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An Organizational Analysis of Independent Record Labels

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An Organizational Analysis of Independent Record Labels

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ABSTRACT

In this thesis, I will investigate the work structures and day-to-day operational analysis of independent record labels (“indies”) from across the United States and UK. These findings will then be applied to my personal experiences running an independent record label in Syracuse, New York as a way to evaluate our own operations.

My research constitutes a combination of scholarly studies and personal interviews with 9 different labels, studying work hierarchies, communication methods, office layout, artist interaction, creative disputes, and customer interaction.

In general, indies embrace flexibility, a pragmatic approach to costs and strategy, and a relatively informal power structure, alongside placing a premium on creative freedom to engender work based on a passion for art. Indies can channel this passion through their relatively fluid organizational structures to achieve profits on a smaller scale than major labels, but can also scale larger as needed. Larger labels, especially label groups, are much closer to the major label approach, but maintain a practical economic stance alongside a less rigid approach to artistic output than the aforementioned majors. With regards to our operations in Syracuse, we failed to establish a strong communication methodology and work schedule to promote consistent output, and so could not keep up with the increased workload of running a label while still at university.
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PREFACE

Over my time spent as an undergraduate student at Syracuse University, I’ve tried to remain as closely tied to the campus music scene as I possibly could. This commitment has manifested itself in a variety of forms over the years, but no effort has made as much impact as O, Morning Records, a small, indie (short for independent) record label that I formed in a dorm room my sophomore year (2008) of study for a degree in Recording and Allied Entertainment Industries.

From 2008 to the end of 2010, O, Morning was a major player on and off campus, and made a name for itself by throwing numerous live music events and house parties, as well as promoting some of the best music Syracuse had to offer. However, in winter of 2010-2011, O, Morning caved in on itself. This was a result of many internal miscues and the inexperience of my first venture in the world of independent music, and shaped my understanding of the field to a considerable degree. I wanted to expand on that experience and knowledge by taking a look at some of the larger independent record labels both in the United States and the United Kingdom in an effort to better understand their work structure, business approach and general company atmosphere.

It is my belief that a study of these labels will yield valuable information to those interested in the field of independent record production, promotion and releases, showing the corporate (and often not-so-corporate) operations that these labels engage in to stay in business day in and day out.

What Is Indie?
In the current music landscape, “Indie” is a term that gets thrown around quite frequently, used to describe anything from a band’s sound (anything from experimental electronic music to guitar-centered music with punk roots) to the mentality behind their touring and record production (as Do-It-Yourself as possible), as well as to the mentality and orientation of a record label that releases music from these artists, or any artist outside the mainstream. However, these terms and definitions are vague, with a fair amount of bleed between categories, and do little to actually qualify labels for any sort of real study. Instead, it is necessary to qualify the nature of independence in a record label, and from there create a working qualification for the labels I wish to study.

A good starting point comes from Patrick Wikstrom in his book *The Music Industry*. He describes the identity of indies against the working model for what are called the “Major Record Labels:”

The concept of the major deserves further attention. ‘A major’ is usually the term used to represent a large copyright firm with operations in several countries and in control of a well-established distribution machinery. The major is usually publicly traded, or is a part of an entertainment conglomerate. This should be compared with ‘independent (companies)’ or ‘indies,’ which usually are the opposite of everything above, and have a stronger focus on the text, the creativity and the art, rather than the commerce. The work created within the realms of an indie is considered to be less a part of the capitalistic system (28).
Hence, creative control and economic orientation both play heavily in the identity of independents, but it is also important to note the issue of distribution. While some labels can operate their own distribution system to get records in stores across the country, most must rely on outside companies to perform this task; a necessary practice if high sales numbers are to be achieved (O’Connor 35-36, 43). Each of the four major record labels (EMI, Sony, Universal and Warner Brothers) all have their own independent distribution arms, through which many independent labels across the spectrum of income levels and professional orientations patronize (Oesterle 10). This creates some friction with the independent classification, as many have argued over the years that being distributed by a large corporation removes the independent spirit from a record (O’Connor 38-39).

Even so, this business arrangement has little, if any, impact on the creative output of these labels, serving primarily to get records in stores that were previously unavailable to smaller labels. Hence, I have chosen to keep distribution out of the definition of an Indie label, instead using it as a piece of the general organization and structure of the label, and a way to compare sales figures between indies that have to chosen one distribution approach versus the other.

I should also note here, that for the most part I have chosen to look at relatively large indie labels. While there are many labels much like mine that are run out of bedrooms and achieve modest regional success at best, I have found that even relatively small labels with a set routine and structure make for a better
study: showing how office dynamics and environment can shape the routine for a release, and provide a better view at how a record label can be run successfully.

However, it should also be noted that this precludes a somewhat capitalistic viewpoint towards the sale of music. While the lofty ideals of an independent label are consistently espoused by management, it is very difficult to escape certain financial realities: “Any venture has to be able to pay the bills, make improvements in facilities, have access to capital markets, experiment with new methods and so on; otherwise the venture will eventually vanish (Wikstrom 25-26).”

Accordingly, my definition of an indie echoes the idea of “a label not owned by a major music company (Oesterle 11),” while simultaneously taking into account a relatively large distribution and an organized corporate structure of some sort.

A Brief History of Indie Music

There is nothing new or different about art and music being produced without the aid of major corporate financial backing (i.e. folk, early hip-hop and early dance music), but there is something to be said for the sheer size, scope, and reach of the modern independent music culture, in which artists playing small gigs are able to make a living touring and releasing albums for a small community of fans that spread the entire country, and in some cases, the world. The fact channels exist now for the promotion and dissemination of independent music
often completely without the operating clout of major corporate label budgets make it a unique subject for discussion.

Author Kaya Oakes traces the rise of modern independent music to the small, budding hardcore punk record labels of the 1980’s, which created their own underground networks for music distribution for the sake of control over the image and content of their constituents’ art (Oakes 44-46). These labels were based on philosophies heavily rooted in the doctrines of nonconformity, mutual support and respect, and an unwillingness to accept the status quo of commercialized, commoditized culture, opting instead for homemade, individualized creative practices (O’Hara 24, 36-39). This mentality of Do-It-Yourself pragmatism slowly bloomed over the course of the next 10 years, as the spread of ‘zines (cheaply made home-grown magazines featuring writings usually centered around punk and/or local independent music) and the establishment of underground touring networks carried the gospel of independent music across the country (Oakes 62).

With the development of hundreds of small local scenes, the varying flavors and interpretations of punk philosophy created a diverse and subtly interconnected national underground music scene that many labels built on to launch their acts to ever-higher levels of success. When Nirvana, an act from Seattle, Washington broke into the national spotlight, it had already been touring and promoting their records (on the then-miniscule Sub Pop Records), and rode its success all the way to a major label contract (Oakes 118-133).
Since the early 90’s, the idea of independent labels has blossomed outwards, taking the ideas of creative control, independent promotion and a more focused, budget-conscious approach to releasing music and expanding their application far beyond the genres of early punk and its myriad local variants. One look at the roster of Sub Pop Records, will show a diverse range of acts, from folk-tinged pop to experimental ambience and even the occasional hip-hop act (Sub Pop site). What’s more, these labels have, over the years, built artists into chart contenders. Studies done by the American Association of Independent Music have shown respectable growth of market share for indies over the past decade, with digital sales share growing as much as 4% between 2006 and 2009. Independently released music also accounts for up to 40% of web radio audience impressions, a marked percentage over the 10% played on terrestrial radio (Mahoney). Clearly, the Internet has leveled the playing field, and enabled artists and labels to reach a broader audience, increasing both their sales and their influence significantly.

Even acts with an already established global reach have begun to incorporate a Do It Yourself ethos to their music release strategies. In 2007, rock superstars Radiohead released their latest album *In Rainbows* online, offering it to fans as a “pay what you want” download. Completely sidestepping the profit deductions associated with any sort of label, Radiohead netted over $2.7 million in profits; an astronomical sum for a self-released album. Other acts like goth-rockers Nine Inch Nails would follow suit, offering similar direct-to-fan release packages that netted the act millions without any help from a major (Knopper
While labels are still necessary to help break small acts and promote bands as they work on their careers, the newfound flexibility of artists in their career choices echoes the DIY sentiment of independent music, and illustrates the significance of this mentality within the structures of a label.

**Why a Structural Study?**

With the increasing significance of the independent mentality in the production and release of music, Indie labels present an interesting subject for study. First off, it should be noted that Indies, or any record labels for that matter, function as gatekeepers, selecting a few potential talents from a wide range of potential musical acts, and then promoting them to a wider audience. Serving as a bottleneck of sorts, a label provides a way to organize and sort through the enormous number of bands currently playing music (Shoemaker and Reese 105). These labels may be noted for a particular approach, set of values, or just a specific sound that they are known to choose for their releases, and may have a loyal fanbase who trusts them to release music that they will enjoy (O’Connor 85).

But on a more pragmatic level, labels also exist as a business necessity in many cases. Artists specialize in making their art, and while in some cases these artists may also choose to take the wheel on the promotion and distribution of their art as well, for the most part these roles will likely be filled by others. This is where the record label comes in, “stressing their ability to understand how to distribute music to consumers (Negus 177).”
What’s more, when an artist engages with this system for distribution and promotion of their work, the work that they produce becomes almost inextricable from the process. The acceptance of production deadlines, office routine and even the organizational roles given to workers in a company can affect the way an artist engages with their work and with the system involved to promote it (Negus and Pickering 48).

The aforementioned routines and structures of an independent record label are what I wish to study with this research. By applying a set structure and formal strategies to the release of recorded music, labels are better able to plan for their artists, and to ensure a steady stream of content over the course of a financial year (Negus 31). To ensure this “systematic” release pattern, it is then necessary to have a set of “stable, underlying factors” that enable a company based on creative content to operate effectively (Shoemaker and Reese 28). These routines also aid a company in coping with “physical constraints,” such as financial shortages or other difficulties encountered by small businesses (Shoemaker and Reese 119).

**Summary**

This study will first look at my experiences, then will aim to explore the operational practices and structural layout from the perspective of the record label employees that I interviewed. I will include as much detail as possible, showing how companies range in their approaches to promoting and releasing independent music, as well as how they work with their artists and consumers to secure a workable and relatively consistent process.
In Chapter 1, I will profile the ups and downs of my own record label, and will discuss the problems we faced over the course of our operations. Chapter 2 will profile each of the record labels I interviewed, and draw parallels between their histories and organization. Chapter 3 will look at the structure of the office, as well as the physical layout and business operations. In Chapter 4, I will analyze the approaches of these labels to artist relations and interactions with regards to the creative process. Chapter 5 will study relationships between the label and its customers.
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A great deal of passion and heart was poured into this project, both from the research side and the practical operational side. Accordingly, there are a number of people whom I owe the utmost gratitude to; for their knowledge, their experience, their support, and their care.

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And most importantly, I’d like to thank my parents, for their never-ending love and support over the last four years of my education, both in and outside the classroom. Their patience, wisdom and guidance have been formative in my development, and are the main reason I’m here today.
CHAPTER 1 – O, MORNING RECORDS

The primary motivating factor for this research was drawn from my experience running an independent label in Syracuse for two years of my undergraduate study. I originally formulated the plan for O, Morning Records while a sophomore, living in a dormitory with several students from the Bandier Program for Recording and Allied Entertainment Industries. The goal of this chapter is to summarize the history, motivations, practices, triumphs and ultimately, failures of this entirely student run company.

Foundation

O, Morning was originally founded by my roommate and fellow Bandier Program student Sam Mason and myself in late November of 2008. For the first few months of our Sophomore year, Sam and I had been discussing the opportunity to make a real impact on the music scene on campus. Syracuse had recently graduated one of their most successful alumnus: Ra Ra Riot, a band of 2007 seniors who played a strident brand of string-inflected rock. The band has since signed to Barsuk, and moved their operations to the New York City area. They did maintain contact with Syracuse, occasionally playing shows here, and even shooting the occasional promotional video, but their increased distance left a sizable hole in the campus-area music scene (“New Ra Ra Riot Video”). Now, it was rare to find a decent weekend show, and new bands were few and far between. I had seen the occasional band at a house show here and there, but
nothing consistent had been done to make a conscious attempt at a real musical community outside of campus events.

Our chance came when we met Sarah Aument, a freshman Newhouse student from Kennett Square, Pennsylvania. She had a talent for crafting beautiful folk-inflected pop melodies, calling to mind current singer-songwriters like Ingrid Michaelson and Leslie Feist, both of which she cited as major influences. We heard her play a few of her songs after spending the night at a funk concert at local venue Funk n’ Waffles. The reaction was instantaneous. Sam and I were blown away by her fantastic voice and her captivating lyrics. We told that we had to put her music out, and that we would be willing to form a label with the express purpose of releasing it. Naturally, she was immediately taken.

The next few weeks saw us trying to make a concise plan for the next semester, discussing the logistics of live shows, touring, recording and promotion with Sarah at every meeting. She was at our dorm three to four times a week just sitting and talking, or occasionally playing us a few more of the songs that she had been working on. In retrospect, we were totally unaware of most of the work required to launch any sort of artist, and had most likely resolved that people were naturally going to be blown away when she took the stage. We also recruited the help of our professors to offer some guidance towards promoting Sarah and breaking her out into the campus scene, and then across the region.

When we returned back in January, we immediately set to work promoting her music. We redesigned her Myspace ourselves, created Facebook pages for both her and O, Morning, and began to pass what music she had around to our
friends as often as we could. Sam formed a band for her, with him on bass and another of our roommates, Michael McNeil-Martinez, on drums. Several weeks later, we put together our first promoted show at Funk N’ Waffles, bringing over one hundred people into the door, and making a sizable sum for our first event (over $300). We were ecstatic.

Given this momentum, we were hungry for more, and began planning another show. This was to be Sarah’s first EP release party, and would be hosted in the attic of a close friend of Sam’s. We planned for another few weeks, and in mid-April we had another hugely successful night, giving away over 150 copies of her EP. At this point, we held off on releasing the album for free download however. We strategize that we could use it during the summer to build some buzz for Sarah while we weren’t at school. For the next few months, I made it a point to get on Twitter (which at this point was starting to take off as a major communication system), and promote her heavily. When the EP was released, we saw another several hundred downloads, some as far away as Georgia.

It should also be noted here, that I was also involved in my own band, an experimental folk act called Bears In America. I had been working around my commitments to O, Morning Records and school to find time to practice and write with my friend Matthew Gasda. We had been looking for a show for several months, and finally put one together between Sarah’s first show at Funk N’ Waffles and her second in April. The show fell on the last night of school before Spring Break, and was held at Spark Art Space, where we brought in several student artists to display alongside our music. Sarah played with us, as did a
friend of ours named Kevin Hegedus. Kevin had been recording by himself for several months, and had a solo project that he entitled Mouth’s Cradle, which incorporated lo-fi recording quality and a staggering pop sensibility into a fantastic package. He ended up stealing the show from both Sarah and us, and forced Sam and I to reconsider our one artist position. We put a second show on with him at the end of the year, which was equally well received.

By this point, we had reached the summer of 2009, and Sam and I began to plan for a weeklong tour at the end of vacation. While Sarah was obviously our first priority, we realized that it was entirely feasible to bring along Bears In America, as well as Mouth’s Cradle. Sam also decided to recruit a friend of his named Harrison Willis, who had been abroad for the past semester, and who was a phenomenally talented DJ named Big Mouth, to come on the road with us as a closer of sorts. This tour marks the beginning of what I would refer to as the golden age of O, Morning Records.

The Halcyon Days

The tour was a moderate success. With what little experience we had for booking and touring, we ended up playing shows in Ithaca, NY; Allentown, PA; Kennett Square, PA; and two shows in Annapolis MD. Ironically these all ended up being hometowns of people from each band. The outcomes of each varied, with some being rousing successes financially and promotionally, and others being a comical failure (when no one showed up and we could barely afford gas for the next show). In the end, we ended up losing about one hundred dollars total
over the course of seven days, and making minimal impact on potential new fans, but couldn’t shake the excitement generated by such a dedicated group of creative people.

When we returned to Syracuse as Juniors in August of 2009, all of the artists from tour sat down and signed brief, one-page contracts with O, Morning, pledging basic rights and services to be performed by both sides. We also signed one more band, a group of sophomores named The Northbound Traveling Minstrel Jugband, who played folk-driven rock and roll, and who were all phenomenally talented at improvisation. They also showed a tremendous work ethic, unseen with any of our other artists (myself included) that allowed us to promote them and provide them with moderate resources (flyers, money, etc.) while they did most of the leg work themselves.

That September, we also added a third member to the O, Morning family: Kyra Zeller, a fellow Bandier Program student and a friend of ours since freshman year. We had worked on several of our shows with her, and had decided to invite her on as a full-time third member. Kyra has been onboard ever since, and has been one of the best resources we have ever had.

With these pieces in place, I began to work almost nonstop at booking shows. By the end of September, there were O, Morning shows lined up for almost every weekend of the fall semester, either at venues like Funk N’ Waffles or at house shows around the residential areas of University Hill. We threw several dance parties with Big Mouth as well as some smaller shows around campus, and one final blowout in November, The O, Morning Showcase.
Featuring performances from all of the acts on our label, including a newly reconstituted Mouth’s Cradle (Kevin had begun focusing on hip-hop and collaborating with friend Brandon Linn), the show was considered a “can’t miss” event, and we received tremendous press from several campus news outlets (Vilas-Boas). It ended up being the high water mark for our label, representing the point at which we were, for all intents and purposes, the beginning and ending points for the campus music scene.

However, this sort of title came with extremely high demands on our time. I was preparing to go abroad the next year, and was forced to take a job at Community Folk Art Center on Genesee Street as Marketing Assistant. With the increased workload, I was spending very little time sleeping and probably even less on my schoolwork. I had been assigned the task of constructing their website, and communication issues at the Gallery kept me working extremely long hours (probably over 15 per week). Fear over losing my job and not being able to afford a semester in London began to weigh heavily on my mind. I became extremely stressed, and was handling too large of a workload for me to really commit my full attention to anything. The result was a near-nervous breakdown after receiving a large noise violation ticket for a November Mouth’s Cradle show at my friend’s house. After that show, we decided to hold off on any more events for the semester.

When the curtain finally came down on Fall of 2009, we stood as a record label with a hegemony over much of the music scene on campus, a cash box of over $1,650, and plans to finally follow through with physical CD releases for
Mouth’s Cradle, Sarah Aument and Northbound Traveling Minstrel Jugband. However, we realized that more money was needed. As our last action of the year, we opened a pledge drive on Kickstarter, a social website that allows crowd-sourced funding of creative projects (“O, Morning Records First Record Pressing”). Over the next month, we watched as money flowed into our account from friends, family, and even the occasional stranger who liked our site or music. By the end of the drive, we had collected more than $6,000, and were ready to begin work when we finally returned to school. However, the upcoming semester would test our limits more than we had expected.

The Wheels Come Off

After returning for the spring semester, we made the decision not to extend ourselves as far as we did last semester. Instead, we planned a few shows, and began to talk with our artists about pressing CD’s. We were planning on paying to have CD’s burned, printed and professionally packaged through an independent production company called Groovehouse Records, and had the budget available to do it, but there seemed to be hesitation to push forward.

This was where things began to sour. Sarah Aument was frequently vague on when she would finally finish her record, and was also feeling alienated, in part from the addition of more artists, which had put her as part of a stable, and no longer our sole concern. She was also feeling conflicted over whether or not she wanted to contribute all of her time to being a musician, which in turn led to frictions when O, Morning advised her to get out on the road and tour.
In fact, much of our issues with artist conflict sprung from realistic expectations on playing live and touring. With the exception of Northbound Traveling Minstrel Jugband, none of our artists played out very frequently, and often leaned on us to procure them as many shows as we could. These logistics were relatively difficult for the time we were already spending towards album planning and promotion. In short, we were understaffed, and the demands were quickly escalating to a frustrating level.

That being said, we did have some extremely pleasing high points. We finally began booking artists from outside Syracuse as they came through town, including a few very close friends from my hometown of Buffalo, NY, and we even managed to throw what was considered the best independent show of the year (and possibly the best for many years to come), when we brought up and coming artists Sleigh Bells to Spark Arts Center for a rousing concert in early April (Wells).

Our most egregious problems, however, sprung from our relationship with Mouth’s Cradle. Over the past few months, they had been working on their debut album, and now were asking us to work towards its final release. However, ideas of quality and production practices had kept the album solidly grounded. Sam and Kyra wanted to make sure there were a solid master and several rounds of screening with regards to song quality and album artwork. This led to increased friction between the band and us, with opinions flaring over into extremely heated debate and occasionally outright argument.
Mouth’s Cradle was also working with a new manager, freshman Max Gredinger, who was serving as middleman, but also was having a hard time working with Brandon Linn, whose upcoming graduation was making him anxious to release the album and start promoting. On top of this, Brandon had decided that Mouth’s Cradle deserved almost all the profits from any release of their record online. He felt that since they were doing the primary promotion and production for the digital version, they were entitled to 90% of the income. To us, this was a ridiculous request, and we were all extremely offended.

At the end of the conflict, Max ended up releasing the album digitally on iTunes in April of 2010 without consulting us, making us look as if we didn’t really have a clue as to what was going on with our label. We were forced into rushing out a physical pressing, printing far too many, and botching the final track listing.

This was the final straw. After several major arguments over track listing, it looked as if we had deliberately gone over their heads and changed the tracks. By the end of the semester, Mouth’s Cradle had made the decision to part ways with the label, and began work on their own. For them, it was the right decision: we hadn’t accomplished anywhere near the amount of exposure Max Gredinger had done for them in less than half the time they’d worked with us, and we were becoming increasingly hostile to their demands as a result of issues with ego and lack of experience. To this day, we have not seen a dime of income from iTunes sales, the site where Mouth’s Cradle has sold a predominance of their albums. A
quick estimate would likely entitle us to somewhere over $400-500 dollars
judging by the success the band is seeing now, or possibly even more than that.

This was the beginning of the end for O, Morning Records. We had let
the pride of what we had created block out the path that had gotten us to such a
level of success in the first place, and so had failed with one of our artists. It was
unbelievably disheartening, especially given our reputation for focusing on the
artist and a positive rapport. Naturally, we left the semester feeling somewhat
turned off of the entire experience.

**Disintegration**

There wasn’t much more to be said. Kyra and I went to study abroad in
London in the fall, and without a dedicated team to run the label, Sam could only
do so much. We released a debut album from Northbound that May of 2010, and
finally released Sarah’s debut in September, when I was beginning classes in the
UK. Ironically, the artist that set this entire sprawling mechanism into motion
was the last to release an album on it. By the time we returned this January, our
money had all been spent, no one had bothered to give us a cut of profits
(regardless of what the contracts said), a figure that likely would have sent
another $600-700 our way easily. Artists had gone off in their own direction and
begun to do the work themselves. There was nothing to do but recognize that O,
Morning Records had finally died.

In hindsight, there are several areas that finally doomed us as a label. The
first of course, was a general lack of experience in running a music company like
O, Morning attempted to be. The second was money. Since we didn’t have much to start, we cannibalized our profits through Kickstarter, and created a grey area for actual break-even points with our artists. This led to confusion and a considerable number of harsh words around the subject.

**Conclusion**

We gained a lot from running O, Morning Records: experience, contacts, and uncountable numbers of friends. Just looking back as I finish this reflection raises some emotional memories and. The label was about doing something we loved, and in the end it was buried beneath our own expectations for it. For that experience I am thankful, but I also recognize the need to contextualize its life in the lineage of larger independent labels with a diverse artist base. This study springs from a desire to understand the issues we contended with running the label, and how to move forward after its final demise.
CHAPTER 2 – RECORD LABEL PROFILES

This chapter will introduce the record labels that I have interviewed, providing a brief view at the background, size and scope of each label, and should give an idea of the orientations of the label selections I made.

When choosing my labels for interview, I decided to focus my search to record labels that released an extremely diverse range of music. Because O, Morning released albums from artists across the musical spectrum, I wanted to choose labels that would engage similarly with marketing and promotion assignments across a wide range of music. Accordingly, each of the labels I interviewed showed a willingness to release many different genres and types of music within the same year.

After sending out emails and calling over 20 labels, I managed to get interviews with 9 labels based in the United States and United Kingdom. The data reflected here provides a sketch of the orientation of each label, providing a quick glimpse into operating style and setup. For example, the number of sales shows not only how successful a label may be at marketing and selling a product, but whether or not they take a more active role in developing smaller artists who cannot yet sell a large amount of product. Distribution choices may reflect the organization’s size and scope, but a choice between indie distributors and majors may also reflect an “anti-majors” stance, which may also be echoed by the label’s history.

The Labels:
**Beggar’s Group**
**Location:** London, UK  
**Interviewed:** Stewart Green  
**Active Artists:** 119 over 4 labels  
**Releases per year:** 40-50  
**Sales per Release:** 200-400,000  
**Distribution:** P.S. (indie) – owned by Beggar’s Chairman/Founder Martin Mills  
**Staff Size:** 97  
**About:**  
Beggar’s Group is an interesting case to look at for this study, as they are actually a consolidated group of labels (XL, Rough Trade, 4AD, Matador, etc.) all held under one name. The original label, Beggar’s Banquet, was formed in 1974 by Martin Mills, and grew over the years to absorb some of the largest names in the indie label sphere. Their organization and structure, combined with their background and orientation makes for a fascinating look at the operating scale of the biggest independent labels (“Matin Mills Q & A”).

**Domino**
**Location:** London, UK  
**Interviewed:** John Dyer  
**Active Artists:** 20  
**Releases per year:** About 30 albums per year  
**Sales per Release:** 30,000 to 300,000 on average, biggest sellers have done over 1,000,000  
**Distribution:** Europe – Network of indie distributors, USA – ADA (Warner) - major  
**Staff Size:** 35 in UK, 15 in US, 2 in France, 3 in Germany, 1 in Singapore (around 56 total)  
**About:**  
Founded in 1993, Domino records has achieved a great deal of success in the UK and worldwide through the release of albums from indie rock legends Sebadoh, underground folk musician Elliott Smith, and experimental pop band Animal Collective. The label has a long history of bringing American artists to the UK, but also has done large album releases in the past several years from art-punk bands Franz Ferdinand and The Arctic Monkeys (“About Domino”).

**FADERLabel**
**Location:** New York, New York  
**Interviewed:** Jon Cohen  
**Active Artists:** 6  
**Releases per year:** 2  
**Sales per Release:** Smaller projects – 15,000-40,000; Larger projects – over 100,000  
**Distribution:** RED (Sony) - Major
**Staff Size:** Dedicated team of 10, composed from workers at Cornerstone Promotions

**About:**
FADER Label is a creative offshoot of the FADER magazine, owned and operated by Cornerstone Promotions, a music marketing and media company. As a result, the company is operated internally from the Cornerstone office in New York City, and is completely internally staffed. It was founded in 2002, and has released very successful albums from punk-pop musicians Matt and Kim, as well as works from experimental soul and hip-hop artist Saul Williams and folk-rock band Birdmonster, among others (Cohen).

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**Kill Rock Stars**

**Location:** Portland, OR/Olympia, WA

**Interviewed:** Portia Sabin

**Active Artists:** 12

**Releases per year:** 5-50 releases, including 7” and other releases

**Sales per Release:** 500-300,000

**Distribution:** Red Eye (indie)

**Staff Size:** 6

**About:**
Kill Rock Stars was founded in 1991, and is held in high regard as a premier voice in new music from the Northwest. The label was founded to release punk and rock music from bands like Bikini Kill and Rancid, but has since expanded to release works from indie folk musicians The Decemberists, experimental rock act Deerhoof, and spoken word poet BARR. They are also known for being one of the few female-run record labels in the United States (“About Kill Rock Stars”).

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**Dangerbird**

**Location:** Los Angeles, CA

**Interviewed:** Suman Chatterjee

**Active Artists:** 18

**Releases per year:** 5-10

**Sales per Release:** 2,000 to 400,000, depending on artist

**Distribution:** Fontana (Universal) - major

**Staff Size:** 15

**About:**
Founded in 2000 by Peter Walker and Jeff Castelaz, Dangerbird Records operates as a one-stop label, not only performing the roles of most independent record labels, but also offering licensing and management capabilities to the artists they work with. They have released albums from indie rock stars Silversun Pickups, as well as soul act Fitz and the Tantrums and folk-rock act Eulogies (Wood).
K
Location: Olympia, WA
Interviewed: Mariella Luz
Active Artists: 18
Releases per year: 8-12 full-lengths, just as many singles and 7” records
Sales per Release: 3,000-3,500
Distribution: Secretly Canadian (indie)
Staff Size: 7
About:
K Records was founded in 1982 by Calvin Johnson to release music from the various bands of the Northwest and Midwestern US. From its origins as a small cassette operation to its current role as a long-revered tastemaker, the label has released albums in the past from artists in fields as diverse as hip-hop, experimental drone, world music, and folk. The label site defines itself as staunchly independent. (“What Is K?”)

Jagjaguwar/Secretly Canadian/Dead Oceans
Location: Bloomington, IN
Interviewed: Kathy Cook
Active Artists: 25
Releases per year: about 20
Sales per Release: 200 – 100,000
Distribution: Secretly Canadian (indie) – self-owned
Staff Size: 17
About:
These three labels are the result of a three-way partnership that has consolidated over the past 15 years. All labels share office space and resources in Bloomington, thereby creating a model similar to Beggar’s Group’s multiple label structure. The three labels have released artists as diverse as folk musician Bon Iver, experimental rock act Small Black, folk-rock band Okkervil River, experimental world pop artists The Dirty Projectors, and classically oriented pop group Antony and the Johnsons (Cook).

Lefse
Location: Sacramento, CA
Interviewed: Matt Halverson
Active Artists: 16
Releases per year: 15
Sales per Release: 100 – 10,000
Distribution: The Orchard
Staff Size: 3
About:
Lefse Records was founded by Matt Halverson in 2009, and has gone on to release records from a number of currently successful artists, including experimental pop artist How To Dress Well, electronic musician Algodón Egipcio, and psychedelic rock band Woodsman. They are the youngest record label in the study, and reflect the emergence of new labels in the current music scene (Halverson).

**Drag City**

**Location:** Chicago, IL

**Interviewed:** Rian Murphy

**Active Artists:** 24

**Releases per year:** about 30 (singles and albums)

**Sales per Release:** From 500 to 250,000

**Distribution:** Revolver, Carrot Top, Forced Exposure, International office to deal with other countries (all indie).

**Staff Size:** 9 in Chicago, 1 in London

**About:**

Formed in 1990 by Dan Koretzky, Drag City has evolved over two decades to be another legendary indie label with a fiercely defined stance against major label business practices (Howland). They have released records for time-honored indie acts such as Pavement, as well as folk artist Bill Callahan, experimental pop songstress Joanna Newsome and noise rock artists Sic Alps (“Drag City Artists”). It is also worth noting that Drag City is the one label I interviewed that does not sign contracts with their artists (Murphy).

**Analysis**

The labels interviewed here represent a diverse selection from the current landscape of independent music, varying in age, sales, and office size/structure.

First off, it is worth noting that the three older labels, Kill Rock Stars, K and Drag City all come from a relatively similar background. They all have genesis from the post-hardcore boom of small, underground indies across the country that sprung up in the late 1980’s and early 90’s. Their oppositional mentalities towards major label relationships (including distribution) are markedly similar, and may potentially reflect a common bond of label philosophy. Newer labels FADERLabel, Dangerbird and to a certain extent Domino all utilize major-
label distribution (Domino only for USA releases) to move their physical product. The youngest label, by far is Lefse Records in Sacramento. It is only 3 years old, but has made a name for itself through a number of high profile releases. Lefse is the only label that embraces the newer digital aggregator The Orchard to move their products, and the larger label groups, Secretly Canadian and Beggar’s Group both own their own distribution systems in some capacity, reflecting a large scale while still employing a Do-It-Yourself mentality to selling music on a global scale.

It is interesting to note that it is not always the case that the labels with the largest rosters and biggest structures are releasing the most music. The comparatively tiny Kill Rock Stars Label does almost as many releases as Beggar’s Group each year, based primarily on the number of 7” records and other music pieces that they will press, including those by outside artists.

Also, there is limited correlation between label size and sales numbers. Both large and small labels will move small numbers of records, even in the case of label groups like Beggar’s. They do this by making cautious estimates on sales, and “cutting the cloth accordingly” with regards to campaign budget (Green). It is also worth noting that K Records sells a relatively constant number of records, perhaps a testament to fan base that K has maintained over the years.

It is also an interesting distinction to note that FADELLabel’s position as a label is merely an extension of the roles of Cornerstone Promotions employees. Accordingly the label is more a function of the office than a freestanding entity, as all other labels mentioned here are.
Geography is a last segment to note. While most major labels are based in New York City, the labels here show the far more regionally spread nature of independent labels. Staff and scope-wise, Secretly Canadian is one of the largest labels I talked to. Even so, it is based in the relatively small city of Bloomington, IN, where they are able to operate at a lower margin than they likely would be able to in New York. This is not to say that there are no labels in New York or other major metropolitan areas. Both British labels were based in the hub city of London, and many labels that I did not receive a response from were also in New York. Even so, I merely maintain that geographically it is not a necessity to be in a major urban hub like New York, Los Angeles, London or otherwise.

Clearly, the record labels surveyed in this study create a remarkable spectrum from which to pull from. They vary based on size, scope and sales, as well as personal background and history. Represented here is the old guard of indie labels, the new labels of the digital era, and many more in-between. In the next three chapters, we will take a much closer look.
CHAPTER 3 – STRUCTURE AND WORKFLOW

With O, Morning Records, there was never a set office space, and meetings were almost always set up around the constantly changing schedules of busy university students. Roles (press, campus promotion, merchandise/CD ordering) were generally assigned based on the project, or on who had previously worked with our various artists. As a result, it was rare to see any sort of set work practices evolve, and there was often confusion over what was supposed to be done by whom.

We would have benefited highly from a set working structure, and well-defined working roles for each person. This sort of organization would have made it much easier for us to keep each other up to date and on task. Accordingly, I wanted to subject the labels in this research to a study that would trace the way decisions are made in the company, based equally on routine and organizational analysis, which “seeks to explain variations in content that cannot be attributed to differences in routines and individuals” (Shoemaker and Reese 139).

In this chapter, we will look first at the actual physical work conditions that these labels operate in, and then break down their day-to-day work operations, including office communications, work practices, office roles and methods of organization.

Typical Roles at an Independent Record Label
A record label generally consists of a number of positions centered on interacting with an artist, marketing their work and making sure that it gets to the consumer. It should be noted, however, that not all record labels have each of these positions in a one-to-one correlation, but that most of the key roles and tasks are filled regardless (Oesterle 12).

Generally, artists begin their interaction with a label through Artist and Repertoire (A&R), the department centered on finding new talent and bringing it on board with the label. The department also offers creative guidance and input while an artist is preparing the final work. Once on board, the artist generally also will work with the artist development department, which handles the day-to-day tasks of an artist’s release. Once these pieces are in place, and a record is ready to be released, it comes down to the publicity and/or marketing departments to get exposure for a record and to create a story behind the artist. Record Labels also usually contain a creative services department, which handles design and other items in a promotional campaign to “physically represent (their) artistry” (Macy 95-97).

Of course, there is also the nuts-and-bolts side of any record label, generally referred to as business affairs. This department generally manages licensing of music to third parties, handling contract negotiations and re-negotiations, settling contractual disputes, and also taking care of royalties and other payments to an artist (Macy 94-95).

**Working Space**
“Space design and space arrangement have always been crucial to productivity”, says writer Richard Florida in his book, *Rise of the Creative Class* (124). In it, Florida studies the current work climate and shifting values of the new American workforce. One major shift, he notes, is the movement towards more “traffic-oriented” office:

lots of common spaces with offices opening onto them, instead of private spaces with locked doors for the big shots and rows of standardized cubes for the rank and file. The new offices may have cubicles, but the inhabitants are encouraged to decorate and customize them. (Florida 122-123)

This structure enables “rapid generation and transmission of ideas across the enterprise” (Florida 127). In my interviews, both in person and over the phone, I found that this seems to primarily be the case for independent record labels of almost every size and orientation. For the most part, labels operated out of a large loft office or some other sort of one floor space that utilized the same “traffic-oriented” approach: generally, most workers were placed in a central “pit,” where their desk or cubicle is located. Around this shared area are the offices of higher up employees, including managers and label owners.

In some cases, however, there were some deviations. Due to FADERLabel’s position within the Cornerstone parent company, its members were spread out across the pit, interspersed with non-label members in various divisions of four person cubicles. As a result, the label has less of a physical presence, assembling to work in the same shared space only during office
meetings and other less-frequent gatherings (Cohen). Kill Rock Stars is based out of an apartment, with the two bedrooms housing desks for three workers, including label executive Portia Sabin (Sabin).

Due to the sheer size of Beggar’s Group, this office also has several variants on the previously mentioned model. The building in Southeast London where the company is located is divided into several sections, where its various labels are established. Outside of label spaces, there are also separate sections of shared desks for the accounting section, web marketing, and publishing. Design is also separated, placed in the basement of the building alongside a small warehouse section for press mailings and other small batches of albums or other product (posters, merchandise, promotional materials, etc.). Beggar’s also utilizes the second floor of the building to house their artists while on tour, providing them with a place to sleep while traveling through notoriously expensive London, UK.

While not a commonly seen feature, many of the labels I talked to had some sort of similar warehouse space for storing materials and easily sending them out. Secretly Canadian has separate space for their warehouse and distribution company, as does K and Drag City. Kill Rock Stars has their own warehouse, but it is located separately in Olympia, WA, and is connected to the office via frequent phone communications and email. K Records also maintains a recording studio, where 95% of their artists’ albums are made, and Dangerbird also has a studio.
For most labels, these findings point to a maximization of space for operations while maintaining as low an operating margin as possible. Obviously, as label size and profits grow, the offices may become larger or more complex (as is the case with Beggar’s Group), but an attempt at efficiency can clearly be seen, although not at the expense of comfort and operability.

**Outsourcing**

Continuing the idea of economic efficiency, I also found that most of the labels I interviewed looked to cut costs by outsourcing some tasks on a project-by-project basis. This allows them to maintain a competitive edge with larger record companies while keeping their overhead much lower. Even in larger labels, outsourcing was embraced in certain capacities to provide beneficial outside knowledge and skills.

For small companies, outsourcing has some key benefits. According to Florida: “the existence of good contract manufacturers makes it easier for new players to enter the field, and easier for all players to concentrate on their own creative work” (53). What’s more, other industry positions are also becoming “free-agent” markets, where jobs like press or marketing can be contracted out based on need and timeframe (Florida 106).

Almost across the board, manufacturing was sent out of house, even with the larger labels, with the one exception of Secretly Canadian, who seems to have achieved enough economy of scale to form their own manufacturing company, Bellweather Manufacturing (Cook). Every other label, however, either contracts
the manufacturing out, or has a third-party broker do it for them. Even Beggar’s Group, with the enormous number of artists they represent, chooses to outsource.

Press was also cited several times as an outsourced role, although this seemed to be more on a case-by-case basis. While most labels had their own press department, certain campaigns would hire outside help when it came to promoting record releases from artists where they might not have much prior experience promoting. For example, when Beggar’s Group released a record from UK rap artist Dizzee Rascal, they relied heavily on the presswork of the artist’s third party team. This was done because XL Records (the Beggar’s company who released his record) felt they were ill advised to promote the record themselves given what knowledge and contacts they had. In this case, specialist knowledge was vital (Green).

It is also worth noting that outsourcing was not seen to correlate with label size. I had originally expected to see a larger amount of outsourcing done with smaller labels like Drag City, Kill Rock Stars, Lefse and K, but instead found that it mattered more based on the skills of the employees in the office. Based on what employees were able to do for artists themselves, labels would make the decision whether or not to look outside of their own company.

**Roles and Hierarchy**

Working structures and company mentality play a large part in the atmosphere of any office. With these labels, I wanted to explore how these
factors might influence the environment of the company, and how it might guide interactions and working practices.

In the view of Shoemaker and Reese, the organization around a media company like a record label “formalizes conflict, an inevitable part of large, complex media operations, and the structure of these organizations represents the playing field upon which employees contend for scarce resources” (155). At the top of this competitive structure, there is generally a supervisor who ends up having the final say with regards to the company’s direction (163).

For the most part, my findings indicated a similar structure to Shoemaker and Reese’s model, with each department having formalized roles. While some work was collaborative by nature (i.e. the press department working with design for a website or other promotional material), roles remained relatively static. However, I found that some labels at the very lowest end of the spectrum with regards to employee counts and sales did in fact encourage group collaboration in a number of projects like album layout to complete them faster. At almost every label, the owner or label manager has the final say in most major decisions, but a strict hierarchy was not generally emphasized.

In general, labels espoused a relatively casual atmosphere with regards to their relationships and appearance. Not one label interviewed enforced a dress code of any sort, allowing casual dress for all employees. This practice draws a fine line between the employees of a more “music-first” organization and the age-old image of “the suit,” a corporate, major-label executive removed from the job and exceedingly profit-driven (Negus 77). This symbolic siding with the artist
reflects the informal mentality of these independent labels, and can be detected elsewhere as well. Kill Rock Stars even has an office dog, named Jackson (Sabin).

As mentioned previously, hierarchy is definitely detected, although not particularly emphasized. In larger labels, especially Beggar’s, Domino and Secretly Canadian, there is a finely defined power structure, but these prominent positions do not particularly affect the perception of the individuals filling them. Secretly Canadian executives and owners frequently engage socially with employees outside the office at shows and other events (Cook).

These labels also stressed a relatively defined set of roles for each employee or employee group. Each worker has their set of roles and tasks to perform, and they are expected to perform them in order to help the artist they represent succeed. Larger labels also generally have more than one employee to devote to tasks, and in the case of Secretly Canadian, employees are dedicated to specific artists (Cook). As we move down the scale of labels, however, there seems to be fewer consensuses on various roles and hierarchical structures. Domino, whose size and scope puts them just under the indie label groups, was the only company to reference an established group middle management supervisors, and the much smaller Drag City emphasizes a similar hierarchical structure and set roles as much larger labels, but also will see collaboration between departments to make sure work gets done on time. At FADERLabel, Lefse, and Kill Rock Stars, a relatively self-sufficient group of employees operates underneath a label head, which oversees major decisions on topics like budget, artist signings or other decisions.
K Records is the one exception to these structures, embracing what is almost a collectivist approach to the label. Any employee is free to challenge the decision-making structures in place, and employees do a fair amount of collaboration on projects regardless of the context. While label head Calvin Johnson effectively makes the final decision, it is quite clear that the general atmosphere of the office encourages the challenging of hierarchy if it seems that the system currently in place is ineffective or outdated (Luz).

**Office Communications**

Communication is critical in the operation of a label. The number of tasks that need to be performed in a timely fashion makes almost constant contact a necessity. If something happens last minute, there needs to be a quick reaction.

While working on my label, continuous communication between partners became a necessity. Frequent phone calls, text messaging and email allowed us to keep each other up to date on tasks. We also occasionally utilized Skype, an online video chatting tool, in order to get some face time in with each other when we were unable to meet in person. However, our prime method of communication and planning were face-to-face meetings, which we were holding twice a week at the height of our activity.

With the labels that I interviewed, it seemed that generally the two main approaches to contacting fellow employees and higher ups was either by face to face communication or by email. These two primary vehicles were notably used for different purposes. While face-to-face communication often served the needs
to an open office layout, email was also embraced as a way to make sure that there was a record of the topics and decisions discussed at a meeting or face to face exchange. Email was used to fix many responsibilities in writing for various projects, and the move digital files like music or press materials.

Some labels, particularly with multiple offices (Kill Rock Stars, Beggar’s) frequently used phone to make quick communication much simpler, and several labels also embraced online chatting programs like America Online Instant Messenger or Apple’s iChat to communicate quickly to fellow workers. This, in some cases, has actually led to a general decline in the amount of noise in these offices (Dyer).

With regards to office meetings and face to face communication of work goals, most label employees seem to go to about 1 to 2 meetings a week. These include a staff meeting for the entire label, and sometimes a departmental meeting in addition to this. These meetings last about an hour, and are the site for review of past project evaluation alongside new campaigns being launched and current campaigns being scrutinized then adjusted accordingly. They are primarily face-to-face. Only Kill Rock Stars meets less frequently face to face, primarily due to their second office being located in Olympia. Due to this, their staff meetings in person occur every 4-6 months, and are much longer, normally involving dinner and a fair amount of discussion. Lefse, on the other hand, meets three times every day, most likely due to the size of the label and the collaborative nature of its work structure (Halverson).
Marketing Different Genres

Working at any label means having to make certain marketing choices. These involve evaluating the artist, and making certain choices as to what genre, what specific set of musical identifiers and stylistic conventions, you might place them within. If, as Negus states in *Music Genres and Corporate Cultures*, genres are transformative and consistently shifting based on the conventions of the day (26), then the current independent label scene could be seen as a transformed conception of independent culture that sprung from the 1980’s hardcore punk underground. As tastes and values have changed, indie labels are releasing music from all over the genre spectrum, regardless of background or orientation.

When I started this project, I thought that the (perceived) static nature of genre made the release of this diverse blend of music an ironic coincidence. I thought that the broad nature of these labels’ catalogs would force them to adopt different work strategies and approaches to successfully promote and sell releases. It would seem instead, that as these early labels (such as Kill Rock Stars or Drag City) have expanded their genre offerings, so has the market for this music been expanded. While an experimental record of Indonesian chanting released on K may not garnish an enormous following, the label’s marketing practices have created a small niche for such music to be somewhat commercially viable (“K Artists”).

Accordingly, my findings show that across the board, strategy for release only changes nominally. While the press outlets, budget and release scale may change based on the artist in question, the actual work structure does not.
Labels will still look to procure press for their artists based on what contacts they have, to push their artists to get out on the road and tour, and utilize their own systems of mailing lists, social media and other outlets to encourage potential customers to pay for a record. As previously discussed in the outsourcing section, a label may go to a specialty press agent to promote a record if they feel that they are incapable of properly promoting a certain genre or specific release, but they do not change any specific work practices.

In some interviews, the idea of distinguishing between artists of various genres was seen as anathema. To Domino Records, placing artists in various “silos” distinguishes them too much from each other, and instead the label wants to present them all in a fashion that joins them together, not by genre but by a shared sense of artistic community that reflects back on them (Dyer). This approach marks the label as a curatorial source, distinguishing their music as picked specially, regardless of what sound or background it comes from.

Another perspective on this comes from Matt Halverson, head of Lefse Records, who states that genre is unimportant in the current musical landscape: “important press outlets cover everything if it’s good.”

**Summary**

Organizationally, the labels interviewed here showed a casual work environment, with a hierarchical structure designed to communicate top-down instructions while also keeping interpersonal relationships between employees and supervisors somewhat informal. Offices are designed to facilitate easy
movement without emphasizing too many differences in employment position, and even smaller or less conventional offices maintain a feeling of openness and accessibility. Employee roles are usually set, but some smaller labels will deviate occasionally in order to accomplish larger goals or last minute tasks. Collaboration on projects outside of traditionally accepted workflow is also more likely to be seen in smaller labels.

Operationally, labels engage on a mostly personal level, with frequent face-to-face contact over work, and meetings established to keep employees on track with various release schedules and upcoming projects. Computer contact is used in lieu of personal contact, and also as a way to keep an electronic record of company practices. Outsourcing is used to cut costs, primarily in manufacturing, but also occasionally in press to reach areas outside of employee expertise. While larger labels generally did not outsource as much work as smaller labels, there was not much actual correlation between label size and outsourcing. Instead, most outsourced projects were based on internal capability versus the added expertise of finding a cost-effective alternative. This mentality was also applied to working with artists of various genres. While labels may release work from a variety of artists, they generally do not change their basic structural approach to releases. They instead consider the artist and look to the right channels to promote them, using the same approach of promotion and distribution to sell the release.
CHAPTER 4 – ARTIST RELATIONSHIPS

Artist interactions can often be a trying practice. Managing contract signings, negotiations, communications and creative disputes require a large time commitment, and an equal amount of patience. At our label, we dealt frequently with trying to keep artists motivated and moving forward, as well as trying to work with other artists who wanted to move much faster than our internal structure allowed us to. As I mentioned in the introduction, we also dealt with several problems regarding contracts and re-negotiation, including the failure of some bands to ever pay the percentage due to us for their record sales. We also had to do a lot of work on our artists’ images in the beginning of the label, which kept us tied up on social media and unable to do other things. Creative disputes also caused some rifts, as a lack of communication led to botched album art and incorrect track listings for the Mouth’s Cradle album we released. At the same time, some of our artists (namely Northbound Traveling Minstrel Jug Band and Bears In America) rarely engaged with the label, maintaining most of the operations themselves. While it made things easier for the label operations-wise, it was also much more difficult to know what was going on with these artists. In the case of Bears In America, it ultimately led to very little being done to help the band.

In hindsight, it would have been easier to start a label had we approached the signing process from a business perspective instead of a focus on our friendship with these artists. Most of these labels have the benefit of a strictly business-first relationship with most, if not all of their artists, which makes it
much easier to make decisions without the fear of personal consequences. While running a label may be very fun and exciting, at the end of the day there is still a bottom line, and any label will cease to function if they can’t meet it.

Contracts

The agreement to do business together is the first step in any creative partnership. For a record label, it signals the beginning of advocacy for an artist, and the application of their workforce to the tasks of promoting and selling their music, as well as collecting the revenues from their sale worldwide. These tasks are generally laid out in a record contract. With the traditional record label structure:

“the label pays for the recording and handles the manufacturing, distribution, press and promotion. The artist gets an advance payment and royalty percentage after all those other costs are repaid. If the album is a commercial failure and is unable to earn back the firm’s expenses, no royalties will be paid to the artist” Wikstrom 141).

In other cases, this may lead to the transfer of copyright (the actual ownership of a song or work of art), from artist to label. In others, this may mean a license of the work that gives the label the benefit of profiting from its promotion while keeping the copyright in the hands of the original creator (Negus and Pickering 61-67).
As with any agreement, there are responsibilities and conditions applied to both parties. These may come in the form of a long, specifically worded contract, a shorter, more general legal agreement, or even in some cases, a handshake deal. While many indies do use a traditional, long-form contract, there are also a large number that embrace an informal verbal agreement, implying a “deal of good faith between label and artist” (Oesterle 87).

When it came to O, Morning, we were very adamant about getting our agreements down in writing. While we trusted all of our artists (most of which we were close friends with), we wanted to make sure that there was a record of agreements made that we could go back to in the future if we needed to settle any disagreements. Our contract was a simple, two page document outlining fifty-fifty profit sharing on all income past recoupment (once we made our money back) (see Appendix B). We also outlined separate rates for merchandise and other goods that we might produce for the artist. In exchange, we promised to promote and produce physical and digital releases of our artists’ albums for the world (our territory for the contract agreement). After several years of us owning the rights to the songs, the copyright would revert back to the artist, who could then do what they wanted with it. We also specified that we would be completely hands off when it came to creative input, which we reneged on during the disputes over track listing with Mouth’s Cradle.

It should also be noted that we signed all of our artists to 360 deals, a new contract development that has been utilized predominantly by the major labels to take a percentage of other artist revenue streams such as live income, merchandise
or licensing (Wikstrom 138-139). This move proved highly beneficial to us, as we were able to make money off of the shows we put on with our artists, and apply that money from one revenue stream to others like the printing and duplication costs of a run of physical albums.

There were no negotiations when we signed the deal. We instead sat down the artists we were working with and explained what we were doing, and why it was a good or bad idea to agree. We tried to break down our agreement in a way that would allow the artist to specify anything they might want to change, but in the end no changes were made to percentage splits or operating procedure.

When I researched these contract points, I found that we were mostly in-line with the smaller, older independent labels, although our use of a 360 deal was highly unorthodox when compared with the contract structures of almost every indie I talked to. I also found that there were some labels that still did not have physical contracts with some or all of their artists, instead basing their business decisions on a sense of altruism and mutual benefit, and leaving most creative control in the hands of the artist, while still offering input if needed or desired. I also found that as the size of the label increased, an observer was more likely to see a transfer of copyright ownership, or at least a co-ownership of masters (the original recorded source material for an album or song, and what copyright ownership revolves around).

Across the board, labels were adamant that they were hands off when it came to issues of creative control over the artist’s work. While some labels did indicate that they had input on work, it was only at the artist’s request, and no
suggestion made expected consideration and use (Halverson). In these cases, the labels were more likely to be used as a sounding board or feedback mechanism to help the artist in their creative process (Oesterle 54).

With regards to rights ownership and contract style, the three largest labels (Domino, Secretly Canadian and Beggar’s Group) all used relatively standard agreement structures, with a transfer of rights or co-ownership (in Secretly Canadian’s case). They also were more likely to break deals up based on percentages than a straight profit-sharing deal. Larger labels were also much more likely to negotiate contracts in a formal setting, using longer, more spelled out contracts, which in their words, were used to spell out particulars so that “both sides know where they stand” (Dyer). However, it should also be noted that in the case of Beggar’s Group, the label expressed a certain flexibility to their contracts; a willingness to side with a licensing deal or partnership outside of the traditional deal if they feel it benefits both sides, and if it will bring the artist on board happily without costing the label a large amount of money in diminished profits (Green).

As we move down the scale of record labels, one begins to see more of this aforementioned flexibility. Lefse, Dangerbird and FADER all had relatively more informal negotiation procedures, with more likelihood of no lawyers being present for negotiations, and a more mutual approach to profits, with deals either being a profit split or partnership. Contracts are also much smaller, with age counts from 1 to 5 pages in length, according to interviews.
Looking at the three older indies (K, Kill Rock Stars and Drag City), it was common practice for many artists (and in Drag City’s case, all artists) to base their deals on a handshake or verbal agreement. They also all do profit split deals. Negotiations were generally informal if at all, but some labels with a more storied reputation, like K, have artists who are so passionate about being released on the label that they generally accept terms at face value (Luz).

The last question I posed in this category, with regards to 360 deals, was met with a vehement no by every label I asked save Dangerbird. When I asked them to elaborate, time and again labels responded that they felt that they were unable to actually earn that sort of accessibility to other income. Most of them felt that they really were not set up to provide the services to a label that would justify this sort of income stream. They also echoed a concern held by some that it is not wise for an artist (especially a young artist) to “place all of their eggs in one basket” (Wikstrom 140). I heard this answer so many times, that when I was interviewing Dangerbird records, I was visibly startled to hear a “yes” to my question “do you do 360’s?” At Dangerbird, the company works licensing deals for their artists, and also has a management company, which allows them to lay a legitimate claim to multiple income streams. However, they also noted that there are only a few artists that they put this model into practice with, including Eulogies, a band fronted by label founder Peter Walker (Chatterjee).

It would seem from the contract styles elaborated here that indie labels generally attempt to provide a contractual platform based on affordability and practicality, providing the services that they can at a contract point that will
benefit both sides of the deal if the record release is a success. By focusing on their key strengths of promotion and distribution while limiting the financial obligation artists hold towards them, indies provide a much more reasonable threshold to release music on a smaller scale, while also maintaining a premium on an artist’s creative freedom. At the same time, an indie like Dangerbird can provide extra services like management or licensing in a manner that justifies a broader revenue deal. Either way, the contractual structure of these deals reflects the artist-first mentality so many of these labels espouse by avoiding huge payoffs without justified workload and success.

**Artist Meetings**

With this section, I wanted to explore how often labels were meeting with their artists, and what they were discussing during said meetings. During artist to label meetings, new developments can be hashed over, and artists can be brought up to date with the events of a promotional campaign or sales figures. Accordingly, I wanted to look at how often the artists were in label offices, physically interacting with staff. Since my label was composed only of locally based artists, this was very easy to accomplish, but with labels who may have signed bands from across the country or globe, this task becomes increasingly complicated.

My findings indicated that the frequency of artist meetings is based primarily on where the artists’ album is in a release cycle. While an artist is on tour, recording, or inactive, meetings and other interactions are generally less
frequent. They may consist of a phone call, or a short visit if the artist lives in
town or is in the label’s city while on tour. As an album is entered into the release
schedule, labels begin holding planning meetings to discuss strategy and
approach. In general, these meetings are held over the phone, although many
labels stated that there is at least one major meeting with the artist in the office in
order to get all the parts of a campaign out in the open and run by the artist. In
some cases, the artist will also interact with the label via e-mail. As the release
date nears, these check-in meetings begin occurring daily.

With larger labels, who generally are dealing with releases from bands
with a well-developed fan base and touring background, I also found that labels
are more likely to engage with a manager instead of the artist themselves. As
mentioned in an interview with Dangerbird, artist meetings are primarily for
approval of various parts of the campaign and creative work surrounding the
album (album art, etc.), and day-to-day logistics are more likely to be handled by
a manager (Chatterjee). Smaller labels, where some or most of the artists do not
have a manager, generally meet with their artists instead.

Geographically, labels are likely to meet less with artists if they have a
more national or international group of signees. With these labels, touring
generally becomes a vital way to maintain a personal connection with artists.
Beggar’s Group and Secretly Canadian all made a point to emphasize this in their
interviews, and specified special measures to engage with artists while on tour.
When an artist comes through London, Beggar’s will occasionally host them in
their apartments above their office, allowing bands to have a close personal
connection with the label outside of day-today business dealings (Green).
Secretly Canadian makes it a point to go out and see artists when they come through Bloomington, IN, generally hanging out with artists after the show (Cook). However, there are also labels on the other end of the spectrum, who have a large number of local artists. In the case of K Records, most artists live in Olympia, WA, reflecting their long relationship with the local music scene in the city. Accordingly, the predominance of meetings can actually be held in person (Luz).

I also wanted to explore the content of various meetings that labels were holding with their artists. With O, Morning, we had a large number of meetings regarding record releases, but also had a number of meetings with regards to live shows, event planning and other generally non-label activities. Among the labels interviewed, only Drag City stated that they met with artists on topics outside of the release of a record, discussing touring while the artist is on the road.

For most labels, it seems that the focus of these meetings lies primarily on keeping up to date on record releases, maintaining a constant dialogue between artist and label about creative decisions, and making sure that both sides are keeping up on their contractual obligations to create, promote and release a record. While face-to-face meetings are not as frequent as I expected, they still serve a vital role as a close tie with the record label, one that indies make sure to maintain whenever an artist is town. This personal link highlights a major distinction of indies, emphasizing a degree of human contact with the label that occasionally goes outside of the realm of business dealings.
Creative Disputes

With any type of creative practice between groups, there is bound to occasionally be some sort of friction over the finished product. These may arise over song content, album artwork, or other aspects of the total creative vision of an album. As Dangerbird employee Suman Chatterjee put it in his interview: “if people say that they’re not dealing with disputes, they’re lying.”

I dealt with many creative disputes over the Mouth’s Cradle album, which is discussed in the early chapters of this study. They had a very specific vision for track listing and album art, which we disagreed with, feeling that there could have been a much stronger version. We also had issues with recording quality and arrangement, but the band pressed forward and had the final mastering done without consulting us. At that point, we had very little choice over releasing the product as-is.

A fair amount of research has been done exploring issues of creative control by my advisor on this project, Dr. Ulf Oesterle, exploring the influence of organizational orientation on the creative product released by record labels. His findings indicate that the amount of control exerted by labels over the creative product varies based on the creative aspect being discussed. Labels are not usually very willing to exert control over the musical content of an album, feeling it is not their role to dictate what should or should not be part of the artistic statement. Instead, it is much more frequent to see conflicts over issues of packaging and to a lesser degree, album design (55-58).
My research corroborated these findings. Labels were generally unwilling
to make any sort of definitive judgment on what would or would not go on a final
album, and made sure that artists felt they had the freedom to release the music
that they wanted to release.

I also found that from label to label, the amount of album design done in
house is likely to vary, regardless of size or orientation. While almost every label
had an in-house design team, each expressed a different working operation for
their releases. Perhaps even more interesting is a look at the record label groups,
whose separate labels all have their own chosen aesthetic and identity. With
Beggar’s Group, their labels all have very specific approaches to album design
during a release, and one label, 4AD, has a long-running relationship with
designer Vaughn Oliver, who does not operate in-house, but who still frequently
contributes. At the same time, the label maintained that 75% of their design was
still done in-house (Green). For contrast, one can look at the similarly set up
Secretly Canadian, who has very little design done in-house (Cook).

With regards to packaging, labels were much more likely to put their foot
down, but these vetoes on an artist’s final vision were primarily based on budget.
From smaller companies like K Records all the way up to Domino, labels
expressed the sentiment that if a certain creative decision over packaging would
greatly diminish profits and effectively harm the release, then labels are likely to
make a stronger argument for their perspective. One example of these disputes
over packaging comes from Domino Records, who, while a globally distributed
company, has to keep in mind huge budgetary issues with promoting a release.
Although many of their artists will ask for vinyl record pressing of their release, the logistics of shipping the much bulkier product or finding pressing plants for shorter runs in various markets makes for a financially disastrous approach (Dyer).

As seen here, the motivating factor behind creative disputes is primarily a financial one. While labels do not frequently oppose an artist on creative decisions to recorded music, they will take a stand on issues of financial viability when packaging is concerned. As packaging can easily be scaled down, it provides the label with a certain degree of flexibility for each release, so that artists from across the spectrum of genre and following can release on the same label and see income. This scalable financial model allows indies to occupy a position as artistic advocates while still being able to distribute music internationally.

**Demo Submission and Signings**

From prior experience working at Righteous Babe Records, a small indie in Buffalo, NY run by Ani DiFranco, I know that indies are consistently inundated with demo submissions from unsigned artists looking for a record deal. I also know, as a musician, that I have also sent in demos to a number of record labels myself looking for some sort of feedback or interest in a signing. With this section, I wanted to explore just how likely it was for a label to listen to and sign artists based on a demo submission. This section also gave me an interesting view of the signing process with an indie.
As I was told in my interview with Beggar’s Group, artists are generally signed to a label based on prior successes as well as potential for success in the future. They may be passed to a label by a manager, press agent or booking agent, or they may have garnished a large amount of press and blog coverage on their own, which would bring in the labels’ attention. As I was told in the interview, these channels are maintained by the labels in order to stay on top of new talent (Green).

Surprisingly, for the most part, I found that the record labels I spoke to did indeed listen to the demos that they were sent. While K Records and Dangerbird told me outright that they did not listen to demos, every other label maintained that they did in fact listen to at least some that they received, and Secretly Canadian and Lefse stated that they actually listen to all of the demos that are sent their way. However, this does not mean that signing artists off demos is a likely occurrence, and some labels did make this distinction. While some smaller labels are more likely to sign artists off submissions, it is not a frequent occurrence, and that they would discourage people from sending them in if they could. Kill Rock Stars maintained that a signing wouldn’t be out of the question, but that they would need to determine whether the artist was already out on the road as an established touring act. This sort of team implies that the artist has a solid footing in the industry, and is more likely to stay afloat after a poorly received album. If artists don’t already have the experience and willingness to get out and tour for several months each year, then the label is not willing to spend their money on a pressing (Sabin).
Overall, artist signings seem to be based on the knowledge that an artist already has a team established to make a release work for them or a strong touring background that will help them sell records. Indies are making an investment on an act, and they will only put the money down if there is a strong chance that they will be seeing a decent return. While demo signings are not out of the question, the threshold for convincing a label to take a chance on an act that does not already have a fanbase or team established behind them is accordingly much higher.

Summary

From this look at artist relations within an indie, it would seem that labels base their identity primarily on the prospect of creative freedom and openness to musical variation, while maintaining a decision making system to allow them to effectively release albums in formats that will enable widespread consumption cheaply and easily. The priority is to release music and distribute it, and the Indies must do this on a budget. Accordingly, their contracts are established to provide the most effective operating method to produce, promote and distribute recorded music while still making sure that artists get paid. As labels get larger, their approach to copyright ownership may generally move more towards the label’s side, but the scale of a label like Beggar’s Group may also provide them with more flexibility to work with artists that they feel they can profit highly off of.
With regards to artist interaction and creative disputes, labels operate on a rolling schedule based on releases, which allows them to handle a number of campaigns over the course of the year, instead of constantly working with a small group of artists. Human engagement is emphasized with indies, but not always possible based on geographic location. As a result, e-mail and phone are also utilized heavily to communicate. As labels get larger, one will most likely see a shift over to communication between label and manager, but the artist is still heavily involved in the process for creative approvals regarding the final project. Disputes over this final product usually arise out of budget restrictions, which, as previously mentioned, enable the label to distribute smaller artists and still make a profit. However, creative integrity is held in high regard considering the actual musical content of the product. The physical packaging, however, may take a backseat in order to make the project viable.

Finally, labels are looking to sell music. To do this, they need artists that are willing to get out and promote themselves, so that their job becomes easier. If there is no attempt to get out and tour or work to promote themselves, the job of the label becomes much harder, and it is far less likely that the label will make a profit. Accordingly, labels are much less likely to take a chance financially on these artists.
CHAPTER 5 – CONSUMER RELATIONSHIPS

At the end of the day, a record label is a business, and traditionally, their primary mode of funding comes from selling their product to consumers. However, with the sale of music, one must remember that they are contending with the commoditization of a piece of art that some consumers have extremely personal ties to. Fans who hold a particular band or label in very high esteem are vital to the success of recorded music sales, and many take an active role in trying to maintain some line of communication between themselves and the label or artist. Accordingly, it is necessary for any organization hoping to profit from the sale of recorded music to keep these lines of communication as open as possible (Negus 127).

Wikstrom calls this the “Audience feedback loop,” an interlocked system of fan and consumer interactions that promotes and artist through the advocacy of fans, and then later on media exposure, which in turn opens an artist to new fans. If a musician or label fails to engage this loop, then the system will work against the artist, their reputation will not be spread, and they will not see any degree of success (87).

It is necessary then, to know your consumers, especially in the current age of instantaneous communication, where a label can receive emails and other online feedback from fans and customers around the globe and respond to each as quickly as they can type. Accordingly, I wanted to look at the ways that labels receive input from their customers and utilize it, as well as how they use the
Internet to engage potential new customers, promote their artists, and sell their wares.

Customer interaction can be divided into two sections. The first is standard communications such as person-to-person customer service, and the second is a label’s use of social media to engage customers as well as their artists’ fans.

**Customer Discussion**

With O, Morning Records, we rarely had problems with customer service, although this is likely based on the extremely low volume of sales that we saw. We maintained ties with any customer we had had via e-mail, and made sure that they were getting what they needed. We also occasionally would listen to what consumers were asking for and would try to help them out. In one instance, we had released a Sarah Aument EP online for free download, and had promoted it heavily using Twitter, email and Facebook. After we had posted the link, we got a message from a fan who had found us on Twitter, requesting a smaller file size so that he could download the album more easily. After posting the files, he sent out several messages promoting the album to his friends on the site. Clearly, our efforts to work with fans helped to spread the music further than it would have gone originally.

During the interviewing process, almost every label that I talked to expressed the desire to answer every email they received if they could. However, this sort of customer feedback system seemed to get more difficult to manage as
the labels grew in size, which makes sense. As a label gains prominence and begins to sell more records, they will end up fielding many more requests from fans, as well as other emails like demo submissions that make it much harder to address each email. That being said, it is not impossible to maintain. On two separate occasions I have sent unsolicited emails to the Beggar’s Group site (which asks you to submit queries via a standardized form) and both times have had a response back within 2-3 days. This sort of promptness reflects an interesting note of indie labels. While many small labels are likely to have less requests and emails from fans, they also have a much smaller staff to deal with the influx. On the other hand, while a large label receives a high number of emails, they also likely have more people to answer. However, this is not a constant, and may just be a reflection of label culture with regards to how much of an emphasis they place on returning emails. Beggar’s also noted that they do delete a large number of emails requesting outlandish requests like artist appearances at fan’s personal events. (Green).

I also found that among the three smaller, older indies (Kill Rock Stars, K and Drag City), there was much more engagement of fans via their physical mail order department. This holdover from the earlier ages of indie labels reflects the labels’ backgrounds, but also has a much smaller, more dedicated group of customers, who have been ordering from the label for a longer time. As a result, these fans have a very strong tie with the label, and write in frequently. With Kill Rock Stars, their mail-order department is staffed by Tobi Vale, a member of one of their first successes, Bikini Kill. Vale has a long relationship with a number of
mail-order customers, and as a result maintains a personal voice within the company. What’s more, because the customers have such a close relationship with the label, their input and suggestions are welcomed and occasionally taken into account (Sabin). This sentiment was also echoed over at K (Luz).

However, this is not the case with many other labels. While many labels admitted to listening to emails and being interested in customer suggestions, they also maintained that running a label based on what the fans want is a surefire way to go out of business. FADERLabel, in what seemed to be the general consensus, elaborated that they would address issues on product malfunction like broken records or other faulty pieces and replace them, but beyond that did very little to incorporate business suggestions into their operating style. In this case, it had to be the label making the executive decisions (Cohen).

Overall, it comes down to the label to run the business end of the recording and promotions process. While maintaining close ties with fans via email and occasionally “snail mail,” as Dangerbird does, (Chatterjee) is important, the final decisions on promoting and releasing a product rests with the label. Long-standing personal relationships will go further than most input, especially with smaller, older labels like K, but not every fan can convince a label to adjust their business strategies. Even so, labels must maintain open lines of communication to make sure that the company does not lose touch with their consumers.

Social Media
With the current ubiquity of social media, the opportunity exists for independent labels to engage directly with fans that they may not originally have been able to reach. What’s more, labels are now able to leverage these new personal communications into new customers. A concise explanation of social media marketing comes from Tamar Weinberg’s *The New Community Rules: Marketing On The Social Web* in which the author defines the capabilities of social media marketing: “social media marketing is about listening to the community and responding in kind, but for many social media marketers, it also refers to reviewing content or finding a particularly useful piece of content and promoting it within the vast social sphere of the Internet” (3-4).

For any company like a label, which is founded on the premise of creating and promoting content, social media marketing offers an enormously useful tool. As previously mentioned, O, Morning Records used their label Twitter to get feedback on releases, but also occasionally released music for free and networked with a number of other small labels around the country. We also occasionally made use of a blog and a Facebook page to promote shows and record releases. Even without physical distribution, our free release of a Mouth’s Cradle mixtape (a selection of songs based off of samples, generally reserved for free release as a way to build word of mouth for an artist) managed to net over 1,000 downloads in a little under 2 days, all based off of promotion on Facebook and Twitter.

For my study, I broke the use of social media marketing into two segments: the use of social media platforms by record labels themselves, and the
maintenance of an artist’s social media accounts by record labels versus the artist’s individual use.

Almost every label I talked to maintained a Facebook page, some sort of website, a label Twitter, and a number of other social media sites that they used to promote content, release music, and generally engage in some sort of dialogue with fans. Only FADERLabel did not have an up to date Facebook page ("FADERLabel Facebook").

Most notably, every label had a Twitter, which allows users to post 140 character messages on their site, readable by any person who is subscribed to their stream. I decided to focus on Twitter as a chief indicator of label’s engagement of social media use, as the nature of its use most readily reflects a company’s understanding and embracing of the social media approach to open dialogue. Twitter allows users to easily find people talking about their company or brand, and immediately engage them about their interests if the user so chooses. It also allows a user to post content and repost other people’s content, reflecting an active role in the community. Accordingly, depending on how a label used Twitter, one could quickly get an image of how they viewed the uses of social media in general, and how they utilized the tools online to make the most of them. What’s more, all labels had a Twitter account, and so it was the fastest way to find common ground among them.

With all labels interviewed, their Twitter account served as a way to spread news about the releases they were currently promoting, as well as other news about artists, both concerning online and physical appearances like video
premieres or tours, respectively. However, some labels also made it a point to emphasize that they were engaging with their fans in open dialogues via Twitter, such as Drag City, K, Domino, Kill Rock Stars, Secretly Canadian and Lefse. Among these, Domino made it a point to say that it did not use the Twitter to pitch products at all, instead using it as a device to engage fans and post news about their artists (Dyer). FADERLabel, on the other hand, stated that it did have a Twitter, but did not maintain it very actively (Cohen). A quick check online showed a page with almost no content, no profile image, and only 5 followers (“FADERLabel Twitter”). This is an interesting distinction to note, given FADERLabel’s position as an offshoot of a magazine within a larger marketing company. While FADER itself does operate a Twitter, it usually uses it to promote the publications in its online blog, rarely discussing its artists on the label (“FADER Twitter”).

Another interesting note is the willingness of labels to disseminate free music and other content on their Twitter. While most of the labels repost video and other online content, only Lefse gave away free downloads and other content to its followers on the site (Halverson). While it is difficult to assume any sort of trend from this information, one may suppose that the label’s short history and young staff have contributed to a more willing nature to promote via free music.

Beggar’s Group and Secretly Canadian are also noteworthy, as their size and structure calls issues of identity and voice into play much more than any other label discussed here. Both labels maintain a separate Twitter account for each label they operate, all of which are operated by employees working within the
separate label power structures, instead of a top-down approach to content dissemination. As a result, the unique character of each label is somewhat distilled within the content of each label’s account. This is a response to the increased size of the label, as larger labels are less likely to garnish interested followers who likely would choose to hear directly from the artist. The counterpoint to this position is Richard Russell, head of XL Records (a Beggar’s subsidiary), whose Twitter account is a fascinating mix of opinion, humor and news that makes for a compelling read, and does a great deal to define the identity of the label through the voice of its founder and chief advocate (Green).

Along these same lines of unique dialogue, Beggar’s Group pointed to the Matador Records Matablog, which still occasionally posts content written by label founder and president Gerard Cosloy. On the blog, Cosloy not only makes his own voice heard, but also has been known to engage with users in the comments section of posts, and in some cases, has responded quite fervently to sourly critical posts by disenchanted fans (Green).

Artist communications, on the other hand are much less in the hands of the labels, however. With almost every label, artists were encouraged to do the work themselves, or were held completely responsible for doing it themselves. It was difficult to see any sort of pattern with those who did update accounts for their artists, as Kill Rock Stars, Dangerbird and FADERLabel were the only companies who did any work on their artist’s accounts outright. Only Drag City and Lefse were adamant about never doing social media however, which leaves a faint gray area that assumes the other labels will pick up some of
the slack if necessary. Even so, many labels maintained that transparency was a major issue when dealing with social media. In an interview with K Records, Mariella Luz indicated that the outcome and appearance of these sites is generally better when the artists are working on it by themselves.

**Summary**

In general, the interactions of independent labels with their fans and consumers seems to be based on an attempt to remain as personal as possible, while still operating on a scale that allows them to do profitable business across the country and globe. While labels across the board try and engender a sense of trust and transparency to their operations, they must, at some point, operate as a business, which means potentially alienating some customers. With smaller labels, and ones that have a longer history in the punk-influenced subcultures of the 1980’s and 90’s, fan relationships have lasted much longer, and are generally much tighter through services like mail order, which are still running at K, Kill Rock Stars and Drag City, and which are all still doing respectable business.

With regards to social interactions, it seems that some labels are not as interested in fan engagement as others. They are using their sites as a relatively static newsfeed, instead of a dynamic platform for discussion and sharing of thoughts and opinions alongside news and content. There is an opportunity here to reach more potential customers and future die-hard fans by distinguishing themselves from the crowd, as some labels seem to have done. That being said,
Twitter is still in its infancy as a platform, and developments in social could shift the nature of dialogue online again in the near future.
CONCLUSION

This study was originally started as a way to evaluate and contextualize my work with O, Morning Records between 2009 and 2011. I wanted to use my experiences running a label to serve as a launching pad into a more thorough exploration of independent labels across the Western Hemisphere, and then apply the findings back to what I did with O, Morning.

While we released several albums for our artists, ultimately we fell short due to a lack of physical distribution outside Syracuse and the amount of time we had to commit to non-label activities (promoting live events and maintaining social media accounts that artists should have been taking care of themselves. In addition, we had to contend with the workload of full-time University students, as well as commitments to other extra-curricular activities and jobs in our schedule. As our time commitments to the label grew, we became more and more unable to handle the scope of our artists’ workloads, and we eventually caved under the pressure. From what little organizational framework we had, I began to construct a series of investigations into independent label history and structure.

The labels interviewed ran from small labels with modest sales numbers and independent distribution to large label groups with a number of imprints, international office structures, high potential sales for artists, and their own distribution system. In their own ways, the structure of these labels mirrored majors for their scale and scope. While some labels did use major label distribution, it was by no means a majority, and many emphasized their independence in this regard.
When it came to office set up and operations, I found that most labels operated out of a large, shared, open space where most employees had desks located. Around this “pit” is usually offices for higher-up administrators and usually label owners as well. Some of these offices also included a warehouse or other storage facility as well. Smaller labels may also take different approaches. Both label groups (Beggar’s and Secretly Canadian) operate out of large complexes with warehouse space alongside office space and other multi-use space. Across the board, no record label had dress codes. Generally, I found that outsourcing was primarily used to allay costs on manufacturing, although press also mentioned in several interviews. It seemed that the smaller the labels got, the more likely things were to be outsourced, although most work was still kept in-house.

With regards to collaboration and communication, I found that most work between employees centered around their roles at the company, although at some smaller labels work will be collaborative much more frequently when necessary. Most worker communication is done via face-to-face contact or email, although many labels in the interviews also use inter-office phone systems or other online systems like Facebook Chat. It was noted during my interview with Domino that the supervisor has seen noise levels decrease over the years. A rigid working hierarchy was also not a frequently discussed topic. While larger labels generally seemed to enforce a structured system, hierarchy was downplayed as a “just in the office” sort of way to mark responsibility and roles. Even in smaller labels, where hierarchy is less harped on (potentially due to a more collaborative nature of
work), a final decision often rests with the label founder or manager. Staff meetings within the office are generally held once a week, where label operations are discussed and reviewed. Smaller labels showed variations on both sides of the mean, with Lefse hosting 3 per day, and Kill Rock Stars only holding face-to-face company meetings every 4-6 months.

When it came to formal agreements, contracts between parties seem to generally move towards the larger labels owning copyright, and smaller labels going for shorter deals that enable a label to revert copyright after the deal is finished. In either case, the general approach seemed to be with regards to enabling a label to be flexible with the way that it manages its financial investments in an artist. However, a large label like Beggar’s Group may also go for a less rigid deal if they feel they can bring in a high profile talent that they can still profit off of.

Artists generally and increasingly interact with the label as the release date for their album nears, communicating more frequently with regards to day-to-day logistics alongside creative approvals on design facets like album covers. However, as labels and artists grow in prominence and size, one is more likely to see more technical issues being taken care of by an artist manager or other representative. Because many labels represent artists from outside their own geographic location, communication is frequently done over the phone or via email. Concerning creative disputes, labels will generally side with the artist, affording them a certain degree of freedom over album design, song choices and even packaging to a certain degree. However, when a workable budget becomes
a problem, labels will occasionally have to veto an artist’s choice, as it may likely make a project prohibitive.

The last aspects of my research involved the dialogue between the labels and their customers. Most ties here are established through social media sites like Facebook, or more generally through email, but some of the older labels (Drag City, K, Kill Rock Stars) still maintain close ties with customers via their physical mail-order system. Every label maintains a Twitter, but some labels are much more active, using it to engage fans and offer content that goes beyond standard video and blog posts or news. Beggar’s Group also engages fans directly via blogs like their label Matador’s Matablog, where label head Gerard Cosloy will openly address fans if he wants to. Labels also maintained that they did not generally maintain social media accounts for their artists as a rule, but some do help out with information input when needed.

In general, indies embrace flexibility, a pragmatic approach to costs and strategy, and a relatively informal power structure, alongside placing a premium on creative freedom to engender work based on a passion for art. Indies can channel this passion through their relatively fluid organizational structures to achieve profits on a smaller scale than major labels, but can also scale larger as needed. Larger labels, especially label groups, are much closer to the major label approach, but maintain a practical economic stance alongside a less rigid approach to artistic output than the aforementioned majors.

When applying these characteristics to O, Morning Records, I find several key flaws. Our first was in oversight. A key flaw with O, Morning was the fact
that there were only three people trying to coordinate the day-to-day business of a 5-artist record label, as well as holding shows and events in our spare time. This led to large gaps in responsibility, and no one was willing to step up and call on others to improve their work performance. Without checks on quality and efficiency, we took far too long to finish jobs our artists requested of us. Setting deadlines seemed anathema to us, and even when we did set them, it was rare that they were actually completed. When this was combined with the amount of time we were putting into live shows, there was almost no time to establish the connections needed to make the label work outside of a small local role.

Another flaw was in our approach to releases. While we were very small as a label, we were determined on having highly professional physical releases. This went against the economic realities of the market we were in, and ultimately led to the subjugation of label operations to covering the costs of these releases. Because of this, we were much more heavy handed when dealing with artists, and eventually alienated some of them.

Communication was a third flaw in our company. Emails were frequently unanswered, and it was occasionally difficult to get a handle on who was doing what. If we could not sit down for meetings, things generally did not get done. This also spilled over into artist interactions, and led to more distrust and mixed messages. This was exacerbated by the nature of our relationship with our artists. While we signed our friends to contractual business deals, the nature of our relationship was still primarily based on friendship. As a result, people got their feelings hurt very quickly when deals went sour, and it made it much harder to
motivate artists to get work done. Because we were friends first, our requests
came off as a friendly instead of motivated by business procedure.

O, Morning Records was an experiment in independence. We wanted to
make a statement that would stand on its own long after we had finished with it,
and it is very difficult to argue against our impact on the campus music scene.
Almost all of the artists we worked with now have a respectable local following,
and are occasionally touring outside of the Syracuse area. The Northbound
Traveling Minstrel Jugband has played a number of festivals around the region,
Sarah Aument is currently making a case to play this year’s Bonnaroo festival in
Manchester, TN, and Mouth’s Cradle has a widespread Internet fanbase that has
led to their music being heard around the world (including one report of hearing
Mouth’s Cradle over the public address system in a Parisian mall). As for the
label founders, Sam is currently pursuing his own business venture, while I am
currently working on a small run cassette release for local punk band Sarongs
(sarongs.bandcamp.com). I have learned a great deal from my experiences with
my label, and now I am applying them to a new market with a new strategy.
Combined with a bleeding passion for the music I promote, these organizational
insights will be at the core of my new operations.
WORKS CITED


"Jim Mahoney." E-mail interview. 1 Dec. 2010.


"Jon Cohen." Personal interview. 11 Nov. 2010.


"Kathy Cook." E-mail interview. 23 Feb. 2011.


"Matt Halverson." E-mail interview. 23 Feb. 2011.


"Rian Murphy." Telephone interview. 9 Feb. 2011.

"Stewart Green." Personal interview. 11 Nov. 2010.


APPENDIX A

Questionnaire

1. Gauging Label Size and Setup
   a. Who does your distro?
      i. Independent or Self or Label?
   b. How many releases per year?
   c. How many sales per release (rough average)?
      i. Aside from the average, are there big sellers that sustain
         releases that don’t sell as well?
   d. How many currently active artists?
   e. What is your staff size?
      i. Is staff shared between departments?

2. Structure
   a. Ask to look at the office/tour
   b. What is done by on-site staff? What is outsourced? (design,
      distro, manufacturing, etc.)
   c. What work is done by whom?
   d. Is there frequently collaboration between groups?
   e. How is communication between workers done?
      i. E-mail?
      ii. Other forms (texting, calling, etc.)
   f. Is there a dress code?
   g. Is there a mentality of hierarchy or that of collaboration between
      people regardless of title?
   h. Are there staff meetings? Department meetings?
      i. How often are they?
      i. When working on artists of various genres, is there a change in
         work structure and planning/execution?

3. Artist Relations
   a. Ask them to elaborate on standard contract style.
      i. percentages, creative freedoms, licensing vs. handing over
         copyright for label ownership, etc.
      ii. Are these formal or informal negotiations
      iii. What does your contract look like?
      iv. 360?
   b. How do you normally interact with artists?
      i. How often?
      ii. How often do you in person?
   c. How are disputes solved over creative issues? (album design, track
      listing, changes to songs)
   d. How much of artist’s packaging for releases is brough to you by
      artist?
      i. How much do you get done yourself? What is the process?
ii. Do you run these new designs by artist?

e. What meetings do you have with artists? What without?
   i. Touring
   ii. Record Releases
   iii. How much are they present for these decisions.

f. Do you listen to submitted demos? How many?

g. Do you maintain an artist’s online presence for them?
   i. How much so?

h. How do you handle payments to artists?

4. Label to Consumer
   a. How do you maintain ties with your customers?
   b. Do you maintain a label Twitter?
      i. How do you use it?
   c. How often do you answer e-mails from fans?
   d. Do you take into account customer perspectives when they are presented to you?
   e. Who are your biggest supporters, customer-wise?
   f. Do you maintain any artist communications for them?
APPENDIX B
O, Morning Records Contract

EXCLUSIVE ARTIST AGREEMENT
This agreement is made and entered into this ____ day of ______ , 2009, by O, Morning Records (herein referred to as the COMPANY) and _____________________ (herein referred to as the ARTIST).

TERM
The term of the Agreement shall be ___ album cycles, defined as the time period beginning of recordings for album to be released with COMPANY until full marketing and promotion of the album is complete in mutual discretion of COMPANY and ARTIST. Single album cycle options are in any quantity may be mutually agreed upon by the ARTIST and COMPANY at the end of the term described above. The COMPANY may terminate this agreement at any time without limitation.

EMPLOYMENT:
COMPANY hereby engages ARTIST as a work for hire. ARTIST hereby accepts such engagement and agrees to render such services exclusively for COMPANY during the term hereof, upon the terms and conditions set forth herein.

GRANT OF RIGHTS
ARTIST hereby irrevocably assigns, transfers, sets over and grants to COMPANY, its successors, and assigns each and every and all rights and interests of every kind, nature and description in and to the results and proceeds of ARTIST’s services where as upon completion of the term stated, all rights and interests herein shall revert back to the ARTIST. All other rights and assignments not listed are negotiable and shall be mutually agreed upon by both COMPANY and ARTIST. The rights hereunder assigned to the COMPANY are as follows:
(a) To make or cause to be made, and to license others to make, master records, transcriptions, sound tracks, pressings and any other mechanical, electrical or other productions of said compositions, in whole or in part, in such form or manner and as frequently as the COMPANY’s sole and uncontrolled discretion shall determine, including the right to synchronize the same with sound motion pictures, and the right to manufacture, advertise, license or sell such reproductions for any and all purposes, including but not limited to, private performances and public performances, radio broadcasts, television, sound motion pictures, wired radio or cable television, phonograph records and any and all other means or devices whether now know or which hereafter come into existence.
(b) ARTIST hereby permits the COMPANY to use their name and likeness, in any form, as means of promotional, marketing, advertising or any purpose that the COMPANY deems fit that will advance the musical career of the ARTIST.

OBLIGATIONS
COMPANY agrees to provide the service of production, recording, mixing and mastering, physical pressing of recorded music and promotion of that material to a discretionary point decided by the COMPANY.

ROYALTIES
All expenses of the COMPANY are fully recoupable and cross-collateralized over all income streams of the ARTIST over the extent of their term. The following are the royalty and income splits for revenue streams between the ARTIST and the COMPANY for the duration of the term:

Recorded Music - All income from recorded music, physical or digital, after recoupment shall be divided 50% to each party.
Touring – All income the results from public performance shall be split one third (33%) to the COMPANY and two thirds (67%) to the ARTIST.
Merchandise – All income from the sale of physical merchandise created by the COMPANY, other than recorded music, after recoupment shall be divided 50% to each party.

All other sources of income related in any way to the music, image or brand of the ARTIST will be discussed, negotiated, and mutually agreed upon when they occur.

WARRANTIES, REPRESENTATIONS, COVENANTS and AGREEMENTS:
ARTIST hereby warrants, represents, covenants and agrees to COMPANY as follows:
(a) ARTIST has the full right, power and authority to enter into and perform this Agreement and to grant to and vest in COMPANY all the right herein set forth, free and clear of any and all claims, rights and obligations whatsoever.
(b) All compositions and all other results and proceeds of the services of the ARTIST hereunder, including but not limited to all the titles, lyrics and music of the musical compositions, and each and every part therefore, delivered and to be delivered by the ARTIST hereunder are and shall be new and original and capable of copyright protection throughout the entire world.
APPENDIX C
O, Morning Records Discography

Sarah Aument
Wake Up Singing EP
Released March 19th, 2009
Mouth’s Cradle
Baby Teeth EP
Released December 2nd, 2009
Mouth’s Cradle
The Next Big Thing
Released April 9th, 2010
Northbound Traveling Minstrel Jug Band EP
Released May 10th, 2010

BILLY AND SALLY
NEW YORK CITY
JASPER
DONE Doin' Time
LORAX'S LAMENT
TWO THINGS
DEVIL CHILD

©2010 G. MORRIS RECORDS
Sarah Aument
Vertical Lines
Released September 10th, 2010

1. Broken Bottles
2. Wake Up Singing
3. Walking
4. Vertical Lines
5. Night Under the Willows
6. Long Road
7. Couch Slouch
8. Kelly's Song
9. Up North

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APPENDIX D
O, Morning Records Showcase Flyer

SARAH AUMENT/ MOUTH'S CRADLE/
NORTHBOUND TRAVELING MINSTREL
JUGBAND/ BIG MOUTH/ BEARS IN AMERICA

FRIDAY 11/6/09,
8 PM AT FUNK N' WAFFLES
727 SOUTH CROUSE AV
WWW.OMORNING.COM
CAPSTONE SUMMARY

Over my past four years at Syracuse University, I’ve tried to remain as closely tied to the local music scene as I possibly could. I’ve ran radio shows, seen numerous live shows, and even played in a few bands. Few efforts, however, have made as much impact as O, Morning Records, a small, independent record label that I ran out of dorm rooms and apartments with a few of my friends from 2008-2010.

The traditional definition of an Independent record label is one outside of the major label system, which consists of several massive, multi-national corporations with large-scale distribution systems for getting music into stores, and usually must answer to a group of stockholders or board of directors. As a result, they are normally very profit oriented, and known for taking less risks with artist signings and record releases. Independent labels, or “Indies,” traditionally steer clear from these systems and opt for independent alternatives, or use them only for distribution and manufacturing. They are traditionally smaller budget for their projects, and typically perceived as having an approach more geared towards the promotion of art than the selling of products.

Over two years of operation, we bankrolled and promoted the release of 3 albums from friends of ours on campus: one by hip-hop/pop group Mouth’s Cradle, one by folk rock/jam band Northbound Traveling Minstrel Jug Band, and one by pop singer-songwriter Sarah Aument. We also put on numerous live concerts to build a fan base for these artists and to raise our own funds. After a year of operation, we had established a working budget of over $5,000, and had
built a relatively large following on campus. However, over the next year,
internal miscommunications, mounting workload and lack of experience would
slowly bring O, Morning to a grinding halt. As schoolwork and the demands of
running a full record label (alongside constantly putting on shows for our artists,
which is not traditionally a label practice) mounted, it became extremely difficult
to give artists the services that they really needed. Eventually, we decided to
disband the label and go our separate ways.

During my time with the label, I decided to use my experiences running O,
Morning as a fundamental driving force for my Capstone research. I wanted to
use the experience of starting, running and ultimately failing with a record label as
a way to guide a research survey into the operations and organization of
independent record labels that had achieved much higher levels of success than
we had ever attained.

My research approach was twofold. Because there is not a large body of
research on my topic of choice, I had to glean what information I could from
studies that existed, and use it as a framework to guide the creation of a set of
interview questions that would be directed to managers and executives at various
independent record labels across the United States and United Kingdom. I also
drew heavily from my own experience to create these questions, drawing on
problems with communication (among artists, co-workers, and fans) and
delineation of various tasks such as release promotion and press (getting exposure
for artists in various campus and off-campus publications) or art layout (making
sure that album artwork was in the proper formatting sizes, digital file types, etc.).
From these sources, I compiled an interview questionnaire (see Appendix A) that divided questions into four major topic headings: label size and scope, label work environment and organization, label to artist relations, and label to fan relations. After several months of soliciting emails and cold-calling record label offices, I compiled a series of 9 interviews with labels across the United States and United Kingdom that provided a relatively definitive look at the operations of independent labels, and how their business operations shaped their engagement with artists and fans. From the Northwest US, I talked to K Records and Kill Rock Stars; from Los Angeles, CA, Dangerbird Records; from Sacramento, CA, Lefse Records; from Chicago, IL, Drag City; from Bloomington, IN, Secretly Canadian; from London, UK, Domino and Beggar’s Group; and from New York City, NY, FADERLabel.

Label size and scope looked at the background of each label, its distribution partnerships and systems, annual release numbers, and artist roster to gauge the size and operational leanings of the labels interviewed. My study showed a range of labels, running from small labels with a few artists, modest sales and independent distribution to enormous record label groups with international offices, their own distribution systems, huge artist rosters and equally sizable sales. These groups, while independently established, mirror in many ways the major label systems of the large corporations.

The second section of my project analyzed the office layout and work structure of these labels. I found that most labels operated out of a large, shared, open space where most employees had desks located. Around this “pit” is usually
offices for higher-up administrators and usually label owners as well. Some of these offices also included a warehouse or other storage facility as well. Smaller labels may also take different approaches. K Records is based in a renovated Synagogue that allows them to have a recording studio in-house, and Kill Rock Stars is based out of a small apartment, with warehouse space elsewhere. Both label groups (Beggar’s and Secretly Canadian) operate out of large complexes with warehouse space alongside office space and other multi-use space. Across the board, no record label had dress codes.

Generally, I found that outsourcing was primarily used to allay costs on manufacturing, although press also mentioned in several interviews. It seemed that the smaller the labels got, the more likely things were to be outsourced, although most work was still kept in-house.

With regards to collaboration and communication, I found that most work between employees centered around their roles at the company, although at some smaller labels work will be collaborative much more frequently when necessary. Most worker communication is done via face-to-face contact or email, although many labels in the interviews also use inter-office phone systems or other online systems like Facebook Chat. It was noted during my interview with Domino that the supervisor has seen noise levels decrease over the years.

A rigid working hierarchy is also not a frequently discussed topic. While larger labels generally seemed to enforce a structured system, hierarchy was downplayed as a “just in the office” way to mark responsibility and roles. Even in smaller labels, where hierarchy is less harped on (potentially due to a more
collaborative nature of work), a final decision often rests with the label founder or manager.

Staff meetings within the office are generally held once a week, where label operations are discussed and reviewed. Smaller labels showed variations on both sides of the mean, with Lefse hosting 3 per day, and Kill Rock Stars only holding face to face company meetings every 4-6 months.

The third part of my research focused on artist relations with the labels, beginning with contract structure. My research showed that smaller and more traditional indies (Lefse, Kill Rock Stars, K and Drag City) generally operated on 50-50 split deals on all record sale profits, while larger labels were more likely to do deals for future control of recordings alongside more percentage based deals. Smaller labels were also more likely to totally avoid signing contracts. Creative control was always professed to be in the hands of the artist.

Artists were most likely to interact with labels during the time of release with daily phone calls and email contact, but would also interact during other times as well to stay in touch with operations on album sales, touring or recording. When in town, most labels are likely to see touring artists drop by the offices, and since most K Records artists live in Olympia, they frequently are seen in the offices. Some offices listen to demos, although the general consensus is that there is a low potential for an artist to be signed in this way.

Regarding creative disputes and packaging of albums, labels are most likely to have disputes over design and packaging. All professed to be hands off on music unless asked for input by artist, and will most likely interfere with
packaging issues in the case of budget limitations. Larger labels more often just allow the artist to do what they want in this regard.

My final section of the interview dealt with label to fan interactions. Most ties are through email or social network sites like Facebook, although the older labels still establish strong ties to their fans through their mail order departments, something that most newer labels do not even have. Each of the labels also maintain a Twitter, although some are much more active, using it not only for news, but for giving away music, interacting with fans, etc. For the larger groups, there are Twitter accounts for each label, making sure that they capture the mentality and spirit of the label itself (through having those label employees operate it). They also generally try and answer every email they can. For an artist’s online persona, some larger labels will work on the website for them, but for the most part, the labels interviewed felt that most of these decisions and responsibilities should fall with the artist.

With regards to customer perspectives, these are generally taken into perspective, but there seems to be a feeling across the board that a line has to be drawn where the label can operate free of outside influence. Beggar’s also expressed the ability to have open dialogues with fans based on the online sites they use (ex. the Matador Records blog).

These findings reflect areas of study that have yet to be thoroughly explored. Music Industry scholarship is a relatively new field, and in-depth study of independent record labels can be seen in only a few projects, one of which has been done by my advisor, Dr. Ulf Oesterle. My work aims to build on his
findings on organizational influence on record label output, as well as explore the total operating image of larger independent labels. This information also offers a jumping off point for more studies of independent labels, including more in-depth studies of operative structures, and the effect of these structures on other factors of an artist’s career. What’s more, considering the nature of my work in the context of my past experiences running an unsuccessful label, this study offers a great deal of practical insight into the formation of a record label while illustrating a view of both success and failure in the field.