

THE WALL STREET JOURNAL MARKETPLACE

THURSDAY, JANUARY 22, 1998 B1

Rich Marketing Alliances Keep Music Stars Glowing

By PATRICK M. REILLY

Staff Reporter of THE WALL STREET JOURNAL

Pop and rock stars once equated plugging a product with selling their souls. Now, the souls are going for bigger and bigger bucks.

Today, Elton John will announce that he has signed a deal in which Citicorp's Citibank will be sole sponsor of his 1998 "Big Picture" world tour. In return, for an estimated \$5 million Mr. John will appear in Citibank television ads later this year. It will be the only endorsement deal the singer will sign in 1998, Citibank says.

Meantime, Time Warner Inc.'s Atlantic Records and Wilhelmina International Inc. have arrived at a deal in which recording artists like Brandy might sashay down the runway with the Wilhelmina agency's models and Duncan Sheik could appear with models in fashion ads. In another, less glamorous promotional arena, the record company and a minor basketball league have arranged for Atlantic artists to play live at league games.

It all goes to show how frantic the nation's \$12 billion-a-year recorded-music industry is getting to promote artists to an increasingly distracted public. Not long ago, when musicians flaunted their antiestablishment credentials, a star could stay a star by getting a song played on the radio or a music video aired on MTV. No more—even for a performer with the larger-than-life visibility of an Elton John. Now it's flashy commercialism and marketing alliances that keep a star bright (and richer by the minute).

Music companies are grappling for sales, which rose 7% for the industry last year after two flattish years. In response, many record labels have slashed their artist rosters and are putting more dollars behind each artist.

Atlantic and Wilhelmina say they won't overdo the commercial come-ons. Dieter Esch, president of Wilhelmina, says he wants to avoid the "Spice Girls syndrome," in which this year's pop sensation signs up for multiple endorsement deals regardless of the long-term effect. The Rolling Stones also drew some cries of sellout for pulling in an estimated \$6 million from Sprint Corp. to bankroll their current "Bridges to Babylon" North American concert tour.

"We don't want to be cheap or tacky, and they won't be overexposed," says Mr. Esch. "The concern will be for how will it affect their musical career." As a head of a modeling agency, Mr. Esch says lie is accustomed to protecting the image of "the talent we handle."

The Citibank-Elton John deal broke new ground for the bank, which had never before hired a musician for such work. Last year,- executives from Entertainment Marketing' & Communications International in Stamford, Conn., approached Citibank and suggested the bank use music to reach customers around the world. EMCI previously had brought Sprint together with the Rolling Stones and, years ago, Pepsi and Michael Jackson.

"Elton transcended music," says Jay Coleman, president of EMCI. "He's a global celebrity and humanitarian."

Indeed, Citibank wanted a distinctive Coke-like image that traveled globally. "We needed a citizen of the world," says Brian Ruder, executive vice president of global marketing for Citibank."

Last night, the 50-year-old Mr. John kicked off his tour in Biloxi, Miss. He will travel this year to 65 cities, with stops in Europe, Asia, and Australia.

Citibank will also use Mr. John as an advertising tool. He will appear in two "branding" Citibank commercials created by Young & Rubicam, the bank's global ad agency. TV ads featuring the singer are expected to air this spring.

