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1,700 Bands, Rocking as the CD Industry Reels

By JON PARELES

AUSTIN, Tex. — “I don’t want to feel like I don’t have a future,” sang the Shout Out Louds, one of more than 1,700 bands that have been performing day and night at Austin’s clubs, halls, meeting rooms, parking lots and street corners since Wednesday.

The Shout Out Louds, from Stockholm, were singing about a romance, but they could have been speaking for thousands of people attending the 22nd annual South by Southwest Music Festival. It is America’s most important music convention, particularly for rising bands, gathering a critical mass of musicians and their supporters and exploiters from the United States and across the world. While major labels have a low profile at this year’s gathering, other corporations are highly visible, using sponsorships to latch on to music as a draw and as a symbol of cool.

Southwest is a talent showcase and a schmoozathon, a citywide barbecue party and a brainstorming session for a business that has been radically shaken and stirred by the Internet. For established recording companies, the instantaneous and often unpaid distribution of music online is business hell; CD album sales are on an accelerating slide, and sales of downloads aren’t making up for the losses. But for listeners, as well as for musicians who mostly want a chance to be heard, the digital era is fan heaven. As major labels have shrunk in the 21st century, South by Southwest has nearly doubled in size, up to 12,500 people registered for this year’s convention, from 7,000 registered attendees in 2001, not including the band members performing. In an era of plummeting CD sales and short shelf lives even for current hit makers, the festival is full of people seeking ways to route their careers around what’s left of the major recording companies.

Sooner or later, public forums and private conversations at this year’s festival end up pondering how 21st-century musicians will be paid. For nearly all of them, it won’t be royalty checks rolling in from blockbuster albums. Musicians’ livelihoods will more likely be a crazy quilt of what their lawyers would call “alternative revenue streams”: touring, downloads, ringtones, T-shirts, sponsorships, Web site ads and song placements in soundtracks or commercials. Festival panels offer practical advice on all of them, for career-minded do-it-yourself-ers.

The key is to gain enough recognition to find an audience. Over its four days, SXSW, as the festival is called, is like MySpace moved to the physical realm: more music than anyone could possibly hear, freely available and clamoring to be heard.

Major labels used to help create stars through promotion and publicity, but their role has been shrinking. Multimillion-selling musicians who have fulfilled their major-label contracts — Radiohead, the Eagles, Nine Inch Nails — are deserting those companies, choosing to be free agents rather than assets for the system that made them famous.
Even a moderately well-known musician can reach fans without a middleman. Daniel Lanois, who has produced U2 and Bob Dylan and is also a guitarist and songwriter, noted during his set that he now sells his music directly online in high fidelity at the Web site redfloorrecords.com.

“We can record something at night, put it on the site for breakfast and have the money in the PayPal account by 5,” he said. “With all due respect for my very great friends who have come up in the record-company environment, it’s nice to see that technology has opened the doors to everybody.”

South by Southwest has insisted, ever since it started in 1987 as a gathering for independent and regional musicians, that major-label contracts have never been a musician’s only chance. Musicians who have had contracts are lucky if they recoup their advances through royalties. Lou Reed, who gave an onstage interview as a convention keynote, was terse about getting a label contract. “You have the Internet — what do you need it for?”

There’s never a shortage of eager musicians. Many bands drive cross-country by van or cross an ocean to perform an unpaid showcase at South By Southwest, and the most determined ones play not only their one festival slot but also half a dozen peripheral parties as well, hoping to be noticed. Sixth Street and Red River, two downtown streets lined with clubs, are mobbed with music-hopping pedestrians until last call.

Musicians make the trek even though discovering a local band from another town or another country is just a few clicks away. That spread of information opens new career paths, from tours stoked by blog buzz to recognition for a song tucked into a commercial or a soundtrack. South by Southwest draws like Ingrid Michaelson and Sia got big breaks through songs that appeared in television shows, while Yael Naim found an international audience through a MacBook Air commercial.

With music whizzing across the Internet, South by Southwest probably has fewer completely unknown so-called baby bands, but hundreds of more toddlers. They have unlikely allies now. If record labels can’t help them, corporations might. Few musicians worry about selling out to a sponsor; now it’s a career path. This year’s festival has brand-name sponsors everywhere, from Citigroup and Dell to wineries, social-networking Web sites and the chef Rachael Ray (who is the host of her own day party).

Governments subsidize bands from countries including Australia, Norway, Spain and Britain, which see new markets and trade value in music.

Radio stations are also active. Two well-established bands, R.E.M. and My Morning Jacket, played through their coming albums at packed South by Southwest shows that were broadcast live on National Public Radio and can be streamed at nprmusic.org/music — giving away new songs they know full well will soon be bootlegged. The logic is that fans who hear them will show up for concerts, pick up T-shirts and perhaps even buy the studio versions.

But for many of the performers at South by Southwest, the ambitions are on a smaller scale: just to be heard. Casey Dienel is the 23-year-old songwriter, pianist and wispy-voiced singer of White Hinterland; her gentle melodies carry tales of visionary transformations. She said she was at the festival just hoping that “if you put yourself out there authentically, you’re going to attract people who think like you.” Looking at her rapt audience of perhaps three dozen people, she smiled shyly. “There are so many of you!” she said.