



In the Entrepreneurial Spotlight

Bootstrap Marketing in the New Music Industry

The music industry has undergone tremendous change over the last decade. Digital distribution of music has sent the traditional music corporation reeling. In the past, large companies in the music industry controlled everything from the creation of music through its production and its distribution. Consumers no longer have to buy an album produced and distributed by a major record company. Now music fans can buy just the songs they want by downloading them directly to their phones, tablets, and computers, often directly from their favorite artists. People's musical tastes have changed, as the long tail of marketing has created many artists with fewer but intensely loyal consumers. While the major record labels have fallen on tough times, a whole new generation of music industry entrepreneurs has emerged, including entrepreneurs who are artists, managers, software developers, and writers.

Erin O. Anderson is founder and artist manager of Olivia Management. She and the artists she works with are a part of the

entrepreneurial revolution that is changing the structure of the music industry. Anderson works with indie (independent) musicians, which means these artists aren't signed to record deals, and they don't have a big music label backing them and pushing their music into the market. The typical indie band tours the country in a van and sells merchandise in the back of a club, hoping to make enough to afford gas to the next venue and trying to scrape enough dollars together to make an album. These artists have learned to be bootstrap entrepreneurs with their music.

"As a band, it can be tough to get in front of the right audience," says Tyler Oban, CEO and drummer of the band Tin Cup Gypsy. "However, we were in a unique situation. The four of us in the band all had side gig experience. This opened doors for our band by making trades with the artists who called us to play with them. The deal was simple—let our band open for you, and we will give you a discounted rate as musicians." Although it was a lot of extra work to prepare both their own music and the music of the established bands they were playing for, this strategy allowed them to quickly get in front of big audiences and gain fans. "It also helped us to define our target market," says Oban. "Playing in different venues and in different musical genres quickly allowed us to focus on the fans we wanted to as our business gets bigger."

Producing music has also gone through significant changes. "I've had to get creative doing record promotion without a big budget," says Anderson. "Luckily, in the music world, there are a lot of technology start-ups. I do the research and find out what free and cheap tools exist to assist the artists in marketing their music."

Many other entrepreneurs have discovered that indie musicians need help and have developed an abundance of applications, programs, sites, and services to help artists reach their fans and market their music at a very low price or even sometimes for free. For example, Jamplify encourages fans of a band to share unique links to their music and earn special prizes for driving traffic to their Web sites.

"I love the idea that my bands' fans could help grow their fan base, so I volunteered to be a part of Jamplify's beta testing and got to use their service for free," says Anderson. "As a result, I have been able to drive thousands of new listeners to a music video my band had just premiered."

Another new tool for artists to bootstrap the growth of their customer bases is Noisetrade, an online music discovery site. Noisetrade enables artists to give their music away for free while collecting their fans' e-mail addresses and ZIP codes. "We have amassed great, active e-mail list of fans who enjoy the music and enjoy getting updates from my artists," says Anderson. "And they are people who are likely to buy any new albums my artists put out! My other favorite free music service is Next Big Sound, which sends a weekly dashboard that shows popularity, activity, and other metrics for musicians across social media, sales, and events. This free weekly report is sent to my in-box and contains an overview of what is happening on the Internet in regards to the artists I work with," adds Anderson. "It saves me time and money and enables me to make better decisions and have quick reliable feedback on the success of our marketing."



Tin Cup Gypsy.

Source: Tin Cup Gypsy Entertainment Co.



Ben Cooper.

Source: Ben Cooper.