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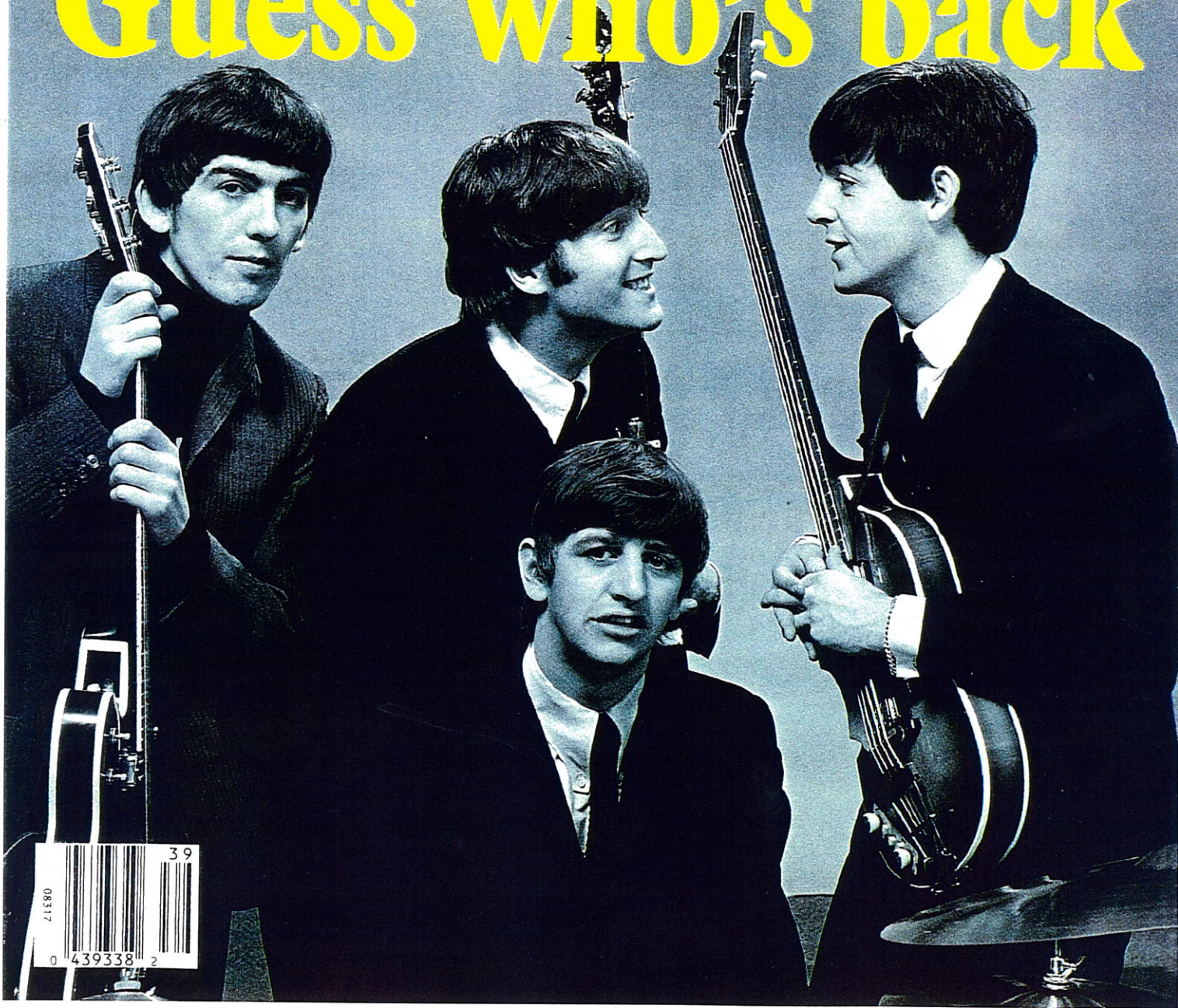
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\$4.00 (Canada \$4.50)

# Forbes

1995's 40 Top-Money Entertainers

Guess who's back



# All you need is and royalties

By Peter Newcomb with Robert La Franco

IN A MODEST OFFICE on the second floor of 27 Ovington Square in London sits Neil Aspinall, an accountant by trade and chief of Apple Corps Ltd. A slim man who bears a vague resemblance to actor John Malkovich, Aspinall, 52, is not your typical entertainment executive. For one thing, Apple Corps (no relation to Apple Computer) represents the collective Beatles, one of the music industry's most enduring acts, and the Beatles—or in one case the estate—own Apple Corps.

For another, Aspinall is an intensely private man in a business where publicity is money and privacy almost nonexistent. So rarely has he been interviewed that a Nexis search of his name yielded just one quote in 15 years. Since he turned down our interview, we won't be able to contribute a second quote, but we can't ignore him when writing about the music business.

One of the four Beatles is dead and the other three have had varying luck on their own. Yet the old act should gross more than \$100 million this year—in good part because of Aspinall's careful low-key stewardship. His

strategy is simple: Avoid overexposing the product, and play off the frenzy of publicity when you do come to market. You aren't just selling product. Every exposure is, in effect, an event.

Most of the Beatles' 1995 loot will be generated by a single product: a newly filmed documentary, the *Beatles Anthology*. It will show in more than 40 countries on TV this November and will run six hours.

ABC paid Apple nearly \$20 million for the broadcast rights in the U.S., and will air the show over three nights on prime time beginning mid-November. Over 80% of the commercials were sold in the first three weeks, with some 30-second spots fetching more than \$300,000. "This has been the fastest-selling one-shot special in ABC history," spouts Robert Cagliero, executive vice president of ad sales for ABC.

Ford Motor Co. was the first buyer.

The Beatles, circa 1965

**Magical money tour: Thirty years later they've got three soon-to-be-released albums and a new video anthology.**



Glenn Feldman

# love . . .

The four Beatles have not toured or recorded a new album together in over 25 years. Yet they are one of this year's highest-paid acts, bringing in more than \$100 million.





Apple Corps Ltd



The band just prior to their 1970 splitup; Apple Corps' chief, Neil Aspinall  
**Private, low-key, a fifth Beatle.**

Ford will get 16 commercials over the six hours of programming, numerous mentions and electronic billboards, and will be the exclusive automotive sponsor for the special. Demographics played a vital part in the company's decision.

"The Beatles are a perfect match for our Taurus launch," says Gerry Donnelly, advertising manager at the company's Ford Division. In the U.K., ITV outbid the BBC for the broadcast rights, anteing up close to \$10 million for the special. Apple should gross nearly \$75 million on the television anthology alone.

You can imagine what the television show will do for record sales. In the days immediately following the television broadcast, record stores will be shipped the first of three new music releases: a two-disc CD, featuring never-before-heard Beatles tracks, as well as a new song, *Free as a Bird*, that the remaining members of the group recently recorded over a John Lennon track. Two similar two-disc sets will follow.

Even without big events, annual record and publishing royalties run around \$12 million for the Beatles and their estates.

But this year's hoopla has Charles Koppelman, chairman of EMI Records Group North America, drooling, since EMI secured the distribution rights for the home video. "This is going to be the release of the decade," he almost shouts. "It's going to be incredible."

Formed in 1967, Apple was created primarily to shelter the band from England's confiscatory personal income taxes—even in their counter-culture days, the boys had their eyes on the main chance. Apple was essentially a tax dodge.

But as the money poured in, the company's role expanded. The Beatles' original contract with EMI, which yielded such hit albums as *Revolver* and *Rubber Soul*, had expired in 1966. Tough negotiations followed.

Peter Brown, now an entertainment industry consultant whose clients include Andrew Lloyd Webber and the BBC, worked closely with Aspinall at Apple in the early days. "We were confronted with the fact that we had four owners who had no experience at business, no experience

with money and could never agree on anything," says Brown.

Lennon and McCartney had different ideas about the business future. McCartney brought in the father/son team Lee and John Eastman, prominent New York entertainment lawyers. Lennon brought in Allen Klein, an accountant who had recently pilaged the Rolling Stones' business. It was not a happy scene.

After much public acrimony the Beatles split, just three years after Apple was formed. The fight was not about artistic principles. It was about money. "A lot of the breakup really came about from disagreement with how to proceed on a business level," Brown recalls.

Aspinall was left in charge of handling the old but perpetually selling Beatles albums. Lennon, McCartney and Harrison went on to pursue successful solo careers. And Ringo Starr, a former character on the kiddie show featuring Thomas the Tank Engine, was last seen hawking pizza for Pizza Hut.

Since then Aspinall, in charge of Apple's business since the band split up in 1970, has pursued this simple business strategy: Keep the product scarce and promote it hard. Even when the group was still together, the Beatles made just 13 "core" records. Many of them, including *Abbey Road*, *Let It Be*, and *Sgt. Pepper's Lonely Hearts Club Band*, are consistently among the industry's bestselling catalog records. Each year the catalog sells well over 1 million copies.

Record store bins aren't inundated with repackaged Beatles products. Go through the record bins of the Rolling Stones or Elvis Presley and you'll find a bevy of "best ofs" and live recordings. Not the Beatles.

"They've been very into not saturating the market," says Terri Santisi, executive vice president of EMI Records Group North America. "That has been their strength all these years."

Santisi says this is what happens with many new Beatles products: They are put on the market for a limited time and then removed. Take their greatest-hits packages, known to Beatles fans as the *Red* and the *Blue* albums, released in 1993; and the *Live at the BBC* tapes, released in 1994. The *BBC*

tapes will be taken off the market this October, and the two albums possibly later. They may be released again in several years, or they may not. If they are, it will be amidst suitable fanfare.

The estate of Elvis Presley, who died in 1977, still earns upwards of \$15 million a year, much of it coming from Graceland, the King's former home and de facto mausoleum. Record sales of Jimi Hendrix, perhaps the greatest electric guitarist ever, still generate millions of dollars in royalties.

But for sheer moneymaking dura-

bility, no one comes close to the Beatles. Perhaps there should, therefore, be a fifth Beatle: Neil Aspinall. Thirty-five years ago he left an accounting apprenticeship to work for the musical act.

"They've given him a lot of grief because they don't know any better, but Neil has remained loyal," says Brown of Aspinall and his temperamental charges. "What happens now is that they still can't make up their minds about anything, so in the end they tend to let Neil sort it all out."

Way to go, Neil. ■

## Finally, the big one . . .

EARLY IN HIS career as a director of music publishing, Charles Koppelman, then 23, was working for the music publishing division of Columbia Pictures. He heard some of the Beatles' British recordings and urged his boss to fly him to London so he could meet with Brian Epstein, the group's manager at the time.

Send a 23-year-old? No way.

"We never made the deal," Koppelman regrets. Instead, the rights were picked up by a number of U.S. publishers.

Twenty years later Koppelman had another chance to grab a piece of the Beatles. ATV Music, the publishing company that owned the rights to most of the Beatles catalog, was for sale.

At that time Koppelman owned music publisher Entertainment Music Co. and bid \$45 million. At the last minute, Entertainment's bid was topped by \$2.5 million by Michael Jackson. "We came back from England empty-handed," Koppelman recalls. "No cigar."

Only in 1993 did Kop-



Klaus Aguilera-Helweg/ONYX

pelman finally get his Beatles. He's now chairman and chief executive of EMI Records Group North America, a division of Thorn-EMI. EMI will deliver three double-disc CDs of Beatles music, the first later this year.

This new anthology will mean hundreds of millions of dollars for his record company, and will help make the Beatles one of the highest-paid acts in entertainment this year. ■

-P.N. ■

EMI Records Group North America Chairman Charles Koppelman

**The new Beatles deal gives him plenty of cause to light up.**