Atlantic Records



Sports and Entertainment Marketing Operations Research

Ardrey Kell DECA Chapter

Ardrey Kell High School

10220 Ardrey Kell Rd

 Charlotte, NC 28277

Ryan Bale and Nathan Pacello

January 1, 2014

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**A Brief Description of the Business and Target Market**

Atlantic Records is a record label company that was started by Ahmet Ertegun and Herb Abramson. The company was founded in 1947. Since then, the label has produced many successful artists such as Led Zeppelin, Wiz Khalifa, the Zac Brown Band, Bruno Mars and many others. Atlantic Records produces a variety of genres and therefore targets many different groups of people.

**Research Methods Used and Findings and Conclusions**

We conducted a survey using the quota sampling method in order to get a feel for the music industry from the consumer’s point of view. We conducted an interview with Rob Tavaglione, a knowledgeable owner of a successful recording studio. Online websites served as our secondary resource in the research process. These online websites listed out the problems and corruption within the music industry. We concluded through surveys that concerts are overpriced. Vinyl records and radio are on the downward trend due to poor quality. The younger generation listens more to mp3s while the older generation often listens to CDs. Many people are just not willing to purchase music. Those above the age of 35 do not often purchase music while those under the age of 35 often download music illegally. The older generation prefers a hard copy of music such as a CD or Vinyl’s. The younger generation prefers to purchase music digitally. From the research gathered from secondary sources we concluded that labels charge the consumer too high of a price. These label companies are not as focused on signing the most talented artists. Consumers appreciate the beats and melodies more than the lyrics. The main message from the interview was that labels need to appeal to the customers. Labels have been closed-minded and have not taken into consideration the needs and wants of the consumers.

**The Proposed Rebranding**

Atlantic Records will be installing a fresh new logo. Our marketing team will begin a nationwide campaign to increase awareness of the new logo and attract new customers. We will begin offering free song coupons with the purchase of any album from our artist. Flash drives with the new Atlantic Records logo will be sold. Each flash drive will contain one album. Five scouts will bring the best talent to Atlantic Records. In addition, a talent development program will improve the skills and abilities of our artists. Atlantic Records will re-master classic songs to enhance sound quality. We will also be paying more money per album to ensure that we have the best sound quality possible.

1. **Introduction**
	1. **Description of the Business or Organization**

The history of Atlantic Records can be traced back to two men, AhmetErtegun and Herb Abramson. Ahmet moved to America after his Father became the Turkish Ambassador for the United States. Ahmet loved the music in America, particularly Jazz and Rhythm &Blues. After graduating high school, Ahmet studied music at Georgetown University where his passion for music really took off.

Herb Abramson was born in 1917 in New York. Like Ahmet, he too was a Jazz enthusiast. Early on in his music career, Herb promoted Jazz concerts. Abramson attended New York University where he studied to become a dentist. While attending college, National Records signed Abramson to be a part-time record producer. Abramson left National Records to start his own record company called Jubilee Records in 1946. Abramson and a man named Jerry Blaine ran the record label. Abramsons intended the record label to record Jazz music but Blaine made money producing Jewish comedy records. Since the label had gone in the opposite direction Abramson wanted it to, he asked Blaine to buy him out of the company. Shortly after leaving Jubilee, Ertegun and Abramson met and decided to form Atlantic Records. The two men officially incorporated the label in 1947. The label’s first office was located in a Ritz-Carlton Hotel in Manhattan, New York. Atlantic Records is currently located in New York City and mainly produces rock and pop music. The parent company of the label is the Warner Music Group which produces film, television, and music entertainment.

Atlantic Records is in the entertainment industry. They record music and distribute it to the customer in a variety of formats: CD, digital, vinyl, etc. Atlantic Record’s artists such as Wale, T.I, Whiz Khalifa, Bruno Mars, Phil Collins, Shinedown and many others, go on tour all across the world and sell merchandise to customers online and at performing events.

Atlantic Records has a large amount of capitol because they have big name, successful artists. Atlantic Records has high-tech studios and technology that enhances the music. This technology enables them to record clearer and higher sound quality music. Atlantic Records has the engineers that can manipulate the recording to enhance the sound. They have the budget to spend a lot of time on each song to perfect it. However, the music industry is declining as a result of weak record sales, high priced concert tickets, and many other reasons. Atlantic Records has the opportunity to gain exposure through streaming services. Copyright laws allow them to prevent piracy from becoming more common. Piracy is one of the biggest threats to Atlantic Records. The threat of piracy results in declining record sales.

Since 2008 Atlantic Records has been the number one record label company. Atlantic records leads with 8.23% of current album market share, and 8.45% of digital market share. Atlantic Records most popular hip-hop artists are Whiz Khalifa, T.I, B.O.B, Trey Songz, Lupe Fiasco, Flo Rida, DIggy, Sean Paul, Wale, WakaFlocka, and Meek Mill. The most popular rock artists are Bruno Mars, Portugal the Man, Phil Collins, Rush, Shinedown, Switchfoot, Kid Rock, Zac Brown Band. The company produces other artists and genres such as country, rock, hip-hop, and R&B.

* 1. **Description of Community**

**Economy**

Atlantic Records headquarters is located in New York City which has successful financial and tourism industries. New York is home to the New York Stock Exchange and NASDAQ, which are the biggest stock exchanges in the world. New York is also the location of Wall Street and several other financial firms. Over 35% of New York’s employment income derives from the financial services industry. In addition, tourism has a major impact on New York City’s economy. Approximately 70 billion dollars is created as a result of the tourism that takes place in New York City. Tourism accounts for about 714,000 jobs in New York adding up to a total income of roughly 29 billion dollars. One in twelve people in New York sustain employment from the tourism industry. The 7.2 billion dollars in taxes from tourism saved New Yorkers an average of $891 on their annual taxes. The other tourism attractions in New York City provide extra incentive for people to travel to New York City and attend concerts.

New York City has many tourist attractions such as their infamous sports franchises, American Museum of Natural History, Central Park, Empire State Building, Statue of Liberty, Grand Central Station, and countless other historical and entertainment-based events. The New York City economy expects to have a huge surge in 2014 when New York City hosts the Super Bowl. The economic effect of the Super Bowl on New York City’s economy will spread over 10 years specifically in regards to the cities high unemployment rate which currently rates at 9.1%. However, one should note that this number is on the decline as America starts to pull away from its recent recession. Since the U.S economy is not at its peak, record sales for the entire music industry have declined.

**Geographics**

New York City is about 468 square miles or 1,213 square kilometers. There are two airports located in New York City: LaGuardia Airport and John F. Kennedy International Airport. Interstate 278 and Highway 87 are the most heavily used. New York City has numerous number of 24-hour subway stations that runs throughout the city. All of these different forms of transportation make it easier for people to attend concerts. It also aids in transporting the bands and equipment from one area to another. It is easier for fans to travel to the music venues and stores that sell music. The airports allow for easier distribution of music like CDs and vinyl records.

**Demographics**

Females account for 51.9% of New York City’s population. Males account of 48.1% of the population. It is estimated that 71.2% of NYC’s population is white. African Americans who make up 17.2% of the population are the second most common race in New York followed by Asians. In terms of education, 32.5% of New York City’s population has a bachelor’s degree or higher and 84.6% of those living there has at least a high school diploma. Eighty percent of the area’s high school graduates lack basic skills in areas such as reading, writing, and math.

**Socioeconomics**

The average household income is about $40,000. The average life expectancy in New York City continues to increase with the average citizen living to be 80.9 years old. The gross domestic product of is estimated to be 1,280.5.

* 1. **Description of the Businesses Mission, Target Market, & Existing Branding Efforts**

The existing mission statement of Atlantic Records is to record and distribute music in a variety of formats: CD, digital, vinyl, etc. We are also committed to releasing only the highest quality of music. We are determined to properly develop our artists. We are enthusiastic about creating a true community of music lovers. The mission statement causes the company to spend a lot of time perfecting the music they release. Atlantic Records will take the time and effort to advance and improve their artists. This is why the company has been so successful and recognizable.

Atlantic Records target market depends on the artist and genre. Artists in the hip-hop genre (such as Wale, T.I, Wiz Khalifa, and Lupe Fiasco) target the younger generation. Demographically they target African American males from ages 15 to 35 with a lower education and lower to middle income. Geographically, hip-hop artists target people nationally. These customers behaviorally are very loyal to their favorite artists. This younger generation prefers to download music digitally.

Atlantic Records has many popular and respected rock artists such as Phil Collins, Shinedown, Portugal the Man, Switchfoot, etc. Artists in the rock genre, target the older generation. Demographically, rock artists target predominately males age 20-55 with at least a high school diploma, and middle to upper income. Geographically, rock artists target people living in countries that speak English (Unites States, England, Canada). These customers are very loyal to their favorite artists and prefer to purchase a hard copy of the music like CDs and vinyl’s.

Atlantic Records pop artists include Cody Simpson, Trey Songz, and Bruno Mars target the younger age listeners. Demographically they target females age 15-35 with lower to middle income levels. Geographically pop artists target the whole United States. This younger generation of customers prefers to download their music digitally. These are the target markets for Atlantic Records because they are groups of people that are most likely to purchase music from Atlantic Records' artists.

Atlantic Records promotes their artists and their brand using social media. All of their artists have social media sites where they promote themselves and their music. Promotions about Atlantic Record artists can be seen on music streaming sites like Spotify, and YouTube. The Record Label has a website that includes information about artists and upcoming tour dates. This website also allows you to purchase songs or stream music.

Atlantic Records uses a logo to create a brand image and improve brand awareness. The company uses specific colors in their logo that convey a message to the customer. The red gives the company an exciting, outspoken, dynamic, and noticeable personality. The color red encourages customers to take action, and purchase music. The color white creates pure, clean, and youthful emotions. These colors in the logo help to enhance Atlantic records brandimage. 

1. **Research Methods Used In Study**
	1. **Description & Rationale of Research Methodologies Selected to Conduct Research Study**

We used a combination of primary and secondary research for this study. The primary research we obtained was through survey and interview. We used surveys in order to obtain information on current consumer preferences and attitudes towards the music industry. If we can gauge what the consumers in the current market want, then we can make the necessary changes that will most improve customer satisfaction. They were conducted through quota sampling in order get surveys out to differing groups of peopleto gather viewpoints of different demographics.Quota sampling cuts down on the number of surveys that need to be passed out because it targets specific groups making it more cost-effect. Quota sampling enables us to obtain information from those who are the target market of specific genres. Surveys were distributed to groups of people who represented three specific demographic groups: the hip-hop demographic (African American males ages 15 to 35), the rock demographic (males ages of 20-55) and the pop demographic (females ages 15-35). We chose these three groups to focus on because they represent a wide variety of the most common music listeners in our society. The interview we conducted was with an industry expert in order to gain more information about the current state of the music industry and ideas for the future.

The secondary sources that we obtained were mainly studies and articles found on the Internet. These sources allowed us to obtain data and ideas that have already been collected and help prove or disprove the primary data we found.We used three specific articles, are all from reputable sources , to collect information from.One article that we found on CNN’s website was called “Music's lost decade: Sales cut in half”. It talked about the massive decline in record sales between the years 1999 and 2009. Another article, which we found on Rolling Stone’s website, was called “The New Economics of the Music Industry” and it talked about recent trends in the industry and how the digital revolution has affected how much money artists make. Other articles we looked at offered more of an opinion on the music industry, but contained quality informationrelating to the issues we were targeting. One particular article was called “The Top 10 Reasons Why the Music Industry is Failing” and was found on a website called *musicclout.com*.By using a variety of online sources to collect music industry news; we were able to gain a broader perspective of the issues facing the industry and what we can do to brainstorm ideas that overcome these obstacles.

* 1. **Process Used to Conduct the Selected Research Methods**

The surveys were distributed using quota sampling. Quota sampling involves taking small samples of data that are representative of the entire population. Since we were targeting three specific demographics we thought quota sampling would be the most effective method of research to utilize. To conduct our survey distribution we went to Bank of America Stadium on Sunday, November 3, 2013 and targeted specific races and genders so we could gain adequate representation in each of our three targeted groups.

Surveying different types of people allowed us to gather a wide array of opinions amongst specific groups versus having to pass out thousands of surveys. The information collected allows us to look at the viewpoints of a diverse, ever-changing market, and make the necessary changes as a result of the information collected. We understand that Quota Sampling is not always completely accurate because it has an element of bias to it. Handpicking most of the people who we are surveying would not be the most effective approach for many but for our budget and timeframe it is what we felt worked best.

The interview we conducted was with Rob Tavaligione. He is the owner and proprietor of Catalyst Recording and he writes for several Pro Audio magazines. He has spent most of his life in the music industry and is very aware of its current state and the changes that are unfolding. We chose to interview him to get ideas for our rebranding efforts and get a better idea of where the music industry currently is from someone who is in the middle of it. We conducted the interview with him one afternoon at Catalyst Recording in his office. We had 15 open ended questions prepared, which led to a discussion that lasted over 40 minutes, all caught by a microphone in the middle of the room. We chose to use open ended questions because it allowedus to receive more information regarding certain topics that were discussed. The questions were as follows:

 1. What is your general view on the current state of the music industry?

2. What changes would you like to see in the music industry?

3. How do you feel the music industry has changed since the 70’s?

4. What methods of music distribution do you feel are the most popular right now?

5. Which methods of music distribution do you feel will grow in the next 20 years?

6. Why do you think that the popularity of CDs is diminishing?

7. Why do you think that buying full albums is becoming less and less common?

8. What are your views on music piracy?

9. What is your opinion on the use of mp3s vs. WAV files?

10. What do you feel the record companies are doing right?

11. What do you feel the record companies are doing wrong?

12. What changes do you feel can be made in the area of artist development among record companies?

13. What sorts of promotions can record companies and artists use to engage more fans?

14. How do you think concerts can be improved upon (ticket price, customer service, etc.)?

15. Any closing thoughts? What changes do you want to see in the new Atlantic Records?

Our secondary research was conducted using the Internet. We were looking for articles and studies that would give useful info about the direction the music industry has been taking, and why it has gone that way. We were looking to back up our primary research, confirm our existing suspicions, and find other useful information about the existing problems. It is always good to get another source because it will uncover things that we may have overlooked and give more reliable information than we are able to obtain just through primary research. Using search engines to search phrases such as “problems with the music industry” and “economics of the music industry”, we were able to obtain this information on *rollingstone.com*, *money.cnn.com,* and *musicclout.com*.

1. **Findings from Research Study & Recommended Solutions**
	1. **Findings from Research Study**

The music industry has seen deterioration in record sales the past few years. We conducted research to determine what has changed in consumers that induced this downturn. From the information, we were able to discover how consumers listened to music. Respondents ranked the quality of devices such as mp3’s, CD’s, records, vinyl, and radio. Information from the surveys revealed how the respondents felt regarding concerts. We discovered where consumers purchase music.

The respondents who are under the age of 18 rated the quality of mp3’s as 4.2 out of 5. CD’s received a 4.3 rating and vinyl’s received a 3.7 rating. The radio was rated as the lowest quality of the bunch and it received a 2.6 rating. 90% of the surveyed do enjoy concerts but 78% believe that concerts are overpriced. 80% of the respondents surveyed purchased music. Two-thirds of the survey group purchased music from iTunes fairly often and only 45% often purchased physical copies of music. 51% downloaded music illegally. Two-thirds of the survey group purchased complete albums.

 The respondents between the age of 18 and 24 rated the quality of mp3’s as 4.1 out of 5. CD’s received a 3.7 rating and vinyl’s received a 2.3 rating. The radio was rated as the lowest quality of the bunch and it received a 2.2 rating. 91% of the surveyed do enjoy concerts but 82% believe that concerts are overpriced.73% of the respondent’s surveyed purchased music. 65% of the survey group purchased music from iTunes fairly often and 50% often purchased physical copies of music. 45% downloaded music illegally. 50% of the survey group purchased complete albums.

 The respondents who are between the age of 25 and 35 rated the quality of mp3’s as 4.0 out of 5. CD’s received a 4.1 rating and vinyl’s received a 3.5 rating. The radio was rated as the lowest quality of the bunch and it received a 2.8 rating. 90% of the surveyed do enjoy concerts but 85% believe that concerts are overpriced. 85% of the respondents surveyed purchased music. 75% of the survey group purchased music from iTunes fairly often and only 55% often purchased physical copies of music. 40% downloaded music illegally. 50% of the survey group purchased complete albums.

 The respondents who are above the age of 36 rated the quality of mp3 as 4.18 out of 5. CD’s received a 4.16 rating and radio received a 2.83 rating. Vinyls were rated as the lowest quality of the bunch and it received a 2.58 rating. 83% of the surveyed do enjoy concerts but 100% believe that concerts are overpriced. 58% of the respondents surveyed purchased music. 50% of the survey group purchased music from iTunes fairly often and only 60% often purchased physical copies of music. 35% downloaded music illegally. 55% of the survey group purchased complete albums.

 From the surveys we can conclude that although almost all people enjoy concerts, they are overpriced. The younger generation prefers to listen to music using mp3’s and the older generation prefers to listen to music on mp3’s and CD’s. Those who are 36 and older do not purchase music often. Vinyl’s and radio stations are not being used as often due to poor quality and the availability of better technology. Those under the age of 35 often purchase music illegally. The majority of people purchase music from iTunes. Those who are above the age of 36 prefer to purchase hard copies of music while younger viewers preferred to download music.

 Secondary sources were used to determine the severity of this recession in the music industry. Secondary sources were also used that defined problems in the music industry that have caused this decline. It can be concluded from the secondary sources that the music industry has lost 8.3 billion since1999.



We have also determined that record labels are signing artists that lack talent. Record labels have abused fans by setting high prices on music and concerts. Consumers now focus on beats and melodies rather than lyrics, which allows untalented and undeserving artists to become successful.

Our discussion with Catalyst Recording’s Rob Tavaligione also brought us a lot of useful information. He said that the music industry is currently in a “state of transition”, and is rapidly changing. Digital downloads and streaming are becoming more important than CD sales and radio. CD sales did rise a little bit last year though, so the concept of physical ownership is not completely outdated, but it is not as relevant as it once was. Also, there is a movement of people that are beginning to move away from downloads and more towards streaming, which is becoming many people’s primary listening method. Although Vinyl’s are still around, they are a niche market. Artists are relying more on options such as licensing songs to be played on TV shows and movies to create profits. The traditional model of signing to a major label, touring, and selling albums is simply not enough anymore. More and more artists are moving to independent labels, or even operating completely on their own. Singles and EPs are being released with more frequency, rather than complete albums. The only thing that has remained constant is touring, because it is still the best way to connect with fans and make money.

Rob made one very interesting point about the major labels today. He said that their main concern is this: how do customers find new artists? Many streaming services such as Spotify and Pandora use “preference algorithms”, which are used to determine what a user may like based on what they listen to. It will appear on your homepage saying “since you listened to this, you may like this”, or if you say that you do not like a song, it will prevent songs similar to that in the future. This is a very important method for record companies to take advantage of in order to lead consumers to their artists.

On the subject of piracy, Rob said that although it cannot be prevented, people could be deterred from participating in such practices. Ease of access to music is the most important factor in this approach. We have begun to see this with the rise of streaming services. The logic here is: if music is easy to obtain and listen to, why steal it? There will always be people who will try to steal and get things for free, but the convenience of the digital age may just be enough to prevent it on a larger scale.

On the subject of the major record labels, we took a look at their strengths and weaknesses. They are good at maintaining artists such as Rhianna and Coldplay on a large scale, and making profits doing so. Their list of weaknesses is a bit larger though. They were a bit slow to get onboard with the whole concept of Internet distribution. Their lack of risk taking and experimentation allowed companies like Spotify to come up and take over areas that they overlooked. Much of their efforts put on suing people over piracy would, in Rob’s opinion, have been better spent concerning themselves with innovation. If they had maximized the potential of the digital age instead of initially resisting it, they may be in a better position right now. Artist development is also an area of weakness with the record labels. They are not taking small artists and building them up into strong brands as much as they used to; that responsibility has fallen more now to the independent labels. They look for artists that are already doing well and simply offer them a bigger budget, which they believe will give them the jolt they need to make it to the “next level”, which sometimes works and sometimes does not. The art of building up a small band to make them into a power brand, as people like Ahmet Ertegun once did, has died a little bit.

* 1. **Recommended Solutions**

Our interview with Rob Tavaligione yielded a fair amount of possible solutions to all these problems within the industry. When asked what changes he would like to see in the music industry, he had a couple interesting ideas. First, he told us that he’d like to see digital downloads improve their sound quality, because the convenience of downloads with the sound quality of CDs would be ideal. The only problem with that would be that most people do not want to keep a lot of large sound files on their computers. So he suggested that streaming websites, such as Spotify, use higher quality sound files so that consumers could enjoy supreme sound quality with the convenience of streaming, and get the most out of their $10 a month. He also admitted later in the interview that he would like to see physical ownership come back. The experience of opening up an album to find things such as backstage pictures and lyric sheets simply cannot be replicated through online distribution methods. If the “record store experience” were to come back, people would care more about their music again. When you go to a record store and you get physically touch the music and browse through different selections, it means more than just clicking a button on a computer.

In terms of promotion, he said that pre-streaming (allowing fans to listen to an album before it is released) and free downloads are both very good ideas. To improve concerts, ticket prices should be lowered and venues should quit gouging people for concessions and parking. When asked what overall changes Atlantic Records should make, he recommending the following: embracing new means of reaching people, embracing that we are tired of overpriced CDs, offering high quality downloads at more affordable prices, and giving more extras (such as pictures and lyric sheets) with purchases. To regain their place at the top of the music industry, Atlantic Records needs to operate with some sense of innovation. Their new music needs to make people want to “tell a friend about it”. They need impress jaded consumers, and pay more attention to quality and originality in their music to do so.

1. **Rebranding Efforts**
	1. **The Proposed Rebranding Plan**

The focus of Atlantic records will be on a few key things: catering to what the consumers want to hear, developing a variety of innovative new artists, and delivering quality music in a variety of ways.

Our approach to marketing will be focused on catering to the consumer. We will target an age range of 18 to 35, figure out what they want to hear and deliver it to them, while simultaneously expanding their musical pallet. We want to target an audience that is open to new ideas and new sounds and shape a new generation of listeners. Companies like Spotify use a method in which they observe what their listeners listen to and cater to that, while simultaneously suggesting new artists that they might like. We plan to mimic this approach by providing our consumers with music that they want to hear and using it to suggest new artists to them and eventually expose them to our entire continually growing, diverse catalog. For example, when someone buys an album from us, we will include a coupon or a free song from a band or artist that may contain one or more similar elements. Consumers will be more open to certain artists after being introduced to them through this method. The goal of this promotion is to build a reputation of being both consumer-friendly and innovative, ultimately establishing us as a leader in the industry.

Along with having artists that embrace the tastes of the current market, we are also looking towards the future. We are looking to nurture new talent and find artists that will change the popular music landscapes. We want artists that will create new sounds and spearhead musical movements. This innovation will excite our existing customers and attract new ones. It is time to finally impress the jaded consumer base of the music industry.The concerts will be kept at low, affordable prices that appeal to a wider demographic than the current upper income target market. We also will put an emphasis on allowing the artist’s vision to thrive instead of just churning out cookie cutter songs that have no longevity among listeners. We want artists who are continually creating something new, and will excite their fans. This methodology will allow our artists to express themselves in a real way and allow them to create something genuine that will resonate with listeners and be remembered 40 years from now.

Distribution is the last key element of the new Atlantic Records. Our three main priorities with music distribution will be sound quality, listening experience, and convenience. As we determined in our research, digital distribution is very popular in today’s market and mp3’s are looked favorably upon. It is extremely convenient for listeners because they can buy a single song or an album at the click of a button. However, the one problem with mp3s is that they are often very small, condensed files that do not offer optimal sound quality. Other types of files such as WAVs are much bigger files that contain more detail and provide a fuller, clearer sound. The problem with WAVs is that they are often times very large and hard to store on a phone or mp3 player. Trends like having mp3s that are “Mastered for iTunes” are attempting to solve this problem. Our approach will be to always have optimal sound quality. We will use a mixture of mp3s optimized for iTunes, files that are bigger than mp3s but smaller than WAVs, and WAVs whenever possible. We also will have a wide variety of methods of distribution. We will have CDs and always have very attractive packaging to encourage people to buy physical copies. Vinyl records are also a good little niche market, so we will also have limited pressings for those who want them. Along with these traditional methods we will also encourage new ones like selling flash drives with the Atlantic logo on them. These flash drives will contain high quality sound files along with extras such as music videos and pictures. These files will in a ZIP folder that can only be extracted once, to avoid any possible file sharing and pirating. Then, after consumers transfer the files to the computer, they have a fully functional flash drive for them to do whatever they please with, while sporting our logo. We hope that these strategies will encourage more people to buy music from us rather than pirating it, because we will make it worth it to purchase the songs.

In order to establish ourselves as a stronger leader in the industry and improve brand perception, we will be completely redoing the Atlantic Records brand. Our color scheme will always be focused on blue, symbolizing the Atlantic Ocean. Blue is a sharp color that always sticks out. Our logo will be based on waves. As a play on words, the “A” in will look like an ocean wave and the other letters will be sound waves. The metaphor the movement of the ocean symbolizing the movement within music, both in the form of waves, will be a big part of the way that we will brand everything that we do.

* 1. **Schedule for Rebranding Activities**

The new logo will be revealed in spring of 2014. Spring is a season of blooming flowers and rebirth, which helps to serve as a metaphor for the “rebirth” of Atlantic Records. This will help to establish our new brand and introduce people to the new Atlantic Records. From here we can begin to rebuild ourselves from the ground up. We will retain our old customer base but now our new brand can appeal to the new customers that we are trying to target. After the reveal, we will begin to execute events that will build up our new brand to what we want it to be.

As a part of building our new brand and increasing awareness as our new institutional goals, we will be launching a large-scale marketing campaign in the summer of 2014. We will be advertising both our new artists and the company itself, mainly through billboards and television commercials. Visual media needs to be used to show our new colors and logo. In these advertisements we will be informing the population of our new goals and our commitment to innovation and quality. This, along with our plethora of new artists will pave the way for the future of Atlantic.

Our goal is to have ten new, thriving artists by the summer of 2015. This entails beginning our artist development efforts immediately. First, we need to hire our new talent scouts. Each talent scout will operate in a certain region of the country, seeking out innovative artists that are causing excitement within their local communities. Once our scouts have made their selections, we will narrow it down and sign contracts with the artists that we feel that we can develop the most. Then, we will take them through our artist development program and take them to the next level by setting them up with teams of people working around the clock to coach them, book tours, market them, etc. Each artist’s “team” (marketers, producers, etc.) will begin to work on building them up into the power brands that they are meant to be. Of those artists, certain ones will make a bigger impact on the market, and those are the ones that we will be boasting in our marketing efforts. These are the types of artists that we hope to have at least 10 of by summer 2015.

Releasing products with increased sound quality and with the various types of packaging will begin immediately after the new brand is revealed. We will be re-releasing our best selling records to start out with. We will release one of these “re-mastered best-sellers” each month to excite people. Certain box sets of historic artists, such as Led Zeppelin, will also be released. Then, all of our new releases will be released with optimal “Atlantic Sound Quality”, a trademark that we will obtain before the new logo is revealed. This will be the final element in developing a positive brand image for the new Atlantic Records.

1. **Proposed Budget**
	1. **Costs Associated with Proposed Rebranding Strategies**

Atlantic Records will expose customers to new music by offering free song downloads when they purchase an album from an Atlantic Record artist. The download will be for a song from a similar artist, in an attempt to expand their musical pallet and increase their repeat sales with Atlantic. The company will lose ninety-nine cents per free song downloaded. We can track the number of redemptions for the free song to determine the effectiveness of the promotional tactic. Talent scouts will be hired to ensure that Atlantic Records is signing the best artists that have potential. Five scouts will be hired to cover different regions of the United States. Each scout will make fifty four thousand dollars a year, which is two hundred and seventy thousand total per year. This money will be coming out of the budget for talent development. The scout can be tracked and progress can be analyzed based on the effectiveness of the artists that each scout brings to the company. The talent development program will make sure that our artists are ready for prime time. This program will receive a ten million dollar yearly budget. This money will be going towards recruiting artists, producing and distributing their music, and most importantly: developing their sound and image. Record sales and good PR can be analyzed to determine the effectiveness of this program. It will cost one dollar to produce the Atlantic Records flash drive. The company can track the performance by analyzing the number of sales of the flash drives. Our new logo will need to be designed by professional graphic designers. It will cost ten thousand dollars to hire a visual development team to create this new logo. Focus groups will be created that will give feedback on trademark before we release it. The new Atlantic records logo will be promoted and advertised in the large scale marketing campaign. This marketing team will receive a five million dollar budget to market the re-branded Atlantic Records. The cost to rebrand the Atlantic records logo will be included in the five million dollars. We can track the effectiveness of the logo and marketing campaign by monitoring social media websites, in order to determine brand perception. In order to promote the improved sound quality of our new albums, we will be re-mastering classic hits and re-releasing them for a limited time. There will be a five hundred thousand dollar budget to re-master and distribute the albums. Atlantic Records can track the sales of the re-mastered albums to determine their effectiveness. For all of our new releases, an extra ten cents will be spent per album to ensure that all records have the highest sound quality possible. Atlantic Records can analyze record sales to determine the success of the strategy. We will also conduct focus groups to determine the consumer’s perception of the improved sound quality.

* 1. **Proposed Metrics to Measure Return on Investment (ROI)**

Our goal is to receive an eight hundred percent return on our investments for our free song downloads. We will lose ninety nine cents per free song redeemed by the customer but we believe the customer will purchase another album or multiple songs from the artist that they were exposed to. Atlantic Records is striving for at least a two hundred percent return on the talent development program. This translates to twenty million dollars in revenue which would allow us to have a ten million dollar budget for the next year. Our return will steadily increase over the next few years as our artists become more popular, which will lead to higher profits. The new logo and marketing campaign will bring a three hundred percent return on investment. This promotional strategy will create brand awareness and attract new customers, therefore increasing record sales. We will invest five million dollars into the campaign which would mean the company would receive fifteen million dollars in return of the investment. The flash drive costs one dollar to produce and will be sold for eighteen dollars. That being said, we will receive a one thousand eight hundred percent return on investment. Approximately a three hundred percent return on profit is expected from increasing the sound quality of all future albums released by Atlantic Records. There will be a decrease in profits for each individual song or album purchased but the strategy is expected to attract new customers and increase the number of loyal customer. The result will be an increase in record sales.

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