

Moss expects 'extraordi

THE IMPRESSION in Britain is of a booming American business where the million-selling album is merely a run of the mill achievement. On the other hand, we have seen the demise of ABC and EMI's rescue operation of UA Records. How do you see the state of the marketplace currently?

There are causes for grave concern. The first is the basic expense involved in marketing an album. Three or four years ago you could sell one to one and a half million LPs and tapes domestically and still look forward to continuing substantial catalogue sales. With some rare exceptions, this is no longer the case.

Returns have become a major factor in all this. The reasons being, first, the "volume at any cost syndrome". This has manufacturers offering large discounts to wholesalers and retailers to encourage shipments of great quantities to shops and racks often before the actual consumer has shown any interest in the record in the first place. To a certain extent, then, these dealers have already made money by accepting the record, because they know that it can be returned most of the time at full wholesale price. It is a sorry state of affairs when a retailer makes more

money on buying a record than he makes selling it. If the manufacturer is slow in giving deals of some kind, then it seems that your record doesn't get prominence in the shop. One is literally forced to play the game, because the larger companies play it to the hilt and try to dominate those shops.

In the future perhaps, like the perfume business, each company could rent an area in the shop, have a salesman there to promote and sell its own records. We are sponsoring the space anyway because of the many different deals we are having to do to get our product displayed.

The other major problem is the sheer volume of records being produced. For good or bad, record companies are no longer waiting for airplay to generate excitement, they are working the record in the shops and that takes a lot of money. These two elements and others similar to them are generating enormous quantities of returns which benefit nobody except, perhaps, the cut-out merchants, the publishers, and the trucking companies.

Is it the case now that artists and management are so powerful that they can dominate record companies?

At most record companies you probably have that. People on the management side consider themselves sophisticated enough to know how much they can ask for in terms of advertising and merchandising and how and where those funds should be spent.

At A&M we like to feel there is an even balance. We also know how to do our job. It is unfortunate that after a record has sold say 200-250,000 copies you can look at the spending involved with promotion, advertising and overall marketing and discover that you have made very little out of the record other than perhaps establishing a plateau from which you hope to go forward.

But surely at the start of an artist's career it is common practice to regard the first album as establishing that plateau?

I don't think that theory means very much anymore. The first album and advances to the band may sometimes cost as much as 100,000 dollars or more and another 40-50,000 dollars could go into releasing and promoting it. Everybody wants to get that money back fast. There is rarely a consideration towards the artist concerned as to whether he, she, or they are emotionally or professionally ready for the "success" we are all working hard at propelling them towards. So called "dues paying" doesn't mean a thing to hardly anybody anymore. The cost of money has risen so dramatically. Unless you promote the first album as aggressively as possible, then the second album just becomes another good first album. We want success immediately.

Would you have said that five years ago?

Obviously it depends on the artist, but five years ago it was, I suppose, A&M's style to develop an artist so that when success came it was so incredible that it would make back our investment many times over. Fortunately, we have had success right off the bat in the United States with certain artists like Captain and Tennille and Brothers Johnson, but most artists still do take an album or two, or three or four, to fully realize what's expected of them and how to deliver it.

Are you saying that you now sign an artist to a one album deal and if it doesn't make it, then you part company?

Just about all our deals are one album deals with options. I can watch a band perform, listen to rehearsals and a demo tape, but I am not going to know how serious that band is until we have had the experience of working with them. They, by the same token, have to get to know us and our style of operation, too. If after the first LP we don't seem to have it for each other, then it is best that we can split in an amicable way and the

BY NATURE the antithesis of the fast-talking American, Jerry Moss is an outstanding example of what can be achieved in the land of opportunity. From modest beginnings as a promotion man, he has developed into a respected member of the international record business community. As chairman of A&M Records, the company he formed in 1963 with Herb Alpert, he heads one of the world's most envied labels which has achieved success largely as a mirror-image of his own concern for good taste and ability to relate to talent, much of it of British origin. Despite his diffidence regarding personal publicity, Moss speaks his mind forcibly when the occasion demands and does so in this two-part interview which touches on the state of the American industry, the status of British talent, the cheque-book policies of American companies and A&M's recent controversial distribution deal with RCA.

By BRIAN MULLIGAN

band can go on to another company. With the exceptions of re-signings, we have never made arrangements for more than one or two albums at most initially.

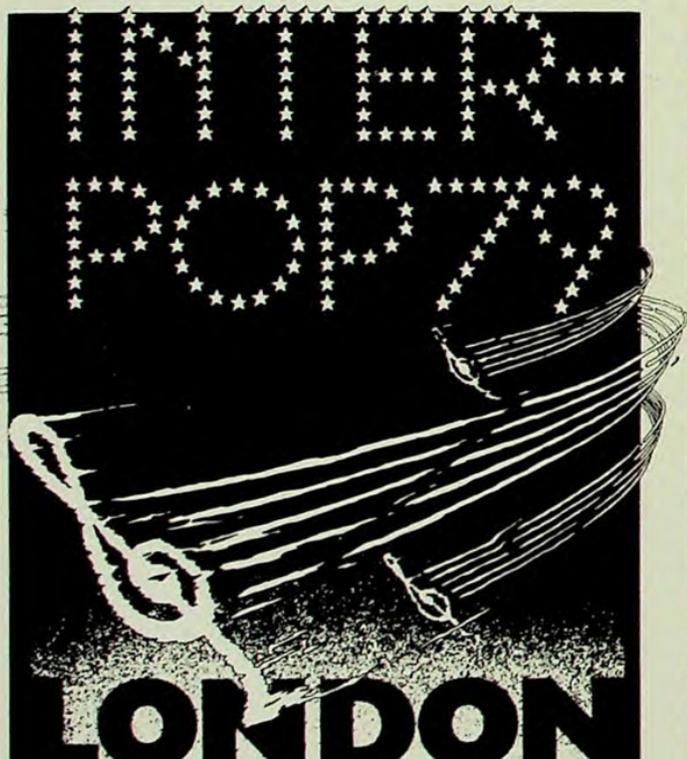
The multi-million selling album is a comparatively recent phenomenon. Are we just beginning to see the sales potential of superstars?

I think it should be possible to go beyond the latest best-selling *Saturday Night Fever* LP. If I thought otherwise, I wouldn't be too anxious to go to work in the morning. We always need to set new goals and create new horizons.

I think the new Supertramp album would be my shot at this time for a multi-million selling album of 1979. It is already gold in France, Holland and Belgium. The group is going on a nine-month tour of the world. They are really exceptional artists on record and in concert. This year they will receive the world-wide recognition they so richly deserve.

In America there are 100 million phonographs. *Saturday Night Fever* supposedly sold more than 15 million copies. If so, that leaves a lot of phonograph owners who didn't buy a copy.

**'I believe very
vitality of our**



LONDON

INTERPOP
London's First International Fair
for Recording Companies,
Music Publishing Companies,
Equipment Companies,
Authors and Composers.

INTERPOP
From 3rd to 7th September inclusive
At the Connaught Rooms,
Great Queen Street, London WC2

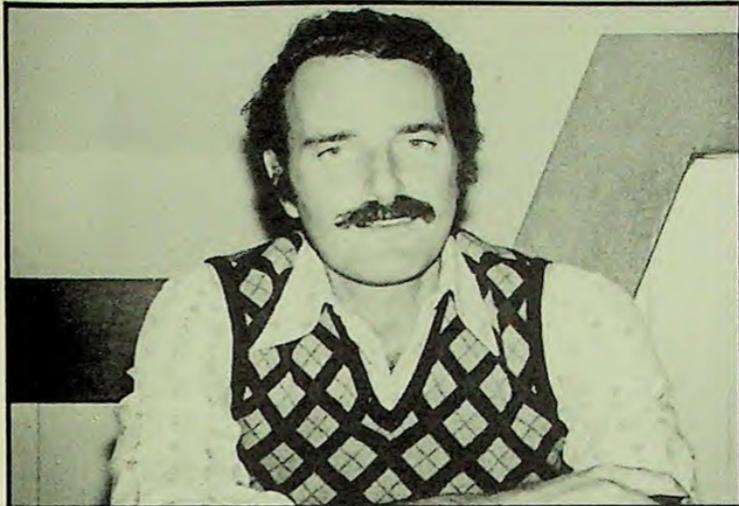
For full details

INTERPOP LIMITED
30 Baker Street
London W1M 2DS
Telephone
01-486 0059 5353
Telex 25247 or 21879
Attn. INTERPOP

INTERPOP
Meet the World's Top Music
Men And Women - In the
Centre of London

INTERPOP 79

nary year' from UK acts



JERRY MOSS — so far as Top 40 radio is concerned, disco has gone almost as far as it can go.

The cost of sustaining such superstar sales suggests that promotional attention could be diverted away from newer talent. Do you see a danger of this happening?

At A&M each artist has his or her place. Obviously somebody like Peter Frampton or Styx who have sold millions of records will get more notice taken of them than a new artist just starting out, but I'd like to believe that the same amount of creative energy, if not dollars, is going to be put into the new artist as into the established one.

There are very few creative record companies, but there are a lot of releasing companies. I would like to think that at A&M we can involve ourselves creatively whenever and wherever needed better than most other companies.

For instance, in America I think the acts established by A&M UK will have an absolutely extraordinary year. We have mentioned Supertramp, and in addition we have Police and Joe Jackson on the charts. I think the new Tarney/Spencer Band LP is an excellent one, and we're expecting it to break in the US. We have also done extremely well recently in America with Sad Cafe.

I believe very strongly in the vitality of our English company. We have worked very hard to support the company here and encourage it in every way possible. It's exciting to watch their discoveries do so well in the US and the rest of the world.

Do you see signs of a real renaissance of interest in British acts in America,

strongly in the English company'

or is a good record in Britain now classified as a good record in America?

The amount of space that disco has taken up on the charts during the last year has been formidable, but I think that so far as what we call Top 40 radio is concerned, it has gone almost as far as it can go. You can't have more than 50 per cent of disco on playlist otherwise it gets monotonous. Some of those stations which showed up with great audience ratings by playing all disco are beginning to lose them a bit. A record like 'Roxanne' by Police was a marvellous rock 'n' roll record and that, and others like it, are becoming known as "relief records" — that means they are a relief from the disco tempo. I believe we will continue to have a big success ratio with those sort of "relief" records.

I have always believed that England was rock 'n' roll headquarters. There is nothing like a great British band. Rock 'n' roll is fun and excitement and it continues to be developed in Britain with excellence. Aside from that, the English musicians I meet who are just starting out in America are happy just to be working. They will at least initially during touring get up in the morning to do the interviews and the radio shows. I feel that they are much easier to deal with and much harder working than their US counterparts. To answer the question — for the most part I agree. A good record in England is definitely a good record. Now let's hope I can prove that by breaking 'Cool for Cats' by Squeeze in America.

Does your recent American distribution deal with RCA have any implications so far as your companies out of America are concerned?

It won't have any effect on them at all. When people talked about our leaving independent distribution in America, we only had about 55 percent of our business through independents. We had our own branches in the West Coast, in

the South, and our own sales office in the North East. The major problem we had was the use of four different kinds of distribution systems in one country.

Distribution costs a small fortune and there is very little profit in it for a company of our size. The starting-up costs of A&M Pacific, our West Coast operation, to deal with 25-30 percent of our national business was more than two million dollars which did not include taking our inventories back from independent distributors and shipping the records out again. We had a 55,000 square foot warehouse and employed 76 people in the warehouse and in the three sales offices in Seattle, San Francisco, and Denver. The time and money involved in running a wholly owned branch-type distribution system would have taken away the time for concentrating on the things I feel A&M does best — making records and promoting and selling them.

You were once a fierce supporter of independent distribution. Why have you changed your mind?

I haven't changed my mind. If I were running a small company today I would be with the independent distributors.

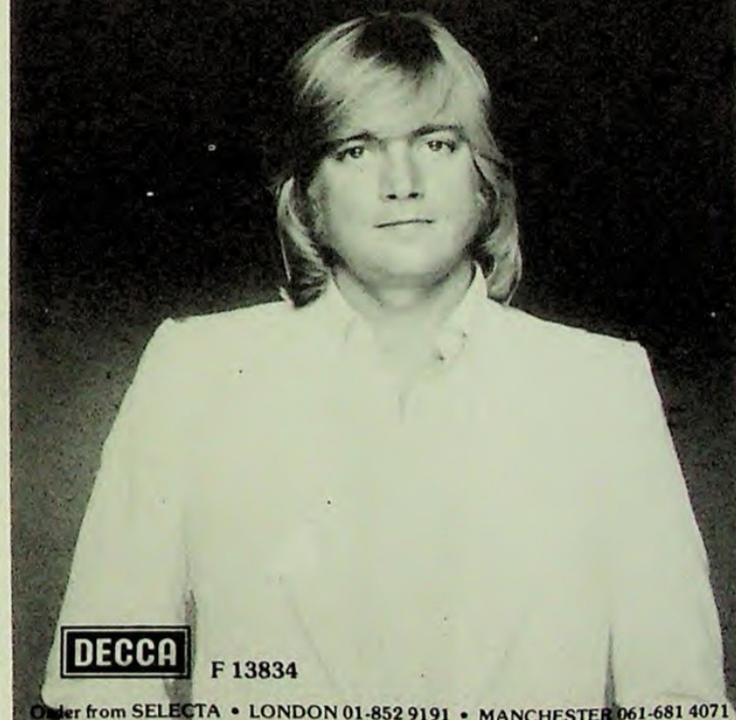
Each one of them knows his own marketplace better than the branch (major company) operators. They have more interest in succeeding because it is their own business. For many years, we had three of the biggest-selling records of all time by Herb Alpert, Carole King, and Peter Frampton, and they were independently distributed. The reason we left them was that we'd become such a size that without a national company like RCA to handle our business, I would have been forced to start three more A&M Pacifics. The cost of that would have left very little money to invest in talent and promotion — the things I like to deal with. One other word for the independents is that I have now been in business for over 16 years and we have taken in hundreds of millions of dollars from distributors and in that time bad debts have been slightly over one-million dollars. I defy anyone to find any business with less than one percent of bad debts.

NEXT: Moss on the future of American independent distribution, WEA and CBS, high-priced superstars vs new talent — and the future.

1978 saw the triumphant return of the MOODY BLUES with the album 'Octave' and no member of the group shone through more brightly than JUSTIN HAYWARD.

Justin recently starred on the KENNY EVERETT VIDEO SHOW performing his new single:

MARIE
It's a great song!



DECCA

F 13834

Order from SELECTA • LONDON 01-852 9191 • MANCHESTER 061-681 4071