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## **WHAT IF HEWLETT AND PACKARD HAD STARTED A BAND INSTEAD? AN EXAMINATION OF A MUSIC SCENE AS ECONOMIC CLUSTER**

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### **Abstract**

A growing area of discourse in urban economics is the value of artistic production and its role in economic development theory. One arts subsector that has received little attention is popular music. Prior research tangentially acknowledges that music scenes function as economic clusters, but little detailing of their dynamics as such exists. The bulk of attention is paid to how these scenes operate in the framework of the broader music industry, not how they contribute to their surrounding urban economic landscapes. This paper uses Michael Porter's economic cluster theory to examine Denton, Texas' music scene. Findings point to the scene operating as an economic cluster as defined by Porter in addition to catalyzing economic and community development. Results address the existing gap in research leaving the economic value of music scenes underexplored and help detail the necessary conditions for a music scene to develop.

### **Keywords**

Urban, Economic, Cluster, Music, Scene, Entrepreneurship

### **Introduction**

A growing area of discourse in urban economics is the value of artistic production and its role in current economic development theory (Currid, 2009). One arts subsector that has received little attention in this discourse is popular music. Of specific interest are music scenes – the spatially-based cultural agglomerations of human and physical capital that include musicians, consumers, entrepreneurs, technicians, venues, and studios all working together (often in a volunteer, “Do-It-Yourself” or “DIY” nature) to facilitate the creation and performance of music (Bennett & Peterson, 2004; Connell & Gibson, 2003; Florida & Jackson, 2010).

Music scenes are recognized as part of the urban economy by some authors, but only superficially as economic clusters with emphasis placed on the roles those clusters play in the larger framework of the music industry (Florida & Jackson, 2010; Florida, Mellander, & Stolarick, 2010; Lin, 2014; Scott, 1999). This practice obscures the scale and scope of a music scene's role in its surrounding urban economic landscape by reducing it to an unexamined milieu contributing product to a larger industry. Other authors examine the positive externalities generated by music scenes, placing them tangentially into the urban economic development discourse (Florida, 2002; Grant, Haggett, & Morton, 2009; Lloyd, 2006; Seman, 2010); however, there still lacks a thorough understanding of how music scenes operate in the urban economy. Observing a music scene through the lens of existing economic cluster theory and detailing scene participants' interactions would help one gain that understanding.

This paper seeks to answer the question; are music scenes economic clusters as defined by Porter (2000)? Answering this question will further detail how music scenes operate in the urban economy, give policymakers insight on their value as catalysts, and help fill a research gap that has left music scenes a nearly nascent presence in the discourse concerning urban economics and cultural production. To answer the research question, this paper first presents a literature review detailing the pertinent points of economic clustering and music scenes. Next, the case study location is detailed and the research methodology is described. Analysis and discussion of

the research findings is then offered and is followed with suggestions for further study and a conclusion.

### **From Growth Models to Music Scenes**

The end of the 20th century saw a much different national economy in the United States than the one at the start of the century. With this change came a rethinking of how to construct models explaining regional economic growth. Weber (1929/1968), Harris (1954), Isard, (1956) and others offer that the competitive advantage of firms is derived from economies of scale, resource availability, minimization of input costs, transport access, and the geographic aspects of agglomerations. These attributes still account for some aspects of growth, but by the end of the century newer models emerged. Romer (1986) and Lucas (1988) argue the variables of educated, highly skilled human capital and technology are better at explaining why certain regions are more competitive than others in a time of rapid globalization (Fujita & Thisse, 1996; Glaeser, 1994) while Krugman (1991) focuses on population concentrations and the tendency of specialized labor and firms to co-locate for economic security as reasons for regional success.

Drawing from both sets of models, Porter (2000) suggests regional economic growth is the result of “economic clusters” capitalizing on “the effect of location on competition” manifested in the “four interrelated influences” of local context, factors/inputs, related and supporting industries, and demand conditions. These clusters give regions competitive advantages in productivity, innovation, and new business formation (2000, p. 19). Porter defines economic clusters as: “...geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (e.g. universities, standards agencies, trade associations) in a particular field that compete but also cooperate” (2000, p. 15).

Economic clusters are driven by dense networks of educated, highly skilled human capital leveraging technology and creating knowledge spillovers through face-to-face contact – what Storper and Venables (2004) describe as “buzz.” Porter’s observation of this activity as integral to the innovation process builds on the work of Marshall (1890/1990) and Jacobs (1970, 1961/1992) who suggest similar concentrations breed atmospheres of innovation.

The translation of these regional growth theories into current economic development practices manifests in strategies aimed at attracting and retaining educated, highly skilled human capital which will provide established firms with innovative ideas and practices in addition to starting new firms (Clark, 2004; Currid, 2009; Florida, 2002; Glaeser, Kolko, & Saiz, 2001; Mather, 1999). Artistic production is placed into this urban economic framework as, in addition to often contributing to a city’s brand, redevelopment efforts, and industrial growth, the milieu surrounding artistic production also functions as an amenity attractive to this desired human capital (Currid, 2009; Florida, 2002; Lloyd, 2006; Scott, 2000; Seman, 2010). However, the clustering dynamics of artistic production have not been specifically detailed through the lens of Porter’s (2000) work.

Music is a subsector of artistic production that also has a surrounding creative milieu, or “music scene.” These scenes are attractive to human capital and capable of economic externalities (Seman, 2010), but when framed in the urban economy for analysis, it is often with emphasis on the roles they play in the larger framework of the music industry or as mere glimpses into a much larger and denser network of cultural production in a city’s economy (Currid, 2007; Florida & Jackson, 2010; Florida, Mellander, & Stolarick, 2010; Scott, 1999; Seman, 2010). The detailing that does exist speaks to them embodying many characteristics of

economic clustering, but not in a thorough and concise manner. At the same time, the concept of bands as firms is emerging with Snow (2010) drawing comparison between high-tech start-up firms and bands in terms of operational dynamics and business lifecycles while Blackwell, Stephan, and Stephan (2004) and Guiney and Zheng (2012) suggest bands conduct business much like more traditional, established firms in other industries.

Economic cluster traits are suggested in some analyses of music scenes. Scott (1999) finds that a dense, localized geographic location offers music scene participants “a relatively high probability of finding just the right kind of input within easy access at just the right time” leading many to play “important roles at many different stages of the production process” (Scott, 1999, p. 1971/1974). Like Silicon Valley, Scott (1999, p. 1975) also offers that a music scene may be “sustained by educational and training institutions.”<sup>1</sup> Straw (2005) places emphasis on the social aspect of the dense networks of scene participants noting that “scenes emerge from the excesses of sociability that surround the pursuit of interests” and finds the “lines between professional and social activities are blurred, as each activity becomes the alibi for the other” (Straw, 2005, p. 412/413). Lines are also blurred as scene members often act simultaneously as cultural producers, facilitators, and consumers (Smith & Gillett, 2014).

Analysis of the fertile music scene in Athens, Georgia during the late 1970s and 1980s (which spawned bands such as the B-52’s and REM) offers further itemizing of music scene components and how they may operate in a manner evocative of economic clustering. Jipson (1994) details the core components of Athens’ scene and notes it offers a density of potential audience members and performers, a low cost of living, several places to perform with lax booking policies including a plethora of house parties, a recording studio, a well-respected art department attracting a continual supply of students turned musicians focused on creative innovation, and a geographically and socially tight-knit community of scene participants. In addition, Jipson (1994) stresses there was a lack of competition amongst bands, and a decided bent towards having fun while playing over achieving technical proficiency.

Florida and Jackson (2010) consider the history of music scenes in the United States and detail the development of smaller, “independent” (or “indie”) music scenes in the 1980s located outside of the “major centers” typically thought of for cultural production. These indie or DIY scenes are built upon networks organically established by the self-empowering punk rock movement and are often located in college towns where “music talent is located, students have free time to form and play in musical acts, and there is considerable demand for live music performance” (Azerrad, 2001; Florida, Mellander, & Stolarick, 2010, p. 786; Seman, 2010).

### **Case Study : Denton, Texas**

Denton, Texas’s music scene was selected as a case study for this research as it was easily accessible and vibrant. Denton is a city approximately 40 miles north of Dallas with two universities, a population of just over 110,000, and a thriving music scene with growing national and global recognition (Beehner, 2008; Rogers, 2007; Seman, 2012; Simmons, 2010; Sims, 2008). Denton’s music scene is estimated to encompass “100 or more acts” at any given time and is “eclectic and artistically ambitious, with a high degree of musicianship and a strong DIY ethic” (Sims, 2008). In addition, my eight-year history as participant in the music scene allowed for unparalleled access to contacts and insight potentially unavailable in another geographic area.

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<sup>1</sup> It should be noted that while Scott (1999) states that he is analyzing U.S. recorded music industrial clusters –

O'Connor (2002) suggests that not all music scenes are carbon copies of each other and Denton's scene is idiosyncratic in a number of ways. It is highly concentrated and has an oceanic depth and breadth with artists and bands mining a wide variety of genres. Collections of scene members form "micro" scenes around genres such as experimental noise, Americana, and punk, yet still often interact within the broader scene and self-identify as part of it supporting Straw's concept that music scenes are areas of "multiple musical practices" (R. Gomez, personal communication, January 2, 2013; R. Buttrum, personal communication, January 13, 2013; Straw 2001, p. 248).

Another trait not found in many other music scenes in cities of similar population size is the routine national and international recognition for the scene's participants. Several bands such as Midlake, Centro-matic, Slobberbone, Baptist Generals, Sarah Jaffe, Brave Combo, and Lift to Experience enjoy or have enjoyed widespread success, in some cases selling more than 100,000 copies of a release globally, licensing songs to commercials, television, and film, appearing on nationally broadcast late night television shows, and playing to capacity crowds in venues and theaters in the United States and internationally. There are also a number of musicians such as Earl Harvin and Matt Chamberlain who participated in Denton's music scene for several years then left to perform and record with various bands with international profiles (Head, 2011; Liles, 2009; Tama, 2006).

### **Methodology**

Porter (1998, p. 79) suggests that to fully understand economic clusters, one must detail the "many important actors and relationships in competition." To capture the dynamics of the "important actors and relationships" driving Denton's music scene, a convenience sample was constructed in a manner similar to Becker (1963), whose participatory immersion in Chicago's jazz music scene allowed him direct access to the subjects he sought to study. Due to my participatory experience in the music scene as well as the literature reviewed in previous sections, certain individuals were specifically targeted in the music scene as sample participants thus defining the convenience sample with an undercurrent of purposive sampling. The final sample consisted of 25 individuals including musicians, venue owners, promoters, label owners, booking agents, and City representatives – or some combination thereof. Perceptions of the scene were captured from participants both established and emerging and from across a wide range of musical genres in order to have a sample "representative of the range of points of view" (Rubin and Rubin, 1995, p. 66).

A series of "structured" and "semi-structured" in-person interviews (Bernard 1988) were conducted over a two-month period. Interviews lasted from 30 to 90 minutes and were conversational in nature. A survey instrument was used with questions both subjective and factual included. The interviews were transcribed and analysis included creating theoretical memos to help spot trends and themes in the information gathered. These extended notes helped when comparing the results outwardly to the literature initially reviewed as well as to the other qualitative data accumulated during interviews, including secondary sources such as books, magazines, newspapers, websites, and blogs. Both methods of continual comparison or "analytic induction" allowed for trends and "interesting relationships" to emerge (Bernard 1988; Crang 2005).

Using Porter's cluster theory framework to examine Denton's music scene was at times challenging as sometimes even a nuanced understanding of both the theory and the dynamics of the music scene were not enough to help connect the two via conversation with scene members

during the interview process. Much of this disconnect is due to the theory not being designed to describe cultural activity where firms – in this case, mainly bands – are far less capitalized and often not as singularly focused on business-oriented success. However, when the responses of music scene members are considered holistically as a group and augmented by research observations, Porter's theory is adequately detailed, albeit as though looking through a telescope backwards. In essence, as described in the next section, Denton's music scene is sort of like Silicon Valley, but different.

## Results

**A Scene of Productivity.** Porter (2000) suggests certain elements regarding local context, factors/inputs, related and supporting industries, and demand conditions must be in place and interact within a framework for a location to foster a successful cluster with a competitive advantage in productivity, innovation, and new business formation. In terms of productivity, Porter offers that clusters give a location productivity advantages in five ways via “access to specialized inputs and employees,” “access to information,” “complementarities,” “access to institutions and public goods,” and “incentives and performance measurement” (Porter, 2000, p. 22/23). Denton's music scene capitalizes on all five with resulting productivity gains. What drives productivity in Denton's music scene is the institution, the University of North Texas (UNT), but not in the manner that would invoke comparisons to Stanford and Silicon Valley. UNT's College of Music is one of the consistently top-ranked post-secondary music schools in the country, but it does not actively engage the music scene that exists in the city. Glen Farris, a musician and production manager for the Dallas-Ft. Worth booking agency Spune stated that, “The schism between UNT music and the rest of Denton's music has been massive and wide...” This sentiment was echoed by the majority of people interviewed. This stands in stark contrast to Stanford's engineering department, which fostered the development of Silicon Valley (Saxenian, 1996).

The majority of scene participants interviewed who moved to Denton to attend UNT did so to enroll in programs other than music. The significance of this detail is multi-tiered. “Employees” with specialized music knowledge from UNT's College of Music definitely form bands, but there are also students in the Department of Radio, Television, and Film (RTVF) and the College of Visual Arts and Design (CVAD) programs who also form bands in addition to using their specialized knowledge in fields such as photography, graphic design, and filmmaking to provide services and inputs to existing bands. Of the ten participants that attended UNT in non-music majors, all of them lend their specialized knowledge to the music scene while in firms or as freelancers, with eight of them also participating as active musicians. This situation supports Scott's (1999, p. 1975) observation that a music scene may be “sustained by educational and training institutions that focus on local, agglomeration-specific needs” and is not without precedent. Jipson's (1994) analysis of the commercially and critically successful Athens, Georgia music scene of the late 1970s and 1980s also emphasized the University of Georgia's art program as an important structural element. Before that, the British Invasion of the 1960s saw bands like the Beatles, The Who, Rolling Stones, and The Kinks populated by art students (Kitts, 2008).

An externality of having a large pool of human capital with specialized training (official or not) in the creation and performance of music is the increased availability of “specialized inputs” in the form of musical equipment. Porter (2000) describes this phenomenon, stating that “the presence of a cluster not only increases the demand for specialized inputs but also *increases*

*their supply*” (Porter, 2000, p. 22). With four music instrument stores and two pawn shops specifically catering to musicians in the city, there is a lot of musical equipment exchanging hands. Rob Buttrum, bassist for the touring doom metal band Terminator 2, Out of Body Records label owner, and experimental noise performer in projects such as Vaults of Zin and Filth noted the selection and quantity of musical equipment found in Denton rivals that of a much larger city.

The concentration of scene members with specialized knowledge also helps raise productivity in Denton’s music scene by fostering an atmosphere of knowledge allowing for “access to information.” Music scene participants painted a picture of a concentration so great that it permeates the entire city facilitating the “face-to-face” contact Storper and Venables (2004) suggests drives a regional economy. Locations as diverse as venues, coffeehouses, bookstores, record stores, churches, house parties, the UNT campus, and the “University Kroger” grocery store are all places where conversations are held. Kyle LaValley, the creative director of the 35 Denton music festival, highlighted this scenario noting, “I think it’s pretty much unavoidable to go anywhere in Denton without running into a musician” (personal communication, January 2, 2013).

The locations where concentrations of scene members facilitate knowledge transfer updates Jacobs’ (1961/1992) notion that such activity only happens in concentrated urban areas facilitated by foot traffic and the “sidewalk ballet” (Jacobs, 1961/1992, p. 153). While many of the locations where knowledge transfer does take place are within the walkable downtown core of the city, others are generally accessible only by driving. Denton’s music scene, like Los Angeles’ film cluster and Silicon Valley’s hi-tech cluster, successfully incorporates creativity, knowledge spillovers, and information transfer in areas both walkable and primarily accessible by car.

Knowledge exchanged ranges from technical and business details – often concerning “new technological, operating, or delivery possibilities” for music that Porter (2000, p. 23) suggests facilitates innovation – to opportunities outside of the scene. Participants offered that the existing pool of information is a “free-flowing exchange” with everything “a phone call away, from knowledge to a loaner amp.” One musician stated that “when someone needs a job, everyone sort of... helps,” adding that she knows several people who received jobs outside of the music scene because of connections established inside of it – a common theme amongst those interviewed (personal communication, December 28, 2012). Larger questions of business development and the dynamics of “buyers” outside of the scene were also addressed. Eric Pulido, guitarist in Midlake and an owner of Paschall Bar offered that when his band was ready to tour the country there were people in Denton’s music scene willing to share information on how to undertake the process; and, in turn, Pulido has shared information he’s gained from touring to help others.

These exchanges answer the question posed by Storper and Venables (2004, p. 353) of what comprises the “interactions” of “agents” in a particular “milieu.” This no-cost knowledge exchange also helps younger firms better position themselves to address the marketplace outside of Denton’s music scene, while in turn strengthening the locational competitive advantage of the scene. This ease of information access is not surprising in light of the fact that the majority of the scene members felt there was a low barrier of entry into the scene which Porter (2000) suggests is necessary to foster productivity.

The economic and geographic clustering of firms and individuals also breeds opportunity for complementarities. Denton’s music scene offers firms the ability to capitalize on the

“efficiencies” in “joint marketing” while complementarities emerging through the leveraging of linkages also exists (Porter, 2000, 22). Bands working together to book shows in order to cross-pollinate and increase their audiences is a common practice amongst those interviewed. Musician and studio owner Matthew Barnhart explained, “...you’re using the additional gravitational force of all these people together to promote generally what you’re doing in a way you couldn’t do if you were just trying to reach out yourself... that’s the way scenes work” (personal communication, December 26, 2012).

Denton venues willingly participate in crafting multi-band evenings and day-long festivals, often host benefits, and work with local record labels for specialized “album release” nights. Joint branding by firms within the scene extends across industrial sectors. The venue Rubber Gloves has worked with local screen printing company Pan Ector and record label Gutterth Records to co-brand an annual evening of live screen printing and music. Video synthesizer designer LZX Industries routinely taps Denton bands for songs to accompany their promotional videos. These activities also speak to efficiencies gained by cluster participants leveraging linkages in a complimentary fashion.

Like Scott (2000), Currid (2007), and Molotch (2002), who note that commodification of place through cultural production is a powerful branding agent for the items produced, Porter (2000) suggests complementary marketing efforts enhance the reputation of a cluster, helping to brand it and the location it inhabits, increasing productivity and adding to the competitive advantage of the location. The joint marketing activities in Denton’s music scene have helped developed bands who in turn have branded Denton’s music scene internationally as a nexus of high-quality musical creativity and production. “I’ve recorded with guys because of the reputation of Denton,” musician Scott Danbom claimed regarding his work as a session player (personal communication, January 4, 2013). Midlake drummer and Redwood Studios co-owner McKenzie Smith offered, “There are a lot of successful bands from this area...there’s a reputation here” (personal communication, January 8, 2013).

Porter (2000) suggests that successful economic clusters have productivity benefits through incentives and performance measurement driven by competition amongst firms. Clusters that are not advanced have little local rivalry, and what does exist is based on imitation, not innovation, with imports providing the competition. Placing music scenes in this framework of competition yields mixed results. Jipson’s (1994) structural analysis of Athens’ prolific music scene points to there being no competition amongst firms. When asked if the Denton’s music scene was competitive, 61% of scene participants confirmed that it wasn’t while 39% replied that it was. Of the confirmations, 89% tempered their responses observations that the competition was “positive,” “healthy,” “friendly,” or marked by equally amounts of cooperation, being a “mix.” Barnhart suggested the scene has advanced to where suppliers and the market rely on innovation for productivity gains; there is cooperation amongst suppliers with competition directed inward, focused on innovation to differentiate products. He stated regarding bands, “We’re not talking about cover bands trying to play in bars for uninterested people. Your product is not that you’re a band – the product is the art you make. And you’re only competing with yourself in that regard” (personal communication, December 26, 2012).

Demand conditions in Denton are equally as dichotomous. The presence of UNT’s College of Music in addition to the plethora of musicians enrolled in the RTVF and CVAD programs combines to saturate most audiences with what Porter (2000) would label as “sophisticated and demanding home customers” (Porter, 2000, 21). Musician Rob Gomez detailed how this audience facilitates innovation, stating, “You are not going to get up there and

just play some middle-of-the-road rock and roll... you have to be a little bit more creative.” He added, “It’s a tough audience here” (personal communication, January 2, 2013). Others interviewed noted audiences are “reverent,” “focused,” and “sophisticated” with a heightened level of expectation in music performance resulting in “a higher standard” and “a lot to live up to” when playing a show in Denton. At the same time, several scene participants noted that audiences are willing to play a role in fostering experiments in innovation as well as support bands that may be having an off-night. Rob Buttrum observed that a Denton audience will be supportive and accepting if a band is giving their all and “having a blast” while performing even if they are still developing their sound (personal communication, January 13, 2013).

**Living Rooms of Innovation and Garages of Incubation.** One item that was repeatedly identified as integral to the innovation process and new business formation is the abundance of inexpensive rental housing in Denton. The primary function of this housing is to meet the demand of students looking for off-campus residences while attending college; however, an unintended consequence of this inexpensive housing is it facilitates a developmental eco-system for firms in the scene. Due to its abundance and affordability, one could argue this housing embodies traits similar to a “public good” that Porter (2000, p. 22/23) notes must be accessible for a cluster to develop a competitive advantage. According to participants, it is not uncommon for a band to live and rehearse in a rental home, record in the living room of a friend’s, have T-shirts printed in the garage of someone else’s, shoot a video in a different garage, and play shows hosted in any number of the branded, quasi-venues that scene members operate in their rental homes. Midlake’s Smith noted that Denton, “is still affordable... people can rent a house, set-up a studio, and work on an album. A lot of bands rent houses together – that’s what we did” (January 8, 2013).

Inexpensive rental housing allowed the band Midlake to develop as a firm and innovate, developing successful products in the form of albums and live shows. These products succeeded in national and international market spaces allowing them to diversify both as a firm and individuals, subsequently opening a bar (Figure 1), two recording studios, and a commercial music company in Denton. Midlake also takes a hands-on role in the development of fledgling artists such as Sarah Jaffe, a role which Porter (2000) notes is common in economic clusters (E. Pulido, personal communication, January 8, 2013; M. Smith, personal communication, January 8, 2013).



*Figure 1. Pachall Bar Interior. Photo: marcusjuniuslaws.com by permission.*

Inexpensive rental housing combined with the demand for support services by bands helps incubate new firms and foster innovation outside of the music sector in differing ways, mirroring Porter's (2000) suggestion that key to innovation in a cluster are firms that have the ability to "experiment at lower cost or delay large commitments until there is greater assurance that a new product, process, or service will pan out" (p. 22-23) and Jacobs insight that "new ideas must use old buildings" (1961/1992, p. 188). Amandus Studios was founded by graduates of UNT's RTVF program who, while playing in bands, started shooting videos in their rental house for other bands in the scene. They eventually leveraged their talents and contacts in the scene to secure video production work for events like the 35 Denton music festival, then larger clients in Dallas and Oklahoma (C. Crosswhite, personal communication, December 27, 2012).

In addition to production space, Amandus Studios co-founder Charles Crosswhite found the low cost of housing beneficial in terms of networking, reasoning that "The more money you are not spending on rent means the more money you have to socialize which means making connections, the more money you have to spend on equipment, which is your life." This in part supports Currid's (2009) analysis of cultural production in New York City where social networking is a primary driver of the creative production process from finding collaborators to securing project-employment.

Pan Ector Industries is a screen printing and design firm born in the garage of the house several company founders lived in while finishing art degrees at UNT and designing shirts for bands on the side. Co-owner Michael Little welcomed having space to develop the business with low- to no-overhead, but as they secured contracts from government agencies and private industry alike it "had gotten to the point where it sucked living with the business" (personal communication, January 23, 2013). The firm has since moved to a commercial space. Pan Ector Industries success is also due to the "juxtaposition of firms in related industries" enabling them to "perceive new buyer needs" while helping the firm in "perceiving new technological, operating, or delivery possibilities" (Porter, 2000, p. 23). While still art students, the founders of the firm tested the concept of "live printing" at a concert they co-hosted with a Denton promoter and venue and discovered that buyers liked having merchandise made to their specifications on-site. They leveraged this experience beyond an annual night of local bands to a continual stream of festivals and outdoor events throughout the Dallas-Ft. Worth metro area resulting in a significant revenue stream (M. Little, personal communication, January 23, 2013).

House venues in Denton also offer a chance for career development. Natalie Dávila made the jump from booking and operating the long-running Denton house venue, the "Majestic Dwelling of DOOM," in her basement (Figure 2) to being hired as 35 Denton's Director of Programming (Rodrigue, 2012). Farris sees house venues as "the spring training of the scene," and noted that, "there are all these roles that need to be filled. Someone's got to run the PA; someone has to manage the stage" (Personal communication, January 11, 2013). For Buttrum, running the House of Tinnitus in his living room helped establish a national network of social and professional contacts facilitating his national touring efforts with the band Terminator 2 (R. Buttrum, personal communication, January 13, 2013).



Figure 2. Majestic Dwelling of DOOM. Photo: Natalie Dávila by permission.

It should be noted that while this paper suggests inexpensive rental housing is a necessary condition for a music scene to develop as an economic cluster, it is not a sufficient condition. The other necessary conditions Porter (2000) offers detailed in this paper work in a holistic manner. There are many cities with an abundance of inexpensive housing options, but comparatively few with successful music scenes. Even with old buildings, there is still a need for new ideas.

Saxenian (1994) observes innovation and new business formation in Silicon Valley's economic cluster occurring due to fluidity amongst employees and firms, suggesting this cooperation in the face of competition is due to shared university ties, socialization in the community, and the relative geographic density of firms – all traits that Denton's music scene embodies. Smith noted that all of the business ties and offshoots of Midlake are closely interwoven with personal relationships. It is also uncommon for a musician to be in only one band (or one firm in general, band or other). Often a musician will participate in multiple projects until either one reaches a national or international level of success or the musician decides to take what he or she has learned in the competing firms and start a new project. The Baptist Generals' Chris Flemmons detailed the reality of this in his band noting that his band members, "all had other projects they were working on... but it just made everybody a better musician" (personal communication, December 27, 2012). The Echo Lab is another example of this with partners recording projects elsewhere until generating enough business to make building their own studio a viable idea (M. Barnhart, personal communication, December 26, 2012; Firstley, 2010).

Scene members also circulate as employees of venues like Dan's Silverleaf and Rubber Gloves and form the core staff of the 35 Denton music festival developed by Flemmons when he wasn't dedicating time to his own band. This fluidity amongst firms – like the benefits of inexpensive rental housing – supports Porter's (2000) observation that firms need the ability to experiment with little financial and long-term contractual responsibilities that could impede innovation. It is important to note that like Porter (2000) suggests, local financing was a factor in the growth of several firms once they exited the incubation stage and were able to market their innovations in a larger market space.

Denton's music scene also helps develop independent contractors and entrepreneurs. Smith has leveraged his work and contacts in Midlake to position himself as a top session drummer for recording and touring. Two in-house booking agents at Rubber Gloves left to form their own booking agencies, Daughter Entertainment and Tactics Productions, while multi-instrumentalist Jeremy Buller leveraged his work with Bosque Brown to land studio and touring work with bands while at the same time using Denton's music scene network to gain web development work for Denton artists, venues, restaurants, media outlets, and the 35 Denton music festival. Musician and entrepreneur Lars Larsen designed and manufactured video synthesizers in a spare bedroom in his home and now runs LZX Industries which employs three scene members and services an international clientele (J. Baish, personal communication, January 15, 2013; J. Buller, personal communication, January 15, 2013; L. Larsen, personal communication, December 30, 2012; M. Smith, personal communication, January 8, 2013).

## Discussion

**Economic Cluster as Catalytic Amenity.** While the dynamics of Denton's music scene can be framed by Porter's (2000) economic cluster theory, the fit is not perfect. First, music scenes are rooted in cultural production with participants not always seeking financial gains as a reward. In some cases, cultural production is the reward. This disconnect is mirrored in some dynamics that are prominent in Porter's (2000) work, but are less emphasized or entirely absent in the study results. For example, bands did not offer incentives internally "for achieving high productivity" nor did they tailor their aesthetic output in order to satisfy "new buyer needs." Competition is a dubious point as well. Porter (2000) suggests that while there is a high level of cooperation in clusters, there is also a high level of competition amongst firms. Denton's music scene is not without a competitive nature, but it is overwhelmingly cooperative. Using Porter's theoretical framework, it could be argued that this is a trait of a cluster that isn't advanced, but if one looks to the arguably more successful cluster in Athens, Georgia, the same emphasis on cooperation over competition is present (Jipson, 1994). Examination of additional music scenes – and other types of cultural scenes – within Porter's (2000) economic cluster framework is needed to better understand the competition dynamic.

The clustering dynamics of Denton's music scene also provide several indirect effects on the city's economy. Porter (2000) alludes to clusters having this potential, such as fostering tourism, but does not explore this facet in depth. In addition to facilitating employment networks as Scott (2005) and Currid (2007) observe in the film and fashion industries, Denton's music scene acts as an amenity, attracting educated, highly skilled labor. All 25 participants in this study relocated to Denton, due – in varying degrees – to the presence of the city's music scene. Of this sample, 44% have bachelor's degrees and 16% have advanced degrees and their collective employment profile resembles the "creative class" that Florida (2002) suggests drives regional growth. Denton's music scene also supports Seman's (2010) suggestion that music

scenes can catalyze urban redevelopment, with the owner of Rubber Gloves adaptively reusing the former offices of a cement factory as a venue and the success of Dan's Silverleaf spurring the redevelopment of multiple buildings around the venue (Carlisle, 2009; J. Glover, personal communication, January 4, 2013; D. Mojica, personal communication, January 24, 2013).

Denton's music scene also functions as a community development catalyst mirroring similar situations in places like Flint, Michigan and Buffalo, New York (Conaway, 2004; Seman, 2013). In the research sample for this study, several people are either former members of the music scene that have moved into policymaking positions in the City, such as Kevin Roden who represents District 1 on the Denton City Council and Julie Glover who is the City's Economic Development Program Administrator, or they serve on public commissions and boards, or they are people who leverage their positions in the music scene to do everything from organizing and playing shows raising thousands of dollars for local charities to finding employment opportunities for fellow scene participants (J. Glover, personal communication, January 4, 2013; S. Porter, personal communication, December 29, 2012; E. Pulido, personal communication, January 8, 2013; K. Roden, personal communication, January 8, 2013; J. Seman, personal communication, December 28, 2012; Watts, 2013).

Finally, Denton's music scene is an industry in its own right with the 25 former and active scene participants interviewed representing 16 bands, 3 recording studios, 2 music venues, a bar, a film company, a screen printing and design company, a video synthesizer company, a commercial music production company, and a music festival. Some of these firms are more financially successful than others. For example, of the 16 bands, only four have significant sales figures and the ability to employ members, but all of the firms outside of the bands employ Denton residents, contribute to the city's tax base, and generate revenue, a portion of which is presumably pumped back into the local economy.

### **Conclusion**

Analysis of the qualitative data suggests that Denton's music scene functions like an economic cluster as defined by Porter (2000). Denton's music scene has a locational competitive advantage resulting in comparative gains in productivity, innovation, and new business formation. The presence of "specialized inputs and employees," a thick atmosphere of information, firms that work together on projects, the public good of UNT, and the quasi-public good of inexpensive rental housing foster productivity. UNT and inexpensive rental housing also drive innovation as the university helps attract scene participants and the housing provides space for them to incubate ideas. Scene participants and firms sharing information concerning "new technological, operating, or delivery possibilities" for music also helps drive innovation as well as sophisticated local audiences expecting bands to push creative envelopes while playing live and tolerating their imperfections during the process. This innovation leads to new business formation as does a low barrier of entry to the scene, an established local market, a high number of scene participants with specialized knowledge utilizing available tools, and financial institutions willing to invest in firms.

The findings of this study suggest that policymakers should address their music scenes formally as one would an economic cluster in order to foster existing economic externalities in addition to igniting new economic possibilities. For example, city officials in Austin, Texas and Seattle, Washington instituted the Austin Music Commission and Seattle Music Commission respectively, comprised of representatives from a broad cross section of local music scene

participants. The goal of these organizations is to help guide city policymakers on how best to address their music scenes for the benefit of scene participants, residents, and the city as a whole.

Through the work of the Austin Music Commission, a “Music and Entertainment Division” was established in the City of Austin’s Economic Development Department. The Music and Entertainment Division functions as “...an economic development accelerator and centralized resource center for Austin’s music industry, and an active community partner for Austin’s citizens, community groups, and neighborhoods,” while also focusing its efforts on “job creation, talent export, trade development, and industry revenue growth.” City policy changes addressed by the Division include loading and unloading zones for musicians and mitigating noise from downtown venues (City of Austin, 2015; Titan Music Group, 2012).

The Seattle Music Commission is comprised of 21 scene participants and tasked with “advising City officials regarding leadership and support in the music arena, and also serving as a forum for City employees and departments to share information on upcoming issues and opportunities of relevance to Seattle’s music sector” (Seattle City of Music, 2014). Items the Commission has addressed with the City include expanding busking and public performance opportunities, integrating local music in the Sea-Tac airport, establishing venue loading zones, advising the Chamber of Commerce concerning their “music industry sector strategy” and outreach events, and facilitating educational opportunities with local schools and universities (Seattle City of Music, 2014; Seattle Music Commission, 2013).

The City of Omaha and the Omaha Chamber of Commerce informally addressed their thriving music scene by working with developers who emerged from it to help realize the “Slowdown” mixed-use project. When completed in 2007, the 56,000 square foot project housed the offices of the scene-driven independent rock record label, Saddle Creek Records, its warehouse, a bar, venue, cinema, residential units, and retail space. The City and Chamber helped guide the developers (who were also Saddle Creek Records representatives) through the process of site selection, tenant recruitment, and arranged for \$1.3 million in Tax Increment Financing to complete the deal. The project met with immediate success and is now a cornerstone of the city’s “North Downtown” entertainment district (Seman, 2010).

Proactive policy steps like the ones taken by cities like Austin, Seattle, and Omaha mirror some of Porter’s (2000) suggestions on how to engage and support clusters through policy initiatives – steps such as establishing communication with and giving representation to music scene participants, addressing music scenes via a similar economic framework as other established clusters, and removing obstacles that may be hindering entrepreneurs. The research presented in this paper also speaks to the importance of policymakers being cognizant of scene activity hidden in the living rooms and garages of rental homes, much like Bill Hewlett and Dave Packard who initially worked clandestinely in a suburban garage. In his analysis of Portland, Oregon’s “artisan economy,” Heying (2010) suggests an early cognizance is important, suggesting that city representatives and policymakers should foster cultural producers and entrepreneurs in their earliest steps and “give them some advice; help them out; stick with them when they make mistakes” (p. 284).

Framing a music scene in Porter’s economic cluster theory enhances both the understanding of the theory and how music scenes operate within the urban economy. This research supports and further defines prior research by those examining cultural production dynamics in the urban economy and more research should be undertaken to address the gaps where economic cluster theory does not adequately describe cultural production in order to push the theory forward. Additionally, more research examining music scenes through the lens of

urban economics may help music scene participants, policymakers, and researchers better understand the roles these cultural economic clusters play in developing and sustaining urban communities and economies.

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