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Radiohead Album Near, Fans Pay What They Choose

10/1/07

There has been a good deal of online chatter about news of an upcoming Radiohead album. Many blog posts wonder if the news is true. Since the Wall Street Journal has an article on the topic, it looked legit to me. Then I went to the band's website and tried to pre-order the album.

Radiohead, which left EMI when its contract expired, will allow fans to download its new album, *In Rainbows*, and pay whatever they like (the amount included a £0.45 credit charge). Early orders will be fulfilled by October 10th, says the band's website. Consumers can purchase physical version as well. A custom package with two LPs and a CD goes for £40 (\$82). The transactions are being handled by Waste Products Ltd., which has previously sold merchandise for the band. "So far," reads a page at the band's website, "the album is available only at this website."

The release is sure to open up all sorts of dialog and more doomsday predictions. Some will assure us record labels are dead now that bands like Radiohead can give away their music for what amounts to donations. That would be a stretch. We should keep in mind, though, that Radiohead is in a unique position. Not all artists can give away its music, or come up with the funds to record its own music, or be able to generate the kind of publicity that will surely drive millions to the Radiohead web site in the next few days. Much like Pearl Jam turned its back on music videos only after its label (and music videos) had helped turn them into superstars, Radiohead turned its back on the system after they used it to become rich.

Good for them. The band is fortunate enough to be in this position, and the time is right. Five years ago, experiments like this would not have captured the imagination and attention of the world. Now the state of the industry has people calling for alternatives. So let's see how this one goes.

Oh...about the ordering. How did it go? It was miserable. The site was slow, I had to re-enter my credit card number and I had to make six attempts at the security code before my order was accepted. Experiences like that will drive people to pay a premium for convenience.

http://www.coolfer.com/blog/archives/2007/09/radiohead_album.php

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Radiohead Has People Thinking

10/2/07

Radiohead's pay-what-you-want album sale has increased the dialog about alternative business models and, in the case of Bob Mould, got artists thinking out loud.

In a post at his blog , Mould has a survey (pointed out by Idolator) that asks readers to offer input on hypothetical forms of products and their prices. He gave options ranging from per-song purchases to per-album purchases to a subscription to all his recordings.

With 39% of the 160 votes (at the time of this post), the winner is a scheme that would charge \$40 for an annual subscription to receive Mould's music. Mould describes the subscription content as "all music as it is completed, as well as exclusive content (video, artwork, stuff from my storage space," plus tour-related extras like VIP seating. I voted for the \$20 subscription. As a decades-long Mould fan (through Husker Du, Sugar and his solo work) I would gladly pay \$20 a year for whatever he records. If I lived in a market I thought he might visit (when was the last time he was in Nashville?) I might be willing to pony up \$40.

The point is that an artist such as Mould could easily take advantage -- given the tools, of course -- of the differences in his fans' desires and willingness to pay. Look at Mould's survey results and you'll see the market is open to many different schemes at different price points. By offering single downloads, albums and subscriptions, an artist could maximize his revenue across a broader product line. By segmenting the market, one can soak up that unrealized revenue.

On a side note, a tool for an alternative model already exists at ArtistShare. The website allows an artist to create whatever product offering and set whatever price he/she desires. Take this bundle from Keith Javors. It includes a CD, exclusive live recordings, streaming interviews and written commentary about the songs and performances.

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