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**THE WAY  
SHE IS**

**The  
End**  
Of The Old  
Music Business?

**OR THE FACE  
OF THE  
NEW ONE?**



This was Ingrid Michaelson's moment. ¶ It was Thursday, Sept. 20, 2007, and the Old Navy sweater commercial that featured her sweet, simple song, "The Way I Am," was hitting the airwaves. ¶ For a few days, the 30-second ads played everywhere: all of the major networks during most prime-time shows, "The Tonight Show With Jay Leno," "Late Night With Conan O'Brien" and "Late Show With David Letterman," and some of the bigger channels playing syndicated shows. ¶ Then, premiere week began. ¶ "You couldn't get away from it," laughs Danny Buch, senior VP of promotion and artist development at Sony BMG's RED, which at that time had just signed on to distribute Michaelson's "Girls and Boys" album. "It was on every channel!" ¶ On Sept. 27 alone, the commercial aired during the premieres of "The Office," "Ugly Betty," "My Name Is Earl" and "Grey's Anatomy," along with a slew of other placements. By the time its run was over, it had repeatedly played across virtually every network and demographic on 14 of 15 nights through Oct. 4. ¶ In less than three weeks, the spot made more than 65 appearances in prime-time, including 17 season premieres. ¶ Not bad exposure for an unsigned artist.

Michaelson, 28, lives with her parents, an older brother she is not shy about yelling at, a rabbit and a small, yappy dog in the prettiest house on a charming street in Staten Island, N.Y. The place is old and full of wonder, old wooden bookcases lined with vintage record players, sculptures her mother makes, countless books and vinyl and even an art project Michaelson made in the sixth grade.

For those who have heard her songs—quirky pop confections full of infectious harmonies—the home's whimsy seems perfect, as does the fact that she's sitting on her couch wearing an oversized babushka and flannel space-ship pajamas.

Michaelson has a cold. And if she's a bit rundown after her insane run of the previous 14 months, well, that's fitting, too.

Unknown by anyone but her friends and family in early July 2006, Michaelson is now in the top five at triple A radio, and starting to cross over to top 40. In the space of a year, she has gone from playing small cafes and clubs for friends and family, to selling out New York's 500-capacity Bowery Ballroom just before Christmas; tickets for a Feb. 15 gig at the city's 1,400-capacity Webster Hall are moving quickly.

She's a new You Oughta Know artist on VH1, with "The Way I Am" in heavy rotation, and she's beginning to sell a noteworthy amount of music—the week leading up to Christmas was her best sales week to date, moving more than 12,000 units of "Girls and Boys," according to Nielsen SoundScan.

#### A FRANKENSTEIN LABEL

While it's tempting to focus on her lack of a traditional record label deal—Michaelson holds her own master and publishing rights—thinking of her as the poster child for The End of the Music Business is to miss the point of her story, entirely.

She may not have a regular deal, but she'd be the first to tell you she'd never have made it from the Old Navy commercials to the aforementioned accomplishments without plenty of help from the traditional music business. Or at least parts of the traditional music business that are nimble enough to keep up with the speed at which artists, in the right place and time, can develop in 2008.

"All these things are happening so quickly," Michaelson says, wrapping a blanket around her legs, and her hands around a mug of vanilla tea. "I feel like I'm ready to take this to another level. And I don't even know what that means anymore. It used to mean signing to a label. And I'm still not opposed, but I'm still saying, 'Let's just see.'"

Meanwhile, she has assembled what she calls her "Frankenstein label" around her, and it includes some pretty heavy hitters from the music biz. Her manager, Lynn Grossman, is a former GM of world music label Putumayo. Her lawyer is Peter Lewit, of Davis, Shapiro, Lewit & Hayes, a firm that works with some of the biggest names in the industry.

Her music is promoted to radio by Right Arm Resource, a company run by industry vet Jesse Barnett that works with plenty of indies, but also, in the past year or so, major label artists including Bob Dylan, KT Tunstall and Joss Stone. Paradigm, her booking agency, also handles such clients as Coldplay and Avril Lavigne. Original Signal is listed as the label on her CDs, but it's basically a pressing and distribution deal that has grown to include some marketing.

"Effectively, Ingrid is an unsigned artist," says Lucas Mann, president of Original Signal, a new artist development company that has a distribution deal through RED. "As the music business changed, we felt it was important to provide artists with whatever opportunities they were looking for. Lynn and Ingrid had a very specific idea of what they wanted and we wanted to be able to work with them. We've come upon something that works, and it's important to look at this and the pieces of this that are working and say, 'Hey, there's a lesson here.'"

#### STEP BY STEP

Michaelson's rise from obscurity began in July 2006, four months after Grossman started the company Secret Road to place music in film and TV. She had been through several music business turns, including a stint working with RPMC, a company that organized sweepstakes and promotions for radio, and her time at Putumayo. Grossman also spent time managing artists, including dance-pop singer (and one-time Madonna singer/cohort) Donna De Lory and singer/songwriter Alexi Murdoch.

In July, while on vacation, Andrea Von Foerster, now a music supervisor and the woman Grossman hired to watch over her business, found Michaelson on MySpace.

At this point, Michaelson, who had self-released "Girls and Boys" in May, was skeptical, but game.

"I had been called into a bunch of meetings with different managers and different record labels—somehow I had gotten on their radar," says Michaelson, who mentions interest from Columbia and Capitol. "They'd call and say, 'Oh, I found you on MySpace.' They were like, 'We'll keep in touch and come see some shows.' And then that would be it. They were too afraid, because this isn't a world that takes an unknown, works with her and develops her. I got nothing out of these meetings. People called and sniffed me and sent me on my way."

Still, she says, "I was at a point where things were going to happen or they weren't, and I wasn't going to let an opportunity pass me by."

Michaelson agreed to work with Secret Road, and first met Grossman when the latter came to New York in October 2006 for the CMJ Music Marathon.

"She said, 'I really want to get my music on "Grey's Anatomy."'

When's it going to happen?" Grossman recalls. "And I told her, 'You know what, Ingrid? You really just need to let go. I think your music is really good, but it doesn't happen on our schedule.'"

That day, Grossman says, when she returned to her hotel there was a message that Secret Road had gotten a request from "Grey's Anatomy" to use Michaelson's song "Breakable."

That episode aired in November 2006. "Grey's" used two other songs from "Girls and Boys" before the show's musical director, Alexandra Patsavas, presented Michaelson with her biggest break yet, inviting her to write an original song for the series. The result, "Keep Breathing," aired in the season-three finale in May 2007, playing almost in full during the dramatic climax of the episode, the song's own building tempo and drama matching the scene. (The song was later released on the third "Grey's Anatomy" compilation.)

"I first heard about Ingrid's music through some friends from the [singer/songwriter venue] Hotel Café in Los Angeles," says Patsavas, who runs her own film and TV company, Chop Shop. "I was directed to her MySpace page and just loved her songwriting, vocal style and all-around vibe. It seemed quintessentially 'Grey's' to me and the show's exec producers, Shonda Rhimes and Betsy Beers."

This is when label interest began to heat up again. "Someone at every major label . . . A&R people, presidents, they all wanted to have meetings," Grossman says. "And in general I said, 'I just want to continue doing it this way. We're having success and enjoying doing this project on our own.'"

"At the time," Michaelson says, "we were still basically thinking of our plan as getting to a point where we'd have clout when it eventually came time to sign a label deal."

Meanwhile, Grossman wanted to get some records into stores; Michaelson had been selling her album primarily through iTunes and CD Baby. "I was a little nervous about going to retail too early. My philosophy was always, 'Keep the demand way ahead of the supply.'"





Singer **INGRID MICHAELSON** (right) and backup singer/guitarist **ALLIE MOSS** perform during a recent New York show. Michaelson has been selling out clubs around the United States and was recently added to the upcoming Hotel Café tour.

**'Labels called me and sniffed me and sent me on my way.'** —Ingrid Michaelson

In May, indie distributor Junket Boy agreed to buy 1,000 copies of "Girls and Boys" (one way, with no risk to Michaelson) and distribute to independent stores.

But when the Old Navy commercial was on the way, Grossman knew it was time for something bigger. She agreed to distribute 3,000 copies of "Girls and Boys" through Original Signal/RED.

#### HER SHIP COMES SAILING IN

Sharall Churchill, CEO of Media Creature Music—the company that worked with Old Navy to place "The Way I Am"—says in this instance, the creative director at Old Navy already knew Michaelson's music through MySpace and pushed for the song's use.

"I use Google Trends to track [the buzz from my commercials]," she says. "Naturally, when Old Navy ads come out, there are slight spikes, but when the Ingrid Michaelson came out, it just completely spiked. I think it has something to do with her potential audience watching all of these shows at the same time."

Perhaps the most important viewer turned out to be Danny Buch, who saw the commercial while watching "Saturday Night Live." Michaelson had been on his radar even before her signing to Original Signal—he had seen her at that summer's Triple A NonComm convention, and knew the commercial was on its way.

"I was sitting at home and I hear the commercial and I'm like, 'I know that song!'" he says. "Twenty minutes later I hear the commercial again. The next morning I'm talking to some guys at RED and we realize that given the size and targeting of the Old Navy buy, they accomplished a year of promotion in 12 days. That week I went into insanity mode."

Buch started pushing "The Way I Am" aggressively to triple A stations, adding one after another. And he basically forced the song's video—commissioned by Original Signal on the cheap for about \$15,000—onto VH1, which embraced Michaelson as a You Oughta Know artist and put the clip in heavy rotation, where it remains.

"Originally I told him we had done what we were going to do for 2007 . . . that we were unofficially closed [for new You Oughta Know acts]," says Rick Krim, VH1 executive VP of talent and music programming. But, he says, "rules are made to be broken." Krim and his team fell in love with the song, the album and the video, and, he notes, when she came in to play an acoustic set in the office, "she was just adorable . . . she won everyone over."

This new wave of attention brought yet another round of interest from labels, and Grossman says there was a moment in October or November when she and Michaelson wavered.

"There was a point when we were starting to think maybe we should at least entertain to see what was out there. I met with one of my mentor manager friends and they asked me, 'In what business do you do a great job building something and then give away 50% of it to an industry that isn't showing that it's healthy?'" Grossman and Michaelson decided to stay the indie course.

It's a course that can be less than glamorous. Michaelson and touring partner/backup singer Allie Moss still drive all over the country in Michaelson's mom's car. And, Michaelson says, much of the money she's made—Grossman says Michaelson has

earned a little more from music sales, at this point, than from her synch placements—is still being reinvested into her career. In addition to the video shoot, recent expenses have included price-and-positioning efforts at big-box retailers.

The flip side is that Michaelson keeps a healthier bottom line on her sales. On synch placements, Secret Road takes a standard commission (in the 15% range) and there is no label or publisher to take a cut. Grossman says that Michaelson is keeping somewhere in the area of \$5 per album sold on iTunes, and that she is getting \$11 per album sold through CD Baby, before Secret Road's cut.

Mann says he's happy with Original Signal's cut of Michaelson's action. He declines to give specifics—"the low-end of a pass-through deal, and we wouldn't just do a pass-through deal, is five points," he says—but notes that "as things evolve, our deal with Ingrid evolves. We can be flexible on the services we're able to add, but we also have to be flexible on terms."

And while Michaelson hasn't found a good reason to jump to a label so far, Buch notes that record industry experience and connections have proved quite useful to Michaelson's career.

"My one part in this story," Buch says, "is that there was a moment in time of huge audience exposure. With no infrastructure to seize those moments, you lose them. It was just Ingrid and Lynn. So seizing that, getting that song to every hot AC and triple A station . . . there was no PR CD. I made an MP3 and sent it to programmers. I said 'Guys, there's no plan, no dollars, no labels, no nothing. There's just two minutes, 11 seconds of *smash!* Confirmed *smash!* that your audience already knows."

And, he points out, "Anywhere it gets added, it explodes. When you put a song on the radio and as you're playing the record, every light on the phone bank goes on? That's a hit. A hit is a record that isn't selling any place in America but when you look at the places it's getting played, you have huge sales. That's Ingrid right now."

#### THE REAL DEAL

Indeed, all of this would just be another marketing story of the moment if Michaelson didn't have the songwriting and stage chops to deliver on the buzz. Michaelson's personal music story starts with the adolescent piano lessons and acting troupes her parents encouraged her to enjoy. She went off to college in the late '90s, studying music theory for a semester ("I was terrible at the theory, but I had a great ear," she says) before eventually earning a theater degree from SUNY Binghamton in 2001.

She did "the Broadway audition thing" for about a year, eventually landing a role as Ellie Cratchit, Tiny Tim's mom in "A Christmas Carol." But while the lack of money and long hours on the road seemed to cure her of the acting bug—"I don't have the Broadway voice," Michaelson says—it also regularly took her into theaters with pianos and cast members who would

watch her play and sing, and encouraged her to pursue music.

From 2002 through July 2006, she spent her free time recording and writing, and playing occasional shows in local cafes and small clubs. A friend worked at Irving Studios in lower Manhattan; he was a tech and would record her songs cheaply for the experience. Ultimately, that's how "Girls and Boys" was made.

Michaelson may already be labeled with the loaded term "Internet phenomenon," but her music is connecting with fans in ways that marketing stories do not.

On "The Hat," for example, she weaves three separate vocal parts together for an irresistible, uptempo sing-along at the end of what starts as a fairly quiet song about an old love. "I don't like performing by myself," Michaelson says. "To me, a song is not complete unless it has another vocal line in it."

Michaelson insists her music isn't contrived to any one audience, and while that may well be true, her songs and her theatrical abilities onstage set her up to be a hero to masses of teenage girls looking for something in style and substance that isn't overused, overproduced or even overwrought. The songs on "Girls and Boys" are almost entirely about love, but it's an innocent, literate love, with little to do with loins.

"There's a boy next to me, and he never will be, anything but a boy at the bar," she sings on "Far Away," and "I think he's the best, he's where everything stops, how I love to love him from afar."

At the recent Bowery Ballroom show, she stopped mid-performance during "Breakable," to chide the audience for singing the "S's" too loudly during the chorus. "All I hear up here is 'sssssss,'" she hissed, to adoring laughter. "Please just sing 'girl' and 'boy.'" And the audience did as they were bid, en masse, when she resumed singing.

#### STILL GROWING

"She's raised her profile so quickly," says Paradigm agent Steve Ferguson, who says she has been selling out 200-person venues in key cities, then going back, playing larger venues, and selling those out too. Ferguson recalls seeing her play a small club around the time that "Keep Breathing" had aired on "Grey's Anatomy," and watching the audience sing the lyrics back to her. "It wasn't even released commercially," he says of the song. "I don't know if it was even available via BitTorrent or LimeWire. You could find it on her MySpace page and you could find the actual TV footage on YouTube so it was like, 'Wow, these people have spent enough time with the song to sing it back, and it's not readily available.' They had to make an effort to find out how to get it and do that whole discovery process."

Michaelson will have plenty more time to refine her stage act, as she expects to be on the road from mid-January through May, including dates with a Hotel Café-branded tour. Meanwhile, she says she's already written another 25-30 songs, though there are no plans for a new album until 2009. This year, her team expects to go deeper into "Girls and Boys," looking at "Breakable" and "Die Alone" as possible follow-up singles to "The Way I Am."

For now, Michaelson and Grossman say they are content to see how far she can go without a label.

Grossman says that "when this project needs anything, we'll give it to it. And if that's a label at some point, I have a feeling that will be made clear to us." In the meantime, Michaelson keeps surpassing sales levels she once assumed would mean it was time to make the jump.

"Initially I figured we'd sell about 50,000 records and we'd need a bigger team to help us get to the next level," the manager says. "Now we're at 60,000 [actually at 87,000, as of this week's issue] and we have a really nice big team already. Right now in my head, the next target is about 250,000."

But, she's quick to add, she'd probably have the same perspective then: "We've already done 250,000. Why give half away now?"

"Peter [Lewit] and Lynn and I talk about it," Michaelson says. "He's explained the options that I could get. People say you can get to a certain point without a label, but you can't get past that point. And maybe that's true. But maybe it isn't true." ♦♦♦