

What goes into making and marketing a CD and who's making the money?

The following paragraph is taken from a book called *Jazz Basics*, which was written by Professor James Shearer of New Mexico State University. The book is an excellent introduction to the history of jazz and comes with a three CD set that allow the reader to experience the sounds of jazz history along with the factual information. The book also has interesting appendices that include information on everything from web sites to jazz clubs around the country that you might wish to check out. It is published by the Kendall/Hunt Publishing Company of Dubuque, Iowa and can be ordered or (I'm sure) purchased on line from any of the usual sources. If you want to learn more about jazz, this would be the perfect place to start – it takes only a few days (at most) to read the entire book and listen to all of the music, and then it becomes a terrific resource.

With Dr. Shearer's and the publisher's kind permission, I'm providing the following paragraph from *Jazz Basics* which is taken from Appendix D. This is information that should be common knowledge among music consumers, but isn't. Think about this before you "burn" a CD that doesn't belong to you or before you "burn" a copy of a CD that belongs to you for a friend.

"New CDs (or cassette tapes) aren't cheap. In fact, as of this writing, some new releases are going for as much as \$17.95. There is a common line that goes something like "Boy are the record companies ripping me off, 'cause I know it costs less than a buck to make this thing." While it is true that it doesn't cost much to physically produce a CD or tape, the things that lead up to that final production can be VERY expensive. For all music recorded, royalties must be paid to both the songwriter(s) and all of the contracted musicians. Typical studio time can run anywhere from \$75 to \$200 per hour depending on where you are and how state-of-the-art the recording facility is. The big name studios in New York, Nashville, and LA can be even more expensive. In addition, you must pay a photographer to shoot photos and hire a graphic artist (or a full art studio) to create the packaging. Next, there has to be a marketing strategy, complete with print ads, complimentary copies to radio stations, and product placement. In particular, you may not realize that the product placement in a record store COSTS the record label money. When you go walking through some major record chain like Tower Records, Virgin Records, Hastings, Camelot, or Sam Goody's, it costs money to have your record placed at the end of a store aisle or included at one of those cool listening stations. Finally, you should also realize that the wholesale cost of a record is somewhere between \$3.00 and \$7.00. Then a distribution company takes its cut and, of course, the record store makes a profit as well. Now don't get me wrong, the record industry does make money, but they don't make \$16.95 on a CD for which you paid \$17.95."

- from Shearer, James L., *Jazz Basics: A Brief Overview with Historical Documents and Recordings*, © 2002 by Kendall/Hunt Publishing Company, p.221. Used with permission.