the FAN eXperience

7 Steps To A Fan Centred Music Business

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CHAPTER ONE

REVOLUTIONS

"Hey start dancing! It's a revolution!" Russell Peters

The secret was out. On November 5th 1455 a technological revolution was expedited. Johannes Gutenberg lost his beloved printing press to his investor Johann Fust by court ruling. Johann Fust then went on to build a business out of Gutenberg's printing press by printing and selling Bibles. Not to be defeated a bankrupt Gutenberg re-established himself in 1460. However, Gutenberg had already lost the monopoly. In the following four decades it would seem that an estimated fifteen to twenty million books would be mechanically press printed, representative of thirty to thirty – five thousand book titles. As a result, print houses were launched in more than two thousand five hundred European cities. There was no need for scholars to travel far and wide to libraries that held no more than twenty volumes of hand copied books. Simultaneously, the entrepreneurial spirit of society was at an all-time high. People were eager to learn and traditional ways of delivering information to date failed to satisfy their appetite for learning. Now, due to this new type of duplication technology more knowledge was in the hands of more people. This technology was an agent of change. Our adoption of this new technology changed the way we lived forever.

Sound familiar? It should do. What I have just described was an Information Revolution and we are in one now. Our current agent of change is called the Internet. How the internet affects the business of music is something that has been hotly debated for a decade. However, perhaps we can agree on one thing? The music business is a place of instability at this time. The fact of the matter is our agent of change; our beloved Internet is just downright disruptive. Yes, it is wonderful, yes it connects us and yes it gives us lots of new shiny digital toys to play with but to be frank it is messing up the status quo. Up until the internet burst onto the scene things were just fine. The way a person found out about records was through the press, radio, and TV. She bought records and she went to gigs. Life was good … and simple. Suddenly, the internet comes along and we no longer have the control over music we thought we had. We have to worry about competition from social networks, online gaming communities and P2P networks. People can have what music they want, how they want, when they want, where they want, for whatever reason they want. They can also do what they want with it with other people. People are sharing bucket loads of data with their friends and now all these people are getting really smart really fast.

One thing we have to remember is this, our adoption of technology has always changed the way we live. The adoption of the Gutenberg's Renaissance technology, the printing press, was disruptive in the same way that in Internet is. Prior to the mass adoption of the printing press there were copyists or scribes who were in the business of duplication. These businesses were under the patron of the wealthy families of the Renaissance Era. As such their business was dependent on the tastes of these families. Working copyists declined in the last part of the fifteenth century due to the adoption if the printing press. The printing press was of course a faster more accurate method of duplication. When scribes made errors in their duplications the errors were crossed out and corrected in the margins of the document which led to further inaccuracies and misinterpretations down the line. People have a way of developing technologies that put other people out of business. In the name of progress some traditions have to decline. In addition, people hate change. We have trouble managing change at the best of times.

So what can we do to get a little balance and perspective? Well one thing is to learn from historical trends and patterns. There have been billions of people before us and there is no problem that hasn't been solved on some level before that hasn't been written down somewhere in a book. Second hand experience can make managing change and subsequent progress much easier. So with that in mind let's look at some things that we need to remember because change will happen around you regardless. Progress, however, happens as a result of conscious decision and determined action. In order to manage change we have to be flexible and adaptable. As Darwin says ""It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change." If we can be open to different ideas and potential solutions we can at least begin to move in some direction if not forward. The problem with being inflexible or traditional is that it can stand in the way of progress. So, the point that I want you to keep in mind throughout this book is that there is no original thought. Everything has been created and everything we are experiencing today is simply an improvement on that original wheel.

There are many of us who do not believe that there can be a beneficial outcome to our adoption of the Internet and its effects on the music business. I agree wholeheartedly that there has been a negative effect on an existing part of the music industry. However, bearing in mind that we can look back through history we can see that the printing press served as a catalyst for the music business of that time. Music publishers as we know started off as sheet music publishers a part of the music industry that was born out of the adoption of the printing press. Before the printing press all music was hand copied which of course was time consuming, very expensive and led to inaccuracies. However, the accuracy of the printing press led to innovators experimenting with the technologies with many methods failing but with plenty of knowledge gathered. There were many challenges in using the printing press to duplicate music for example clarity. Printing the alphabet was an easier task

by comparison as all characters are independent of each other. Music notation, however, included staff lines with notes printed on top of each other. Many techniques were tried, tested and abandoned during a hundred year period, from woodcuts where music notation was treated as free form illustration and block printed onto the page to engravings. In both the cases of woodcuts and engravings within the new printing press technology, the composers suffered setbacks. In the case of woodcuts it was impossible to be accurate and the woodcuts were frail leading to further inaccuracies. Engravings didn't meet the demands of composers at the time who worked with chords for keyboard music, multiple voices and musical ornamentation. The solution was the "rolling press" which was designed for the purpose of printing from engraved copper plates. As this was economically feasible the method spread across Europe. What is interesting about this period of history are the parallels we can draw with our present. In this incredible active time of innovation there were many start-ups in the music publishing sector, all of which tried to solve problems. What was needed was one person to refine and mature the process and show others how it could be used profitably. In the case of music publishing it was Pierre Attaignant. Pierre Attaignant was a Frenchman whose music printing method comprised of a single "press" or impression of the music notation. His results were a little messy as the staff lines did not always match up. However, his method was the most economical and remained for the best part of two hundred years. We typically see much experimentation in businesses adopting new technologies characterized by trial and error, failures, start-ups and a huge learning curve. We can see this in the music industry now and perhaps if we support the experimentation we can get to a place of stability rapidly.

What came about as a result of the mass adoption of the printing press to the music industry? The late 19th Century saw a massive explosion in "parlour music." It became fashionable to have a piano in every middle class home. The middle class had more disposable income to spend on musical instruments and education and more leisure time to give to recreational music making. This meant a rise in the number amateur pianists and singers and more and more songs were written specifically for the parlour music trend. In the 19th Century the music industry was dominated by music publishers and music publishers fought a constant battle with sheet music pirates. It should be noted that the very sector of the music industry that pays us today injured the live music industry of the 19th Century. After all why would anyone go to see a live performance when they could just play the music in their homes themselves? This is a pattern that we see in the music business in cycle. Every time a new technology is developed and adopted by the masses the former technology has to make way for it, and generally does so kicking and screaming.

Recorded music caused the "death" of the sheet music industry. After all why would people play music in their own homes when they could just sit and listen to their favourite stars perform in their own parlour? The sheet music industry was injured and had to make way for the new "player" in town. Radio was another disruptive

innovation, if people could listen to music for free at home why would anyone go out to buy records? Despite boycotts, lawsuits and charges of piracy, radio ended up being a cash cow of the music business. Television was seen as another disruptive innovation. Why would anyone listen to the radio or go to concerts when they could just watch music being performed in their own homes? Radio lovers bemoaned the loss of the radio star. We know, however, that video didn't kill the radio star in fact video created a new type of star and a new type of music experience with megastars such as Michael Jackson pushing the envelope of the medium with the multimillion dollar "Thriller". This is what we call "disruptive innovation." Where an innovative product or service creates new demand and therefore a new market which goes on to disrupt an existing one.

Our adoption of the internet is similar to our adoption of the printing press. The printing press connected us in a way that we never knew possible. Information was spread quickly and accurately leading to drastically increased adult literacy. More books of a non-religious nature were spread, especially those of a scientific nature. Scientists working on the same problems would collaborate and this in turn developed science. This process led to the Scientific Revolution in the 17th century which drastically changed the way people saw the world and universe. The increased circulation of information via the adoption of the printing press can be compared to the upsurge of user generated information delivered via the Internet that can be pretty much accessed anywhere by anyone at any one time. Today, Africa's biggest shantytown Kibera is rebuilding their community by watching YouTube videos, they are learning how to grow crops, they can have their own web based TV channel using Flip Video camera. This has led to a decrease in crime in the area. Similarly, there are scientists that can now share their research via web video. The problem with scientific journals is that it can be very difficult to accurately duplicate experiments now by demonstrating instead of describing billions of research dollars can be saved. Who knows perhaps we will have another Scientific Revolution? The way we are learning is changing with video being the tool. More face time means more oral and visual communication which means more crowd accelerated learning in skills that cannot be communicated by the written word alone.

An increase in the communication of ideas leads to an increase in connection. The prediction had been that the Internet would separate us all. We would somehow be stuck behind terminals and have no reason to meet each other. We now know the opposite to be true. An evolution in social networks has made each and every one of us globally connected. A singer in India can add her vocals, melody and lyrics to a backing track made by a producer in Australia and they can then have it remixed in South Africa. That track can then be uploaded to a website which can potentially reach an audience of stadium proportions. We have massively increased our global reach. This however is nothing new there have been a few technologies that have made the world smaller. The technologies we develop and widely adopt are

reflective of a critical human behaviour; our need to connect with each other. This need to connect is reflected in how we interact with music.

In the early 18th century Great Britain was still agrarian. In England, a traveller from the North arriving in the South would find themselves in largely foreign territory. There would even be time differences in the durations of minutes between some counties. The Victorians however had a need for speed and with that came the railway and the steam train. The steam train made the Victorians limitless by comparison to the horse and buggy. Where they were local they were now national. Communication was stimulated as was connection. This technological development has an effect on the music business of the era. Victorians would travel from villages to towns to experience live music hall entertainment. The need to re-connect with the music they had just heard was reflected in the parlour music trend and subsequent uptake of recordings. Similarly it would also seem that our need for connection via the Internet has stimulated the live music sector today. As we share our live music experience online we spread our enjoyment serving as positive word of mouth and attendance for the event concerned.

In the Victorian era another technology was born. It enabled us to talk to each other across vast distances, it used code, new types of crime emerged from it, love affairs were started, people got married on it, there were even chat rooms, businesses practices were flipped on their head and whilst some sought to control this brave new medium others predicted utopia and an evolved global consciousness. We are of course talking about the introduction of the electric telegraph. But doesn't it sound remarkably like our Internet? The development of the electric telegraph led to the wireless telegraph – a telegraph without cables which in turn led to early radio development. Of course we now know how radio affected recorded music sales. Music streaming via the cloud is simply a development of these previous technologies. It points to our need to connect and share with one another. The cloud gives us the vehicle to share our information or data globally. Radio was at one time dubbed "the wireless" and similarly the cloud gives us a world without wires. A world where there is nothing to tie us down and we can be on the move with the information we need to share at the tap of our fingertips. Access to music is nothing new. We have always wanted access to music. It just so happened that in order to access the music we liked we had to buy it. The reason we want access to music is because we enjoy the shared experience of music. In a time when sheet music publishers ruled the industry music fans enjoyed the shared experience of parlour music. Through music education they refined their skills and added their own take on the music and could demonstrate their skill to the delight of audiences in their homes. Radio taught us that songs could be played repeatedly. It was radio that fuelled our need to have music whenever we wanted it. Not unlike music fans today who obtain commercial tracks and make them their own through remixes, mash ups and fan made video presentations that we can also have whenever we want.

So why is all this important to "The Fan Experience?" This "disruptive innovation" has shown us our need to be increasingly connected. Digital links are helping to build relations between people, computers and data. Social networks lay in-between the fans and the music organizations and fans can use the data that is created by music organizations for their own purpose at their convenience not the company's. There are all kinds of devices that are connected to each other wirelessly bringing intelligence to all corners of the globe despite time or location. Digital links are getting smaller and cheaper and this means that these trends will happen faster. The relations between people, computers and data will get closer. This changes the way all businesses operate not just music businesses. In the past it was the music business that was super informed not the fan. Now all the fan has to do is scan a few web pages on their remote access device in order to get the knowledge they need to make an informed decision. The global use of video has enabled us to share our learnings that cannot be communicated by words, sound and images alone. We now share more. As such fans are always very well informed be it fact or rumour. By contrast to keep a music business informed updated systems have to be installed and training has to be given to employees. The fans have higher expectations of the music business now. When these expectations aren't met they become frustrated and impatient and go to other suppliers of the same content that can meet expectations.

Therefore, Gutenberg may have been one of the most influential people of the last thousand years. With the printing press we saw progress in government systems, America was discovered and art and culture developed and widened its reach. Shakespeare would not be Shakespeare without the printing press. However, Gutenberg died penniless because he didn't see the big picture and he didn't understand the trends. By contrast those around him such as Johann Fust did understand the trends and as such saw to it that they did profit from the printing press. We cannot hold our hand up to change and tell it to stop. People drive the economy and as such the resultant trends will always overwhelm any efforts to rail against them. This chapter is an exercise in perspective. Sometimes looking at the stories of the past and understanding second hand experience can teach us about the future as we can see patterns and trends and attempt to plot a loose trajectory. No one can predict the future, but it is wise to plan for the best and prepare for the worst and consider every scenario possible. The type of thinking that created the challenges that we face in the music industry will not help us overcome them. When we understand that "new technologies" are developments of older concepts designed to meet our human needs we have a different view on our current music industry challenges. With all this in mind one thing can be said about "disruption" or "revolution." It takes us back to our foundations, clears away that which no longer serves us and gives us the gift of an opportunity to create something that is better. Matters come full circle. Some think that "revolution" is a time of celebration.

FURTHER INFORMATION

ON

THE FAN EXPERIENCE

The world of the music industry has changed greatly since the heady heyday of vinyl. The way to a music fan's heart, however, has not changed at all. There was a time when fans fell in love with music and lined up for the next hot album release. Those days are gone. Music is increasingly becoming commoditized entertainment so touching the hearts of music fans has become increasingly difficult. How do you connect with fans in a lucrative way? How do you cut through the avalanche competing digital entertainment from online gaming to social media and from illegal downloading to free online music video? How do you make the fans fall in love with music again? The Fan Experience.

The Fan Experience is a 7 step sequence to fan centred music business. It marries old school music business know how with up to date customer experience methods and teaches you how to put the fan firmly in the centre of the music business.

1. You learn how to listen to the fans and use their valuable input as design criteria.
2. How to work with every exposure that the fan has with music directly or indirectly.
3. Understanding the journey the fans take with music.
4. Understanding the complex relationships that fans have with music.
5. How to innovate with the fans
6. How to fashion and re-fashion music with the fans.
7. How to measure your efforts, because if you can't measure your efforts you can manage them.

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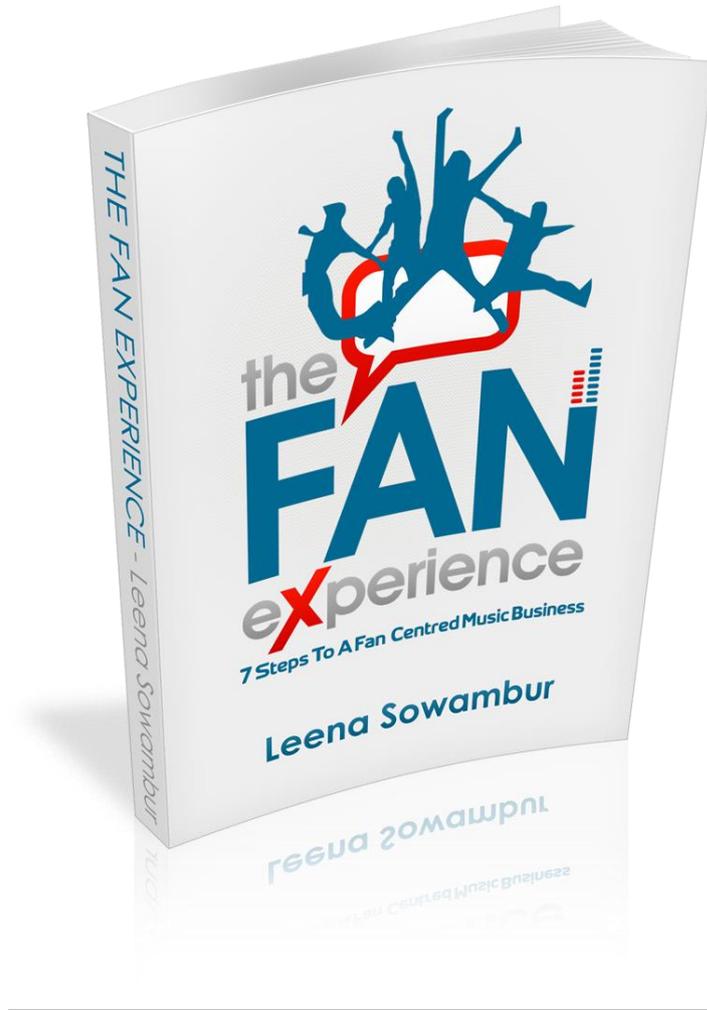
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