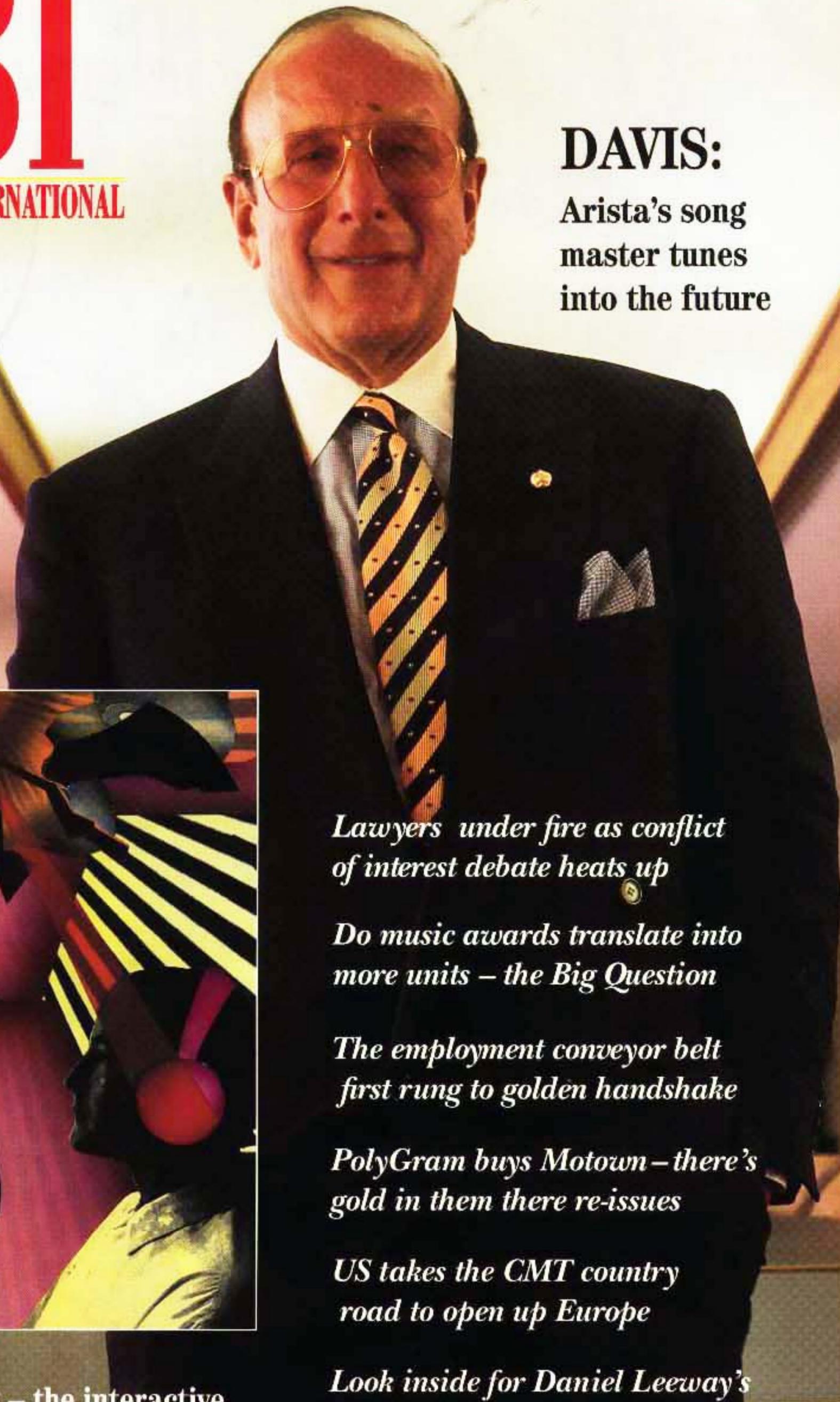


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DAVIS:
Arista's song
master tunes
into the future

MARKET REPORT

SPAIN:

A market moving
into recession must
shrug off La Crisis
for a better future

*Lawyers under fire as conflict
of interest debate heats up*

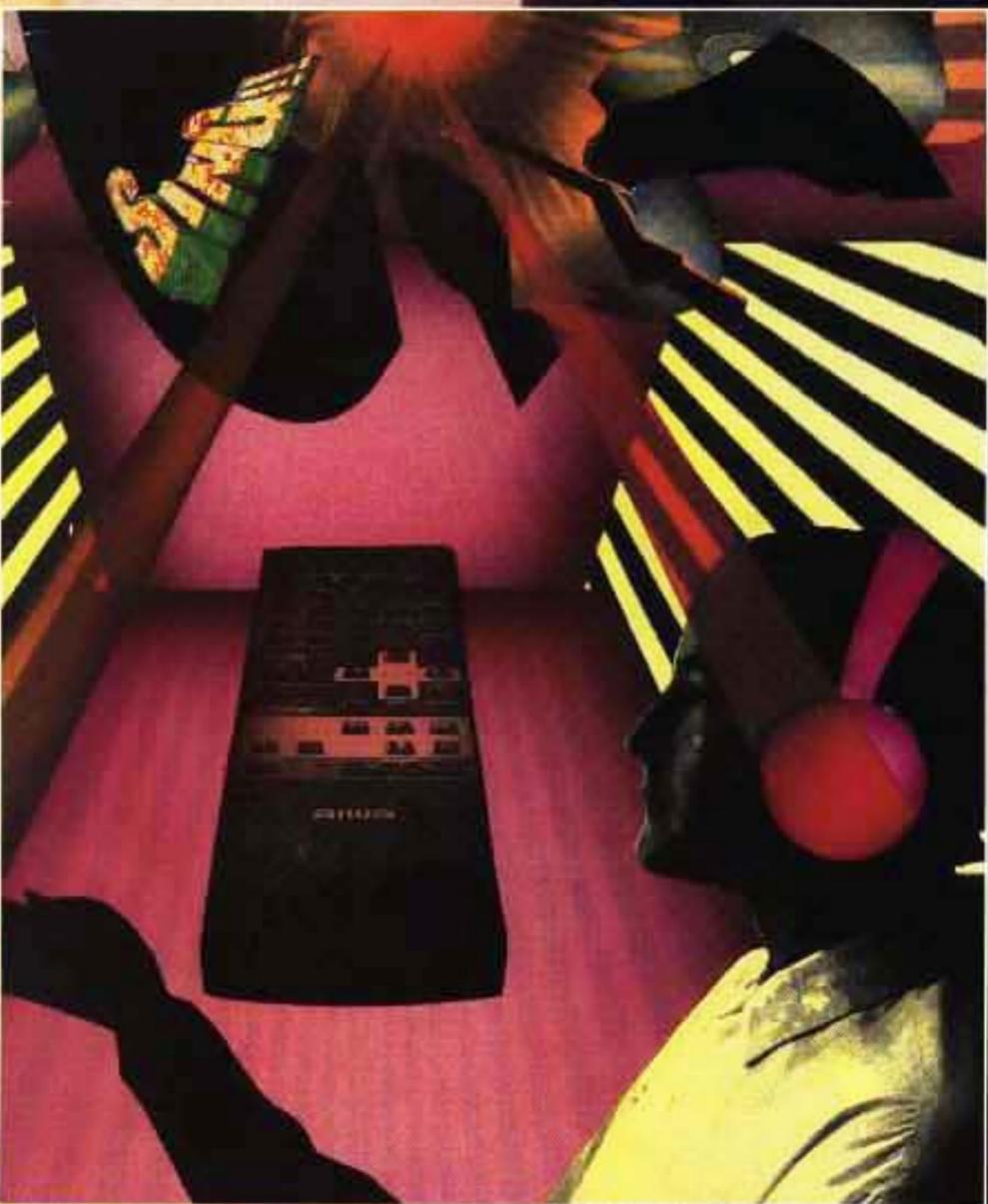
*Do music awards translate into
more units – the Big Question*

*The employment conveyor belt
first rung to golden handshake*

*PolyGram buys Motown – there's
gold in them there re-issues*

*US takes the CMT country
road to open up Europe*

*Look inside for Daniel Leeway's
CD talent showcase special*



CD-I:
Forget infotainment – the interactive
future puts music in the frame

The power of the song and the ability of Clive Davis to keep showing up where the big hits are have lifted Arista Records from its New York base and made it a major international dollar earner. **Ed Ochs** calls in on the man who is happy to say of *Bodyguard*: "We're bigger outside the US than we are within."

Going for the song

He was up until 3.30am at a private party celebrating Whitney Houston's opening night triumph at New York's Radio City Music Hall, and running behind this morning. Clive Davis, 60, the combustible president/CEO of Arista Records, was anxious to reach his desk. The *Bodyguard* video had just been released in the US, and the soundtrack was knocking on the door of the top ten again – after months at the top spot. There was life left in that billion dollar lady after all.

"Today is the day we receive our weekly report card," Davis says about the Wednesday SoundScan numbers waiting on his desk. "You are forever with a geiger counter, trying to see where the eruptions are taking place."

Davis, who founded Arista Records in 1974, scarcely had time to savour the fiscal fantastic: Arista was doing so well, it was almost like having two years in one. Could he possibly top 92-93? In the year ending in June, Arista reported sales of

US, the power of the song, and the ability of Clive Davis to keep showing up where the big hits are, despite the corporate pressures on entrenched entrepreneurial leadership in the 90s.

The *Bodyguard* soundtrack has sold 22 million copies worldwide. Certainly, it's the biggest international seller of the year, and the worldwide market played a lead role in that success. Global sales, says Davis, are "contributing heavily towards *The Bodyguard* becoming the second biggest album of all time to *Thriller*" – Michael Jackson's 1982 classic remaining out of sight at 37 million, but a goal to cheer for nonetheless.

"The world market was essential. We're now bigger outside the US than we are within," says Davis. "We're now nine times platinum in the US and 13m outside. We've taken the worldwide approach with Whitney from the very beginning. From the very commencement her first album contributed to worldwide sales. Whitney's first two albums are the biggest first two albums worldwide of any artist in history."

Davis calls the global roll: "We're over one and a half million units in the UK, over a million in Germany, and over two and a quarter million in SE Asia outside Japan. We're approaching an unheard of 2m in Japan, and now Latin America is doing incredible numbers. In every region of the world, *The Bodyguard* is an incredible smash."

He says he couldn't have anticipated *Bodyguard*'s global success. "When I heard *I Will Always Love You*, I knew we had an all-timer. In the US it's now the biggest-selling single and it certainly has done incredibly well outside the US – powered by an incredible performance of a special song used very effectively and with impact in the film."

Davis tips his cap to Kevin Costner: "The credit for choosing Whitney for the film was all Kevin Costner's. It was his property, he waited three years for Whitney to be available. He believed in Whitney. She delivered for him and for everybody else."

"There's no question that music has worked with the film to create that highly sought-after dual impact whereby one

feeds the other. There's no question that music has played an unbelievable role in the success of the film.

"And the film played an equally catalytic role in the success of the soundtrack." With *The Bodyguard* movie grossing more than \$415m worldwide and its gross outside the US more than \$289m, Davis says the film has moved up to second place all time on its way to becoming the biggest international box-office-grossing film in history."

Davis, along with Rudi Gassner, Heinz Henn and a group of senior marketing executives, plan to take more of Arista's top talent directly to today's global hot spots, where growth is greatest.

"There's terrific synergy among us," Davis says. "There's constant communication and co-operation in treating our artists on a worldwide basis."

How important is the world market today to the overall gameplan of Arista artists? For Davis, after 30 years of scaling the global heights, "It's just part of second nature. It's essential.

"Kenny G first broke in the US, and has become in his own right a phenomenon, selling 15m to 20m albums in the US alone. So the challenge became how does one create the phenomenon of Kenny G?"

"Breathless right now is over a million in the Far East alone. Kenny began his first tour of Europe a few months ago and he was a special guest starring for Michael Bolton's tour appearing before sizeable audiences. Two weeks after his performances, the album shot to number four in the UK.

"Breathless is now 7m worldwide, of which 2m is outside the US. You'll see that proportion grow."

In light of the sales success of rap, new R&B and – to a lesser extent – country, it hurts Davis to witness what seems to be the end of the song era in pop music.

"We're benefiting from rap," he stresses, "because we have TLC, LaFace and Dallas Austin. We did go into country. Our national operation is booming with the two biggest sellers since Garth Brooks – Alan Jackson and Brooks & Dunn. We're enjoying that boom.

"But I don't feel that contemporary ▶

'I heard I Will Always Love You, and I knew we had an all-timer'

nearly \$300 million – double that of 92. Arista clicked in with an amazing estimated 10 per cent market share, No. 2 in album sales.

Arista Nashville, started in 89, had become a force in country music, and Arista's joint venture with LaFace Records in Atlanta had reaped rewards. But if Arista was the locomotive pulling the BMG train in the US in 92-93, Whitney Houston was the conductor.

Much of the \$300m sales can be directly attributed to Houston's performance in *The Bodyguard* movie and on the soundtrack which, driven by the ten year-old Dolly Parton single *I Will Always Love You*, dominated the number one position on US charts before spilling overseas.

Houston's triumph had once again proven the power of sales beyond the

music can allow radio formatting to disenfranchise the American public from their keen interest in songs.

"I welcome rap. I welcome any kind of contemporary music furthering frontiers, but the song and its importance to modern music must and will continue. If a Soul Asylum is going to break, it's not only because they're talented, it's because they've come up with a great song in Runaway Train.

"The feel for melody is propelling Kenny G, and when you look at Barbra Streisand entering the charts at number one, you recognize there's an incredible public appetite for great songs.

"The song is here to stay and it's frustrating right now because there are so many challenges. When you market a Barbra Streisand album, you're actually marketing around radio."

Diane Warren, three-times ASCAP songwriter of the year, agrees that the song is all important. "I believe one of the main reasons for Clive Davis's long, illustrious and legendary career is his brilliant talent as a true song man.



DAVIS AND KENNY G: 'the Breathless star is a phenomomen'

ing it be a major career step for the artist involved."

A Harvard-educated corporate lawyer, Davis takes a back seat to no one when it comes to evaluating material and launching careers. Nor does he diminish his accomplishments as a creative entrepreneur in an industry saddled with technocrats.

"Many Grammy award-winning producers have started labels but haven't been successful," he says, "because the talent of producing doesn't necessarily encompass talent discovery. The same goes for artists who've started their own labels. The fact they might be great or distinctive doesn't mean they can be a creative entrepreneur.

"I'm not trying to do it single-handedly," he says. "I don't hire yes people. Two-thirds of the presidents of other companies throughout the US record industry have worked with me. It's all about surrounding yourself with the best creative

minds, whether they be artists, producers or executives, who'll help you survive in this tough, competitive, jungle-warfare business."

Davis is still excited about coming into work every day. "Today the business is so full of statistics that when you come in, you immediately immerse yourself in paper and see what's being played around the country."

Davis knows where the artist's creativity ends and his begins. "With the talents I've been involved with, beginning with Paul Simon, Dylan, Springsteen, Billy Joel, continuing with Patti Smith and The Grateful Dead, you don't get involved in their creativity.

"They come to you because you're an artist-orientated, long-term person who won't sacrifice their creativity as you go for the largest possible audience. And there's no apology for going for a large audience, but you've got to do it with sensitivity for their creative essence. Each relationship is different, but it works."

Davis is a man driven to gambling on his creative instincts and winning. In no other business but music can you be a producer, director, songwriter, publicist and confidante. "I'm proud that a creatively fertile artist like Patti Smith, who doesn't have to give us her new albums, chooses to do so because she believes we provide a hospitable environment for her talent."

Davis is disturbed by the industry's

what genre, and I certainly listen to every single that makes the top 40 or the R&B chart. I listen to those cutting-edge artists"

Richard Palmese, president of MCA Records, has studied at the University of Clive and learned his lessons well: "Clive Davis has an unerring ability to recognize a hit song. He loves music, he lives music. Nothing excites him more than matching a hit song with a great artist.

"Late one night I got a message from Clive to meet him at 11pm at Serendity, a Manhattan ice cream parlor. Clive was already there with my ice cream sundae and a walkman. As I ate my sundae, we listened to some new music that he couldn't wait to turn me onto."

Tom Sturges, president of Chrysalis Music Group, says: "Clive is a gentleman. Polite, considerate, respectful, forgiving and responsive would be words to describe his manner and approach to the business.

"Alongside this, one must consider two other qualities, the first being his ability to spot, discover and hire the right person for the job. I believe that no less than 21 former or present record company presidents once worked for Clive, either at Arista or CBS. His choice of Tim DuBois for the Arista Nashville post is only the most recent example. Secondly, no other executive comes close to the sheer number of times he's been right with a charting album or single, and then hav-

'The song and its importance to music must and will continue'

Nobody appreciates and respects the value of a great song like Clive Davis."

Davis feels he can still pick a hit when he hears it, and if he can't, he knows how to hire someone who can: "I'm only as good as my A&R people. In the sense that you might get the tips, I don't think I'm passing on artists who are brought to my attention. I listen to every new album that makes the chart no matter

DAVIS WITH SPRINGSTEEN: 'He's one of the all-time greats'



pre-occupation with hardware – the battle of technology versus creativity, artists versus bean counters. It's a war, he implies, which the industry could easily lose in the cold fusion of consolidation.

"Recently," he says, "there's been more concentration than is healthy on the subject of new technology, instead of the music itself. I think it's probably a factor that some international giants are dependent for their profits on trumpeting new technology.

"We benefit from new technology. I'm grateful for digital, I'm grateful for the CD, but when it becomes an annual thing it makes the latest incredible inventions look transitory and faddish without any meaningful musical impact.

"Those of us involved in music as a creative source have to be wary of placing too great an emphasis on technology. We must nurture it, but not get so involved that we wipe out the great strides that have been made, simply because there's a business motive to create new hardware opportunities.

"I know technology will, and must change, and programming for the largest common denominator has to take place, but we must have a creative environment.

"The folk artists of the 60s and 70s – poets and renaissance people like Dylan, Joni Mitchell and Bruce Springsteen – wouldn't have a chance today. We mustn't allow technology to stand in the way of such talent."

Davis thrives on the challenges of the future. "I've survived by not being complacent, and by keeping current, listening to everything. It's a natural joy for



WHITNEY PARTY: Honouring a star after the opening night of Houston's sell-out five night run at Radio City Music Hall are Michael Dornemann, BMG CEO and chairman, Whitney, Bobby Brown and Clive Davis

me, not a forced castor oil.

"I'm happy to say, 'more of the same', because the same is so topsy turvy and so competitive. I find it challenging and exhilarating; it keeps me youthful and hungry at the same time."

When Davis isn't dashing from talent discovery to launch site, he re-charges by getting away from it all.

He recently landed in Istanbul and joined a yacht cruising through the Greek Islands to Athens. "I love history," says the archeologist who presided over the golden age of rock at Columbia.

It's with a keen sense of his own evolution that Davis sees his Columbia and Arista periods as part of one history.

"I inherited a wonderful company when I took over Columbia Records. They had Streisand and Andy Williams. Then I found myself immersed in rock 'n' roll for years and years.

"After that I brought in Earth Wind & Fire, and I brought in the Gamble & Huff deal at the end of that period, which led to the O'Jays and Teddy Pendergrass. When I started Arista I made the deal with GRP, and we were in jazz, which ultimately led to Kenny G by accident."

The list of stars Davis has been associated with is long, glowing and growing. That's when he returns to Whitney. Both she and Clive are said to have 'key man' clauses in their contracts, allowing either

to escape if the other should leave Arista.

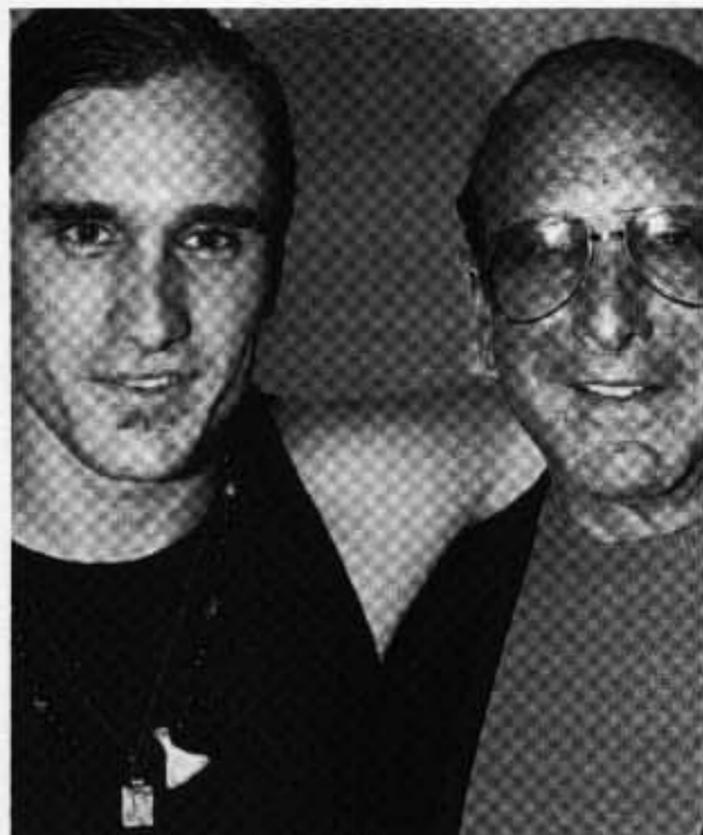
"You don't make anyone a superstar," Davis believes. "Maybe years ago, people could make Hollywood starlets household names, but Whitney is just an extraordinary interpreter of songs. She without question ranks up there with Janis Joplin and Bruce Springsteen as discoveries who'll be considered all-time great talents."

At the top of his brilliant game, Davis has hit the second-half tarmac flying with the tireless *Bodyguard*, Kenny G, Taylor Dayne, *Expose*, Toni Braxton, *Straitjacket Fits* and Italy's *Eros*

'I've survived by not being complacent, by listening to everything'

Ramazzoti – not to mention Nashville's Alan Jackson and Brooks & Dunn, along with Diamond Rio, Pam Tillis and Michelle Wright. And there's more due from Aretha, Annie Lennox, Curtis Stigers, Lisa Stansfield, Jeff Healey, Barry Manilow and Carly Simon.

Some people make records, Clive Davis makes history. After 30 years of leaping across the peaks of the music business, measuring progress by counting the stars, he works on two time levels simultaneously: the time on his watch and *all time* – as in all-time record. It takes time to make history, and Clive Davis is eager to get to work. **MBI**



BACKSTAGE: Davis with Curtis Stigers when the artist opened for Elton John in a stadium tour last summer

'I don't hire yes people. Two-thirds of the presidents of other companies throughout the US record industry have worked with me.'
