

David Meerman Scott and Brian Halligan: **Marketing lessons from the Grateful Dead**

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Samuel Cameron

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The origins of the book are not in the field of cultural economics. However, it raises some very interesting issues about the area and also of the general relationships between the disciplines of marketing and economics, even perhaps about the nature of American culture. In fact, this is not an academic book. It has a few references to other works at the end, but it does not mention the paper “Beyond Rock and Roll: The Economic Impact of the Grateful Dead on a Local Economy” by Gazel and Schwer (1997).

It is really a “little book of comfort” type of collection of nostrums offered to those seeking marketing advice. It is in small format and has many illustrations. The text follows a very stylised format; each chapter nominates an achievement of the Grateful Dead from which we can learn lessons, and it then gives us an illustration from some parallel activity of a different business. At the end of each chapter, there is a summary of the main thesis with a highlighted action for the user to take.

Most of the illustrations come from companies operating in the information/digital economy, although McDonalds makes an appearance in Chapter 10 which is about philanthropy. Beyond being a mere practical guide, this book seems to contribute to the sanctification of the Bobo (the bourgeois bohemian entrepreneur) that is something of an offshoot of the trend set in motion by Richard Florida’s championing the power of the creative economy. I shall air some criticisms of this and other issues at the end of this review.

The Grateful Dead would seem to be easily the most significant phenomenon for cultural economics that comes from within the area of pop/rock music. Their history and conduct have become enshrined academically to an extent that is unlikely to become true for their music. At the University of California, Santa Cruz, a Grateful

S. Cameron (✉)
University of Bradford, Bradford, UK
e-mail: dantalianalysis@yahoo.co.uk

Dead archive has been established to which 25 % of the royalties of the book under review are donated (see www.gratefuldeadarchive.org).

Exhibitions of selections from this archive have been held in museums. To date, the band has not followed the Beatles in having the whole university degrees devoted to them (the University of Liverpool has a Master in Beatle studies).

The minute one begins to read this book, the stark contrast with the Rolling Stones looms in one's mind. This is explicitly made at two points later on in the book. Presumably, a book of marketing lessons from the Rolling Stones would be very short as it does not take very long to say: "charge the highest prices you can and get yourself the very best tax advice lawyers and accountants".

So, what then about the philanthropy of the Grateful Dead? This surely leads to the most unique event in the history of cultural subsidy. Through their Rex Foundation, they enabled the public dissemination of obscure English classical music composer (Havergal Brian) which had little chance of public exposure due to the high costs of his labour intensive works and the monopolisation of subsidised channels in the UK by people who had opposed tastes. The Rex Foundation was not established solely for cultural subsidy. It provided support for whatever aim the governing body saw fit. It is difficult to think of any other rock/pop ensemble who have gone to the lengths of establishing such a significant charitable foundation. Philanthropy in the mainstream music fields generally consists of performing in benefits although there are occasional one-off donations by some artists to good causes and we should give an honourable mention to Dolly Parton's book promotion charity. In many instances (including the Beatles), the idea of musical cultural behemoths "giving something back" to their own field of endeavour has consisted of setting up their own record label to encourage new artists. These have typically begun with a flurry of good intentions and floundered in stagnation, ill will and mismanagement (such as the Beatle's Apple label).

Besides their philanthropic behaviour, the significant economic features of Grateful Dead activity are their reciprocal relationship with their fans, and their alleged rejection of the conventional business model of the music industry which made them trailblazing pioneers and maintainers of counter-cultural production which bypasses the mainstream capitalist market model. Some of this activity was not unique to the Grateful Dead. In the period in which they emerged, there were many musicians who ambled on to stage dressed like their fans with no "image" or showbusiness craft and managed to sell large volumes of tickets and recordings. Likewise other people have used direct marketing and sought to interact with their fans outside the traditional corporate record company model. However, the Grateful Dead seemed to be able to do these things both highly successfully and over a long period of time. The most noted feature of interaction between producers and consumers of music in the history of the band is their radical treatment of "unofficial" recordings or, as they would commonly be known, "bootlegs". Unlike the standard model in the industry, the Dead encouraged these illegal recordings. Ironically, one of the early individuals singled out for heavy punishment in the moral panic over internet dissemination of illegal recordings was a non-profit-making distributor of Grateful Dead concert copies by post.

Let me conclude with some critical comments on the packaging of the Grateful Dead that we find in this book. There are four main areas where facts may have been overlooked or a generic myth-making claim which has been made for many rock bands is found.

1. Inspiration is found from a lack of formal musical training.

This idea that authenticity is to be found outside the stuffy confines of linear musical training is found all over the place from 1940s British Jazz to the 1977 Punk “rebellion” in the UK. Generally speaking, where success is achieved, there is someone close to the heart of the enterprise who is more formally educated, which is the case here.

2. Drugs as a factor of production.

We cannot duck the fact that the nominal leader of the Grateful Dead imbibed copious amounts of drugs, had intense periods of unhealthy eating and went into a diabetic coma before his later untimely death. Of course, this book does not, at any point, suggest that one of the marketing lessons that can be learned here is that we should become drug addicts to become successful. There remains a serious issue for the economic analysis of the musical production unit as to what the role of drugs as a factor of production (some kind of capital?) is in conjunction with labour and recording equipment, etc. A recent book by Shapiro attempts to make the claim that drugs were a significant factor in many of the recordings in the established canon of great works in popular music (Shapiro 2003).

3. Bypassing major oligopolistic corporations.

Scott and Halligan’s book is not a historical account, but, by omission, it might be seen to be engaging in the construction of a revisionist view of history. The Grateful Dead did begin on a major label (Warner Brothers) and made compromises in their music in order to be baled out by major labels on a number of occasions. Before the arrival of the digital era, most independent media producers have depended on major companies for manufacturing and distribution. Of course, we now can use social media which, however, is likely to be increasingly monetised and corporatised.

4. Fallacy of composition.

One of the biggest tensions between economic analysis and other accounts of strategies and policies for individual and national success is the issue of apparent

fallacies of composition. The chief one here is that everyone does the things suggested, in this book, and be successful. This is very hard for an economist to stomach. Clearly, I may well do all the things expounded here—be unique, be creative, do the things I love, eschew formal training, get my product a great iconic name and so on and yet fail abysmally. Simply because the market is a competitive process, not a digitalised love-in where everyone can be happy.

There is no proof here that the Grateful Dead's achievements are due to the items highlighted in these chapters. Possibly, they were in the right place at the right time and just happened to hit on something popular which ultimately fulfilled something of a fantasy need for consumers not unlike that provided by festivals like Glastonbury, that is, a place for people with regular jobs and regular lives to engage with the idea that they are somehow alternative/Bohemian.

References

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