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THE BUSINESS OF GOSPEL MUSIC

Sales Have Increased Significantly as Consumers Seek to Find Hope and Encouragement through Their Entertainment Choices

by Loren E. Mulraine

History

When most people hear the phrase “Music City, U.S.A.,” they immediately think of Nashville. While New York is also a leader in music production, its resources are divided between music, theatre, film, and television. Similarly, Los Angeles, the film capital of the world, is also a center for music and television production. As the third-leading city for the entertainment business, Nashville has carved a niche for itself as the place where music is the predominant product.

Subsequently, few will argue the validity of Nashville’s nickname. What most people don’t realize, however, is the origin of the moniker. With three U.S. cities producing the overwhelming percentage of all commercial musical products, Nashville has become best known as the home of country music. The Grand Ole Opry, Ryman Auditorium, Country Music Hall of Fame, and historic country radio station WSM-AM have all played a major role in this perception. And while this city is undoubtedly the center of the country music industry, the city’s nickname came from a source that had nothing to do with country music.

Indeed, the moniker can be traced to the soulful strains and skillful refrains that were born at one of the nation’s oldest historically black universities, Fisk University. It was on this campus,

at the corner now known as Jefferson Street and D. B. Todd Boulevard, that the Fisk Jubilee Singers were founded in the late 19th century. This ensemble traveled the world with its complex arrangements and rich vocal textures, singing the “good news” through its arrangements of spirituals, anthems, and “slave songs.” The impact of the Jubilee Singers was so vast that the phrase “Music City, U.S.A.” was coined as a reference to the town from which they hailed. This is where the story begins.

The Development of the Industry

Throughout the 20th century, gospel music continued to emanate from Nashville as well as major metropolitan areas such as Chicago, Detroit, St. Louis, and other cities with a large collection of African American residents, many of whom had migrated from the Deep South. These singers, players, and songwriters had cut their creative teeth in the storefront churches of Mississippi, Tennessee, Alabama, and Georgia and had taken their form of worship with them when they relocated to the northern metropolitan areas of New York, Philadelphia, and Washington, D.C.

As the century developed, more and more of this music was recorded and sold, from the songs of Thomas Dorsey in the 1920s and ’30s to the 1950s and ’60s, when the likes of the Caravans,

The impact of Fisk’s Jubilee Singers was so vast that the phrase “Music City, U.S.A.” became Nashville’s nickname.

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the Soul Stirrers, Mahalia Jackson, James Cleveland, Sam Cooke, and others proved that gospel music was both a ministry and a business.

The 1950s and '60s provided several political events that changed the course of the gospel music industry. Naturally, the unrest in the nation due to the growing pains of desegregation, the civil rights movement, and legal cases such as *Brown vs. the Board of Education* was a lightning rod for black civil activists. Where did the black leadership come from? It came from the primary meeting place of the black community, the church. What could be found at every black church in the nation? In addition to the passionate leadership of the preachers, gospel music was the common denominator. As such, the soulful refrains of the weekly church services became training grounds for the leading musicians of the era. Many of these musicians moved into the world of secular entertainment, while many others chose to remain focused on telling the “good news” in song. The Memphis sound of Stax Records was built largely on the stylings of the black gospel tradition. Singers such as Al Green, reared in the church, did not change their style when they made the transition from songs of worship to singing songs of love.

The Contemporary Era

The key watershed events, however, were in two recordings which forever changed the way gospel music was viewed as an industry. First, Aretha Franklin, renowned as a soul superstar, released an album that would become a classic. Franklin’s recording “Amazing Grace” set sales records for gospel music and showed the industry that there was a legitimate market with huge sales potential for this type of music. This could be explained as an aberration because of Franklin’s huge name recognition in the secular industry. No such excuse could be made, however, when a musical ensemble from Oakland, California, hit the scene in 1969 with a live recording that had been produced on a four-track tape deck in their home church. Edwin Hawkins and the Hawkins Singers released “Oh

Happy Day” expecting only to get some attention in their hometown. The title song proved to be much more than a joyous song of praise. In fact, it became a chart-topping hit after the album was picked up by Buddha Records, and the rest is, yes, history.

As the '60s faded and the '70s era took hold, there was a greater presence in the industry of companies that were created to produce various styles of Christian music. There were many names given to the genres, traditional gospel (most commonly associated with choir music and quartet music from the traditional black church); contemporary gospel (the music of the black church with a contemporary flair not unlike R&B, urban, or today’s hip-hop music); contemporary Christian (contemporary musical styles similar to pop music or rock); and inspirational (contemporary musical styles more similar to a pop/middle of the road style). Christian writers

and singers such as Bill Gaither, Keith Green, Andraé Crouch, Walter Hawkins, and others began to shape the Christian music industry. These writers and artists covered the gamut from “Jesus Music” to the development of gospel choirs, children’s songs, and the equivalent to pop music of the day. Today, these genres have expanded to include virtually all popular styles of music—rap, rock, instrumental, alternative. It is the business success of this combination of musical



styles, under the banner of “Gospel Music” or “Christian Music,” which has become a major corporate entity in modern-day Nashville.

The Past Decade

Gospel music continues to develop a following with mainstream audiences while maintaining its core demographic. “One of the main differences between the gospel industry and the pop music industry is the loyalty of the audience,” explains Brian Watts, vice president of Triumph Music Group. “Because of this loyalty, the typical career of a gospel artist is much longer than the career of an average pop artist.” History would seem to support Watts’ assertion. A glance at recent gospel music charts includes hit recordings by artists such as Shirley Caesar, Andraé Crouch, Gaither Vocal Band, and others

Weekly church services, the primary meeting place of the black community, became training grounds for the leading musicians of the era of civil rights unrest.



with career spans of more than 30 years. While these exceptions can also be found in the pop music industry, a typical gospel chart is at least 50 percent occupied by artists with 10 or 20 years of chart-topping success including Richard Smallwood, CeCe Winans, Fred Hammond, Michael W. Smith, Hezekiah Walker, John P. Kee, Steven Curtis Chapman, and the like. This is not to say that the industry has not produced new stars. The past decade has seen acts such as 4 Him, Point of Grace, Yolanda Adams, Newsboys, DC Talk, Jars of Clay, Kirk Franklin, Mary Mary, and many others become gold (500,000 units) and platinum sellers (one million units).

Current Status

Whereas sales of gospel music continue to be less than sales of pop genres per album released, it is no longer unusual to see a gospel recording sell several hundred thousand copies. In fact, the Christian Music Trade Association (CMTA) reports that 2001 year-end sales were just shy of 50 million units, a new record for sales of contemporary Christian and gospel music in the United States. This number reflects a 13.5 percent increase over sales from the previous year.

According to SoundScan, total sales of contemporary Christian and gospel albums ended the year at 49,852,000 units. Frank Breeden, president of CMTA, sees this as a reflection of the consumers recognizing the unique role this music plays in encouraging and inspiring hope through entertainment. Indeed, Mr. Breeden's observations seem to parallel the sentiment in the nation as we seek answers in the aftermath of the terrorist attacks of September 11. Sales of gospel music have increased significantly as

consumers seek to find hope and encouragement through their entertainment choices.

Of the nearly 50 million units sold in 2001, sales of 26,631,000 units occurred at mainstream retail, and 21,648,000 took place at Christian Booksellers Association (CBA) retailers. Direct and Internet sales also saw an increase over year 2000, with 1,685,000 units sold.

Table 1. 2001 Contemporary and Gospel Music Genre Sales Percentages

Genre	Percentage
Adult Contemporary/Pop	20%
Gospel	19%
Rock	13%
Praise and Worship	13%
Children's	7%
Instrumental	5%
Southern	4%
Inspirational	4%
Country	2%

The figures are similar on the video side.

Table 2. 2001 Record Distribution Company Market Share (Videos)

Company	Percentage of Market
Word	43.33%
Chordant	27.71%
Provident	8.07%
Pamplin	7.53%
Diamante	20%
New Day	.07%

Table 3. 2001 Record Distribution Company Market Share (Albums and Singles)

Company	Percentage of Market
Chordant	39.46%
Word	24.07%
Provident	23.92%
Pamplin	2.40%
Diamante	1.69%
New Day	.65%

Tables courtesy of Christian Music Trade Association

As you might expect, all of this has a significant impact on Tennessee businesses and employees. In fact, in tables 2 and 3 above, the top three companies (Chordant, Word, and Provident), as well as the sixth leading company, New Day, are based in Nashville.

Gospel music continues to develop a following with mainstream audiences while maintaining its core demographic.

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Although the dominant genres are Adult Contemporary/Pop and Gospel, sales are increasing across the board. Table 1 on the preceding page indicates the current split among the genres of Christian music.

The Future

The gospel music industry, while developing visibility and increasing in sales, is still viewed by many as a sleeping giant. It is a common belief that the industry is just beginning to scratch the surface of what can be achieved in mainstream market potential. The success of independent labels has always played a major role in the development of underserved musical forms. Indeed, today's gospel industry was built on the foundation of independent labels such as Light Records, Sparrow (now part of EMI), Word, and Benson Records. As the secular market began to recognize the sales potential of gospel music, many of these companies, which were built as independent labels, were purchased by secular corporations. The results have been mixed. Benson Records was eliminated after more than 100 years of business. Light Records disappeared before it could reap the benefits of a corporate infusion of cash. Word Records has downsized and eliminated its gospel division.

Meanwhile, the Warner Elektra Atlantic family of labels, Take Six notwithstanding, has had sketchy success with its ventures in the gospel industry. Warner Alliance, its gospel label, has closed, and a new gospel label has emerged under the Atlantic banner. Elektra has had tremendous success with its flagship gospel artist, Yolanda Adams. The SONY family of labels has also had erratic results. Its flagship gospel label, Harmony Records, failed and was shuttered. On the other hand, Sony's Columbia Records had a huge hit with the debut recording of Mary Mary, which has reached platinum status.

On the other hand, Verity Records has become the dominant label in the gospel industry with the deep pockets of parent company

Jive/Zomba. Fred Hammond has gone platinum and gold on his last two projects, and Donnie McClurkin has gone platinum with his latest. Sales in the hundreds of thousands (occasionally gold) have become commonplace for Verity artists including Virtue, John P. Kee, Hezekiah Walker, and others. Sparrow has maintained its relevance even with the sale to EMI. (Starsong was not as fortunate). CeCe Winans has mastered the best of both worlds (Christian and secular). Winans gained international success while she was signed to a joint deal with Sparrow and Capitol Records. In her case, the labels divided the responsibility and marketed to the Christian and secular industries, respectively. Winans recently launched her own label, CW Wellspring Entertainment, and her first release on the label

has gone gold. Another graduate of the Sparrow family is Vicki Mack-Lataillade, whose GospoCentric Records has had tremendous success with the likes of Kirk Franklin. Although GospoCentric is based in southern California, it is significant to note the Sparrow (and Tennessee) connection. At the same time, independent labels such as Gotee Records (including Out of Eden and Jennifer Knapp) and Rocketown

(Michael W. Smith's label, which includes such artists as Chris Rice) continue to lead the way with fresh artists and musical production.

If history can be a lesson, we should expect that the corporate climate will continue to be a double-edged sword. Some would say the weather report is partly sunny; others may call it partly cloudy. Some labels will soar; others will be lost when purchased by secular corporations. Independent labels will continue to be the foundation for pushing the industry forward. As the mainstream marketplace continues to accept the music produced by the Christian community, Christian artists are given more opportunities to penetrate the world with the ministry of music. With this as the ultimate goal, Nashville-based companies and artists can truly believe the future is bright. ■

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A common belief is that the gospel music industry is just scratching the surface of its mainstream market potential.

