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## The Future of Vinyl: After a Decade of Growth, A Retro Biz Spins Forward

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Marc Femenia/TT/EPA/REX/Shutterstock Customers browsed in a Stockholm record store during Record Store Day in April 2017.

As another Record Store Day approaches tomorrow (April 21), the news for the vinyl sector continues to be positive. For the 12th straight year, vinyl album sales rose in the U.S. in 2017, up nine percent over 2016 to 14.3 million units, the most in any year since Nielsen Music began tracking sales data in 1991. Vinyl now accounts for roughly one out of every seven physical album sales, a remarkable comeback for a format once thought to be obsolete.

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But despite vinyl's growing market share, the industry apparatus that supports it remains, in many ways, stuck in the past. Turntable technology has seen few advances since the 1980s, and most record pressing plants still use equipment that's old enough to be in the Smithsonian. "No one touched [the vinyl industry] in the 30, 40 years that it was in decline," says **Caren Kelleher**, founder and president of Gold Rush Vinyl, a newly-launched pressing plant in Austin, Texas.

Thanks to entrepreneurs like Kelleher, that's now starting to change. As vinyl sales continue their upward trajectory, more new companies are entering the sector, injecting fresh ideas into the manufacture, sale and consumption of a product long associated more with nostalgia than innovation.

Kelleher, a former Google Music executive, first glimpsed vinyl's potential when she went into band management in 2010. "I was really surprised how young the fans were that were buying vinyl at shows," she recalls, "but also how difficult it was to get made." Her bands' orders would routinely take six months or more to fulfill. "I got more and more fascinated" with the manufacturing side, Kelleher recalls. "Why are there these bottlenecks with vinyl? Why has nobody really innovated since the '60s?"

For Gold Rush Vinyl, which opened for business in March, Kelleher turned to Viryl Technologies, a Canadian company that began manufacturing new record presses under the name WarmTone in 2015. WarmTones have quickly become the go-to for new pressing facilities; Jack White's Third Man Records vinyl plant in Detroit has eight of them, and Furnace Record Pressing in Virginia just opened a 50,000-square-foot pressing plant with 16 WarmTones in January, capable of churning out 9 million records a year.

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Gold Rush's operations are considerably smaller, with only two WarmTones, but Kelleher was more focused on efficiency than volume. Both presses are fully automated, she says, requiring just one production manager to operate them both at once, allowing Gold Rush to turn around orders in as little as four to six weeks, and in runs of as few as 100 copies (compared to the industry standard of 500), making vinyl more economically-feasible for niche labels and DIY artists.

"It's very important to me that we serve that market," Kelleher says. "As a band manager, I was always frustrated when we were made to order minimums that, quite frankly, bands may or may not be able to hit."

Gold Rush launched with another small but key innovation: personalized records. The center label on each copy of a record can be custom-printed, enabling artists to include unique artwork or personal messages to fans that will let them charge a premium for product. "We can do that at scale," Kelleher boasts.

That kind of personalization is likely to appeal to vinyl record clubs, which have returned to popularity with vinyl's rebirth. The most successful record clubs, like Vinyl Me, Please, specialize in producing limited-run versions of new and classic LPs by popular artists. But one such club, Vinyl Moon, is taking a more unique approach.

Founded by **Brandon Bogajewicz** in 2015 as an offshoot of his music blog, The Burning Ear, Vinyl Moon sends its members a curated selection of tracks by unsigned artists each month, pressed on colored vinyl with original artwork. Each Vinyl Moon record functions almost like a brief playlist,

https://outline.com/gJrkWP 3/6

introducing listeners to bands they've likely never heard, all loosely organized around various themes implied by each volume's title: *Reveries*; *Skyride*; *Breathing Shadows*.

Bogajewicz says Vinyl Moon currently has around 1,000 members, enough to "keep the lights on and the Ramen hot." After initially asking artists to participate without compensation, he now pays each artist a nominal licensing fee, though he believes they benefit in other, less tangible ways. "You make 500 7-inches and you're just an island entity of an artist trying to sell [your] products," he says, arguing that, with Vinyl Moon, "we're all lifting each other up."

If Vinyl Moon is a record club for the Spotify generation, then Love Turntable aims to be the record player on which they'll listen to it. Billed as the world's first smartphone-compatible turntable, the \$329 product features an eye-catching design by **Yves Behar** (whose other clients include **Herman Miller**, **Swarovski** and **Samsung**) in which the player's main assembly, a sleek black block shaped like an old Trimline phone receiver, spins counterclockwise over a stationary base. Love Turntable raised over \$1 million via Kickstarter and Indiegogo campaigns in 2017 and now has about 3,100 preorders; the first ones are expected to ship in early 2019.

Its design may seem gimmicky, but Love Turntable's creator, a Los Angeles-based French entrepreneur named **CH Pinhas**, insists that his main goal was to "make the user experience more simple." Although Love does sport a conventional stylus, there's no delicate dropping of needles into grooves or tonearm to balance. It's also wireless and connects to speakers via WiFi or Bluetooth. A single button controls playback, or the turntable can be

https://outline.com/gJrkWP 4/6

controlled via an app, where users can see album information (Love scans each album digitally during playback) and even choose which track to play. Pinhas says they're working on adding Alexa-like voice control software, as well.

You might think the "user experience" on a conventional turntable is already pretty straightforward, but Pinhas and his partners believe that something better-geared towards digital-first consumers was needed to disrupt the industry. "I think the biggest enemy [of vinyl] is not streaming," says **Emilien Crespo**, a former marketing strategist for Apple's in-house agency, Media Arts Lab, who now serves on Love Turntable's advisory board. "The biggest enemy is dust — in the sense that, so many owners of vinyl [records] just don't play them. Because it's just not fun. It's not intuitive, it's not simple, it doesn't connect with the wireless world we live in."

Love isn't the only company using digital technology to rethink the vinyl listening experience. Austria-based startup Rebeat Innovation recently announced a \$4.8 million round of funding to develop what it's dubbed "high definition vinyl," which the company claims will deliver 30 percent more playing time and more faithful sound reproduction, thanks to a proprietary digital audio encoding system. Rebeat aims to have the first HD vinyl records (which can be played on any turntable) in stores by early 2019, around the same time Pinhas says the first Love Turntables will come to market -- so by this time next year, fans could be playing digitally-manufactured records on WiFi-enabled turntables controlled from their smartphones.

https://outline.com/gJrkWP 5/6

"I want to strengthen the vinyl comeback," says Pinhas. "I have no doubt it's here to stay."

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