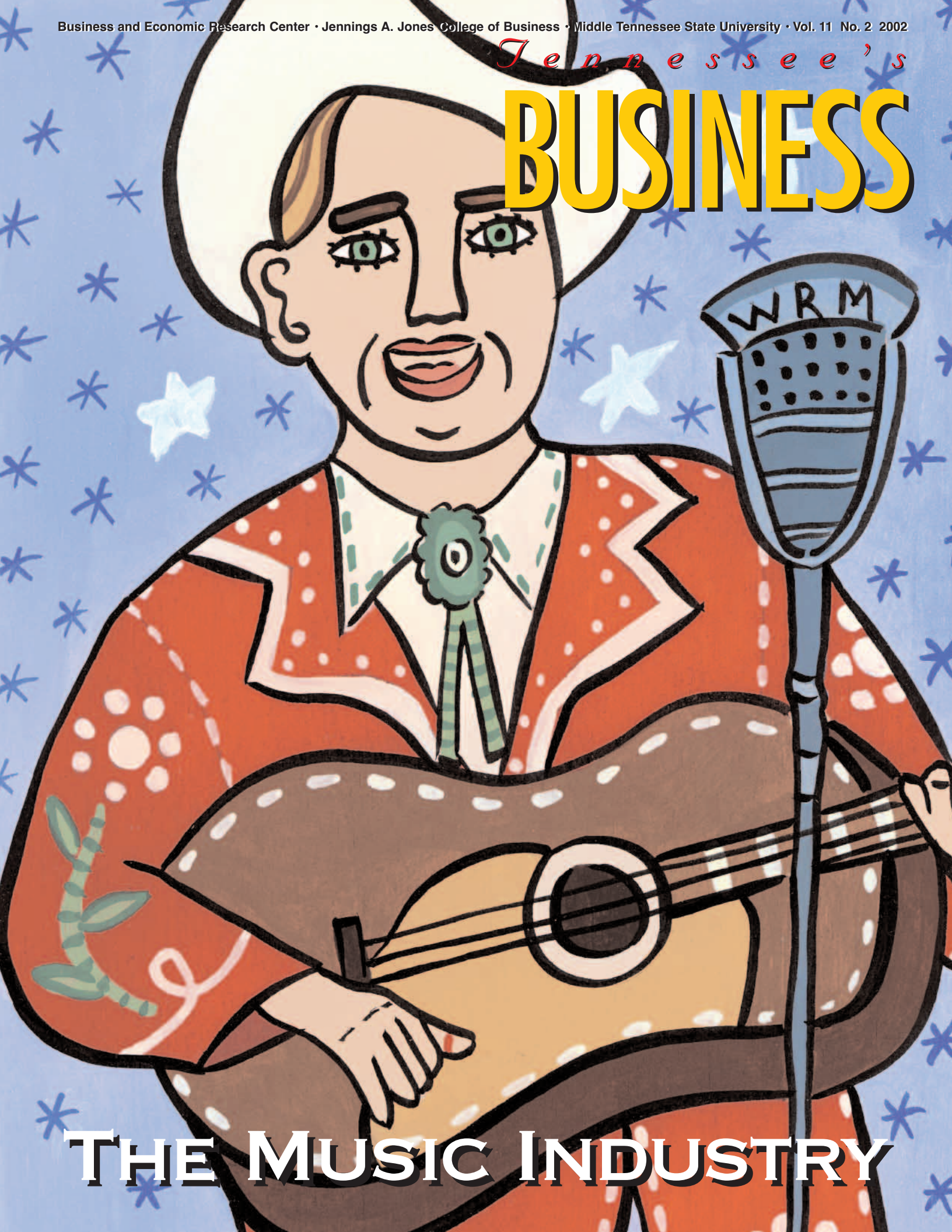


Tennessee's

BUSINESS



THE MUSIC INDUSTRY

Published by the
Business and Economic Research Center
(BERC)

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Recipient of the 1991, 1996, and 2000
AUBER Award of Excellence in Publications

EDITOR'S NOTE

A few years ago, Lindsley and Associates conducted a study for the Nashville Chamber of Commerce from which a marketing plan for the Nashville music industry emerged. Most of the findings of that study, focusing on the strengths and weaknesses of Nashville and its music industry, remain relevant.

The major strengths of the Nashville music industry included its worldwide reputation, the existence of many successful music firms, supportive industries and services (e.g., banks and universities), proximity to customers and suppliers, reasonable wage and salary levels, a receptive publishing sector, and lower cost of doing business than that of Los Angeles or New York.

The Nashville music industry's principal weaknesses were perceived to be overreliance on country music, negative attitudes toward expansion to genres other than country or Christian, its weak connection with the city, limited space on Music Row, lack of interaction with non-music industries, outsiders' ignorance of the music industry, and an ambivalence toward economic development.

Basically, however, it appeared that significant opportunities existed for music industry growth and health due to certain changes occurring outside of the industry, including lack of major economic development efforts by other cities; a strong and growing Nashville economy; growing cost pressures on entertainment sectors, making Nashville more attractive; and growing demand for lower-cost film and television productions.

Concomitant with the above opportunities, there also exist certain threats to the music industry—the declining growth rate of country music, the seeming inability of Nashville to overcome the “Hee Haw” image bestowed upon it, and the dual threats of an increasing crime rate and cost of living.

Based on the above findings, we can reach certain general conclusions. The music industry in Nashville is strong and healthy, albeit undergoing continuing necessary adjustments to market conditions. People in the industry are happy with Nashville, by and large, particularly as concerns quality of life compared to other music centers. Nashville is uniquely positioned to make significant growth in this industry. Its central location and music industry base make it a logical site for suppliers and partners in the music business. While country music largely put Nashville on the music industry map, the recent growth in other areas represents a major opportunity for economic development. Finally, there is a tremendous opportunity in public relations and marketing to narrow the gap between the perceptions and reality of Nashville.

Utilizing various strategies—positioning itself as an entertainment center; maintaining the integrity of the country music sector; fostering the growth of other music genres; working to improve its general infrastructure; developing an increased presence in film, television, and video; increasing intra- and inter-industry communications; strengthening public relations activities; and planning more effectively for space and facilities—Nashville can develop an even stronger and more economically vibrant music industry.



CONTENTS

Tug of War in the Music Biz

Jerry Bailey

2



Recording Artists Revolt Against “Unfair” Contracts

David Moser

8



The Business of Gospel Music

Loren E. Mulraine

14



Artist Managers and Quarterbacks

Pam Browne

19



Job Strategies in the Music Business: The Case for Internships

Clyde Philip Rolston
and David Herrera

23



Country and Christian Music Sales Shine in the Wake of the Terrorist Attacks

Amy Sue Macy

29



The Dean’s View

E. James Burton

33



**Business and Economic Research Center
Jennings A. Jones College of Business
Middle Tennessee State University
Vol. 11 No. 2 2002**

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