

EBHA Paper Abstract: ‘A Retail Revolution: Changes in music distribution and retailing in the UK 1950-80’.

Name: Kevin Tennent

Affiliation: The Open University Business School, Walton Hall, Milton Keynes, MK7 6AA

Email: k.d.tennent@open.ac.uk

Abstract

The years between 1950 and 1980 were important years of change for the British music industry, as new forms of music and markets for it emerged, and a range of new players entered the industry. Distribution is one of Alfred D. Chandler Jnr’s three prongs considered important for corporate success, the other two being production and management. While several excellent studies of the British retail industry have been carried out by John Benson and Laura Ugolini, among others, little work has touched upon music retailing. In looking at distribution the paper will show that the three major British companies, as well as Philips, already had an established road based UK distribution network by the mid-1960s. This network distributed records to around 5,000 specialist retailers. As creative competition increased then the four existing majors were well placed to defend their control over the market by further integrating into distribution. On the retailing side the industry also faced new challenges as well as opportunities. The abolition of Resale Price Maintenance in 1964, meant that retail margins would be harder to protect, making it difficult for the majors to maintain their oligopolistic position as suppliers to specialist retailers. Instead, the industry was forced to accept that it would be necessary to deal with chain stores, which had actively de-skilled their staff to allow the reduction of margins. The industry responded by introducing new forms of merchandising, while EMI vertically integrated into retail. This section of the paper will show that the four majors retained influence in the retail sector by encouraging the spread of music retailing away from small scale retailers. Other innovations included the adoption of the US ‘rack-jobbing’ system, which provided non-specialist retailers with a range of current popular repertoire, as well as the introduction of well marketed and pre-packaged budget ranges which required no specialist retail staff. The majors were then able to exploit these changes to retain oligopolistic power as suppliers over the downstream part of the industry. As a whole the paper will show how music distribution in the UK remained a Chandlerian industry of scale and scope despite the entry of a large number of small players in the creative part of the industry.