chart eligibility impose further restrictions. Brand loyalty could potentially help record companies. A high degree of brand loyalty will enable them to take advantage of what slender premium price margins are available. This has been seen recently as record companies have resisted the trend to discount the price of singles in the first week (to ensure a high-profile chart entry), especially for big name artists where brand loyalty is established. Secondly this loyalty can be used to maintain/grow market share. The majors are all obsessed with market share - of airplay and sales charts, for both front-line and back catalogue.

Longhurst<sup>32</sup> somewhat unwittingly signaled the close links between branding and smaller records labels:

“It is suggested that the smallness and intimacy of [smaller record labels] facilitated the production of particularly innovative sounds which broke free from the standardised products of the dominant record companies. Furthermore it is argued that such companies were better able to represent the aspirations and feelings of their artists and audiences than the large corporations.”

Negus<sup>33</sup> has rightfully questioned the extent to which this clear dichotomy between large and small companies exists, however. Rather than disprove the role of branding, Negus's argument that the music industry is in fact a complex web of large and small companies, raises the question of why many so-called independents, which are funded and sometimes managed by larger companies, are presented to consumers as stand alone corporate brands. Besides the organisational factors suggested by Negus, the requirement for companies to retain an air of independence is often because this independence is a major factor in their appeal. In other words their 'independence' is part of their brand identity.

One major problem with the development of music brands is that the role of brands as an assurance of product consistency and quality is hard to maintain where the product is continually changing. Even if an artist brand has a solid loyal fan base, they may not like a particular product (album or single), and such an experience can undermine the consistency of the brand image. Another challenge to music brand building is that the 'brand' is usually another human, and as such any plan is subject to the whims of his or her own ego, opinions and desires. The more successful the artist the less controllable they are likely to be.

Respected artist manager Tom Watkins is currently working on perhaps the ultimate in 'artist as brand' development - a computer modelled 'virtual surf-pop star', to be launched in a multi-media blitz as a TV presenter, teen pop star and sporting hero. The immediate merchandising possibilities are huge and the project is free of the single biggest nuisance factor for an artist-brand builder — the opinions and beliefs, ideals and aspirations (in short the ego) of the artist.

Competition and product/service parity, according to Runkel and Brymer<sup>34</sup>, will inevitably lead to a marketing- or brand-based culture. One interpretation of the current developments within the music industry is that it is heading to a situation where companies with strong brand development strategies will thrive.

However, while Runkel and Brymer argue that developing strong brands is the best way to compete in any industry, it is arguable that the development of a strong release schedule is more likely to be effective in the short term. The question remains unanswered whether weak music product will sell because of more effective marketing. What is unequivocal is that good product will sell well with effective marketing and that good product can be made to fail with poorly targeted marketing. Assuming that marketing activity does have an impact on the success of a track or artist, development of a strong brand identity could help record companies and artists alike to sell more products.

The retention of loyal consumers is key to successful branding and vital to the debate on music brands. There are questions about the wisdom of investing in transient pop-related brands. Not many consumers want to keep listening to the music they listened to as a child, and fewer want to listen to the music their parents or older siblings listen to.

### **The research questions**

This study attempts to evaluate what the prospects are within the music industry for the application of the types of brand-building strategies used widely across many other business sectors. Is it acceptable to think of artists as brands, with clear identities understood by consumers in the same way as Coca-Cola? Can brands be strategically built in the music industry? As record companies struggle to find new ways of competing, is the strategic use of existing brands a profitable avenue? More significantly are record company executives prepared to think about brand management in this way?

While it is easy to identify the existence of brands in all forms of market across the world, it is much harder to identify the extent to which the activity and growth of these brands is strategically directed. One of the biggest problems facing any management researcher is the lack of correlation between what managers say they do and what they actually do. Mintzberg<sup>35</sup> has pointed out that until we adopt a more flexible understanding of what constitutes strategic thinking, research into strategy will be plagued by the possibility of over-zealous researchers applying too much interpretation.

This research therefore has two main objectives. Firstly to document the extent to which brands can be shown to be important in purchasing of music and secondly to examine how these brands are perceived by those responsible for their development. To achieve these two objectives a range of questions need to be answered. Do music brands play a significant part in the purchase of music products? If they do, are the owners aware of the value of their 'marketing assets'? Once they have been identified, are brands perceived as strategic devices? Is it possible to build a model to explain good brand development? If so, what does this model look like?

Runkel and Brymer<sup>36</sup> have indicated that where within an organisation brand ownership or brand stewards fit is an important indicator of the degree to which brand management is

taken seriously. So part of the research question is also to determine the level within music organisations at which brand management sits.

### **Scope and limitations of study**

Although brands primarily exist in the minds of consumers they are also a reality for many managers. This research project is concerned above all with the way the music industry perceives and uses brand strategies. This means that primary research has been industry focused and has not considered the role of non-industry consumers. Detailed consideration of music consumer and music purchase decisions is beyond the scope of this study, other than in the way they are perceived from within the business.

Another area not covered by this research is the important business of act or artist creation, widely described within the music industry as artists and repertoire (A&R). This process, which can be loosely equated with the role of new product development in other organisations, is again too vast an area to be included here, but one certainly worth considering. This dissertation is concerned only with what record companies and other concerned parties can do once an act has begun to generate some success (i.e. after 'product launch'). The reason for this distinction is to attempt to separate issues surrounding the new product development from those surrounding the use of brand development strategies. To some extent this separation is a false one. Brand development strategies may involve decisions which cross over into the realm of product development, and likewise the development or re-positioning of an artist or label is unlikely to happen without some A&R input.

The research has also been limited to a study of the UK. However, this has to be considered in the context that the music industry is a global business with very strong links between what happens in the UK and what happens internationally. The justification for this limitation is again a matter of scale and time limits.

## **SECTION TWO - METHODOLOGY**

Section one has already discussed, by way of introduction, the reasons for choosing brand strategy in the music industry as the topic for this research. This section focuses on the how rather than the why and examines the choices made in research design and, where appropriate, explains these decisions.

With virtually all research there has to be some compromise between the ideal and the actual, and this project was no exception. Despite setting out with very definite plans for the research design, various factors intervened and impacted on the final methodology. As Bickman and Rog have expressed<sup>37</sup>:

“..... trade-offs are involved in the design phase. as the investigator balances the needs for the research to be timely, credible, and of high quality.”

This research project was initially conceived as a piece of qualitative research, based on a series of semi-structured interviews with most of the high level executives from companies within the UK music business. This ideal was based on the somewhat ignorant assumption that the UK music industry would be more than happy to lend support to a study that might

provide insights into their work. It was not long before several flaws within this assumption were exposed.

The impenetrable nature of the music industry meant that access to senior executives was very limited. None of the most senior major record label executives felt inclined to participate, for example, most citing a lack of time as a reason, several not responding at all. However, after speaking to staff from different areas and levels of the music industry it became obvious that limiting the research to senior executives alone would have been a mistake. The future of the industry lies with the middle and junior executives of today and their views were very informative.

The understanding of the role of branding within the industry was extremely varied. Very early on it became apparent that the proposed series of in-depth interviews would be unlikely to produce anything other than a mass of unrelated information. Each of the early discussions seemed to lead off in different directions, branding meaning different things to different interviewees. From these initial discussions it seemed more practical to focus the research on a few key topics that had arisen more than once and pursue a quantitative research design. This approach would enable me to contact a bigger number of respondents and take less time for each respondent (which was a concern expressed by many potential respondents).

Thus the research emerged in its current three-stage design. This included a period of desk-based literature and theory research, followed by some initial qualitative research and finally a quantitative research exercise.

The desk research involved a review of general branding texts, and a review of trade magazine *Music Week* for the 12 months from September 1998 to August 1999. The use of this magazine (the only such UK magazine) was necessitated by the lack of music-specific branding literature. This background research into brand theory was freshened and made more real by talking to some brand managers and marketers - including senior marketing personnel at Givenchy, Coca-Cola and Sainsburys.

Following this general branding research, a small-scale initial qualitative research exercise was conducted, involving a few in-depth interviews with music brand-owners and executives. The initial plan had been to interview executives who were sufficiently well placed within their organisations to perceive themselves as the 'brand guardians'; i.e. those most likely to have clear idea of the strategy behind brand development. The difficulty of reaching these key people and getting them to agree to an interview proved too difficult to overcome and the criteria was relaxed and some less senior executives also interviewed. To get as full a picture as possible a combination of music and non-music personnel were interviewed from a cross section of organisation types.

To some extent this approach assisted in identifying where the idea of 'brand stewardship' sits within each organisation, which is often viewed as a strong indicator of the importance attached to brands within an organisation. The less senior interviewees also gave the research more vitality and gave a stronger indication of how brands may be perceived in the future.

The limited number of potential interviewees and their reluctance to embrace education and research, means that there is a possibility of the introduction of some degree of self-selection bias. This is countered in some measure by the fact that those most willing to discuss brand

strategies have not only been those with any kind of evangelical support for the idea. The main objective of this second stage was to suggest the main areas for the research to focus on.

The third stage of the research consisted of an electronic questionnaire sent by e-mail to a sample of marketing and non-marketing executives, from various different levels within the music industry. The questions evolved out of the initial interviews held in stage one, which had revealed that there was very little consensus as to the role brands played in music purchases. The questionnaire was sent to an initial pilot sample of people from within the music industry in an attempt to identify and minimise confounding variables. The response to this initial pilot was mixed. A few of the respondents were well known to me and they provided me with considerable feedback, especially regarding the amount of time required to complete the questionnaire. The comments and difficulties expressed by this group allowed me to change the structure of the questionnaire. Unfortunately there was not sufficient time at this point to conduct further tests of the new look questionnaire.

Participants for the main piece of quantitative research were selected using a two-stage process. Firstly names were picked at random from the Music Week Directory 1999. An even split was maintained between those individuals working at large and small organisations, and between organisational types. These individuals were then telephoned and invited to take part in the survey. Those that agreed were then e-mailed the questionnaire. Several of these initial conversations were with assistants or secretaries, many of whom agreed to let me have an e-mail address, without directly agreeing to participate.

In total 187 e-mails were sent out, of which 19 were completed and returned. While this would be an acceptable response rate for a postal survey (10.16%) it had been hoped that being e-mail based would improve the response rate, particularly as most of the e-mails were sent to those who had agreed to participate. Three main factors have been diagnosed as preventing a better response:

1. The length and complexity of the questionnaire. Before sending the questionnaire it was piloted within the industry, who provided me with useful feedback, but were perhaps not ruthless enough, and who were more prepared to work through the long questionnaire than the average respondent.
2. There may have been technical difficulties. The computer from which the e-mails were sent was a Macintosh. In hindsight it might have been more appropriate to send the questionnaire from a PC, since there may have been conversion problems which less committed or determined respondents would not have bothered to overcome. None of the pilot respondents experienced problems and it is only speculation.
3. The nature of returning the completed questionnaire by e-mail is such that guaranteeing anonymity is difficult. A response can always be attributed to an e-mail address. Although all responses were immediately downloaded to a separate file without any connection to the original address, some potential respondents may have felt uncomfortable with these arrangements.

Notwithstanding these problems, the information collected from the responses that were received is of a high quality and there is a clear consistency of message from the data.

Many of the questions used semantic differential scales, similar to those developed by Osgood<sup>38</sup>. The use of this technique meant that several purchase situations could be rapidly evaluated using a number of scales (each describing a separate purchase motive). Numerical values were then assigned to the scales so that comparisons could be made between the various factors in terms of mean scores (see appendix 3 for questionnaire design). Due to the small number of responses received the mode average is used to present results, as a more reliable measure, as opposed to the more commonly applied mean average.

### **SECTION THREE - RESEARCH FINDINGS**

The following section presents the information collected during the two phases of field research (stages two and three of the project). Discussion of these findings is left until the next section. The low number of responses in stage three makes drawing strong conclusions dangerous. However, it is interesting that there is broad agreement on several issues, not only in the responses received but also between these responses and the discussions held during stage two.

#### **Field Research One — Qualitative Interviews**

This first phase consisted of a number of in-depth discussions with senior executives from the music industry as well as senior brand managers from other industries (see appendix 2 for list of interviewees and outline structure for these discussions). The objective of these meetings was to gauge current thinking about the role of brands within the music industry, and to achieve an up-to-date understanding of brand development in non-music markets. This information would then be used to design the stage three questionnaire. These interviews produced the following clusters of comments:

##### 1. General Brand Comments

“I see a brand as a means of achieving consensus — it’s a stamp that has some degree of consistency allowing other things to come off the side of it. It tends to be people who spawn an industry off them.”

“The first experience is actually very crucial to anyone’s brand. If you want serious things you’ve got to make sure it will work in the long term, otherwise you lead people into a relationship with your brand and five minutes later your gone.

“As to why brands don’t happen in the software side [as opposed to hardware brands for companies like Sony], I think the public buying decisions are made in a completely different way.”

“There are very few people thinking hard about their brands and developing an identity for their brands in tandem with the music. Those that are thinking this way are presented every time as some sort of genius. While they usually do have something extra, a lot of it is just common sense and good marketing.”

## 2 Artists as brands :

“You can certainly discern a successful act as a brand. You look at acts like Steps, they are more a brand than anything else.”

“A classic brand situation is the Spice Girls, making records one minute and the next minute there’s a plastic telephone with Scary Spice saying hello to you. That’s branding in the most exploitative sense of the word.”

“It’s a horrible idea and I’d like to think that it doesn’t work. Artists are appalled by the use of words like products and units. They don’t like the record companies because it’s the unholy alliance of the creative army meeting the commercial army. Start to talk about musicians as brand names and they’ll lose it totally!”

“Branding is much more obvious at the pop end of things. But is Neil Young a brand? I guess he possibly is but he’s more of an icon than a brand.”

“In some ways it’s easier to see pop acts as products or brands. People have this view that the artists in a pop group are easier to control, or that there is less artist input. That might be true at the early stages when maybe a manager has all the vision, but show me a single big pop act that hasn’t had enough ego to direct their own destiny.”

“Would you say that the Rolling Stones is a brand? Could you describe Madonna or Prince as brands? I think that very inadvertently they have become a standard because of the repertoire that they have put out and the way that they have behaved. But the point is that it has happened inadvertently.”

“I don’t think people would go in and buy a record by George Michael because of brand reasons, I think they’ll buy it because of the nature of the record. In each of the cases where strong, so-called ‘brand-name’ artists have released poor records the brand hasn’t supported them. It needs to be a good product.”

“My sense is that [brand development] is very hard. You see it all the time — with promotions like the Gay Dad campaign — what is that — “oh it’s a Gay Dad ad”, that’s an attempt to brand it using a very simple icon, in a way it’s more PR than branding.”

“At the pop end artists are easy to identify as brands. But that is very transient; people tend to move on very quickly indeed. I am astounded when you look around and you hear sales figures for the B\*Witched album of 800.000, predominantly in the UK and Ireland, but you can’t really export these acts. B\*Witched are having some measure of success in America, but I can’t really see it happening in Europe and why on earth would someone want to buy a Martine McCutcheon album outside of Walford? The economics are very strange. Why invest in building such a transient brand?”

“The pop market is a very transient thing, I’ve worked with a number of boy bands and you can tell when the tide turns. You can get on the crest of it and it’s great. Then you get to the end of the ride and it’s down with a very sudden bump. The listeners want to move on, they don’t want to be associated with something they grew up with.”

“Those artists who have actually manage to make a career out of it are very rare. The last UK pop act who managed to do it was probably George Michael. His career is a good example of clever positioning, there are only so many shutilecocks you can shove down your trousers. He knew (I imagine) that there was going to be a change or transition, when Andrew [Ridgely] would no longer be relevant.”

“I guess [from a promotion perspective] you know that certain channels are right for a certain artist. You instinctively match the plot to the artist, so in a sense the promotional messages will reinforce any brand identity the marketing guys are trying to achieve.”

### 3 Labels as Brands

“It's harder to look at labels as a brand. Certainly they used to be strong brands in the past. In my day — Island records was very much a strong brand. But would you say Island Records is a brand today? Certainly it's a lot weaker — for a start it's Island/Universal.”

“As a label the brand sits with the marketing people and it is completely focused on each individual label. And each label makes it's own decisions. As long as they don't fuck around in a way that makes it bad or as long as they don't create work which I feel is derivative or not up to the standard of what we should create, they can be as varied, as they want to be.”

“It is difficult to say [how strategic branding is] from a label's perspective. I think they are in a tough situation. Labels don't get enough credit for the amounts of punts they take. If they worked as scientifically as biscuit companies — the risk is that we would end up with nothing interesting. But they take risks. How many copies some of the stuff sells God only knows. But once it grabs — then it becomes strategic. In the short term it's very intuitive and I think it is a good thing.”

“I struggle beside a few examples to think of those situations where the idea of a strong brand has applied. Chrysalis, maybe, when they first started, for two seconds, before financial dictates forced them to start putting out Pat Benetar records. But the smart boys have been the ones such as Island when it first started, with its strong logo where you knew what that ethically meant.”

“These things [the development of a strong identity] happen mostly by accident as opposed to design. It could happen by design. But you would have to be very careful, what you decided to do with it when you start. You would have to have a clear idea of the type of record you wanted to put out. It's no good saying 'we're going to put out great records', that is not a branding exercise. That is saying what every label would want to say, because great records hopefully are successful records.”

“If you are going to look at a label as a branding exercise you have to ask what is your utopian ideal, what does the brand stand for. You also have to be sure that you are going in to a market where you are going to take business away from everybody else.”

“Island Records in its heyday definitely had a branding. I think that was partly to do with the strong visuals of the palm tree logo, but a lot of it stemmed from the idealistic way that Chris Blackwell stepped out with the label and the records that he was putting out.”

“Two-Tone during the ska period, because they only put ska records out, by its very nature reflected a brand image. If you stick to putting out one genre of music then there is an element of branding because people are coming to you because they know that’s the place to go.”

“It’s questionable how much labels consciously develop as a brand and how much it has to do with an affinity for a certain genre of music.”

“Stiff Records undoubtedly can be said to have had a very strong branding, in an age when record companies were beginning to become very corporate. This was because of the wacky, esoteric nature of its artists, but also as a label they deliberately did things differently, not necessarily the most cost effective way but because that’s the way that Stiff did things. There was a concern that they had to put across the right impression because that was what Stiff was about, that was their unique selling proposition.”

“Specialist labels like the top end classical labels have said ‘we’d like to be seen as the pre-eminent classical label’ but there is not really any development of a brand. I think you can count on the fingers of one hand where the label operates as a brand.”

“I don’t think anyone ever bought a record unfortunately because it was on Sony Music or because it was on EMI. I think people buy records because they are on jazz labels such as Verve and I think people buy classical records on Deutsche Gramophone, but that’s slightly different. Those are labels that have deliberately set themselves up to look after particular genres of material and it’s the material which is then reflected in the label, rather than the label trying to push itself as being a home for that material. It’s come about by accident.”

“A very successful brand is the Ministry of Sound, which is really interesting. They didn’t start as a label. Putting records out came about as a by-product of what started out as a club. And I think they’ve done incredibly well and have maximised it through merchandising. They have stretched the brand well. You can go into HMV and see umpteen compilations with that type of repertoire on it and while the repertoire is good on the ministry albums the brand is responsible for the success of their label.”

“[Brand extensions] have to be handled carefully. Record labels shouldn’t just move their brands into broadcasting to get airplay for all their own records. If you look at reverse situation, with Capital radio and their record label Wildstar, they got a lot of adverse publicity from that. I’m not sure that any other record station, outside of the Capital group wants to play a Connor Reeves record. Because they know it’s on the Capital group’s label.”

#### 4 Branding and organisational structure

"[Branding] doesn't really figure in terms of how our organisation structure looks. It is important from a creative point of view but not from a marketing point of view. Our philosophy is that there is a certain threshold of quality required in what we do and that brand composition is very important. Every two or three months questions are asked philosophically about where the brand should be going."

"I personally prefer a loose control, because we are not McDonalds or Disney. It's the 'unknown quality' about our work that keeps us a dynamic brand. Otherwise you always trying to recreate what you did before."

"The leader's role in branding should be one of stewardship rather than ownership. There is certainly a view that says you must control everything and be very rigid. But I don't personally believe that. I mean I'm over 40 years old and just because I've been around long enough to know what I like, but I don't think I should be making those decisions."

## 5 Models of Branding

"It's hard to say there is a specific model of branding, but where you have a saturation of a particular dominant form or vehicle of expression then clearly the moves are such that the model becomes easier to follow."

"Yes I believe in brand stretchability, but I also think you can stretch yourself beyond what you can physically do. The antithesis of this over-stretching is the consultant-speak about core attributes. And do you stretch yourself beyond your core attributes to be seen to be stretching your brand? Or do you dynamically drive your core attributes so that that brand is strategically aligned with other brands."

"Often what is called a brand extension is really only a marketing exercise. Yes it is important to ask all of these questions. You can't just sit and say "I make pencils and that's all I do" you have to also say, "there is also the pencil case or writing paper I could be making". You have got to look at those things but you must keep in focus what it is that people are going to go to as the core attribute of your brand."

"If you are looking at the general principles or a model as such then I don't think they do apply. I think that people have always brought records, in general because of the actual artist and the record. They are not interested in whether it is on EMI Sony or Warners"

## 6 Branding and the Internet

"The web choice is basically do we eventually become web-TV, or do we have the web as one extension of our brand? They will converge — on TV or computer. I don't want to make that choice and be left high and dry - What I'm after is a brand that has a need to be seen on either. The web is virtually infinite."

"In theory, on the web a big, major name brand sits alongside loads of small ones. Of course if you are a big name brand you can get enough glue about yourself, so people will come to you anyway. But if you disappoint— if consumers go on the web once and

don't like it - they are not going to come back no matter how big the brand is, so it is a different game."

"For most products, whether its beans or cars, I suppose, shopping over the net requires someone to deliver something, in this respect it will never be immediate. It will always be a glorified mail order process. But with music things are different. The technology is around for music to be downloaded direct. This is why the music industry is getting in a sweat about the Internet. It will have a massive impact [on the music industry]."

"For me the key to e-commerce is in fulfilment. Whoever gets organised and gets their web-brand associated with efficient delivery will have a real head start. The difference is this distribution will be customer facing, so it's a new ball game."

## **Field Research Two — e-mail Questionnaire**

From these initial interviews it was apparent that although brands do exist in the music industry the purchase of music is a complex process and little seemed to be understood about how brands played a part in that process.

Stage three of the research therefore attempted to identify the importance of key 'drivers' of consumer behaviour, and to ask whether brands played an important part in how effective these drivers are (would they be less effective without the brand?). A total of 187 questionnaires were sent by e-mail to respondents who had agreed by telephone to participate. It was disappointing to only receive 19 responses. This represents a response rate of just over 10%, which would be the expected result for a postal survey. Although it must be remembered that the findings are of questionable statistical significance due to the low number of responses, there was remarkable agreement between responses received. In view of the small number of responses, where averages are presented the modal average rather than the mean is used.

The first section of the questionnaire asked respondents about their roles within their organisations. Perhaps not surprisingly 17 of the 19 responses (89%) were in marketing or product management positions, indicating that these were the most interested in the concept of branding. One was a label manager and another was a managing director. All 19 responses were from record companies.

Question three asked respondents to give an overall rating to how important they feel that brands are to the music industry. This is a deliberately non-specific question, aimed at fixing a general level of importance. Throughout the questionnaire five point semantic differential scales were used. Respondents gave brands a mean average importance rating of 2.9, which equates to somewhere between 'not very important' and 'important'.

Question 4 asked respondents to score a list of factors that influence music purchase decisions. This list was arrived at through discussion at the in-depth interviews and respondents were expected to rate six factors, according to their importance in seven separate typical music purchases. Again a score of 5 represents very important and 1 represents not at all important. The average (mode) responses are as follows:

Importance of factor in purchase decision (5=very important, 1= not at all)						
Purchase scenario	Artist	Label	Retailer	Quality	Promotion	Price
Pop single	3	1	2	3	4	5
Pop album	4	1	2	4	5	5
Indie single	3	2	2	4	4	4
Indie album	5	3	3	4	4	4
Dance single	3	4	3	4	4	4
Dance album	4	4	3	4	4	4
Jazz album	5	4	4	4	4	4

The next question attempted to establish the impact that branding has on each of these deciding factors.

This table presents the average scores for the significance of brands:

Importance of factor in purchase decision (5=very important, 1= not at all)						
Purchase scenario	Artist	Label	Retailer	Quality	Promotion	Price
Pop single	3	2	3	2	3	4
Pop album	3	2	3	2	3	3
Indie single	2	2	3	1	2	2
Indie album	3	3	3	1	3	2
Dance single	2	3	4	1	2	2
Dance album	3	4	3	2	3	2
Jazz album	2	4	4	1	1	4

Phase one suggested the role of brands within the music industry was changing, and purchases over the Internet were different from others. The next questions therefore attempted to collect the same information for an online purchase:

Importance of factor in purchase decision (5=very important, 1= not at all)						
Purchase scenario	Artist	Label	Retailer	Quality	Promotion	Price

Pop single	4	2	4	3	4	5
Pop album	4	1	3	4	5	5
Indie single	3	3	3	4	4	4
Indie album	5	3	3	4	4	4
Dance single	3	4	5	4	3	3
Dance album	4	4	4	4	3	3
Jazz album	5	4	3	4	3	4

Again respondents were asked to rate the impact of branding in each case:

Importance of factor in purchase decision (5=very important, 1= not at all)						
Purchase scenario	Artist	Label	Retailer	Quality	Promotion	Price
Pop single	3	3	4	2	3	3
Pop album	3	3	4	2	3	3
Indie single	2	2	3	1	2	2
Indie album	3	4	4	1	3	2
Dance single	2	4	5	1	2	2
Dance album	4	4	5	2	3	2
Jazz album	4	4	4	1	1	3

The final section of the questionnaire asked respondents to agree or disagree with a series of statements about the degree to which strategy plays a part in the brand management process and the role that branding plays within their organisation. Few agreed with the statement that 'branding is an important strategic issue', with an average rating of two. In contrast the statement 'branding is hardly ever discussed' was widely agreed with, scoring four. 'There are clearly identified staff with responsibility for branding' was rated similarly to the first statement, scoring two, while the suggestion that 'branding is an issue of increasing importance' received more agreement, scoring three. The clear message about how little brands are established in the industry, but also how much it perhaps should be is shown by the two final statements that 'branding has no impact on my job' and 'there are commercial advantages in developing strong brands' both scoring four.

#### SECTION FOUR - DISCUSSION

## **Brands in the music Industry**

While there was little consensus on the role of branding in music apparent from the first phase discussions, there was a general agreement (shared by all but one respondent) that there has been a marked increase in the awareness of branding techniques in the music industry. There was also a widespread agreement that little of this current brand activity is strategically planned. Some respondents talked about certain artists 'owning' areas of the market, but most agreed that where this had happened it was by accident and was not the result of a carefully planned strategy. Likewise there was a lot of discussion about the pop end of the market being more easily identified with brand management. There was no clear understanding why this should be the case although one respondent discussed the lower levels of artistic discretion in many pop acts, which allowed brand builders and brand managers more control.

Several interviewees balanced these claims about the ease of branding pop with the issue of the transience of the pop market. One respondent also pointed out that those few pop brands that do develop any brand identity (he quoted the Spice Girls) do so just as the artists are taking increased control, which suggests that arguments about pop brands and lack of artistic discretion are less clear than suggested.

All respondents agreed that the industry was experiencing a particularly uncertain time. Relationships within the industry between artists, labels, retailers and the public are changing. Many are confused by the increasing role of the Internet in the industry. Interviewees saw this as potentially resulting in a greater reliance on the development of a strong identity, whether through branding or other means. For the record companies the issue of developing a presence on the net was seen as a likely incentive for them to build their brand identities. One interviewee talked about record companies needing 'stickier' websites as these might eventually become their main connection with consumers.

Interestingly respondents in stage three rated branding as what can most optimistically be described as 'almost important'. The level of interest is confirmed by the later series of statements where respondents expressed the view that while they are aware that there is a role for branding and indeed for brand development, there are simply not the available resources to devote to it. Branding is seen as an increasingly important tool within the music marketing mix and there was a general agreement that there are strong commercial advantages to developing brands, but work pressures and a lack of specific brand champions make it impossible to develop.

The research confirms, as expected, that central to most music purchasing are issues such as the price, the quality of the musical product and the promotional profile it has received. Indeed these factors were consistently rated as higher than the 'brand-specific' factors such as the artist, label or retailer. This is consistent with the way marketing at record companies is currently arranged and also with the notion that branding at present plays little role in the marketing set up of the music industry. Naturally, as was indicated in section one, consumer decision making is a complex process and it is somewhat artificial to single out a few factors as brand specific. Clearly the price and quality, not to mention the promotional profile (which is a key device for brand building in music as in other industries) all have an impact on how the brand is viewed. But the distinction is made between marketing techniques or tools and

the core brands that might be involved in a purchase decision. The respondents' view on each of these core brands is now discussed.

### **The Artist Brand**

The research supports the accepted wisdom that the artist is a major factor in consumers' music purchase decision making. However, it also suggests that there might be a limit to how effective developing artist brands will be. Respondents don't appear to rate the potential impact of artist brand development very highly, even at the pop end of the market, where it might be expected that brands could play a more significant part. Respondents did, however, register that branding might have some impact on the artist as an influencing factor in four of the seven scenarios offered. Only in the jazz album, indie single and dance single was branding rated as having little impact.

Thus in pop purchases, and for indie and dance albums developing the artist brand may have some impact. In one sense this may be no more than a self-vindication of current practice, confirming where the record industry currently gets its biggest returns — i.e. mass selling single artist albums. But there are significant differences between the various genres and scenarios offered to respondents, suggesting that any model for developing brands in the music industry would have to be flexible enough to take these variations into account. For the pop single purchase the artist is perceived as important but not critical (a strange response, reflective of the unique UK pop market where novelty singles and one-hit wonders are accepted as part of the process) while for specialist or niche purchases (represented by the jazz album) it is crucial. Likewise branding was rated as having no impact for jazz artists, as opposed to some impact that respondents rated brands having on other purchases such as pop.

Once the purchase scenario moves onto the Internet there is an interesting shift. In this case, across all purchase situations the artist is still a key factor in the purchase decision (as expected) but with brand impact scoring a significantly greater impact. This increase in the relevance of brands for Internet purchases is a surprising finding and seems to imply that Internet music purchases will not take shape as simple electronic replacements for current high street activity.

It is possible to understand the importance of artist brands in Internet purchases by considering how consumers use Internet search engines. At present record shops are designed for consumers to use by browsing under broad genre groups (e.g. rock and pop) and alphabetically by artist name. Most consumers buying music will enter a shop with the intention of buying the latest release by a specific artist, and may be unaware of which label the record is on or even its title. In an online purchase context this equates to consumers searching the net for 'artistname.com' and not going through a corporate or record label site. Increasingly sleeve notes carry the band's web-site address. It is perhaps awareness of the potential importance of these artist sites that led Sony to attempt to include ownership of artist web sites in their standard contractual terms.

### **The label brand**

One of the most clear cut messages to emerge from a consideration of the research findings is the role that label brands can play and their potential to take on increasing significance in

the near future. This is important for record companies because these are the brands over which they have the most control and which they own, as opposed to the artist brand which is at least 'leased' to the record company. While the detailed terms of recording contracts vary, standard terms will rarely make reference to brand or trademark ownership. Although major companies like Sony are attempting to get greater control of such trademarks, they effectively have no ownership and little control over these vital pieces of intellectual property.

This research would suggest there is little purpose in developing label brands at the pop end of the market. However, pop music history is dominated by successful labels such as the factory-style output of Stax and Motown in 1960s America and Stock, Aitken and Waterman (SAW) in the UK in the mid to late 1980s. In many ways these labels enjoyed on logos and brand names. It is interesting to note that as the major record companies have recently got involved in the dance market they have attempted to move the market to an artist and album basis, more in keeping with the model they use in other sectors.

In building artists and albums, around acts such as the Chemical Brothers, Underworld, Fatboy Slim and even relatively newcomers such as Basement Jaxx, there has been a greater willingness to embrace a brand philosophy. It is no surprise that for dance album purchases there is significant label brand activity and a high potential impact reported by the research.

## **Other Brands**

The research attempted to understand the interaction of established brands within the music industry. It is unfortunate that none of the completed questionnaires were returned from respondents were from either retailers or broadcasters, although one stage two interviewee was from MTV, and another had some experience marketing for a major music retailer.

There was no logical way of explicitly linking in the power of broadcasting brands in the consumption process, although they play a dual role in that they are both providers of consumption (entertainment — viewing and listening) and promotional channels. To some extent they are covered by the question about the promotional profile and it is evident that this is currently and is likely to remain a major factor. It is also an area where branding can and does have some impact, although as the question is currently phrased in this research it is hard to draw many meaningful conclusions.

For retailers the research reveals some interesting indications. The first is that retailers' brands are important in all music purchases, but become more significant in specialist music purchases than at the pop end. This is not surprising and fits with the profile of the 'informed innovator' purchase model described above. The biggest and strongest brands are the generalist multiples (HMV, Tower and Virgin Megastores) that have been able to create several strong specialist departments within one store at the expense of the traditional specialist retailers.

The second interesting development is the change in the importance when discussing online purchases. Here the information is clouded by the deliberately non-specific description of web site (it would have been over-complicated to list all possible web sites). The key point is that the choice of distribution channel is for electronic purchases (in terms of the consumer front-end, not the fulfillment house) has major implications. This raises a number of issues around

the relationships between the various stakeholders within the music industry, which are discussed at greater length later on.

### **Brands and Other Marketing Activity**

From the research it is clear that it is not by accident that aspects of the marketing mix other than branding are currently utilised more than branding itself. Thus playing with price, and the promotional profile were rated as more significant than developing brands such as artists or label. The connection between these brands and the other elements of the marketing mix is complicated and it was left out of the questionnaire for fear of confusing the respondents. What is beyond question from the research is that the impact marketing actions might have on brand identity is not a factor often considered. Where brands are considered it is plausible that the language used is not that of conventional brand management. Thus matching a promotional 'plot' or strategy to meet the 'image' of an artist is just another way of describing matching up brand messages to the required positioning.

Very few of the initial interviewees and none of the phase two respondents agreed with the statement that branding is a part of their everyday responsibilities. Worse still, in terms of the development of brand management within the industry, none of those questioned felt that there was a clearly identified brand champion, as opposed to a more generally responsible product manager.

### **Brands and Strategy**

What has been said so far points to the clear statement from this research that the organisation and development of branding within the music industry is not strategic, at least not in the traditional sense. Branding often has no clear place within the organisational chart and it has little or no impact on the day-to-day work life of most of the respondents. This suggests one of two things. Either there is no strategy at work or the research failed to pick up any such activity.

It is interesting that when questioned at length some of the stage two interviewees were willing to talk about brand development, as if it was a part of their general business activity. Many could see the activities of companies such as Virgin, (connected to such a strong brand only by historical ties now), Sony and the Ministry of Sound in terms of brands that were being strategically stretched. But when asked in stage three what part branding played in their job, the overwhelming majority answered little or none at all. This may in fact indicate that the responsibility for brand development and ownership sits at the very highest levels of music organisations. However, this research cannot conclusively confirm or disavow this speculation.

One not very encouraging fact that emerges from the third stage of the research is that very few agreed with the simple statement that 'branding is an important strategic issue'. Indeed most rated it as a statement they disagreed with. This contrasts with the statement 'branding is hardly ever discussed' that, equally inauspicious in terms of the future of branding, was rated across all respondents as something they agreed with. A similar pattern emerges from many of these statements with respondents disagreeing that there were clearly identified staff with responsibility for branding or that branding had any impact on their job.

It was some small encouragement that the statement that 'branding is an issue of increasing importance' received more agreement, although the reported modal average of three hides the fact that some disagreed strongly with this sentiment. The clear message about how little brands are established in the industry, but also how much it perhaps should be is shown by the final statement there are commercial advantages in developing strong brands' both scoring four.

## **The Future for Branding in Music**

Clearly the Internet will have a massive input in the way the future of the music industry looks. Music is a conspicuous and discretionary purchase for which the average consumer is prepared to wait for delivery. The biggest issue for the future of branding in the music industry is therefore how the development of the various web-sites progresses and how these sites are connected up for e-commerce. To use a commonly applied new media marketing jargon, the key issue is how 'sticky' these e-brands can become. Several of the stage two interviewees were excited by the realignment of relationships that the Internet represents.

It was a pity that no retailers responded to the research project, as the role of retail in the future industry is fascinating. Retailers are clearly jumpy about record companies dealing direct with consumers (as indeed the record companies are nervous about artists dealing direct with consumers). One interviewee saw this as an exciting prospect, referring to a "democratic new-media world, driven by the biggest level playing field of all time".

There are two key messages for the future in this research. The first is music purchases are complex multi-brand affairs and to be effective music branding needs to be as well considered and planned as brand activity in any other market. The second is that the playing field is changing with the introduction of the Internet as a major arena for music purchases. In this context music marketers need to have a firm grasp of the market position of their brands. One method to help the understanding of music brands is to create a perceptual map of the market, and place a brand in this map. This research suggests using two criteria - the degree to which music product is management- or artist-driven and whether music is fashion-based or not. This map could help in the development of a brand strategy by indicating which brands are likely to have an impact on the purchase decision.

Perceptual maps are of course a personal interpretation of events, but they can help to begin the process of interpreting where a brand sits within the current market. The above example shows that there can be movement or perceptual shifts from one quadrant into another. Thus Charlotte Church represents an attempt by Sony to develop a more pop oriented classical artist brand in the same way that the Chemical Brothers represent the general move towards developing artist brands in the dance market.

## **SECTION FIVE - CONCLUSIONS**

As a result of the way the music industry is currently shaped and in particular the way that marketing activity is organised, there is little or no role for strategic brand development. It is clear however, from the evidence presented here that there is every chance that the profile of branding within the industry is improving and that awareness of and dependence on brand development strategies will grow.

Growing alongside this greater awareness of branding is a greater understanding of the commercial benefits of a strong brand identity. For artists this is an increasingly important consideration, and more than ever artist management is closely tied in with positioning the artist brand in such a way as to exploit the market to its maximum.

There are pockets of highly intensive brand thinking occurring within the music industry. Most of this is occurring outside of the major record companies, usually at management companies. There has been a shift in the way artist management interacts with record companies. More and more are working along the lines of Tom Watkins (ex-manager of Pet Shop Boys, Bros and East 17) and Simon Fuller (ex-Spice Girls, now managing 5-Club-7 and 21st Century Girls) doing their own artist development. They present record companies with total packages, including ready-styled artists, complete with music, marketing gimmicks and, increasingly, a marketing strategy that includes a strong dose of brand development.

However, outside of these bright pockets of brand thinkers, the majority of music executives appear thus far to have failed to grasp the significance of the branding revolution that appears to be around the corner. What is strange is that the research shows that many in this position recognise the commercial sense of developing strong brand values and identity.

The Internet is having a huge impact on the way future marketing priorities are being judged. This research clearly demonstrates that brand considerations will be of paramount importance in considerations of e-commerce or other web-based activity. What is less clear is the exact role that record companies will have to play in this new style market. The most likely outcome is the current record label brands will be gradually developed into strong web-access brands, acting as organising gateways, providing access to artist sites and providing the means to download music product.

This research suggests that the 'purchase dynamics' for different types of music purchase are distinctly different. It appears that the combination of factors in the consideration of a pop music purchase is different from those behind a jazz music purchase. While this is perhaps self-evident, it is interesting to note that it may be possible to cluster purchase scenarios together around identifiable characteristics. Of these one of the most strident factors is that of the impact of different brand combinations. For each music purchase the various brands involved (artist, label, retailer, corporate) combine in a different way. This research indicates that there are four major clusters. First there is the *artist driven purchase* (where the artist is the only significant brand). Secondly there is the *label driven purchase* (such as some dance music where the label is the key brand). These occasionally combine in situations where neither is dominant but both plays a part - *the combined label and artist purchase* (some jazz purchases). Finally there are generic or *unbranded purchases* where brands play no significant part (pop singles by new acts). Discovering what drives purchases for a particular music product will help to identify key branding priorities and allow music marketers to achieve the maximum return on the investment in their brand assets.

What brand activity that is occurring only rarely conforms to the rationally defined strictures of strategy. More likely is that activities are planned in a semi-structured manner. There is a plan or idea for where things are heading, but within this loose 'structure', strategic decisions are made on continually reassessed situational analyses. This model of 'discovery, choice and action' shifts within degrees of formality, depending on how decisions are made. The

loose-tight structure is a fundamental part of all 'culture industries' and is a necessary concession if such industries are to keep the creative spirit alive within a commercial context.

One interpretation of the research findings is that branding has little or no place within the music industry, despite the considerable evidence pointing to the contrary. What seems more probable is that there is a considerable amount of brand development taking place but that the language that is used to describe this work is not the traditional brand jargon. Thus a promotional campaign is planned for a Mariah Carey single which uses a degree of 'street' or club-based marketing, alongside more traditional channels, which combined with a cleverly chosen song, helps to build a more R 'n' B based image. In the same way, through developing a new sound and promoting it in different press and television B\*Witched aim to target the slightly older teen audience. These are classic examples of what traditional marketers would call brand-positioning strategies.

But despite the resistance to embrace the language of brands, there is a growth in the reliance on branding within the music industry. Whether for traditional brand types, like artist or record label or newer brands like clubs or radio stations or even award ceremonies there will continue to be an increase in the use of brand -stretching techniques.

It is not inconceivable that before long there might be MOBO records, MOBO magazine, a MOBO clothing label and of course a MOBO web-site, where all the above can be purchased. All will rely on the promotion of black culture, stemming from the awards ceremony. Likewise club brands such as Ministry of Sound may stretch into lifestyle areas such as drinks, television programming, mobile phones and perhaps even branded stereo equipment. These new super brands will have the advantage of not having to fit into any one of the existing brand pigeonholes and will be ideal for the e-commerce centred industry of the future.

## **SECTION SIX - SUGGESTIONS FOR FURTHER RESEARCH**

This research project has focused on the way the music industry perceives and uses brands. To this extent it has been based in the industry, asking questions of those working with brands, centering on the way brand development is approached. It became clear shortly after starting this research that it was impossible to ignore entirely the consumer perspective. Brands, after all, don't exist other than in the minds of consumers. What became quickly apparent in my search for information was a massive gap in the body of knowledge. There is much written about the consumption of music from a cultural or sociological perspective, and there is much written about consumer behaviour from a general marketing perspective. However, in keeping with the rest of music marketing, there is little, or nothing, written about music consumer behaviour from a marketing perspective. It seems apparent that there is an urgent need for more research into music consumer behaviour, both about how brands are used in music consumption and about broader consumption patterns.

This project has also avoided dealing with the launch of new artists or labels. The development of new products, whether under an existing umbrella brand or as a standalone, is an essential part of brand management in more traditional branded FMCG markets. Within the music industry the role of new product development falls largely to A&R departments with a growing amount of work carried out by independent management and artist development agencies. It would complete the picture of how branding works within the industry to see the

extent to which the A&R function within the music industry can be organisationally compared with models for product development in other industries.

There is an area of research barely touched by this report, which is the significant realignment of relationships in the industry following the adoption of the Internet. In particular there are major implications for the interactions of retailers, record companies and consumers. It has been suggested, by this research that brands may have a significant role to play in this realignment. Consumers will have more control over which brand gateways they use to access music on the net. Exactly how this realignment might work out is an area very much in need of research.

In a sense this section could have been completed in one sentence, with a call for a substantial increase in the resources and time available for music marketing research. Marketing plays a central role in much of the music industry and this is perhaps one constant not likely to change with the advent of a net-based industry. In this context it is tantamount to a scandal that so little is actually known about the techniques and effectiveness of music marketing. This is the result of a combination of factors including; the reluctance of the industry to open itself to outsiders; its innate conservatism; the lack of interest in academic research across the business; and fear of change.

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