

# Keith Negus

## THE MUSIC BUSINESS AND RAP: BETWEEN THE STREET AND THE EXECUTIVE SUITE

### Abstract

This article focuses on the organizational practices of the music industry to contribute a neglected dimension to our understanding of rap as a commercial activity and cultural form. It initially situates the production of rap within the context of the corporate strategies and business practices of musical entertainment companies, stressing how rap production is located within the context of corporate 'black music divisions' and the major labels' relationships to smaller companies. At the same time, the study considers how musical production is shaped by broader culture processes and practices that are not directly within the control or understanding of the company. As corporate organization intersects with and attempts to make sense of surrounding culture, I argue that the actions of recording companies are a direct intervention into and contribution to the way in which the social world is rationalized and fragmented and through which different cultural experiences are separated and treated unequally. This argument is focused on the theme of 'the street' and 'executive suite' through which I suggest that, while it is important to acknowledge the struggles of rap artists and entrepreneurs for both recognition and independence from the corporate world, it is also important to highlight deliberate attempts to maintain a distance between the corporate world and the genre culture of rap. This article seeks to contribute to our understanding of the articulations between musical genre, occupational practices and broader cultural formations, highlighting a significant series of connections and relational practices which connect production and consumption and the articulations through which corporate organization is linked to broader cultural formations.

## Keywords

rap; culture; recording industry; African-American music

**M**OST OF THE WRITING about US rap that has appeared from the perspectives of those writing within the broad field of cultural studies has tended to be concerned with this genre as an aesthetic form of African-American expression. The stress has more usually been on rap as a resistant, oppositional, counter-cultural form of expressive culture, with particular reference made to the appropriation of technology and existing musical signs and symbols (scratching, sampling, mixing) and the constitution of performative practice across an aesthetic tradition of diasporic creativity (with varying inflections of both an essentialist and anti-essentialist argument that point both back to and away from the slave routes of the Atlantic). Although the music industry has been referred to and acknowledged by a few writers,<sup>1</sup> most have tended to concentrate on cultural criticism<sup>2</sup> and locate the 'politics' of rap within the domain of a cultural struggle across the broad terrain of 'consumption' that is lived outside the world of the corporate entertainment industry. What such a perspective has clearly demonstrated, through theoretical argument and illustrative examples, is that rap has been made as a cultural practice that involves the quite explicit creative appropriation of existing sounds, images and technologies and their reconstitution as a new art-form. In doing so this has highlighted the tangible connecting points that link the often inadequate concepts of 'production' and 'consumption' and illustrated how consumption can *become* production. In the process, creative practice and aesthetic discourse have produced a particular type of cultural-political identity which can be understood in terms of a long tradition of black creative activity, not only within the United States (Fernando Jr, 1995; Vincent, 1996) but within the context of a diaspora of the black Atlantic (Gilroy, 1993).

This article is not a direct challenge to such an account but an attempt to add a further dimension to the ways that rap is understood as both a musical genre and cultural practice. My argument is that to understand rap, both in the past and its potential in the future, cultural explanations alone are not enough. Rap has been created as a self-conscious business activity as well as a cultural form and aesthetic practice. A skim through consumer magazines, such as *The Source* or *Vibe*, which address both artists and fans (often at the point where the two merge), reveals frequent references to issues of 'career planning' and business management, often presented as a form of educational intelligence. A reading of trade magazines such as *Billboard* will turn up a number of articles in which rap artists and entrepreneurs, whether Suge Knight or Chuck D, explicitly discuss their commercial strategies and business plans. As Bahamadia commented during the promotion for her first album:

You have to understand that this is a business. When you sign your name

on the dotted line on your contract you are literally a walking human business as well as a human being. So you have to study this business, ask questions, educate yourself and have a plan B and a plan C.

(Fitzgerald, 1996: 22–3)

I hope that in some small way this article might educate and inform. I also wish to argue that to understand what rap might mean and its potential as a form of cultural expression and communication, it is also necessary to understand it as a business that links – and perhaps more significantly separates – artist and audience in quite distinct ways. In very broad terms, I want to suggest that this demands thinking about the involvement of record companies in musical production in terms of two general dynamics: to identify these I use the terms an *industry produces culture* and *culture produces an industry*. I introduce these themes, first, to signify my debt to distinct traditions of critical thought which, given space I shall acknowledge with the briefest of references. Second, I present this thematic play on words not as a macro-theoretical model, but as a heuristic device for interrogating empirical material brought together through research on the recording industry. My concern is to understand the details of rap production specifically, rather than to contribute to broader macro-theories of capitalist production or the production of cultural commodities in general.

By using the term *industry produces culture* I am referring to how entertainment corporations set up structures of organization and working practices to produce identifiable products and ‘intellectual properties’. This approach owes an enduring debt to the critique of Theodor Adorno and Max Horkheimer (1979) and continues in what might loosely be called the ‘culture industry’ trajectory of theorizing. This is an identifiable perspective that draws on political economy, critical theory and studies of organizations and which entails considering various corporate strategies, contractual arrangements and business practices through which music companies seek to achieve their commercial goals. Writers following this line of reasoning have produced a body of work which has emphasized how the practices, form and content of popular music are made to conform to a range of organizational constraints and commercial criteria, highlighting the impact of patterns of capitalist ownership on the creative work of artists and the options available to consumers. This work is widely acknowledged, summarized and critiqued elsewhere, and needs little further elaboration here. My primary aim here is to build upon and add to these insights.<sup>3</sup>

One of the ways I seek to do this is by using the term *culture produces an industry* to stress that production does not take place simply ‘within’ a corporate environment created according to the requirements of capitalist production or organizational formulae but in relation to broader cultural formations and practices that may not be directly within the control or comprehension of the company. This idea acknowledges the critique of production put by those who argue that the industry and mass media cannot simply determine the meaning of musical

products and that these may be used and appropriated in various ways by musicians and groups of consumers.<sup>4</sup> More specifically, in pursuing this theme, I am drawing on Raymond Williams' (1961, 1965) conception of culture as a 'whole way of life' and Stuart Hall's (1997; Morley and Chen, 1996) emphasis on culture as the practices through which people create meaningful worlds in which to live.

The implications of drawing on this type of approach are twofold. First, the activities of those within record companies should be thought of as part of a 'whole way of life' which is not confined to the formal occupational tasks within a corporate world, but is stretched across a range of activities that blur such conventional distinctions as public/private, professional judgement/personal preference and work/leisure time and through which the corporate world of 'production' is explicitly connected to broader formations of 'consumption'. Second, it is also misleading to view practices within music companies as primarily economic or governed solely by an organizational logic or bureaucratic structure. Instead, work and the activities involved in producing popular music should be thought of as discursive practices which are interpreted and understood in different ways and given various meanings in specific social situations. This is an integral part of 'production', but often neglected in political economy and the study of occupational activities. As George E. Marcus and Michael Fischer have pointed out: 'not only is the cultural construction of meaning and symbols inherently a matter of political and economic interests, but the reverse also holds – the concerns of political economy are inherently about conflicts over meanings and symbols' (1986: 85).

In this article I am using these two broad themes of industry producing culture and culture producing an industry as a way of evoking a series of dynamics, social relationships and discursive practices and not in any way to suggest a formal model or system. I hope they provide a useful way of thinking about a number of distinct features of musical production in a less dogmatic and more open manner than many overly systematic productionist approaches. There are two issues in particular which I want to highlight through the discussion: (1) The way in which music companies distribute their staff, artists, genres and resources into divisions defined according to social-cultural identity labels. Most notable here is the black music division but, in a broader context, this would also include the Latin division, domestic division, international department and so on. Such practices can be viewed as a response to, but also a direct intervention into and contribution to the way in which the social world is rationalized and fragmented and through which different cultural experiences are separated and treated unequally. (2) Related to this, I wish to highlight how the industry seeks to understand the world of musical production and consumption by constructing knowledge about it (through various forms of research and information gathering), and then by deploying this knowledge as a 'reality' which guides the activities of corporate personnel. Here I wish to highlight how production is understood by those involved in it through a series of apparently obvious and commonsense

categories that do not so much involve an understanding of 'reality' as a construction and intervention into 'reality'. An obvious example here involves the division of social life into constructed 'markets', and then the routine deployment of knowledge about the characteristics and workings of these markets.

In pursuing this theoretical focus through a discussion of rap I shall attempt to illustrate these dynamics by analysing how the industry organizes the production of rap by basing practices on a very particular construction of knowledge about the social world. The relationship between rap music and the recorded entertainment industry that I am proposing here is more complex than the often narrated tales of co-optation, exploitation and forced compromise to a commercial agenda, although these pressures are certainly not absent. At the same time, it is an attempt to avoid the celebration of black entrepreneurialism or the endorsement of rap as a type of material success-oriented 'fun capitalism'.<sup>5</sup>

The subtitle of this article, 'Between the street and the executive suite', signals a further broad argument and general theme that weaves throughout. First, it signals the way in which rappers who have often been identified solely with 'the street' are also executives. I consider this important, for while the portrayals of rap artists as creative iconoclasts certainly reclaim a value for activities that have been devalued, it fails to adequately acknowledge that rap is, potentially, not 'outside' or bursting out from the 'margins' or 'periphery', but central to the changing business practices and aesthetics of the contemporary music industry. However, this is not simply to re-place rap artists and entrepreneurs at the centre of a fun type of capitalism. Instead, it is to raise questions about *why* and *how* rap has remained on 'the street' – materially and discursively. Here 'the street' operates as a metonym for a particular type of knowledge which is deployed by executives throughout the music industry; a type of knowledge which legitimates an enduring belief that rap *is* and *should be* outside the corporate suite. Hence I use the theme of the street and executive suite to signal the way in which the discourse of the street and the mythical 'being in touch with the street' is integral to how the music industry deals with rap practices. It is my belief that this not only maintains social divisions within the recording industry; it also contributes to the ongoing reproduction of broader economic, cultural and racialized divisions across which r'n'b and rap have been and continue to be made. This article seeks to illustrate these connections and the relational practices which connect production and consumption and to highlight the articulations through which corporate organization is linked to broader cultural formations.

### **Corporate decisions and cultural divisions: the major companies and the black music department**

In order to understand how the recording industry has come to deal with black music in general and rap in particular, it is necessary to make some preliminary

comments about how the industry and specifically the US music business deals with different genres. The first point to note here is that the major record companies use a technique known as portfolio management. This provides a way of viewing the company's labels, genres and artists by dividing them into discrete units (sometimes called strategic business units), thus exposing the performance, profile and contribution of each division. In many ways this is part of a strategy of diversification; the company spreading its risks across various musical genres and potential sources of income. However, it is more than diversification. It is a way of managing the company's diverse range of interests, as each unit can be assessed and categorized according to its performance and level of investment required. Well-established genres such as rock and country are often labelled 'cash cows' to indicate how, with minor modifications and modest ongoing investment, this category brings in regular profits. A genre such as rap, however, despite the revenues it continues to generate, may be classified as a 'wild cat' by industry analysts who are uncertain about its future aesthetic changes and 'potential market growth' and by business personnel who are uncomfortable with the politics of black representation that are foregrounded by the genre, and anxious about the political pressure from the moral opponents of rap (I shall elaborate these issues below). In turn, artists such as Michael Jackson, Mariah Carey and Phil Collins are categorized as the 'stars' of so-called 'international repertoire' and receive special attention (in terms of budgets and staff expertise).<sup>6</sup>

It is within the context of these corporate practices (drawn from techniques formulated in a broader business environment and applied specifically to the music industry) that the major companies and their labels have come to deal with black music in separate divisions. Historically, the contemporary management of rhythm and blues within separate formally defined corporate entities can be traced back to a reorganization of the music business that occurred during the late 1960s and early 1970s. As Nelson George (1989) has observed, the creation of 'black divisions' during this period was a response to both commercial opportunity, social and political pressure and cultural changes. A number of factors contributed to this. One involved pressure from activists associated with the Civil Rights Movement and National Association for the Advancement of Colored People who urged the major labels to give a more equitable remuneration to black artists and who sought greater representation for industry personnel. Additional pressure came from the so-called Fairplay Committee. This was a group, associated with DJs and radio personnel, that managed to combine what many supported as 'commendable aims' (a fair deal for African-American artists and music industry staff) with alleged acts of intimidation and violence and a desire to extort money through being 'the prime collector of payola for all black disc jockeys' (Wade and Picardie, 1990: 175).<sup>7</sup> At the same time, the major companies themselves were beginning a process of reassessing how they dealt with different types of music, and selectively followed the recommendations of a 1971 report for CBS by the Harvard Business School which had advocated the

formation of black music divisions.<sup>8</sup> This was for many executives a logical restructuring and response to promotional practices and radio broadcasting which had dealt separately with African-American recordings through a series of euphemisms which began with the term 'race music' during the 1920s (Garofalo, 1994, 1997). Garofalo (1993) has also noted that when the 'race music' labels of the 1920s (such as Black Swan, Merit and Black Patti) were hit by the Great Depression, they were bought up by major labels (such as Okeh and Paramount) and maintained as a 'race music' series separate from other parts of the catalogue. Hence, although the major record labels began to set up black music divisions and departments from the early 1970s, the practices upon which this was built can be traced back throughout the twentieth century.

These divisions have undoubtedly provided a space for black staff within the companies, and ensured that musicians are managed by personnel with knowledge, skills and understanding of their music, creating a place for African-American staff who may not otherwise have gained employment in the industry. However, the black divisions have endured an unstable and uncertain existence. One of the most significant disadvantages is that the department can easily be cut back, closed down or restructured by the corporation (whether this is due to an assessment that the genre has changed or simply because cuts have to be made). A similar fate can befall many departments when exposed as business units, yet it is often the black music division that is subject to greater cutting than others.

A conspicuous example of this occurred when Capitol Records closed its entire 'Urban division' in February 1996, dropping most of its artists and laying off eighteen members of staff (most of them black). Capitol-EMI announced that the company had done this to concentrate resources on 'stars' such as Bonnie Raitt, Bob Seger and Richard Marx and 'modern rock' artists such as Foo Fighters, Everclear and Radiohead, a clear example of portfolio management in practice (and where investment priorities lie) – a category of 'stars' were named as a priority and the genre of modern rock was identified as a 'cash cow'. In the week that this occurred I happened to have an interview arranged with Havelock Nelson, a *Billboard* writer who, over the years, has been involved in organizing various hip hop workshops and educational events. As he remarked: 'This happens so much whenever there is a budget cut to be made; it's always the black department that suffers.'<sup>9</sup> For J. R. Reynolds (1996), one of his fellow columnists, this event represented 'the systematic extermination of black music at Capitol Records' and 'cut the company's ties' to the 'r'n'b community'. As such, this was far from simply an 'economic' decision. Reynolds pointed out that it could not be justified in market terms: in 1995 r'n'b and rap had sold 132 million albums and accounted for over 21 per cent of the music market in the US.<sup>10</sup>

Hence the commercial strategies of music corporations are not simply business decisions alone, but are informed by a number of value judgements and cultural beliefs. In this instance, to many outsiders, whatever the dynamic within

the company, this looked suspiciously like racism and a distinct lack of commitment (in terms of staff and investment) to sustain an involvement in black music and what George (1989) has called the 'rhythm and blues world', referring to the 'extramusical' significance of rhythm and blues as an 'integral part' and 'powerful symbol' for 'a black community forged by common political, economic and geographic conditions' (1989: xii).

Hence one issue here is that of occupational insecurity. The music industry is a notoriously insecure place to work, but black music divisions can be particularly unstable. For as long as they have been in existence, the variously named r'n'b/black/urban divisions have been continually closed down and reopened as a way of dealing with financial booms and slumps; staffed and re-staffed as senior management have continually changed their thinking about how to deal with r'n'b.<sup>11</sup> Although numerous African-American executives have contributed to the formation of the modern music industry and the history of recorded music, all have continued to occupy a 'precarious position' (Sanjek, 1997). This instability intersects with a broader issue of historical continuity; the black music divisions have not been allowed the space to establish their own agenda. One conspicuous point here is that there are very few senior African-American executives within the corporate hierarchy who are above the black division and hence involved in the decisions about closing down business units or re-staffing departments. This is recognized within the music business and has been emphasized by Garofalo, who has noted that 'black personnel have been systematically excluded from positions of power within the industry' (1994: 275). The black music divisions have not been allowed to develop a continuity and sense of history that is consonant with the African-American contribution to US musical culture.

It is within this context that the music industry began dealing with rap (or not dealing with rap) during the 1980s. At one point it seemed that the major companies had neither the inclination, understanding nor skills to deal with rap. It was partly anxiety, lack of expertise and incomprehension on the part of the majors that allowed many small companies to carve out a considerable niche during the 1980s. It is often claimed that the small companies were in touch with 'the streets'. But it is not as straightforward as this: the major companies have also allowed the minor companies to carve out such a niche.

### **Independents on the street: keeping it outside the corporation**

If one way in which the major companies have attempted to manage African-American music has involved continually cutting and restructuring their r'n'b division, the other technique has been based on a series of changing relationships with minor companies. There is a familiar explanation offered for why so many successful rap recordings have come from independent labels: they are 'closer to



the street'. It is a view held by many observers of the music industry. As Tricia Rose has written:

It became apparent that the independent labels had a much greater understanding of the cultural logic of hip hop and rap music, a logic that permeated decisions ranging from signing acts to promotional methods. Instead of competing with smaller, more street-savvy labels for new rap acts, the major labels developed a new strategy: buy the independent labels, allow them to function relatively autonomously, and provide them with production resources and access to major retail distribution.

(1994: 7)

This perspective draws on a long-running argument that changes in popular music are driven by the activities of independent companies. There is an element of truth in this claim; it is often easier to identify a new sound and to participate in its circulation from outside the bureaucratic gatekeeper-riddled systems of the major companies. It should also be acknowledged that many black independent companies have sought to maintain this position in an attempt to assert their autonomy and self-sufficiency (George, 1989). However, this is a partial and rather too neat and tidy explanation of why rap has ended up *produced* on so many small labels, even if the artists do tend to be *marketed* and *distributed* by the major companies.

There are a number of ways in which this argument has been challenged. One counter-claim has proposed that rap has been somewhat closer to the middle-class suburb than the street. According to David Samuels:

Since the early 1980s a tightly knit group of mostly young, middle-class, black New Yorkers, in close concert with white record producers, executives and publicists, has been making rap music for an audience that industry executives concede is composed primarily of white suburban males.

(1995: 242)

There would seem to be much evidence to support such a claim. Many of those involved with the influential 'street-savvy' labels – such as Tom Silverman at Tommy Boy, and Russell Simmons and David Harleston at Def Jam – were from educated and middle-class backgrounds. The backgrounds and actions of various artists, such as De La Soul or Chuck D, for example, could also be cited to support this argument.<sup>12</sup>

Yet this claim is equally partial. In terms of production, rap has, since it first began to appear on recordings, been produced from multiple points of origin and with distinct inflections of geographical place (Houston, Atlanta, Los Angeles, Washington, Philadelphia, Georgia), class identity (De La Soul or NWA), ethnic representation (Fugees, Tres Delinquents, Cypress Hill), urban, rural differences

(Arrested Development, Smoothe Da Hustler). Not only has rap been stylistically diverse, the diversity has been created across complex identity amalgams. Hence it is misleading and partial to collapse these variances into any straightforward model of inspiration from the streets or collusion of the black middle class with white executives.

Equally, the idea that the integrity of rap is undermined because a large part of consumption can be located within the white male suburb is also simplistic. A strong case against this claim has been argued by Rose (1994a), who has pointed out that purchasing statistics do not in any straightforward way equal 'consumption'. Sales figures – such as '75 per cent of rap records are owned by white teenagers' (Whalen, 1994: 12) – cannot account for the complex ways in which rap is *circulated* and how recordings are appreciated, used and reused. Youth in the white suburbs may have the disposable income to purchase a recording that will sit on a shelf looking cool; while, in contrast, black urban youth may circulate recordings and listen to them repeatedly – there may be a much higher 'pass-along-rate' (Rose, 1994a).

What does seem clear is that, as it has been and continues to be made, appreciated and circulated, rap has intersected with and crossed numerous borders of class, neighbourhood, gender, ethnic label and national belonging. Yet it has not been crossing many divisions *within* the music industry. There are two distinct, but interrelated, regimes of containment I want to identify here. First, organizational practices through which rap is confined to a specific 'position' within the industry and not accorded as much investment (economic, staff, time) as other types of music. Second, a particular type of knowledge that is expressed through the discourse of 'the street' which simultaneously denies the complexities I have referred to above and in doing so constructs a simplistic commercial cultural 'reality' for rap production which is easily accommodated to the management methods adopted by the music industry.

### **Major anxieties: affiliations, representations and expectations**

One of the characteristics of rap that initially confused the major companies was the way that rap proposed a series of working relationships across different musical entities; cliques, collectives, affiliations and group and label identities that connected together different 'bands' and individual performers. This is signified in the continual appearance of performers on each other's recordings and the way that this establishes very specific networks of affiliation and alliances; for example, the performers who have grouped around such entities as The Dogg Pound, Dr Dre's Aftermath and Puff Daddy & The Family.

The genre culture of rap posits a different notion of musical practice (not only in the well-documented use of existing musical elements and technologies),

but in terms of the idea of a 'career' and sense of belonging to a musical entity. This is quite a contrast from that of the stable, bounded and predictable rock unit or pop band, or the solo performer and self-sufficient singer-songwriter which the industry has become competent at producing and comfortable in dealing with. Rap posits a fluid series of affiliations and associations, alliances and rivalries – occasionally serious, and usually related to neighbourhood and representation.<sup>13</sup> These affiliations are lived across various group and individual identities, and the major labels often prefer to deal with these at a distance. Davitt Sigerson, President of EMI Records, was quite explicit about this when I asked him how he was dealing with the acquisition of rap artists:

I don't have anyone doing r'n'b & r [artist and repertoire]. What I've adopted as a model is to have a bunch of different production deals or first look arrangements with entrepreneurs who bring me stuff . . . it's a very affiliative sort of creative community and process and I don't need to be in a camp.<sup>14</sup>

Rhythm and blues 'camps' and rap alliances are connected to another issue which the industry has also been uncomfortable with: the representation of 'the real' or what is often referred to as 'being real' and the politics of identity which has accompanied this. This topic has often received more superficial mass media coverage than serious debate about the issue which it raises and has frequently been reduced to simple arguments about profanity and the generic imagery of violence and misogyny that has characterized so-called gangsta rap: a 'discussion' often informed by a simple stimulus–response model of media effects and an aesthetic reductionism through which rap becomes merely lyrics. One consequence is that there have been overt political pressures put on record companies – from 'community' organizations, government and state forces – and this has further encouraged the companies to distance themselves from the genre culture of rap.<sup>15</sup>

Further judgements made by staff within business affairs and international departments have also had a decisive influence on the acquisition and drawing up of contracts for rap artists. There are two 'business decisions' here which are far more than straightforward commercial judgements. First is an assessment of the ongoing revenue that can be generated from rap; what is referred to as 'catalogue value'. Rap tracks are routinely compared to conventional songs and it is asserted that they cannot be 'covered' – re-recorded, re-sung, re-performed by other artists. Hence rap tracks are judged to have a short catalogue shelf life, in terms of their ability to bring in ongoing copyright revenue from their reuse.<sup>16</sup> In addition, the revenue that rap can generate during any assumed 'shelf life' is considered to be less than other types of music. In the words of one corporate attorney:

Music publishing and rap is a nightmare because so much of it is parts of songs. You know they have like one eighth of this song and two-thirds of another song . . . because everything is owned by someone else that can make those deals less expensive, but also less lucrative for the publishers than otherwise. . . . The publisher looks at how much they can collect on a particular album, and sometimes because of the number of samples on the album the amount they can collect can be pretty low.<sup>17</sup>

As Thomas Schumacher has observed in his discussion of sampling and copyright law, rap 'highlights the ways in which notions of authorship and originality do not necessarily apply across forms and cultural traditions' (1995: 265). Not only do they not apply, they pose problems for the 'universals of legal discourse' (*ibid.*). Hence the music industry copyright system, itself established upon culturally coded assumptions about the character of a composition and performance which can be traced back to the nineteenth century (Frith, 1993), is inscribed into these business relationships, informing these apparently straightforward 'commercial' decisions. One consequence is that rap is judged to be less attractive in terms of the criteria through which long-term catalogue value is accorded. Hence less will be paid to artists as advances and royalties.<sup>18</sup>

A further pragmatic business judgement which affects the amount invested in rap is the assumption that it does not 'travel well'. Here a strand of racist anxiety which permeates the international music industry manages to combine with a narrow aesthetic evaluation. One senior executive in an international department remarked that he had sat in meetings and heard rap recordings being referred to as 'too black' for international promotion,<sup>19</sup> a broad, sweeping claim that is justified specifically with the assertion that lyrically rap is 'parochial' – although the history of popular music is littered with parochial lyrics appearing in numerous places around the world. While rap does foreground poetic vocal performance, it is misleading to imply that this works simply as lyrics and not as an emotional performative sound event. This argument from within the industry, like Tony Mitchell's claim that US rap has remained 'resolutely local' (1996: 26), seems to reduce the aesthetic complexity and rhythmic, harmonic and melodic cosmopolitanism to rap lyrics.

Hence there are a number of ways in which the music industry seeks to contain rap within a narrow structure of expectations: through confinement within a black division, through arm's-length deals which avoid having to negotiate with various alliances and affiliations; through judgements about rap's long-term historical and geographical potential to endure. One consequence is straightforward lack of investment, and practices to keep investment down (it is easier to deal with production units than to invest in staff and office space within a company). At the same time, rather than bringing the culture – the people, the practices – into the industry, the companies have tended to maintain a sharp border. This can be contrasted with the treatment of rock in the late 1960s and

early 1970s. During this period there was a movement from the rock subculture and so-called counter-culture into the music industry – a period when the ‘revolutionaries’ were on CBS (as one marketing slogan proclaimed at the time).<sup>20</sup> This has continued, with a new wave of young white males recruited into the US music industry in the early 1990s following the success of Nirvana and the stabilization of grunge into modern or alternative rock. As Joe Levy, a music writer for a number of years, has observed:

I have not seen r’n’b and hip hop have the same impact that the big boom in alternative rock had on the industry. Certainly two years ago there was this influx of young people in their twenties going to labels as A & R people and vice presidents of this or that and these were almost uniformly young white kids who were coming into work alternative rock in the wake of Nirvana. . . . There’s a career path in the industry that has to do with alternative rock and I don’t necessarily know that it’s there for rap and r’n’b’.<sup>21</sup>

Rap personnel have not been embraced or recruited in the same way. Rap culture, as a ‘post-civil rights, ultra-urban, unromantic, hyperrealistic, neo-nationalistic, antiassimilationist, aggressive Afro-centric impulse’ (George, 1992: 93), has been kept at a distance from the main offices of the corporation. Despite the influence of rap and hip hop on the aesthetics of music, video, fashion, dancing and advertising, the potential of this broader cultural formation to make a contribution to music industry business practices is not encouraged. Indeed, as I now want to argue, this distance is maintained by the discursive practices that are articulated through the myth of the street.

### **The mythical street: rap knowledge in the executive suite**

I have suggested above that the major companies tend to *allow* rap to be produced at independent companies and production units which provide a repertoire source of recordings for marketing and distribution. This is not to deny the struggles of artists and entrepreneurs for both autonomy from and recognition by the major music companies. My point is that small companies are not in any spontaneous or direct way more in tune with new musical developments; there is a formalized commercial relationship between major and minor companies, a division of labour based on a production/distribution split. Despite these close ties, the making of rap is usually explained with numerous references to ‘the street’.

In very general terms, rap is often associated with the street by senior executives when talking about different types of music. For example, Kevin Conroy, Senior VP Marketing at BMG remarked that, compared to other styles, rap and

hip hop 'is a business that really grows from the streets'.<sup>22</sup> And, as the corporate *Advertising Age* once informed its readers, 'The streets where a rap album begins, of course, are very far from the suburban record stores where it ends up' (Whalen, 1994: 12). Apart from these very general associations of rap with the street, there are two further and more formal ways in which 'the street' is articulated. First, in terms of 'taking it to the streets' – what is often referred to as street marketing. Second, through the notion of 'bringing it from the streets' – frequently referred to as 'street intelligence'. Both involve formalized and systematic practices.

*Taking it to the streets; street marketing*

The promotion and marketing of rap, like other genres of music, involves the use of techniques that, elsewhere, I have characterized as 'promotional war games' due to the way they are referred to by staff within record companies through a number of 'war like metaphors' (Negus, 1992). So, for example, when Capitol still had a presence in black music, the label's rap promotion unit was called 'Capitol Punishment' and the head of the section was referred to as 'chief commander and warden' (Nelson, 1994: 26). The term 'sniping' is routinely used to refer to fly-posting adverts which make no reference to the record label involved, merely the name of the act and tracks or album; the 'street teams' have been described as 'right there in the trenches'.<sup>23</sup> When I spoke to David Harleston, Senior VP of the Black Music Collective at MCA, he referred to 'the use of guerilla marketing tactics and street promotion'. When I rather naively asked what this might involve he explained:

Well, it's going to places where consumers are and hitting them where they live. So, we no longer just rely on radio or rely on video, which are both very important. We also promote at barber shops and swap meets and things like that and . . . playgrounds where folks are shooting basketball . . . we have street teams who hit people with singles and flyers and stickers and stuff like that. . . . When you take a rap project to radio, radio wants to know that the street is behind it before they'll commit to it. You can't go to radio cold.<sup>24</sup>

The term 'street marketing' is shorthand for a process of building an interest in a track or artists through a long process that can involve giving out recordings to influential party givers, using word-of-mouth networks, stickers and flyers and approaching local radio mix shows and college radio. The ultimate aim of 'street marketing' is to build up such a 'buzz' that the radio stations will feel that they have to programme a recording, as they themselves will want to be heard to be 'in touch with the streets'.

The use of street teams was institutionalized by Loud Records, a label half owned by BMG, in their promotion of a number of acts, particularly the Wu-Tang Clan. As Steve Rifkind, Chairman of Loud Records has claimed:

I can tell a record company in two days if they have a record or not. . . . We know that kid from the time he steps out of his house, every step he's making, where he's going to hang out, what's the scoop on where to eat lunch at, where he's getting his hair cut, what's the cool way to get it cut, what's the cool record store to go to. We know all these things, and before we attack we get all the information from the street first.

(Quoted in Rubin, 1997: 99)

Prior to forming Loud Records, Rifkind had established his reputation by promoting recordings by acts such as Boogie Down Productions and Brand Nubian. He followed this by promoting Nike sports gear, spending some time with Nike founder Phil Knight. This gave him the experience which he drew upon when formulating a strategy for selling the Wu-Tang Clan. In his own words: 'a kid who's going to buy a pair of Nikes is the same kid who's going to buy a Wu-Tang record' (quoted in Rubin, 1997: 100).

In practice, the activity of 'street marketing' relies upon a number of well-tested acts of persuasion that have been developed within the culture and media industries for some years. This includes utilizing the 'personal influence' of key opinion formers, 'selecting target markets', using concepts of 'followers' and 'niches', and 'branding' and 'positioning' products.<sup>25</sup> These practices are not peculiar to rap, but are used when selling a range of consumer products. As Terri Rosi, VP Black Music Marketing for BMG Distribution, commented when I remarked that 'there's a lot of talk about "the street"': 'I know and that's very annoying because the end result is that you talk about 'the street' but you really want it on radio and you want it on MTV.'<sup>26</sup>

### *Street intelligence: bringing it from the street*

As implied in Rifkind's comments about following the movements of 'the kids', street teams are also responsible for information gathering and feeding those data back to headquarters. This is sometimes described as an informal process of intuitively hanging out in colleges, neighbourhood record stores, clubs, playgrounds and parties; an experiential process of 'developing an instinct' by keeping an ear and eye on what is going on. However, the process is also far from spontaneous and organized in comparable ways to other types of information gathering. To quote from Terri Rosi once more, this time at length:

It is systematized. You have a guy out there called a street promotion person who is hanging out in stores and clubs and talking to people and he may even actually go into a college campus. He may be wherever people gather that are those people. He has to learn his market place and know where he's supposed to go. They put up stickers in advance so when it comes 2 months, 3 months later; 'well, yes, I know the ABC band or whatever'. So in that sense, it is a form of street intelligence and you get feedback and you learn after a

while who can pick the hit, you figure that out, but it's very people intense. You're out there, you're moving, talking and working and doing all that kinda stuff. . . . We've got 20 of them all across the country and there will be one person in the record company who works with the street team. So they give their reports, where it's going to work, where it's not going to work and their reputation is on the line. I can't tell you that I'm the street person in Oakland and tell you 'man this is gonna jam' and then I ship these records in there and nobody likes it at all. Because, well 'who did you talk to?' . . . You don't want to lose your job because you didn't do the right thing. So, yes, in that way it is very systematized.<sup>27</sup>

Street intelligence is about 'knowing markets' and 'knowing consumers' and like street marketing it is comparable to conventional business management techniques based on monitoring, data gathering and accumulation. Yet these conventional marketing practices and business activities are elided through the discourse of the street which denies that this is similar to the other activities that are daily being conducted by and initiated from the corporate suite.

## Conclusion

By focusing on how the making of rap is managed by the music industry, I have highlighted how various corporate strategies which utilize the technique of portfolio management as a way of allocating staff, artists and investment directly intersect with the deployment of a particular type of knowledge which is used to understand the world and to produce a 'reality' that informs the perceptions and activities of staff. It is not simply that there are organizational structures (such as the black music division and deals with small production companies); it is that these are operated according to a particular type of knowledge through which the world is imagined in a particular way; a knowledge that depends upon both systematic data-collecting techniques and the partial perspective of social experience. Here, uncritically received cultural assumptions and commonsense ideas about the location of rap are articulated continually around notions of the street. In many ways this situation is symptomatic of broader social relationships and beliefs about rap culture and indicative of how these intersect with and become 'part' of the industry – a process that requires much more empirical and theoretical work before it can be fully understood but which I have tried to evoke through the idea that 'culture produces an industry'. Such broader cultural political tensions are structured into what are often taken to be straightforward economic, organizational and business practices; activities that are lived by those working within the industry as if they are merely responding to 'the world' 'out there'. The immediate impact of this is that it establishes a series of distinct barriers, erected between staff within music companies, and in turn between musicians and their audiences.



Just as the complex world, out there, of musical production and consumption, of cultural practice and social activity, cannot be known in any neutral or obvious way – so the music industry has developed particular techniques for understanding the world, producing knowledge about the world, acting upon that knowledge and, as a consequence, intervening in the world. This aspect of record company practice is too complex to be collapsed into some notion of ‘corporate control’ or simple economic model. At the same time, it cannot be justified in terms of an industry responding to what is ‘out there’ or giving different artists, entrepreneurs and activists ‘what they want’. Instead it is the result of how corporate organization seeks to understand and intervene in the surrounding culture, and how the corporation is also ‘produced’ through the surrounding culture. I have, inevitably, given the limitations of space, focused on certain aspects of this process. One significant consequence, which I have highlighted, is that the rhythm and blues world and the genre culture of rap are kept at a distance from the dominant business practices and agendas within the main offices of the major music corporations.

Yet rap produced in the United States has managed to move out from such regimes of containment – both at home and abroad. There is a final twist. The physical and discursive borders erected through the organizational arrangements and knowledge practices of the contemporary music industry have not resulted in rap producers and musicians being ‘co-opted’ or invited into the boardroom in ways comparable to the type of osmosis that has occurred with respect to other genres, most notably the way in which rock moved from the street to the executive suite.<sup>28</sup> Often denied direct access, offered licensing deals, lower budgets, poorer contracts or simply cut from the roster when there is a financial crisis, rap has (partly out of necessity) been able to generate alternative resources through which the genre has continually re-invented itself in those spaces and places designated (for want of terminology rather than as a transparent description of a ‘reality’) as ‘underground’. That rap has managed to continually redefine itself while crossing social and cultural barriers both within the US and beyond is a process that has occurred despite, rather than because of, the ways in which the recording industry has sought to organize the production of contemporary popular music.

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## Notes

- 1 Notable here is Tricia Rose (1994a), who notes the importance of independent labels and the significance of video in the distribution of rap. She is also careful to acknowledge that the commercial marketing of rap has produced a contradictory situation whereby the music is both affirmative of black identity yet can also be used by corporations such as McDonald's, Coke and Nike and linked to anxieties about US cultural imperialism. Rose (1994b) has also discussed rap in relation to the general contractual arrangements operating within the music industry, in an interview with Carmen Ashurst-Watson. Also notable here is Reebee Garofalo's (1997) discussion of the music industry and rap in his history of popular music and Nelson George's coverage of rap within the context of his critique of the music industry and its role in the 'death of rhythm and blues' (1989) and formation of 'post soul culture' (1992).
- 2 A useful collection of essays being Adam Sexton (1995).
- 3 Insights into musical production drawing predominantly from political economy include Chapple and Garofalo (1977), Garofalo (1986), Hesmondhalgh (1996). Key insights into the organization of the music industry and occupational divisions can be found in Burnett (1990), Hennion (1983, 1989), and Peterson (1978, 1997). For an approach which draws on both political economy and occupational studies see the broader perspective on the 'cultural industries' presented by Miège (1989). For a summary and critique of productionist approaches see Negus (1996).
- 4 An argument that informs Iain Chambers' approach to popular music. See e.g. his discussion of the history of British and US pop (1985).
- 5 An argument proposed by Ann Marlowe who has stated that 'For some time now the problem with capitalism hasn't been that it doesn't work but that it's no longer fun. Opposition culture has failed to make good on this. . . . The business of rap is just business, yet it looks like fun' (1995: 223).
- 6 This terminology, first developed by the Boston Consulting Group in 1970 and which is used in various industries, is routinely used by staff in record companies when referring to different departments, artists and genres. The labels 'stars', 'cash cows', 'dogs' and, less frequently, 'wild cats' (or a synonym) are used to refer to artists, labels or genres. For a discussion of these in relation to business practices more generally, see Purcell (1989).
- 7 Discussed at length in relation to Atlantic and Stax Records in Wade and Picardie (1990).
- 8 For a more detailed discussion of this report see George (1989).
- 9 Personal interview, New York City, 27 February 1996.
- 10 See Reynolds (1996) and Rosen (1996). See also Clark-Meads (1996) for a discussion of Capitol redefining their 'core business'.
- 11 Recent shifts include the transition from appointing senior staff with backgrounds in promotion during the mid-1980s to heading the black divisions with attorneys, artists' managers and producers in the early 1990s, and then bringing in artists and producers in the mid-1990s.

- 12 Backgrounds of various producers, artists and entrepreneurs are discussed in Fernando Jr. (1995).
- 13 Most notable here is the well-publicized East/West NYC–LA dispute which became focused in a series of highly public confrontations between those associated with Death Row Records and Bad Boy Records.
- 14 Personal interview, New York City, 19 March 1996.
- 15 Most notably C. Delores Tucker, chairwoman of the National Political Congress of Black Women and William Bennett (previously Reagan's Secretary of Education) put pressure on Time-Warner shareholders. Likewise, (then) Senator Bob Dole continually accused Warner and other labels of 'putting profits ahead of common decency' and 'glamorizing violence'. For a perspective on this and its impact from within the industry, see Nunziata (1995). One immediate consequence was that Michael Fuchs, Chairman and CEO of Warner Music Group announced that the company would form label groups made up of an A & R person, label head, someone from legal and business affairs to judge the suitability of future releases, with particular attention paid to lyrics; see Jeffrey (1995). In addition, when MCA purchased Interscope, which distributed recordings by Death Row Records, Doug Morris, CEO of MCA Music Entertainment publicly announced that the company had an option 'not to release any music it deems objectionable' (Morris, 1996).
- 16 This was most explicitly raised by a senior executive at a major corporate group when explaining how the company would strategically assess the value of different musical genres. It was an off-the-record interview.
- 17 Personal interview, Paul Robinson, Associate General Counsel, Warner Music Group, New York City, 13 February 1996.
- 18 This is acknowledged within the industry, but I was unable to obtain any verifiable figures.
- 19 This was again an off-the-record interview.
- 20 For recruitment from rock subculture into the industry see Chapple and Garofalo (1977) and Frith (1983).
- 21 Personal interview, Joe Levy, *Details Magazine*, New York City, 22 March 1996.
- 22 Personal interview, New York City, 5 April 1996.
- 23 Greg Peck, a former VP of Black Music at Warner Music, quoted in Reynolds (1996: 26).
- 24 Personal interview, Universal City, Los Angeles, 6 May 1996.
- 25 All similar to many referred to in textbook guides to marketing; see e.g. Kotler (1994).
- 26 Personal interview, Terri Rosi, VP Black Music Marketing, BMG Distribution, New York City, 11 April 1996.
- 27 Personal interview, Terri Rosi, VP Black Music Marketing, BMG Distribution, New York City, 11 April 1996.
- 28 For an argument about the co-optation of rock see Chapple and Garofalo (1977). For a discussion of the way in which rock has been central rather than peripheral to the development of the modern recording industry, see Frith (1983).

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