

IN TUNE: BRANDS AND BANDS

The advertising and music industries have long sung from different hymn sheets, but more recently, licensing deals and tie-ins between artists and brands has seen their worlds move closer. **CELIA JOHNSON** discovers why.

It was a tough call for Australian rock group Gangajang when it finally agreed to let Coca-Cola use their hit song in a TV commercial. The year was 1988 and the song was *Sounds of Then* (*This is Australia*).

Mark Callaghan, who wrote and sang *Sounds of Then*, now heads the Australasian Music Publishers Association. He says the decision to license the song for a commercial was a difficult one at the time. While classic tracks by acts such as the Beatles and Rolling Stones were being used in ads, the use of contemporary pop songs was a rarity.

The band also feared alienating its free-spirited audience by aligning itself with a multinational brand. "Back then there was a perception that the ad industry was completely separate to the music industry," says Callaghan. "The natural link between the two and the mutual benefits to be had were not as obvious as they are these days."

Fast forward 20 years and the relationship between artists and brands has shifted somewhat as media consumption habits fragment, radio playlists narrow and the digital world continues to make it challenging for the recording industry to promote, sell and monetise its products. The changing model of the music industry itself – with a greater number of artists acting independently and assuming more parity with record labels in licensing and partnerships deals – has also opened up more opportunities for industry crossover.

Sean Pickwell, managing director of Waterfront Entertainment Marketing which specialises in devising marketing partnerships between brands

and the entertainment industry, describes it thus: "The power has shifted in the music business. Labels were once the centre of the artist's world when CD sales were the main driving force of their income, but now touring and merchandise, sponsorship and brand involvement are all a part of an artist's income. So they may use a record company for the recording, sales and distribution part of their music, but will use a merchandise company for their merchandising, a tour company for their touring and someone who's an expert in aligning them with brands, for that. So now the artist has become more a centre of their own world."

Adam Zammit, chief executive of entertainment marketing agency Peer Group, says the gap that existed between the music industry and advertising has begun to close as music ceases to function as a mere soundtrack for ads and begins to engage with brands in mutually beneficial strategies. "What's changing is, driven by a growing fragmentation of audiences and how to find them both for music and

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SEAN PICKWELL, MD, WATERFRONT

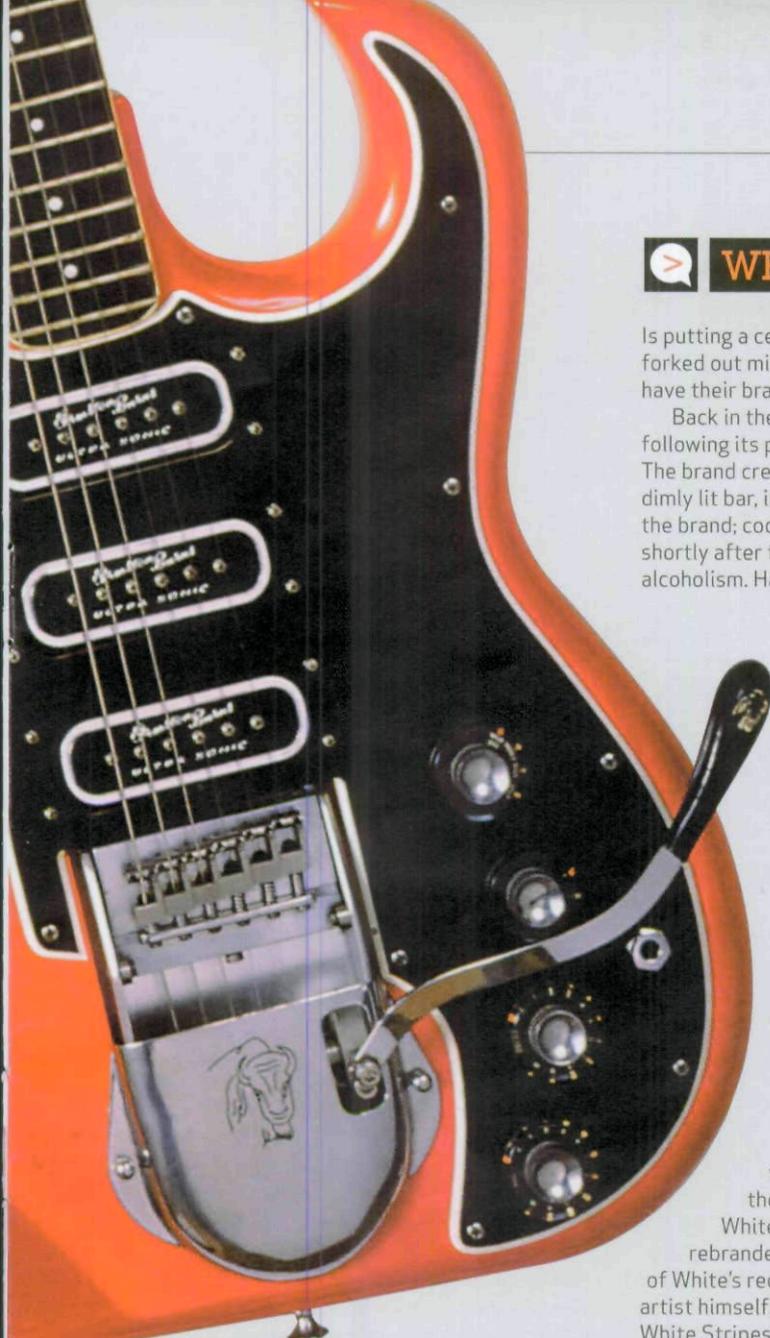
for all products, the necessity to come up with more interactive and entertaining ways to engage audiences; both for music lovers for music products and even the simplest of FMCG products," he says.

He adds that while Gangajang was concerned about "selling out" when they signed the 1980s Coke deal, bands are increasingly keen to sign licensing deals to increase their exposure and public appeal.

"The music industry, like any industry, at least within the next 24 months, is going to need revenue diversity, more revenue partners and new opportunities for growth," he says. "And music presents itself as an opportunity for brands to create both entertaining and interactive relationships. I would go as far as to say that the opportunity exists for a brand to start to facilitate areas of entertainment and interaction that would have normally been the domain of the music and entertainment industry."

The co-operation of the music and marketing worlds – with artists relying more on brands for their big break and advertisers and ad agencies looking for new and improved ways to reach their target audiences – has had a substantial impact on traditional licensing agreements.

While the process of securing music rights for ads has not changed, with the ad agency required to secure permission from the songwriter/publisher and the record company, the way songs are chosen and cleared for use, and the willingness of artists to be a part of an ad has shifted. "There is certainly



> WHEN BRANDS AND ARTISTS GO BAD

Is putting a celebrity face to your brand just too risky? Many marketers have forked out millions to align their products with a famous artist or band only to have their brand suffer due to unforeseen controversies and backlashes.

Back in the 1980s, the Michelob beer brand was left with a sore head following its partnership with guitar-wielding legend Eric Clapton (picture 01). The brand created a commercial featuring Clapton playing one of his hits in a dimly lit bar, in a spot that sent all the right messages to the audience about the brand; cool, smooth, sexy. That was until *Rolling Stone* magazine reported shortly after the ad was aired that Clapton was undergoing treatment for alcoholism. Hangover cures required all round then.

Elsewhere, soft drink giant Pepsi has had such a bad run with its music celebrity endorsers over the years that in 2003 it reportedly decided to end all tie-ins with the rich and famous of the music scene. The brand's Madonna (picture 02) deal of the 1980s would have seemed like a good one at the time, with her "Queen of pop" status surely bound to drive sales. And yet her controversial video for hit song *Like a Prayer* – featuring bizarre sexualised images of Christian icons – the music from which featured in a Pepsi ad, resulted in Christian groups in America boycotting the brand. Pepsi also had an unsuccessful relationship with Michael Jackson, who was the face of Pepsi at the time of his child-abuse allegations coming to light, and most recently Britney Spears (picture 03) was paid \$US80 million for her association with the brand only to then be photographed drinking Coke. It also didn't help the brand that Spears later made headlines due to her marriage breakup and reports of mental (and physical) decline.

Over in the the rock 'n' roll world, White Stripe's singer Jack White (picture 04) recently spoke out against Coke when the brand used his James Bond theme song in a new ad for Coke Zero. Having been commissioned by the soft drink giant to write a song and feature in a commercial in 2006, Coke seemingly thought they were within the conditions of the agreement to sync White's *Another Way to Die* in its new TVC which saw Coke Zero rebranded as Coke Zero Zero 7. It is believed Coke sought the permission of White's record label Third Man Records for the use of the song but not the artist himself, damaging Coke's relationship with both the music sector and White Stripes fans alike, after Black blasted the brand.



now a broad recognition that working with brands can be really great for a band," says Callaghan.

He cites Australian band Jet's success in the United States after Apple used its single *Are You Gonna Be My Girl* in its first iPod ad as an example of a licensing deal benefiting both brand and band. More recently, Canadian singer Feist scored a hit in Australia after Apple used her song *1,2,3,4* for the launch of its iPod Nano and Operator Please's single *Get What You Want* zoomed into the sales charts

after featuring in a Virgin Blue campaign in 2007.

Ian Lew, managing director of Song Zu, a company which composes and produces scores for ads, says the relationship between artists and brands is getting closer as a result of some "very smart" licensing of tracks by high-end brands and the willingness of the music industry to embrace the ad industry. "Not just from a licensing point of view," he says, "but in the crossover of music industry-based composers and producers to writing and

producing music for advertising. Overseas, agencies and their clients are experimenting with what is effectively in-house publishing and record companies, and while the smaller market here precludes a lot of what is happening overseas, I think we will see a lot more cross-over between the two industries to come."

Levi Strauss, Procter and Gamble, Coca-Cola and Starbucks are among the global brands to launch their own music labels and in July The Sphere

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Agency became one of the first Australian ad agencies to hire a music director. Dennis Dowlut, previously of dance duo Disco Montego, was brought to the Melbourne-based agency to create compilations and stand-alone tracks for brands.

This model presents an alternative to licensing music for ads or creating original scores and may prove to become a future trend. By reducing the costs and hassles associated with licensing, in the case of choosing a popular song or one with multiple songwriters, the full-service music offering may prove to be highly attractive to both brands and other ad agencies.

Callaghan adds that the complexity of music licensing, particularly for tracks which have three or four songwriters, has also led to a rise in larger agencies hiring music supervisors and also the emergence of specialist licensing agencies such as Mana Music Productions, which can source and gain the rights to music on behalf of the advertising agency. However, Bernard Galbally, managing director of Mana Music Productions, argues the opportunity for licensing does not lie in whether or not an advertiser brings the services in-house or outsources to a specialist agency, but in how partnerships are leveraged beyond the initial deal. "We often encourage bands to explore other ways that they can get involved with the brand, whether this be performing at corporate events or giving out a free download to priority customers before a new single is released," he says.

Peer Group's Zammit agrees that brands should take every advantage of a musical relationship. "If we're going to pay \$55,000, \$70,000, \$100,000 for the use of a track in a TVC and that track comes from a band with a large audience that we'd also like to reach then there's enormous opportunities to continue that relationship on," he says.

Waterfront struck a deal between client Sony Ericsson and hot Australian dance group Sneaky Sound System prior to the launch of its Walkman phone last year. While the association with Sneaky Sound System has benefits for the mobile phone company, the band also had something to gain from the tie-in on the verge of launching its second album *2*. Sony Ericsson obtained the rights to use Sneaky's look and feel in its ad campaign,

featuring the band in above-the-line executions including press and outdoor ads as well as online which, in turn, acted as an ad for *2*. Sony Ericsson also sponsored Sneaky's mini album launch tour, engaging consumers through live interactions with the phone and entertaining trade customers with an opportunity to meet the band. The band provided content and an exclusive track for handset users that could also be downloaded using the new Telstra QR code technology.

"This is a defining example of an independent act who owns all its own materials and an independent brand working together for a mutual benefit," says Waterfront's Pickwell. "There are all these things that spin off from a relationship like this rather than just using a simple ad or logo on a poster. We're way, way past anything like that now," he says.

However Sudeep Gohil, planning director and partner at ad agency Droga5, says while many artists are aligning themselves more closely with advertisers, many brands are failing to take advantage of the relationship. "Bands now look to brands to help them make revenue and expand their footprint, but brands tend to still look at music as something they can just whack their logo onto and piggy back off," he says. "If you look at any of the big summer festivals you'll see they've got brands all over them, but the brands aren't doing anything other than dishing out \$100,000 to associate themselves with the festival. They may be at the event and give out some water but there's very few brands getting it right and adding value to the experience. You almost need to spend as much money, if not more, activating your associations as you do buying your association."

And yet Virgin Mobile's appointment of Droga5 and music consultancy Thought By Them to its music and activation account in October is proof that brands are starting to take their involvement with music more seriously.

"Virgin Mobile spend a lot of money in the music space relative to their overall spend and they've realised they should be taking a more rigorous approach, figuring out how it all fits together, how music relates to the brand and how it will impact on its overarching brand," says Gohil.

This account is significant for the advertising world which remains relatively uninvolved in activating music campaigns for brands past licensing deals for TVCs. This role largely rests with specialist entertainment marketing companies, which are set to gain a whole lot of new business as a greater percentage of marketing budgets migrate to the experiential space. Zammit describes the fusion of artists and brands to activate experiential campaigns as "natural" and mutually beneficial. Natural, as the live-music scene continues to grow, and mutually beneficial as "the entertainment vehicle becomes a brand vehicle and brands become part of the delivery message for music."

However, at present only a small number of brands are embracing music beyond a logo association. Peer Group's Bacardi Express – a two day festival on a train involving five bands which is entirely funded by the rum brand – is one example.

Zammit says: "The Bacardi Express works hard for the brand and it also works hard for the bands as well. All the artists will be performing within their album cycles, so they'll have something to promote,

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IAN LEW, MD, SONG ZU

and you've got this great brand vehicle via this entertainment event."

Events such as this are further blurring the ad and music worlds. In the past, tour promoters assumed the roll of organising artists and getting them on tour. "But now we have brands stepping up and saying we've got a function and a purpose, and you've got an album to promote, so it makes perfect sense to work together," says Zammit.

Bacardi also announced at the start of the year that Groove Armada has signed a one-year deal with its global music platform Bacardi B-Live, ceasing its five year partnership with Sony BMG's Jive Records and putting Bacardi in charge of releasing future albums and heading event sponsorships. Peer Group is part of the global program that is managing the partnership, part of which involves giving direct feedback on the current tracks being developed.

"What you're talking about here is the integration of the brand world into the music world," says Zammit. "Though I would call this an expansion of the music industry rather than the retraction of it."

Toohey's Extra Dry's unsigned band competition, UncharTED, is another example of a brand creating its own event as opposed to simply sponsoring a music festival. Now three years old, UncharTED provides artists with an ongoing platform of support, from opportunities to play at national festivals, to winning record labels and providing media guidance and training.

"It's a complete cycle. A cycle that would have normally been the domain of the music promoter, record label or the media," says Zammit.

He adds the benefits of a long-standing, deep relationship between bands and brands is essential for success in the music space and warns against a "toe in the water" approach.

"Over time what you have is a whole generation of people watching a brand playing a role in music that they come to regard as being core, integrated, and trusted, and that has a deep and meaningful impact on the brand's longevity through one generation to the next," he says.

And as the economy continues to slide, causing budgets to tighten and TV spend, in particular, to move into other mediums, brands' relationship with musicians is expected to deepen, moving further away from traditional licensing agreements into the realm of music production.

"We're at a tipping point," Gohil sums up. ■