

The 10 Commandments



of music-brand partnerships

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The Music Marketing Forum is part of an ongoing process organised by MIDEM to explore best practice methodologies for partnerships between music owners and brands. The second forum took place on 20th January at MIDEM 2009. The aim this year was to establish key criteria for the creation of profitable partnerships.

Successful branded music partnerships are becoming more important and beneficial than ever, as traditional revenue streams and marketing methodologies prove less effective. Although general music consumption is at an all time high, declining physical sales and rising live costs are forcing music owners to seek new revenue models and marketing partners. And music's status as a differentiated passion point makes it invaluable at a time when the fragmentation of media, and a proliferation of marketing and consumption channels, are making it harder for brands to gain mindshare among today's multi-channel, multi-interest consumers.

In order to understand all areas of the debate, it was vital to have representation from across the full spectrum of music and marketing industries. 18 individuals were invited from a broad range of disciplines. The majority of participants from the first forum returned, along with several new attendees. The participants came equally from the music and brand sectors. On the music side were representatives from record labels (Sony BMG, EMI and Glassnote), publishing (Sony/ATV, Bucks Music and Leap Music), live music (AEG) and management (ATV and Angle). On the brands side, there were representatives from brands (Coca Cola and Telefonica/02), media agencies (Havas, Euro RSCG KLP and M&C Saatchi) and music marketing consultancies (Matching Room, FRUKT and Membrane/ Goldring Hertz & Lichtenstein).

The MIDEM Music Marketing Forum was moderated by William Higham, Futurist, and Founder, Next Big Thing.

Music Marketing Forum 2009 participants

- Anthony Ackenhoff, Managing Director and co-founder, FRUKT (UK)
- Morvan Boury, VP Digital Business Development & Marketing Services EMEA, EMI Music (France)
- Jean-Christophe Bourgeois, General Manager, Sony/ATV Music Publishing (France)
- Valérie Chollet, Founder, The Matching Room (France)
- Marcel Engh, Managing Director, SBX / VP Brand Entertainment, Sony Music Europe (UK)
- Daniel Glass, President & CEO, Glassnote Entertainment Group (USA)
- Ken Hertz, Senior Partner, Goldring Hertz & Lichtenstein (USA)
- Richard Kirstein, Managing Director, Leap Music (UK)
- Natasha Kizzie, Head of Entertainment, Euro RSCG KLP (UK)
- Jessica Koravos, Managing Director, AEG Enterprises (UK)
- Kwame Kwaten, Music Manager, ATC Management (UK)
- Kavita Maharaj, Director of Global Corporate Relationships, Havas Media (UK)
- Susie Moore, Head of Brand Innovation, Telefonica (UK)
- Dan O'Neill, Manager of Groove Armada, Angle Artist Management (UK)
- Umut Özyaydinli, Global Music Mktg Manager, Worldwide Sports & Ent. Marketing, The Coca-Cola Company (USA)
- Dave Roberts, Head Of Entertainment, M&C Saatchi Sport & Entertainment (UK)
- Jonathan Tester, Synchronisation Manager, Bucks Music Group (UK)



1. Key tips

1: Key tips to create a successful music & brands partnership

Summary

For brands the key objective of association with music is typically a positive re-alignment of brand values. For music owners it is usually financial, media or distributional support. But this can differ from case to case. Participants identified five potential objectives: exposure, markets, image, distribution and revenue. All parties agree that such objectives are rarely mutually exclusive.

Between them, the participants came up with ten conditions they consider essential to success. Some of these are more important to one side than the other, but all have their part to play. The first is to ensure that the brand's and artist/fanbase's values are aligned. Objectives need to be determined upfront. Both parties need to respect and understand the other's aims, environments and requirements, and to focus on core competences. Commitment to the project from all stakeholders, including the artist, is vital.

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So too is flexibility and willingness to experiment, as campaigns can evolve over time, and new situations can arise that require new approaches. There need to be good communication channels. A well-executed, exciting creative is essential;

preferably one that stimulates or encourages a dialogue with the consumer. Ongoing data analysis and assessment are also important.

Sustainable long-term relationships are achievable but rarely easy. Each side has different ways of determining the success of a project, based upon their initial objectives. But both agree that

more rigorous assessment should be utilised. A range of different types of music & brand association are practised today. But participants do not want to restrict themselves to a set number of typologies. As partnerships evolve, they believe each one should be considered on its own merits.

Individual questions

1. What are the key objectives of association for each stakeholder?

Brands and music owners typically come into a partnership with different approaches, cultures, aims and requirements. In broad terms, brands are typically looking to re-align brand values. Music owners are typically seeking financial, media or distributional support. But the participants were able to identify five objectives of branded music partnerships which did not need to be mutually exclusive.

1. Exposure
2. Markets
3. Image
4. Distribution
5. Revenue

Exposure has to date typically been the most important factor in music/brand partnerships. An association is sought that provided brand and artist with increased media or audience profile. This is still important today. From Master Shortie to Bacardi, all the parties in the examples above gained increased media profile as a consequence of them. But now the marketplace is more crowded and cut through is harder. Pure exposure alone is often not enough. Brands and artists alike are increasingly seeking not simply general exposure, but exposure to new markets or exposure that positively alters brand perception.

Now that 'the consumer is king', image or brand perception is proving increasingly important. With so many brands and artists to choose from, perception is outperforming pure exposure metrics. This is particularly important to brands.



1. Key tips

Swarovski, Bacardi, Coca Cola, Nokia and O2 all increased perceived brand values by their associations above. Association with brands can also positively re-align music owners' brand values. This was true for Sony ATV and Rihanna. Partnerships can provide exposure to important new markets, equally important in today's crowded arena. Rihanna was introduced to the High Net Worth Individual (HNWI) market. The Spice Girls were exposed to the teenage and pre-teen viewers of Victoria's Secrets television show. Music owners are also now looking more to brands to provide potential new distribution models. This is especially significant at a time when many artists are finding traditional distribution models to be either harder to achieve or less beneficial. Groove Armada are releasing their new recordings through Bacardi's website. The Spice Girls distributed their album through Victoria's Secret outlets.

Although revenue was traditionally viewed as a possible long-term but often unquantifiable outcome of increased exposure, it is now proving an increasingly important objective in its own right. Many brands that previously considered exposure or re-positioning to be the sole objective of such associations, are now viewing them as a potential revenue source. The O2 examples had the potential to drive revenue. So too does Coca Cola's new initiative, a single jointly released with Warners, as presented later in the day by Umut Özyaydinli.

Objectives can of course differ from case to case. This is especially true for brands. For them, objectives can even evolve as the campaign progresses.

2. Can the different objectives of both parties be fulfilled?

It was agreed that it is possible for both parties' different objectives be fulfilled. But it was also agreed that this is not easy to achieve. As identified in 2008, there are many cultural and methodological differences between the two sides that can create friction and misunderstandings. The partnerships that participants consider to have worked best for them are those in which each party understood and recognised the objectives and requirements of the other, and worked together to achieve them.

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Partnerships are those in which each party understood and recognised the objectives and requirements of the other, and worked together to achieve them.

The values of the brand and those of the artist need to be aligned. So too do those of the brand and the artists' fanbase.

3. What conditions are required by each side to ensure success?

The participants identified ten conditions required to ensure success.

1. Aligned values
2. Agreed objectives
3. Mutual respect and understanding
4. Focus on core competences
5. Commitment from all
6. Flexibility and willingness to experiment
7. Good communication channels
8. A well-executed, exciting creative
9. A dialogue with the consumer
10. Ongoing assessment

The values of the brand and those of the artist need to be aligned. So too do those of the brand and the artists' fanbase. If they are not there will be little connection between brand and consumer and a 'so what?' response may ensue. It can also damage the artist's credibility with their fanbase. A fast food or drinks brand, for instance, may be appropriate to an Urban audience but not to an Emo one. It was also agreed that, whatever the objectives were, it is absolutely essential to ensure that all key objectives are identified upfront of the campaign. And that they are communicated to all stakeholders.

All parties must understand the differing aims, environments and requirements of the others, and should not enter into an association unless they respect them. Each party should focus on its own core competences. A food brand, say, will typically know more about instore promotion and less about the live experience than a concert promoter does. So in any partnership the brand should take the lead in the former and allow the promoter to take charge of the latter. All parties need to be committed to the project. They should honour any agreements that they make and make themselves available for any promotions, meetings and so on. The brands 'side' considered it particularly important that artists adhered to this condition. Good communications channels are an essential part of any partnership. This can include regular



1. Key tips

meetings, conference calls and updates. It can also include hiring an intermediary such as a marketing consultancy. All parties should ensure that any communications are readily understandable by all concerned: that language and approach do not alienate or obfuscate. There should also be continuous assessment of the campaign. This can be a mix of formal and informal methodologies, but should certainly include robust metrics that prove the project is on target.

The campaign creative is also important. It should be appropriate to both the brand and the artist. It should be effective from a marketing standpoint, in terms of both content and reach. In an era when consumers are increasingly self-reliant and communal, any campaign that seeks to influence consumers needs to establish a dialogue with them. This can include experiential marketing, interaction and feedback. With something as emotional and tribal as music, consumers should feel part of the project.

The campaign creative should be appropriate to both the brand and the artist.

All involved in such deals should keep their minds open and keep trying new methodologies and models to see which will work.

4. How can you best determine the success of the association?

Both sides agreed that better campaign measurement was required. When discussing the success of campaigns, the music industry typically talks in broad terms such as 'is the artist's career worth more after the campaign than before' and 'would both partners do it again', whereas brands are more focused on quantitative, statistical data. But both sides agreed that new mutually-agreed measurement tools are required. Music is a passion point. This makes it highly effective as a marketing tool. But it also makes it hard to assess with conventional metrics. Any new tools should be able to measure not just quantitative, behavioural data, but also qualitative, emotional and motivational data such as credibility, loyalty, excitement and enjoyment. Successful assessment will not only help identify whether the campaign should be developed or repeated, it could also be useful evidence to encourage further music/brand partnerships throughout the industry. Feedback from the project could also be used by all parties outside of the confines of the partnership itself, for instance in their own non-associative future marketing campaigns.

5. Can sustainable long-term relationships be achieved?

It was agreed that both parties should strive for long-term relationships. These typically offer a greater opportunity for

sustained synergistic results. Short-term relationships can provide brief profile or revenue spikes, but not sustained benefits. Long-term associations are important for consumers and companies alike. At a time of media fragmentation and marketing saturation, it takes more time to establish concepts and associations with consumers. Sustained associations also negate the need for the often difficult and time-consuming establishment of a new relationship, and both parties are already aware of the others' issues and aims.

There can be practical difficulties in maintaining a long-term relationship with a single artist. An artist's music, attitudes or fanbase may change in such a way that they no longer align with the brand, and vice versa. But it is certainly not impossible. And long term relationships are readily achievable between a brand and a music aggregators (label, concert promoter, venue or publisher).

6. What are the key typologies of music & brand association today?

The groups were asked whether further partnership typologies should be added to those introduced at the beginning of the session, and whether those initial typologies are still relevant. Although they recognized the relevance of the typologies, participants were reluctant to restrict potential partnerships to typological segmentation in what is still a relatively new sphere. Each new association can add new dimensions to the music/brands sector. Participants consider that all involved in such deals should keep their minds open and keep trying new methodologies and models to see which will work. They felt that each potential partnership should be approached and judged on its own merits. What has worked before may not work in the current context, but what has failed before might be more appropriate now. Another concern was that traditional typologies can suggest a one-sidedness to the deal, whereas today the trend is increasingly towards mutual benefits. The term 'sponsorship' might suggest a brand is simply 'bankrolling' an event, when in fact the association is much more mutually responsible and beneficial than that. The term 'synchronisation' suggests a focus on the advertisement of the brand, but it now increasingly important as a tool for the promotion of all parties.

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2. Case studies

2 .Case Studies of successful music & brand partnerships

Summary

Participants agreed that today the most effective partnerships are increasingly joint venture or 'exchanges' in which mutually respectful partners share in the gains afforded by their association. They most typically comprise an exchange of the brand's reach for the music's credibility. When a credible act such as Groove Armada or Prince partners with a high profile brand such as Bacardi or O2, the act obtains greater exposure than it might on its own; and the brand image obtains a more credible brand image in the marketplace. When a high profile brand such as Coca Cola supports new talent like Master Shortie, it provides the act with exposure and the brand with a reputation as a discoverer of talent. Alternatively, if the brand itself is particularly credible it can increase the credibility of the music owner, as happened with Sony ATV Publishing and cutting edge clothing firm April 77. But other exchanges can prove equally effective. For instance, brand and music owner can exchange markets: Rihanna's youth audience for Swarovski's high disposable income audience, or the Spice Girls's 'moms' for Victoria's Secret's tweens. Companies from

When a high profile brand supports new talent it provides the act with exposure and the brand with a reputation as a discoverer of talent.

Brand and music owner can exchange markets, skills and/or assets

two different sectors can exchange skills and/or assets, as Sony ATV music publishing exchanged their music industry skills for April 77's retail distribution outlets.

Partnerships between music owners and brands are still relatively new. Musical creativity is often associated with rebelliousness and many music genres are built upon oppositionist or anti-corporate attitudes. And many brands still see creative artists as volatile and unreliable. For

these reasons, there are still many credibility and trust issues around the process. It is therefore as important for artists or brands to improve their credibility among those in 'opposing' industries as it is to do so with their audience. B2B can be as important as B2C. For many participants, one of the long-term

benefits of a successful partnership is the ability to show that an association with them can provide benefits for their partner. Rihanna's deal

with Swarovski proved the artist could be a reliable luxury brand ambassador. Coca Cola's deal with Master Shortie and Bacardi's with Groove Armada showed that each brand could be sensitive to the requirements of a creative artist.

Swarovski & Rihanna

Rihanna was chosen as brand ambassador for Swarovski. The artist made exclusive appearances at Swarovski events such as Paris Fashion Week and wore Swarovski crystals in photo sessions and on television. This was an exchange of luxury for credibility. Her association with the brand provided Rihanna with a more upmarket image, among both consumers and the industry. In the long term, this had two benefits. She was able to grow her audience among HNWIs. And she gained credibility among other luxury brands that has since secured her more luxury brand endorsements. Meanwhile Rihanna's high media profile provided the brand with strong short-term publicity in previously unavailable media sectors such as news and celebrity. And in the long term, it provided them with a more youthful, 'cool' brand image, and helped drive younger consumers instore.



DR



2. Case studies

O2 Wireless festival

In 2005, O2 and Live Nation (at that time Clear Channel Entertainment) came together to create central London's first music multi-day, multi-stage music festival. By putting on the festival and offering O2 customers unique privileges within it, O2 gained greater customer loyalty. In exchange they offered a range of acts increased exposure. The brand's audience and profile drove ticket sales. In the long term, the success of the partnership increased the promoter's credibility with brands. The newsworthiness of the act provided the brand with media exposure. It associated the brand favourably with music. It also provided it with an opportunity to offer customers a series of unique privileges, from priority tickets to hospitality. In the long term this increased both brand differentiation and brand loyalty. It also gave the brand permission to further utilise the music space.

Nokia & IAC

The Nokia Independent Artists Club acts as a pan-regional (Asia Pacific) outlet for up-and-coming acts who wish to increase their public exposure. New artists upload their tracks, bios, etc and users rate their favourite tracks to compile a chart, which is sent to media outlets. The platform extends beyond digital to provide IAC branded live music events, radio shows, artist-focused promotions and embedded content for Nokia handsets. In the short term it has provided artists with exposure and in the long term it acts as a potential conduit to a record label contract: something that is particularly hard to achieve in the region. The platform provided Nokia with profile, and with the long term credibility among consumers and industry alike to enable it to play in the music space. This was especially important as a precursor to its 'Comes With Music' campaign.

Nokia Music presents



Bacardi & Groove Armada

Bacardi and Groove Armada entered into a one year multi-faceted partnership covering live performances and exclusive content creation, from radio shows to new music recordings. Bacardi provided exposure and financing in exchange for exposure and credibility. The drinks brand obtained coverage in business and consumer media, which built their credibility among industry and consumers alike. It helped give them cut through and re-align their image more towards innovation. It also provided the opportunity to create the brand's first integrated global music strategy. In the short term, the act gained media profile, creative freedom and tour and audio funding. This developed their profile in the long term: providing them with a greater audience, increased live fees and useable research data about their audience.



Victoria's Secret & Spice Girls

The Spice Girls made their first reunion appearance on the Victoria's Secrets Fashion Show television special, and then utilised Victoria's Secret stores as an alternative marketing and distribution channel for the release of their 'Greatest Hits' album. The deal gave the act and the brand the opportunity to share different markets and media. The branded TV show gave the Spice Girls a high profile platform with which to launch their hits campaign, driving ticket and CD sales. The launch helped the act's long term profile. It also offered them a potential new audience: fans' tween daughters. The act's press-worthiness helped the brand gain additional publicity and a greater TV audience share. In the long term, the brand may also have gained a new market of Spice Girls fans.



2. Case studies

02 & Prince

Prince's 21 night appearance at the 02 Arena was organised by 02 and concert promoters AEG. 02, Prince and AEG swapped credibility, reach, loyalty and skills. The brand's audience and profile drove ticket sales. In the long term, the success of the partnership increased the promoter's credibility with brands. The newsworthiness of the act provided the brand with media exposure. It also offered an opportunity to offer their customers a unique proposition, enabling them to 'feel like a VIP'. In the long term this increased both brand differentiation and brand loyalty. Prince obtained greater exposure and major financial remuneration.



April 77 & Sony ATV Music Publishing

The publisher and the clothing company jointly developed a catalogue of new artists that the latter distributes in their retail outlets. Once again, this was an exchange of credibility for profile. But in this case it was the credibility of the brand for the profile of the music owner. The association with a cutting edge brand provided the publisher with increased authenticity. It was also an exchange of ability (music industry experience and skills) for assets (distribution via retail outlets). In the long term this enabled the publisher to establish relationships with acts for whom they had all-rights: important at a time when publishers have to share more of their revenues with record labels. They also built the reputation of the company within the artist and brand establishments. In the short term, the brand gained a credible association with authentic, cutting edge music. And in the long term, the success of the project provided a template that will give them access to more high profile artists in future.



Coca Cola & Master Shortie

Coca Cola provided the funding and facilitation for unique viral videos of several artists in association with AWAL (Artists Without A Label): a marketing company that supports unsigned acts. One of the artists who benefited was new discovery Master Shortie. Clothing company New Era and social network Bebo were also brought into the deal. The four way partnership was an exchange of exposure for credibility. In the short term, the brands' profile and financial support provided the artist with a platform to launch his career. The publicity Shortie obtained helped launch him into the mainstream and has increased his future ability to gain media attention. The association earned Coca Cola standing in Urban and other credible markets. In the long term it helped establish them as a discoverer and provider of new creative talent. The brand also established an ongoing relationship with Shortie which, as his profile and sales grow, may be leveraged for further promotion.



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3. Methodology

3: Methodology

Recapping 2008

The second forum follows on from the ideas explored in the first, which took place at MIDEM 2008. The purpose of that first event was to benchmark current practice by identifying key issues around the topic. These fell into Three Bs: Benefits, Barriers and Best Practice. It was agreed in the first forum that each side could offer the other something unique and beneficial. Music acts as an emotional consumption driver that can be utilised across a range of touch points and that can provide brands with greater credibility or authenticity.

Brands offer music owners financial support and a greater media and market reach. Clearly there are positive synergies to be gained from an alignment of brands and music owners.

But there are barriers too. There are many cultural, methodological and structural differences that can lead to tensions, misapprehensions and misunderstandings. Brands can be seen as 'corporate', the music industry as 'unprofessional'. Expectations on both sides can differ. Initial contact points can be hard to identify. And divergent aims can lead to missed opportunities. It was also established that best practice requires a more professional & formalised approach, a greater understanding of each other's needs and a greater sharing of skill sets. There should be greater accountability and more efficient measurement of ROI. Both sides need to work together to ensure an earlier and deeper embedding of music within the brand marketing campaign, and develop more progressive music campaigns: to move on from purely traditional models such as single-artist sponsorship and synchronisation deals.

Aims for 2009

With the first forum having established the benefits and barriers, the second sought to further explore best practice. The focus for the second forum was how, accepting and drawing a line under the agreed benefits and barriers,

successful partnerships can now best be achieved. Particular attention was placed upon the practicalities and scope of new associations.

Methodology

The forum was divided into two sessions. The first was designed to explore and focus participants' attention on the wide range and practical aspects of music and brand partnerships. Eight case studies were presented, details of which had been distributed

upfront. These represented a range of different partnerships encompassing sponsorship, endorsement, alternative distribution and other methods.

One or more of the key stakeholders involved in each explained how both parties had

benefited in the short and long term from the association. Before the presentations Valerie Chollet, who runs music marketing consultancy The Matching Room, identified five different branded music partnership typologies: synchronisation, sponsorship, endorsement, co-branding (with or without content) and a music experience. Each of these was described upfront of the presentations to provide a context for them.

The second part of the forum was a 'breakout' session and follow-up discussion. For this, the attendees were split into two groups: one representing the music industry (record labels, publishers, concert promoters, managers), the other representing brands (brands, advertising, media and marketing agencies). Each group was asked to consider how their 'side' approached partnerships: what had succeeded for them, what they required and how the road to success could be made smoother. To focus the discussion, a series of questions were put to both groups. These were designed to determine best practice for branded music partnerships (see below). At the end of the session, a representative from each group presented the answers, which were then debated.

Music acts can provide brands with greater credibility or authenticity. Brands offer music owners financial support and a greater media and market reach.

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