

Gospel '86

A Billboard Spotlight



Sheila Walsh in London



From left: a&r
u.p. Lynn Nichols; Word executive u.p. Roland Lundy; Myrrh's Russ Taff; Taff's manager Zach Glickman; Event Mgt.'s Rob Stewart; Myrrh's David Meece.



Philip Bailey



Randy Stonehill and Amy Grant duet.



Petra

Amy Grant & Sandi Patti Lead Charge To Dominance WORD RECORDS: Breaking Down Barriers Still Top Priority In Campaign To Capture New Musical Trends

By BOB DARDEN

As head of Word Records for the past year and a half, Roland Lundy is in a unique position. Word has enlarged its share of the marketplace in the past year. Depending on who you talk to, Word has anywhere from 49% to 65% of the total Christian music market. At any given time, 10, 11, 12—13 of the top 15 albums on the Billboard contemporary charts are from Word or Word-distributed labels.

At the same time, Word has keenly felt the industry-wide financial crunch, putting to rest the old saw that religious music is recession proof. It costs more to sell more. And, in some instances, profits haven't kept up with sales.

"We've been pleased with the growth of the company as a whole over the past year," Lundy says. "The widespread acceptance by consumers of artists like Amy Grant, Sandi Patti, Russ Taff and the rest is only the tip of the iceberg."

Lundy has reason to be pleased. Grant's recent albums have gone platinum, where gold certification was once considered an almost unattainable goal. Patti's success—and her latest, "Morning Like This," was No. 1 for more than five months—has been nearly as remarkable since the bulk of the sales has come within the Christian bookstores. They give Word the most potent one-two punch in the history of contemporary Christian music.

Lundy is quick to spread the credit around. Some of it goes to Word's distribution agreement with A&M Records, which broke Grant's "Unguarded" nationally. But despite the success of Grant, Lundy continues to receive criticism over the arrangement from a variety of quarters.

"One thing I think people need to realize is that our deal with A&M, from the start, was mainly to fill certain holes in our distribution process. The question I'm still asked occasionally is, beyond Amy Grant, why haven't you had more hits with A&M? Well, the deal for us was never for more hits. The deal was for distribution.

"I'd be less than frank if I didn't admit that we have gone to them with certain product that we thought they could do something with—and they've elected to pass on it," he says. "At the same time, the new What? Records label we've set up has elicited a strong response from A&M. The product we've given them from Tonio K. and Dave Perkins may have hit their hot button, as well as upcoming product from Philip Bailey and the Clarke Sisters.

"Remember, we only signed with A&M at the first of 1985 and really didn't start working with them on all our product—except for Amy Grant, of course—until May or June of 1985. So it hasn't really been that long. The agreement, incidentally, extends through 1987. We're pleased with the agreement and I think they're on a new level of excitement about what we're doing."

That success has brought other problems. Word is in a unique situation—it always has been. When Jarrell McCracken founded the company on a single record, a wing and a prayer more than 30 years ago, he wasn't looking to establish a multi-national conglomerate. Then, as now, the initial thrust was evangelism. But when you get to a certain level of corporate responsibility, the accountants begin to outnumber the evangelists.

"The major struggle in our industry at the moment is financial," Lundy says. "My personal struggle is to make good, solid financial decisions and to still stay sensitive to our ministry. Word Inc. must make money to operate.

"At the same time, we're still a ministry; we're called to do this. But by virtue of something I do nearly every day, I'm accused of being either too ministry oriented or too finan-

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Russ Taff

SANDI PATTI: Flame Burns Bright For America's 'Torch' Singer



Since the release of the "They Come To America" benefit album for the Statue of Liberty campaign, they now call Sandi Patti "America's Torch Singer."

Patti, who was the only gospel artist in a lineup that included Leonard Bernstein, Willie Nelson, and Waylon Jennings, donated a version of "The Star-Spangled Banner" that included a new verse.

"They Come To America" helped raise funds for the restoration, but ABC was still struck by the song's power and used it to accompany the breath-taking closing moments of the telecast, an emotional recap of the week. Millions of Americans heard Sandi Patti singing, and at the end of the program, with the last strains of the song trailing off into the night, host Peter Jennings said reverently, "There isn't anything left to say."

ABC's switchboard was flooded with calls from across the country. Stunned by the public's interest, "ABC World News" sent a news team to her house in Anderson, Ind. On Monday following the ceremonies, Jennings introduced her as America's new "Torch Singer."

Sandi has since performed on "The Tonight Show," and will be featured on "Entertainment Tonight" in late October. More than a year later, her first Word LP is still No. 1 on a number of charts—knocking Amy Grant's "Unguarded" out of the top spot.

WORD

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dially oriented. That's been the biggest struggle for me since taking this position."

Musically, Word is also evolving. But in the areas where it has emerged the industry leader—contemporary, church and worship, MOR—Lundy says nothing has changed.

"I think, for instance, we've made a strong commitment in the area of church music with Sandi Patti," he says. "We've just re-signed Evie, we've got a new hymn book and we're moving strongly in that direction."

"On the other side of the musical spectrum, our new What? label is designed to capture new musical trends. Russ Taff doesn't want to work in that area and that's fine. But Tonio K. has different things to say in a different way. And since our mission is to reach as many people as possible, we're giving artists like that a window. The growth in the youth-oriented contemporary marketplace is phenomenal and we want to be on the cutting edge of that music."

From a marketing standpoint, Word has continued to be an innovator. Probably the most visible success story has been the "Take 'Em With You" campaigns headed by Loren Balman. Each of the first three "Take 'Em With You" first-day orders has been in excess of a million dollars—and that's 100% cassettes. Word research shows that the four-square-foot displays are currently the most profitable four feet in Christian bookstores. One Word source says that the "Take 'Em With You" campaign is proving to be more profitable than either the long-standing Album of the Month or coupon programs. And that's despite an initial reluctance on the part of many bookstores and several top marketing people at Word.

But then, Word's going to need all of its marketing guns loaded in the days ahead. "The worst thing I see for late 1986 and on into 1987 is the glut in the marketplace," Lundy says. "In Christian bookstores—where we are still selling 80-85% of our product—they are simply swamped with product. Word may be as guilty as anybody else in this. But if this trend continues, we're all in trouble."

Even the Christian bookstores themselves are different. Where albums once reigned supreme, they've been pushed to the back by the wildfire growth in sales of CDs and cassettes. Lundy says Word has made progress in meeting the consumer's demands for CDs, but admits that some orders still simply go unfilled.

"As for cassettes, we were 83-17 in favor of cassettes over albums in the first quarter and we've been averaging probably 80-20," he says. "There's coming a time when we'll probably be releasing some product in cassette form only."

"I think that will continue because we're also seeing a trend toward a younger consumer, which is good and bad. It's good because a younger consumer buys more often. It's bad because they generally don't control their own finances."

"And finally, I think the audience has forever split. We have artists who have an evangelical slant and we have artists who work strictly within the Body of Christ. We didn't split, the audience did. I think we're doing the best we can to reach both sides."

At the Reunion label, which recently re-signed a distribution pact with Word for four more years, they're celebrating the success of the Peter Cetera/Amy Grant duet, the across-the-board success of Michael W. Smith's "The Big Picture" (selling at a better clip in some stores than "Age To Age" did in its heyday) and the release of the first instrumental album by producer/songwriter/musician Michael Omartian.

Maranatha! Records continues to sell hundreds of thousands of units of its Praise music and children's product. It is introducing a Christmas family album, an instrumental Christmas album by its various Colours artists and a new children's series called "Psalty's Sleepy Time Helper."

At Home Sweet Home Records, they have high hopes for the newly signed Luke Garrett, a big-voiced singer in the Steve Green/Lamelle Harris mode.

For Myrrh/LA the new Phillip Bailey album has drawn considerable attention from mainstream outlets and A&M Records, while Leslie Phillips has just finished recording her new album with T-Bone Burnett.

Rejoice Records, in addition to the signing of Albertina Walker, is rejoicing over the No. 1 position of the Rev. Milton Brunson's latest album and the mainstream success (through A&M) of the new Clarke Sisters album.

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dian. "The whole industry is missing out because of taping. "Despite this problem, hot product finds its way," says Boladian. SOG sells well with "James Cleveland And The Southern California Community Choir" now on the charts, and LPs by Rev. Charles Nix Jr. & the St. James Choir, Rev. Donald Vails Choraleers, Minister Thomas Whitfield, and Esther Smith. SOG distributes James Cleveland's King James Records.

Solving another distribution problem is Dr. Leonard Scott, president of Tyscot Records of Indianapolis, which is severing ties with the Benson Co. after two and a half years. "As everyone knows, Benson eliminated their Black division over a year ago," says Scott, a dentist. "The Benson Co. was very helpful to us in getting off the ground, fronting manufacturing and distribution. But now, their thrust is entirely contemporary Christian and Southern. We can handle our own product much better than they can."

Birthright Records, owned by the durable Dr. Byron Spears, enjoyed a top 10 album during the last year with Edwin Hawkins' "Have Mercy." The label was one of the exits from the Lexicon distribution fold and "we're nearing a new distribution deal," according to the label's Hank Mance. Birthright is planning new releases from Edwin Hawkins, the Kansas City Choir, and Carter, Cooney and Wells.

Nashboro Records, which boasts one of the largest active catalogs in black gospel, hasn't been in production in many years. However, the company with the largest array of Mahalia Jackson, Martin Luther King Jr., and other favorites such as the Dixie Hummingbirds, is in the process of merging with the Florida-based First National Corp., a motion picture company.

"There's quite a bit of excitement around here," says Nashboro's James Sterling. "When the flutter of merger is over, there is a strong possibility that we may go back into production and resume our role as a leader in black gospel."

SPARROW

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versary."

There is a new Agapeland album in the offing, too. "The Music Machine Club Fun Album" will be promoted with a \$2.95 retail inflatable toy free with the purchase of the album. This fall, Sparrow will also be the distributor to the Christian marketplace of a new product line called "Pleasant Dreams," from the originators of the Agapeland records. It consists of five varieties of packages containing a children's story and music cassette, a hardcover book and a calico stuffed animal.

The inflatable bonus toy and the calico animals are one facet of diversification at Sparrow. The first book published under the new Sparrow Press logo, Stormie Omartian's "Greater Health God's Way," has sold more than 60,000 copies and is now in its 10th printing. The related Omartian video, incorporating her two exercise albums, has just been released.

"We're staying in videos," Hearn says, announcing a Steve Green concert video soon to come, as well as ones by Steve Camp, Rick Cua and Rob Frazier together, and a White Heart concert/concept video.

"Limelight," a 16mm film featuring Christian rocker Steve Taylor performing before an audience of 20,000 at England's Greenbelt Festival, will be promoted this fall to churches and youth groups on a rental basis.

The other area where Hearn predicts considerable growth in the next year is in Sparrow's fairly new Nashville operation, which revolves around songwriting and music publishing.

New artists who have recently been signed include Deniece Williams, White Heart, Margaret Becker and BeBe and CeCe Winans.

WORD

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DaySpring Records has high hopes for Cynthia Clawson album, which includes her rendition of "Softly And Tenderly" from the movie "The Trip to Bountiful."

At Myrrh, Russ Taff is finally in the studio even though his epic "Medals" album remains selling just a notch behind megahits from Grant and Patti.

And product by both Matthew Ward (Live Oak Records) and Kathy Troccoli (Reunion Records) is drawing increased attention inside and outside of the Christian marketplace.

LIGHT RECORDS

In July 1985, Light Records sought to double its size by taking on 13 additional labels for its distribution arm, Lexicon Distribution. The move increased sales, all right, but it "didn't bring anything to the bottom line," according to Light founder Ralph Carmichael. "We neglected our own label; we went six months without a major release."

Figuring the veteran gospel label (22 years old this year) needed to rectify the situation, Carmichael proceeded to clean house. From last March through June, he brought in a trio of new management talent: executive vice president Peter Home, sales chief Gil Few, and a&r head Alan Abrahams. In addition, Carmichael dismissed the head of Light's publishing arm, Lexicon Music, and reinstated Carl Seal to the position he'd held for many years. (Most recently, Seal had served as head editor.)

Carmichael then set about extricating Lexicon from its distribution deals, which had involved independent labels Birthright, Exile, Enigma (solely for heavy metal band Stryper's product), Nissi, Straight Ahead, I Am, Calvary, Command, Blue Collar, and Passage, as well as publisher Fourth Day Productions and "one piece of licensed product ... Now, the only label handled by Lexicon Distribution is Light Records."

In addition, he says, the company "cut \$1/2 million annually from our overhead."

As a result of all this trimming and restructuring, says Carmichael, "Our sales in 1986 for our own product will be more than in 1985 with all the distributed product."

Light's talent roster, which has always included a thorough mixture of black and white artists, has visibly benefited from the company's renewed commitment. At press time, the label had seven black artists and three contemporary performers on Billboard's gospel charts, including Andrae Crouch, Sandra Crouch, Douglas Miller, Walter Hawkins, Howard Smith, Commissioned, Bryan Duncan, Rob Frazier, and the Allies.

Plus, another black act, King James Version, had just released new product, and two more albums were shipping, one by Commissioned, and one by Shirley Miller (produced by Walter Hawkins). Carmichael says he's particularly excited about an October release by the New Jersey Mass Choir, who did background vocals on Foreigner's hit "I Want To Know What Love Is."

Also due out are LPs by Steve Amerson, whom Carmichael describes as a "new inspirational singer," and by inspirational instrumentalist Dino (who recently signed with the Benson Co., but whose upcoming album "Dino Plays Hymns" and 18 LP catalog bear the Light imprint.) "This year, we're putting out twice as many Light records as in 1985," Carmichael says.

MOIRA McCORMICK

BENSON

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ing with the publishing end. The company is taking a hard look at its 35,000-song catalog to determine what should stay and what should go. "The industry is producing far too much, and much of it is mediocre," states Jones. "We need to reduce the number of publications, and make them unique and creative."

In the meantime, Singspiration has been busy working out secular distribution agreements with Warner Bros. Publications and Jenson Publications. Warner Bros. Publications will distribute all Singspiration folios to the secular marketplace, and Singspiration will exclusively distribute Warner Bros. Music to the Christian bookstore market. Jenson Publications has arranged licensing rights to arrange and produce Singspiration music for use in public schools; its first distributed product is Singspiration's patriotic music, "Liberty."

Like its recording business counterpart the Benson Co., Singspiration is thriving on, Jones says, "economy of scale and specialization. And it works."

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