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RIFFS FROM AN IMPROVISED LIFE - "ILLEGITIMI NON CARBORUNDUM"

FRIDAY, AUGUST 10, 2007

## TED COHEN



[Did anyone else hear Ted Cohen on NPR's Marketplace Evening Report last Tuesday 8/7?](#)

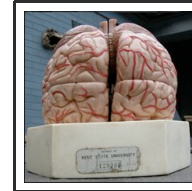
I went to high school with Ted. His folks were connected to the Cleveland entertainment community, which got us perks like Beatle tickets in '65 and a Friday night gig logging Battle-of-the-Bands call-in votes on KYW's Jim Gallant radio show.

He was also the manager of our high school band, went on to work for Warner Bros. Records, and is now an in-demand consultant re: digital media. Our 40th high school reunion was this summer, but I couldn't go...I would have liked to discuss this stuff with him.

Smart guy.

There are a few other key points I need for you to keep in mind before you read the following:

## ABOUT ME



**CHRIS BUTLER**  
**HOBOKEN, NEW**  
**JERSEY, UNITED**  
**STATES**

Gemini, smart  
aleck, dark, honest,  
loyal, chronically misunderstood,  
lately always the oldest person in  
the room...

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- he also once had a '64 sunburst, bound rosewood neck Telecaster... purchased new.

- I am one of the few musos I know who genuinely bemoans the death of the Big Record Industry. Gate-keepers are good: yes, I benefited greatly from the DIY revolution of the '70's (ah...such heady times!), and it was really something to battle the B.R.I. with our multi-track, basement recordings (and win!!!). But now that anyone can make an album/mix tape/mash-up in their bedroom on a PC, everyone does...and everyone shouldn't.

- the B.R.I. leaked a lot of money, which kept the studios going, the rental companies going...and made it possible for middle-level folks like me to have a career. also, my two experiences with major labels put me in contact with some great people, particularly Karin Berg and Jerry Wexler at Warners, and Jerry Jaffee at Polygram.

- and there is no nice way to say it, boys & girls - but all you little shits with your pirated downloads killed the record business and the careers of thousands of people.

Please read the following transcript from the Marketplace segment, and notice what Ted is advising - that the way to "save the music industry" is for the labels to demand a piece of an artist's merch/tour revenue/e-commerce...in short, everything. This is already the new reality: I have seen contracts that demand this, and if in the past the general perception of all labels was that they were predatory (and one of the reasons there are few tears shed 'bout the death of the B. R. I.), these new deals and terms make the B. R. I.'s even more (and officially) predatory.

After the artist has slugged it out on the road (clubs closing left and right), worked hard on fluffing up their My Space friends numbers (don't laugh...a key indicator of an artist's potential), set up their merch (big initial capital outlay), bought/mastered all their own recording gear (even bigger capital outlay), made nothing less than a stunning video (youtube rools)...the label comes in and takes a chunk of all of it in exchange for...what, exactly?

This is a survival strategy for The Suits that comes from desperation, and all but institutionalizes the worst, scumball, bleed-the--artist aspects of the music biz. The one ironic, unintended consequence is

that deals like this make it in the label's interest to actually hold on to an artist for a long period of time, making Artist Development - a nearly extinct part of the business - a necessity.

Sorry I missed the reunion - I had a gig with my surf band, and obviously I come down squarely on the player/artist/songwriter (a/k/a "Content Provider") side of this. If I had attended, my first question would have been "whatever happened to that Telcaster, Ted?"...and our respective allegiances would have been very, very clear.

### WARNER MUSIC GOES ON THE ROAD

Warner Music posted a greater-than-expected quarterly loss today, and its shares fell about 3%. But the music label is fighting back. Music industry consultant Ted Cohen gives the details to Kai Ryssdal.

#### TEXT OF INTERVIEW

**Kai Ryssdal:** You know a company's in trouble when the CEO says there's a gap between the share price and where he thinks the company ought to be valued.

Today's case in point is Warner Music. The record label posted a greater-than-expected quarterly loss today. Shares fell about 3 percent. The reprise is a variation on the digital blues. Customers are downloading their music, not buying CDs.

But Warner is at least trying to fight back. Ted Cohen used to work in the music industry. He's a consultant there now. Ted, good to speak with you.

**Ted Cohen:** Good to be here.

**Ryssdal:** First point, Mr. Cohen: I guess it's not really news that a record label's in trouble, is it?

**Cohen:** Well the news is, I think, the acceleration of the decline of the physical business. So I think the companies out there, the music companies — Warner among them — are being more proactive than they've been in having a dialogue with new digital companies, services and products that want to license music content.

**Ryssdal:** One of the other things they're doing, we learned this morning, is moving into merchandising and touring, ticket sales. Do you think that's gonna do it? Will that model work for them?

**Cohen:** Well, I wasn't part of the deal so I won't take credit for it, but four years ago, or five years ago now, we did such a deal with Robbie Williams – who was, outside of the U.S., one of the biggest artists in the world. We did a deal with him, what I would refer to as a 360-degree deal. It was no longer being involved just in Robbie's CD sales, but being involved in his touring, in his merchandising, in all aspects of his career.

I think what it does – in fact, I know what it does – for the music companies is it insures the bet. Because as we're living in a world now where most young music fans believe that music should be free – whether that's right or wrong – for a music company right now, if you're gonna make a million-dollar investment in a new artist, you really have a very unlikely chance of recouping that investment.

**Ryssdal:** If you're a new artist, though, and you've been raised, in a manner of speaking, on digital music and easy access to consumers, what does a label offer you that you just can't get by putting yourself out there online?

**Cohen:** I have to tell you, probably friends of mine'll be surprised I'm gonna say this, but labels offer you a lot. Everyone talks about the fact that the Internet and mobile and all these digital environments have created a democratization and a lowering the bar for access for new artists to have the opportunity for exposure. And the most important thing to realize is all it's providing is the opportunity for exposure. It's not guaranteeing the exposure. What a label, what a major label or a really strong indie brings to the table, is the ability to get you noticed above that level playing field. How do you stand out, you know, when there's a million artists competing for attention? So the label provides marketing expertise, they provide promotion, they provide publicity . . .

**Ryssdal:** So that new artist, then, he's sort of outsourcing all this work to the major labels, right? So they find a publicist, they do all the scout work.

**Cohen:** Right. And what Warner has announced is a good approach,

because it's going to put them into all those various revenue streams. And as people decide "I like this artist, I want to sign up to their website," so the label probably has, you know, will have equity in the website. I want to buy a T-shirt, the label will, you know, some type of revenue share on that T-shirt. Now they're on tour, I buy tickets, again, that's another revenue stream. So these multiple revenue streams, at it's most simplistic level, mitigates the risk.

**Ryssdal:** Ted Cohen's a managing partner at TAG Strategic, it's a digital entertainment consulting shop. He used to be one of the suits at EMI. Ted, thanks a lot.

**Cohen:** My pleasure.

Listen to This Story -

<http://marketplace.publicradio.org/shows/2007/08/07/PM200708076.html>

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**NP:** years ago, i was tipped off to some 16-inch radio transcription discs for sale at The Sally in Jersey City. one disc contained Chick Webb debuting his new chanteuse - a certain Ms. Ella Fitzgerald. so, Now Playing WEAf, Summer 1938!

**PEEVE DE JOUR:** that i cannot be in three (or is it four?) places at once...

**JOIE DE JOUR:** the Doc didn't call after my urinary tract CT scan.

**ROSATI'S FLAVOR-OF-THE-DAY:**

**Cotton  
Candy**

**OR**

**Strawberry Shortcake**

cb...where are you?





## NEW JERSEY

POSTED BY CBEEZWAX AT 9:18 PM

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### 1 COMMENTS:

JK in PA said...

Some people at Warners see another way to make some money--vinyl!

because**soundmatters.com** is devoted to promoting and selling premium vinyl, mastered by the two most talented people in the biz: Steve Hoffman and Kevin Gray. For example, you can buy a newly remastered (from the original studio safety tapes) copy of Joni Mitchell's Blue that sounds simply revelatory--for \$25. What's the CD cost, \$9.99?

Vinyl is once again hip, in all its difficult-to-digitize/pirate analog sonic glory. I saw a band the other night at the local record store (yes, we still have one) who actually apologized for only having CDs to sell. They promised to have vinyl the next time they came to town.

Remember what those tapes of Clear Spot sounded like at Amigo Studios? That one's on the list of future releases.

5:26 PM

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