

Chapter 1

Introduction

1.1 Background

In September 1989 EMI Records (UK) released a recording of Vivaldi's piece *The Four Seasons* performed by the respected classical violinist Nigel Kennedy and the English Chamber Orchestra. The use of pop marketing techniques focusing on both the artist (Kennedy) as well as the music in order to sell the CD had a long lasting impact on the way classical music was sold to the consumer. My research concentrates on the marketing strategies employed for this project and traces its influences on other classical music campaigns in the classical music business, demonstrating similar pop marketing traits initiated by the *Four Seasons* release. Ultimately the main achievement of the *Four Seasons* recording was to reach a wider breadth of consumer for the classical music genre; it also influenced the re-structuring of classical divisions inside record companies, which in turn influenced other classical music organisations to examine the way they conducted their business.

The spread of the classical music consumer base afforded by the use of non-traditional classical music promotional tools was further enhanced the following year, when the BBC chose the opera aria *Nessun dorma* from Puccini's opera *Turandot* as the theme tune for its coverage of the FIFA World Cup Football competition in the summer of 1990. This passionate and intense piece of music sung by the well-known and charismatic tenor Luciano Pavarotti helped create a larger audience base for classical music. This was because the television programmes themselves were appealing to a cross section of society, that is those interested in football and not just classical music. The operatic theme was itself reinforced by a concert to mark the final of the football competition in which Pavarotti was joined by two other tenors, Plácido Domingo and José Carreras. Global coverage of the concert allowed classical music to be accessible not only to its traditional consumer but to a wider audience as well.

1.2 Aim of research

The aim of my research is to establish whether the combination of a pop marketing approach coupled with the use of television elevated the exposure of the classical music genre permanently. Spearheaded by the record industry, my thesis examines other areas within the classical music industry which portray the influence of both the 1989 *Four Seasons* campaign and the Three Tenors phenomenon. For example, in Chapter 5 on Broadcasting, there is a section on BBC Radio 3 and Classic FM which examines both organisations, describing how the events of 1989 and 1990 have influenced their respective business practices. My thesis also includes material from practitioners in the classical music arena including first-hand data on how those executives operate their own business models, incorporating changes that have occurred since 1989. Additionally my research examines the changes in the way classical music businesses have operated since 1989, in particular through online developments in trading over the internet, and how these advances have been subsumed into their own methods of trading.

My research is innovative. This is especially so through my employment at EMI during the period that the *Four Seasons* was released. My experience gives me a unique insight into the way the classical music industry operated pre-1989 and post-1989. I witnessed the restructuring of the classical music divisions of the major record companies into a two-tiered system of core classical and strategic classical. In essence this meant that those in the strategic classical area were charged with drawing up classical music campaigns which would reach a consumer not necessarily (and unlikely to be) interested in the interpretation of the music itself. Instead the spotlight was on either the artist him or herself or repertoire which could be easily listened to and did not require analysis.

1.3 Contribution to knowledge

My contribution to knowledge is a detailed analysis of and critical response to the changes in behaviour by classical music organisations. I portray a rich picture of patterns in marketing techniques, both pre-and post-1989. My findings are supported in my role as a specialist

observer both from direct experience in the record business (as detailed on page 2), and also as (currently) a freelance classical music marketing and public relations consultant. My contribution provides an understanding of how the classical music business changed its approach to marketing classical product, analysing current practice, supported by experts in the field. I have included two articles of mine in Appendix 1 (for the Incorporated Society of Musicians' monthly Music Journal and the fortnightly Classical Music Magazine). These pieces give an overview of the changes in the classical music industry analysed in depth in my thesis.

My thesis will show that a specialist area that defines the classical music sector is as business orientated as other genres (such as pop) which generate larger incomes. The use of pop business models appropriate to that industry has altered the perception of what was a traditional way of marketing a classical music recording or event. Spearheaded by the *Four Seasons* and the first Three Tenors campaigns, there are many examples during the course of my thesis that reinforce this. Furthermore the range of quality of audio formats for downloading music, (from Super Audio, High Definition and specially mastered Gold Discs to Studio Master, CD Quality and MP3 downloading formats)⁶ is also scrutinised. This array of options is particularly interesting when one considers that the classical recording sales market is small. In 2008 its share was 3.7%;⁷ in 2009 the figure dropped to 3.2%.⁸

1.4 Areas covered by the research

My research is not limited to the recording industry. It is important to understand that the major companies in the classical recording sector in 1989 (EMI, Polygram, Sony and Warner Brothers) contributed to a long-term impact on other areas of the classical music business, once the impact of the *Four Seasons* and the Three Tenors had been accessed. Their influence extended to the use of innovative ways of trading and marketing outside the classical music field. A case in point is the Royal Opera House (critically reviewed with other performing

⁶ <http://www.linnrecords.com/linn-formats.aspx>

⁷ <http://www.bpi.co.uk/press-area/news-amp3b-press-release/article/new-bpi-stats-show-strength-of-digital-music-7c-bpi-press-release.aspx>

⁸ Sommerich, P., 'In the doldrums: worst year for classical record sales', *Classical Music Magazine*, London, 23rd May 2010, Rhinegold Publishing, p.6

venues in Chapter 4) which, in 2008, launched live opera and ballet performances in cinemas around the UK and abroad. With this approach, the interval time in the opera is used for interviews with performers and directors along with shots of rehearsals. The range of venues included the Teatro Real, Madrid and King's College Chapel, Cambridge.⁹ This follows a similar series from the Metropolitan Opera entitled *Live in High-Definition* initiated in 2006.¹⁰ These cases aim to widen access to the opera genre, by providing broadcasts outside both opera houses' home bases (London and New York). Utilising the interval time with interviews and back stage events, gives the opportunity for more people to engage with these organisations in a different light.

Technology has also been exploited by the classical music industry. This area of the business is critically reviewed in detail in Chapter 4. A number of different models are examined to show classical music organisations copying the pop music industry by embracing the advantages of trading over the internet. Online business has pervaded all areas of the classical music profession, from live performance to recording, and from music management to retail.

Data from the 2010 Digital Economy Act, Entertainment Retailers Association (ERA), British Phonographic Industry (BPI), Radio Joint Audience Research (Rajar) and PRS for Music are all cited in Chapter 4 and illustrate, through that information, examples of businesses adjusting their business models through the use of technology. One example is the High Street retailer HMV. Having launched its website to sell product (hmv.com), the retailer announced in November 2008 that it would be making available on its website the ability to download tracks onto consumers' MP3 players. It began by undercutting Apple, with single tracks sold for 69p and albums for £6.99.¹¹ A subscription model is also on offer (£5.99 a month offering four million tracks for streaming).¹² Interestingly, despite classical sales proving low at 5% with

⁹ http://www.londondance.com/news_details.asp?NewsID=7617

¹⁰ http://www.metoperafamily.org/metopera/broadcast/hd_events_current.aspx

¹¹ <http://paidcontent.co.uk/article/419-hmv-launching-mp3-store-web-streaming-this-month/>

¹² Ibid.

classical DVDs even lower at 1-2%,¹³ the critical point worth making is that this option is at the consumer's disposal and the retailer is making that facility available for specialist areas such as classical music.

Another case of a classical retailer joining forces with other organisations is illustrated in the enterprise between HMV, Universal Classics and Jazz (UCJ) and the radio station Classic FM.¹⁴ This is an ideal business format: a record label releasing part of its catalogue through a major national retailer with on-air support from a radio station. With CDs modestly priced at £5.99 and with the inclusion of sleeve notes, it shows HMV aware of the significance of a physical product range in the classical area. For UCJ the venture offers the company the opportunity to sell back-catalogue items which are re-packaged (so an inexpensive project) which contain popular classics, some used as soundtracks for adverts, providing further market demand. Classic FM in turn promotes the range to non-CD buyers (which are already catered for through HMV). This joint venture is a clear example of classical music organisations working together.

Chapter 3 includes an investigation into orchestras and their employment of marketing tools and also the inclusion of new technology in their business models. Executives in this sector of the market are quoted in relation to their organisation's use of the internet in order to grow their business. Virtual worlds are created to involve the consumer in the work of the orchestra. This type of selling is a sophisticated form of marketing and business partnership. For example the Philharmonia Orchestra set up a virtual orchestra of its own. Supported by BT, *The Sound Exchange* deploys software that allows the user to download for free an orchestral instrument of their choice in order to compose for that instrument (or instruments).¹⁵ The compositions can also be saved online and listened to by others participating; furthermore the orchestra's involvement with online activity is further emphasised by a 2009 initiative, the orchestra's *Digital Residency*. Established in November 2009, this project focused on

¹³ Email from Gennaro Castaldo, Head of Press, HMV, 28th September 2009, Appendix 2

¹⁴ <http://www.musicweek.com/story.asp?sectioncode=1&storycode=1034243>

¹⁵ <http://www.philharmonia.co.uk/thesoundexchange/>

Stravinsky's work, the *Rite of Spring* (see Appendix 3). This piece was performed on 3rd November; prior to the concert, members of the public were able to choose which instrumental section they wished to join and sit 'virtually' among them. Once again a business partnership is included (the Paul Hamlyn Foundation in this case). This is a lucid example of a classical music organisation using current business practice in an expanding area of trading in a way that draws in their consumer, allowing them a sense of involvement. By increasing their sense of ownership of the business, their participation is able to generate more support through ticket sales.

Online television is an additional form of media that is establishing itself in the classical music field. Chapter 6 describes the limited opportunity afforded to broadcasters in releasing classical music concerts and feature programmes on classical artists in the UK. From 2006, there has been a gradual change in the amount of broadcasts of classical music. An organisation cited in Chapter 6 which is at the forefront of this change and is making in-roads into the television area is Medici.tv.¹⁶ Medici Arts is an independent production company which creates and broadcasts programmes on classical music. In a joint venture with the Berlin based EuroArts and Paris based Idéale Audience, Medici Arts achieves a global reach. It also has a considerable range of programmes at its disposal, sourced from the BBC archive, footage from the Royal Opera House's archive recordings and programmes from European broadcasters and record companies.¹⁷ This investment in classical music programming by Medici Arts for a small segment of the music market is to be applauded.

In Chapter 2, I illustrate a number of examples of marketing procedures to show how the classical music business has expanded on the paradigm of the *Four Seasons'* campaign to widen its breadth of consumer. In my own career, following my period at EMI, I have also created marketing campaigns which build on similar ones found in the pop field. One such project was conceived in 2002 during my period of employment at Warner Classics. I devised

¹⁶ <http://www.medici.tv/>

¹⁷ http://www.mediciarts.co.uk/about_us.php

a CD of popular classics which was distributed exclusively in the Sunday Express (see Chapter 3). This form of media involvement and selling is traditional to the pop world but less so in the classical market, partly because the costs involved are prohibitive for the repertoire which has to be very accessible to attract a non-specialist audience. For Warner Classics, the purpose was to broaden the range of buyer and, in so doing, to have the potential to sell greater stock. The objective for the newspaper was to expand its readership by attracting other newspaper readers who would buy the Sunday Express because there was a free classical CD available with it. Chapter 3 provides examples of this type of campaign, critically evaluating marketing projects of this type in detail.

Arts Council England (ACE) states on page 4 of the Music Policy section within its 2007 Arts Policies document the following apposite comments in relation to music policy: *'Technology is changing the way music is made and who makes it. It has the potential to increase the impact and reach of all music organisations...we believe there should be greater exploitation of existing and developing technology to extend the audience for music, to bring wider exposure for the music we fund and unlock the wealth of artistic resources of the organisations we fund.'*¹⁸ The organisation goes further in its *Great Arts for Everyone 2008-2011* (published in 2008) which stipulates Digital opportunities as one of four priorities.¹⁹ Also in May 2009 ACE published a further paper specifically devoted to digitisation, identifying three areas: the impact of digital technology on how the public perceive, understand and engage with the arts; how digital technology is transforming art and artistic practice; and the implications for content creation, distribution and ownership.²⁰ Chapter 4 takes into account the exploitation and prioritisation of digitisation encouraged by ACE, and traces developments in online trading models within classical music businesses, indicating increased online activity. The examples illustrate how the classical music industry has embraced new technology to expand its business models.

¹⁸ http://www.artscouncil.org.uk/publication_archive/arts-policy-word/

¹⁹ http://www.artscouncil.org.uk/media/uploads/downloads/Arts_Council_London_Plan.pdf

²⁰ <http://www.artscouncil.org.uk/about-us/research/digital-opportunities/>

1.5 Business focus to thesis

One of the themes running through my research is the portrayal of the classical music industry as business oriented. Classical music can be described as high art but this definition doesn't remove a business ethic. In his article on *Entrepreneurship and Leadership in Marketing the Arts*, François Colbert states that: 'it is said that high art has a product focus and popular art a market focus.' Colbert continues by naming a product-oriented enterprise as a chamber music ensemble or modern dance company, and a Hollywood film project by way of a market-oriented example.²¹ I would argue that the changes in the classical music business since 1989 have fused both and that high art is both market and product focused. For example, the *Four Seasons* was product-focused in that it was a new recording made by a reputable soloist and orchestra. The CD was also market-driven because the marketing campaign specifically aimed the product at a non traditional classical music audience. This was achieved through the release of a single in the preceding month of the complete album, delivered to non classical music media and promoted via a range of advertising and artist interviews not normally associated with a classical music recording (examined in Chapter 3).

The combination of product and market elements is seen in other projects following on from the *Four Seasons* release. One example is the 2002 Warner Classics recording entitled *Monastery of Sound* (which I project managed). Appendix 5 shows details of the marketing campaign. The title centred on a well-known clubbing enterprise, *Ministry of Sound*. This involved a London dance club, recordings and tours devoted to this type of music. *Monastery of Sound* sought to emulate the clientele associated with the original concept. It was based on Gregorian chants with a view to consumers buying it for late night listening, similar to ambient music. As the marketing campaign shows, the media targeted for advertising and editorial was both national newspaper and non classical music magazines. This is evidently a marketing-focused product because of the range of consumer the recording could potentially attract; but it was also a product pivot because the music itself was high art (that is monks singing music to a

²¹ Colbert, F. (2003), 'Entrepreneurship and Leadership in Marketing the Arts', *International Journal of Arts Management*, Volume 6, number 1, Montreal, Autumn 2003, p.30, Appendix 4

high standard). The repertoire came from long deleted CDs of Gregorian chant on the Teldec label (part of Warners) so re-mastering the music was inexpensive. My Methodology section explains the reasons for this thesis being read as a business based thesis and my literature review follows in a similar vein, detailed in Chapter 2.

1.6 Sourced material

My research takes its most comprehensive material from practitioners in differing areas of the classical music field. Broadcasting, marketing, retail, live performance and recording executives are all represented. Their contribution is invaluable to my thesis. The inclusion of data, in particular those from the DCMS, ACE, ERA, ABO, BPI, IFPI, PRS for Music and NESTA (see page 233 for a complete list of acronyms) provides good overall comment on the arts and music businesses and allows for some constructive perception of where the classical music industry's contribution lies in relation to the creative industries in the UK. However specific classical music data is not always available and is therefore omitted in parts of my critical analysis.

Valuable material is acquired from interviews with those either currently or formerly in the classical music business. A detailed bibliography and a full list of those interviewed set out in the Appendices. To support my approach to research and dissemination of material, I have attended several Generic Training research sessions and specifically a number of SSAHRI 'Meetings of Minds' seminars at the University of Hertfordshire. I also attended a research methods day at the British Library.

I have been fortunate in receiving cooperation and advice from some of the most experienced practitioners in the classical music sector, some of whom have read over relevant sections of my thesis and offered comments. These include: Sir Nicholas Kenyon, Managing Director of the Barbican Centre; David Lister, Arts Editor of the Independent newspaper; David Bahanovich, composer and music adviser to Merchant Ivory Films; Dr. Peter Fraser, Senior Lecturer in Marketing at the University of Hertfordshire; Stephen Maddock, Chief Executive

of the City of Birmingham Symphony Orchestra; Patrick Garvey, Artist Manager; Phillip Sommerich freelance journalist specialising in music business and the record industry; Dr. Steven Adams, Associate Dean Research & Associate Head of School, Creative Arts, at the University of Hertfordshire; Graham Sheffield, Artistic Director of the Barbican Centre and Designate Chief Executive of the West Kowloon Cultural District, Hong Kong; Graham Dixon, Managing Editor BBC Radio 3; Susannah Simons, Head of Public Affairs and Outreach for BBC and Project Executive BBC 2012 Cultural Olympiad; and Dr. Helen Cornish, Lecturer in Methodology at Goldsmiths College, London. I have also used my research to give presentations to three research conferences, and two marketing conferences at the University of Hertfordshire, (one for which I was co-chair for the morning session). I also led a symposium on developments in the music business under the auspices of the London Festival Orchestra.

1.7 Literature review

Adorno's essay *On Popular Music* is a useful point of reference for my research.²² In particular I use his definitions of standardisation in popular and classical music and adapt them for my purposes to my description of the classical music business. I demonstrate the sector moving from an individualistic approach to a more populist one, and by so doing illustrate what is now regarded as current practice in the classical music sector. Adorno's description of *'the production of popular music is highly centralised in its economic organisation, but still "individualistic"'* is applicable to the changes in the classical music business and becomes evident as my thesis develops. This is further enhanced in Julian Johnson's engaging book *Who Needs Classical Music?* In the chapter on Music Values the author discusses whether musical value is not relevant when a piece of music has achieved commercial value. Johnson states: *'what does it mean, in this context, to question the musical value of a piece that has sold millions of copies and topped charts for weeks? Its commercial value speaks for itself and is confirmed by the symbolic awards of gold or platinum discs. But what does it mean to suggest that its musical value is not necessarily equivalent to its commercial value? We are approaching a situation where the question*

²² Adorno, T. W. (2002), *Essays on Music*, London 2002, University of California Press, p.443

is simply meaningless'.²³ I accommodate this view and reflect on it in a business sense. My thesis is not concerned with the merits or otherwise of the musical content of the classical music industry, rather the marketing capabilities which have been adapted since 1989 in order to meet new commercial demands.

Further information on marketing strategies pertinent to my thesis, is found in Keith Diggle's *Arts Marketing* (Rhinegold Publishing, London 1994) and Chris Anderson's *The Long Tail* (Random House Business Books, London 2007). Also useful on contemporary marketing approaches is Ashok Ranchhod and Călin Guru's *Marketing Strategies a contemporary approach* (Pearson Education, Limited Essex 2009). The chapter on *The Dynamic Environment* and especially the section on *Digital marketing* (page 350) is pertinent to my research in portraying businesses' approaches to using digital tools in their marketing models.

There are many books on broadcasting which give good background to this area of the music industry in the UK. The emphasis on having a less reliant approach on Government funding under the Conservative's period in office from 1979 is clearly stated in *television under the Tories, broadcasting policy 1979-1997* (published by British Film Institute. London 1998). More specific to classical music is Alison Garnham's *Hans Keller and the BBC* (Ashgate Publishing, Hants, 2003). This book portrays the BBC from one who had worked inside it for over twenty years especially from a music standpoint. Garnham traces the changing of the Third Programme into Radio 3 and the role that the BBC played (and still does) in influencing Britain, musically through its output and patronage. This has a bearing on my analysis of the range of classical music programming in the UK, discussed in Chapter 5.

Marc Raboy's *Public Broadcasting for the 21st century* provides an overview of public broadcasting in a range of countries including Sweden, Germany, Belgium, Canada, Japan and the USA as well as the UK. In the latter (by Paddy Scannell), one of the core research questions is *'whether a market-led approach to broadcasting is better or worse than a public service-led view of*

²³ Johnson, J. (2002), *Who Needs Classical Music?*, Oxford 2002, OUP, p.16

*broadcasting.*²⁴ Scannell reflects that both are complementary. In a parallel view, this is so in the classical music broadcasting field, with BBC Radio 3 as the public service-led organisation surviving alongside the younger and commercially driven (market-led) Classic FM.

From a televisual perspective, the chapter on broadcasting highlights the extent of classical music programmes on television. If, as Georgina Born comments in her book *Uncertain Vision Birt, Dyke and the reinvention of the BBC*, that ‘television’s expanding components: strategy, marketing, branding, research, publicity, financial planning, talent management, commissioning, production, accounting’²⁵ were the benchmarks by which programmes were scheduled in the 1990s, then it is little surprise that classical music doesn’t feature in a marked way. In my view, it was only after the *Four Seasons* and *Three Tenors* campaigns had been fully worked through and their impact understood, that the classical music industry began to incorporate some of the ‘expanding components’ mentioned above during the 1990s.

Joshua Fineberg’s book *Classical Music, Why Bother?* includes an absorbing section on New Technology. ‘Without question, in the arts, as in all other branches of contemporary life, technology is everywhere. In some cases even relatively early advances made an enormous difference. It seems unnecessary to spell out how profoundly recordings have changed music...’²⁶ This is a useful statement for Chapter 4 because my research details advances in technology in the music business and explores classical music’s ability and willingness to adapt its own business model to this area of consumer growth. Fineberg continues: ‘in one area, however, I think technology has already begun to make a meaningful and positive change for art: distribution.’²⁷ My thesis will show that classical music distribution has benefited from technology and shows that it is the musicians themselves (as well as organisations) who are making use of advances in this area to promote themselves.

²⁴ Scannell, P. (2006), Britain: Public Service Broadcasting, from national culture to multiculturalism, Luton 2006, Luton University Press, p.24

²⁵ Born, G. (2005), Uncertain Vision Birt, Dyke and the reinvention of the BBC, London 2005, Vintage, p.294

²⁶ Fineberg, J. (2006), Classical Music, Why Bother? Oxford 2006, Routledge, p.66

²⁷ *Ibid.*, p.70

Adorno's definition of the culture industry is espoused in *The Culture Industry*.²⁸ Adorno comments on the culture industry as one of anti-enlightenment, describing it as '*progressive technical domination, [which] becomes mass deception...impedes the development of autonomous, independent individuals who judge and decide for themselves*'.²⁹ I reject this two-fold. First the statement implies that the classical music business is unable to adapt to new business models on its own. This is not the case as my research demonstrates, especially in the data provided in Chapter 4. Far from impeding individuals, the growth in online trade in the classical music market as a whole has significantly enhanced the opportunities for individuals to listen to classical music and to decide for themselves, whether to explore the genre further. Second, Adorno's definition does not take into account the individual markets which the classical industry now focuses on: core classical and strategic (or 'mass') consumer. Both types make their choice depending on their musical tastes, and now have access to a variety of classical music products, as a result of the success of the unique *Four Seasons* marketing campaign, and the phenomenon of the Three Tenors concert.

In his book *An introduction to theories of popular culture*, Strinati makes a helpful observation when he comments that the '*profit motive determines the nature of cultural forms. Industrially, cultural production is a process of standardisation, whereby the products acquire the form common to all commodities*'.³⁰ This is applicable to my thesis because the increasing use of pop marketing tools in all areas of the classical music business is a determining factor in the final product (selling a recording, repertoire for a concert, or music programmed on a radio station). The process by which classical music employs pop marketing techniques has led to a form of standardisation in this sector.

1.8 Objectives

My objectives are to use my final conclusions as a steer for further research in the classical music market with an examination of consumer habits in this genre. I have already been

²⁸ Adorno, T.W. (1991), *The Culture Industry*, London 1991

²⁹, Ibid. p.92

³⁰ Strinati, D. (1995), *An introduction to theories of popular culture*, London 1998, Routledge, p.62

commissioned by the IFPI to conduct further research after submitting my PhD thesis. I seek to raise awareness of the business acumen of the classical music industry in a highly competitive field. If, as John Tusa states, that '*audiences are increasingly fractured, disaggregated and self-aware*'³¹ then acute awareness of the classical music consumer and how to market to them as they become more diverse and open to a wider competition is an essential part of the business.

³¹ Tusa, J. (2007), *Engaged with the arts, writing from the front line*, London 2007, I.B.Touris & Co Ltd, p.199