

# Billboard

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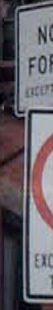
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From left: Rob Stone, Pharrell Williams and Jon Cohen

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ATM

ICE KING CORONA

Modern 'Mad Men':  
Cornerstone  
founders **ROB  
STONE** (left) and  
**JON COHEN**



# BRAND NEW DAY

**FOR CORNERSTONE,  
BRANDS ARE THE  
NEW RECORD  
LABELS AND  
CORPORATIONS  
ARE THE NEW  
A&R GUYS**

**BY CORTNEY  
HARDING**

**PHOTOGRAPHY  
BY MATT HOYLE**

Rob Stone and Jon Cohen launched a collection of five extended singles that have sold a combined 105,000 copies, according to Nielsen SoundScan. They released a catchy tune that brought together superstar producer Pharrell Williams, emerging genre-bender Santigold and rocker Julian Casablancas. They're catapulting emerging bands like Matt & Kim and the Cool Kids from blog fame to real fame. ¶ And they're not even running a label.

The two are, in fact, running Cornerstone, which they loosely define as a branding agency, but in fact may be a new model for the music industry. Since it was founded 13 years ago, Cornerstone has emerged as a major force, combining the functions of a label with the business model of an ad agency.

Stone, who founded Cornerstone, and Cohen, a childhood friend who came onboard shortly afterward, don't dress or act the part of music industry power players. A rangy distance runner who resembles a greyhound with a great ear for music, Cohen often wears sneakers and forgoes epic parties and rolling around in limos for early morning jogs. Stone is equally casual and laid-back, the type of guy who offers you diet soda and chats amiably rather than flashing diamond cufflinks before throwing you out of his office. But don't let the mellow atmosphere fool you. Along with Steve Stoute and Jay-Z's Translation and a handful of boutique shops, Cornerstone sits at the nexus of branding and music. The company houses digital, events, strategic marketing and public relations divisions, as well as the Fader magazine and label. They employ a staff of 90 and have worked with clients ranging from Levi's to

Southern Comfort to Procter & Gamble.

Long gone are the days when Nike's use of the Beatles sparked outrage. These days, everyone from Beyoncé to garage bands are looking to connect with brands, and Cornerstone, arguably the pioneer in the movement, is excited to help them. They serve as the middlemen between buying in and selling out, crafting deals to align artists with consumer goods and brand names.

## **CONDUITS TO THE MASSES**

Stone founded Cornerstone in 1996 after working at SBK and Arista. He meant for the agency to be a standard music marketing shop. But in 1998, he read a profile of Sprite senior brand manager Darryl Cobb in Brandweek. "I was impressed with how he embraced hip-hop, and I literally cold-called him," Stone says. "He broke it down for me and asked me what assets we had. When I told him we had a stable of DJs he explained they were 'voiceboxes' and 'conduits to the masses.' "

He told Cohen—who had left Columbia to join Cornerstone in 1997—and the pair decided to expand into branding: They launched a campaign for Sprite.

# 'THE BEST THING ABOUT CORNERSTONE IS THAT THEY UNDERSTAND THE RECORD INDUSTRY WITHOUT BEING CONFINED BY IT.'

—FRANK COOPER, PEPSI-COLA

Around the same time, they noticed the growing presence of the Web and hired John Stubb to boost their digital offerings. "This was back in the days of AOL; [fashion site and legendary Web 1.0 flop] boo.com was an early client," Cohen says. "We saw that this was something worth investing in and started working with bands and brands to roll campaigns out online. We were doing this before any of the labels." Cornerstone's digital offerings include everything from mainstream and grassroots promotion to social networking and application creation.

At a time when music is used to sell everything from sneakers to political ideologies, Cornerstone manages to toe the line between keeping it cool and staying on message. The company is taking the influence that artists have always wielded and turning it in to cold, hard cash. "We are good at creating ideas for our clients, and our staff has a high level of cultural savvy," Cohen says. "We offer things like our field rep program, which has more than 150 part-time employees, mostly 18- to 24-year-olds that can coordinate local marketing plans and have a great knowledge of their hometown scenes. We're not stuck in some big label ivory tower."

Of the rest of their staff, Stone says, "About 15 of them are on the lifestyle strategy and execution side, which is really like being a product manager for a record campaign. They need to have a hybrid of skills and be able to go back and forth between the agency and music worlds."

Even though Cohen and Stone are embedded in new models and media, they didn't want to entirely abandon the old ways. "We started the Fader in 1999 because we wanted to document all the great music we were hearing and seeing," Cohen says. "We didn't start the magazine as a consumer product; the idea was to appeal to key influencers, DJs and the industry." They've bestowed covers on M.I.A. and Kanye West, and while there have been a few misses—still waiting on that second album from Nina Sky—the magazine sustains a circulation of 100,000.

## LINKING BRANDS AND BANDS

While coordinating corporate execs, record execs and musicians can often be like herding cats, Stone and Cohen have aimed for more ambitious projects through the years. "I don't think we've ever had a project that we've seen as being a flop or a failure," Stone says. "But even when the end result is excellent, the process can be very, very painful. The more ambitious something is, the more excruciating the planning process can be."

Many of their recent successes involve releasing music: the Mountain Dew Green Label Sound initiative; the Converse "Connectivity" track; and a series of mixes they've helped coordinate with Nike.

In terms of music sales, the Nike mixes are one of Cornerstone's most successful projects. Cohen and Stone acted as the A&R men for the tracks: choosing the artists, connecting them with Nike and then marketing the music.

"In the case of Nike Plus, we were aggregating content for a distinct purpose, helping DJs and rappers create soundtracks for running," Cohen says. The appeal of the tracks, which are roughly 45 minutes long and marketed to athletes and couch potatoes alike, is hard to deny. LCD Soundsystem's "45:33" has sold 26,000 copies, A-Trak's "Running Man" has sold 10,000, and Aesop Rock's "All Day" has sold 20,000, according to Nielsen SoundScan. The Crystal Method's "Drive" has sold 48,000, and the latest, De La Soul's "Are You In," sold 1,000 in its first week of release.

"Nike gives us the opportunity to license great creative work, and it means the world to both us and the acts," Cohen says. "When LCD Soundsystem [principal James Murphy] takes parts of his Nike track and uses those on his album, which then goes on to win a ton of critical acclaim, that makes us really happy."

Not only are the tracks an example of smart synergy between a brand and an audience, they're also legitimately excellent songs that stand on their own musical strength. Another Cornerstone and Nike project, the Kanye West/Nas/KRS-One/Rakim track "Classic (Better Than I've Ever Been)," was nominated in 2008 for a best rap collaboration Grammy Award.

"Out of all those, I think [Mountain Dew's] Green Label Sound is the only proper label. They deserve a lot of credit, because they've been a real partner and they've helped the bands out in so many ways." Green Label Sound launched last year as a digital singles label; the first release in 2009 will be U-N-I's "Land of the Kings," in addition to a sampler with tracks from Chromeo, Amazing Baby, Holy Ghost and Solid Gold. Green Label Sound released four tracks last year, according to Frank Cooper, VP of portfolio brands for Pepsi-Cola North America Beverages.

"The best thing about Cornerstone is that they understand the record industry while not being confined by it," he says. "They have great creative instincts, strong research, and they understand how to work with large companies. It's a rare combination."

Cooper says the concept for Green Label Sound presented a number of challenges. "We had been in the music space for a while, but we had a couple different goals with Green Label Sound," he says. "We wanted to focus on DIY artists and give them greater exposure and help them build careers, but at the same time add value to our consumers. Some people were skeptical at first, but we knew we could work with Cornerstone to do the program in a sensitive way and help build both the brand and the bands."

One of those bands is Matt & Kim, a cheerful indie pop duo

from Brooklyn. In addition to being one of the first Green Label Sound releases, Matt & Kim are also signed to Cornerstone's in-house record company, Fader Label. Their latest album, "Grand," has sold 13,000 copies, according to Nielsen SoundScan. The band is equally pleased with its success on the brand-sponsored label as its traditional record label.

"I was really wary about being part of the whole branding thing at first," the duo's Matt Johnson says. "I grew up being a DIY punk kid, and the thought of working with huge corporations freaked me out. But then I looked at what Cornerstone and Green Label Sound had to offer: They did a wheatpaste poster campaign for the track in five cities, which isn't cheap. They subsidized all our shows so we could keep the ticket price at \$5. The branding wasn't huge or obvious. At that point, I couldn't see a downside."

Johnson credits the partnership with helping attract MTV's attention while also keeping the band's reputation intact. "We did a Virgin Mobile commercial in Canada and got tons of hate mail afterward," he says. "We haven't had a single person give us trouble about Green Label Sound, and we have a whole bunch of new fans, too."

Another artist who owes Cornerstone a thank-you card is singer/songwriter Santigold. Her debut album had barely settled in record stores' racks when she became a central part of Converse's Connectivity campaign, appearing in print ads and on billboards, as well as recording an original song with Pharrell Williams and Strokes frontman Julian Casablancas (see Q&A, page 25).

"After we got the Connectivity concept from our ad agency, Anomaly, we went to Cornerstone to flesh out how to get it done," Converse chief marketing officer Geoff Cottrill says. "I've been working with Cornerstone for a long time, and the biggest attraction for me is Rob and Jon. Their understanding of pop culture and youth marketing is really unrivaled in their space."

Cottrill says that Cornerstone coordinated the track and helped release the accompanying music video. It also oversaw the release of the track to blogs and peer-to-peer networks.

"They helped drive home the point that this was a legitimate song and not some sort of theme song or song about shoes," Cottrill says.

He adds that Cornerstone also participated in another recent Converse project, a CD of unsigned bands that will be distributed at shoe store chain Journey's nationwide. "We had a contest and more than 5,000 bands submitted tracks," he says. "This is a project we'd love to do again."

While Cornerstone is often pigeonholed as a hipster agency, the partners take pains to point out their musical range. "We did a campaign for Caress with Nicole Scherzinger from the Pussycat Dolls," Stone says. "We would be excited to work on more mainstream acts. Our biggest goal is to create successful partnerships between bands and brands, and if those bands happen to be hitmakers, so be it. There is no company mandate that we have to work with indies."

Stone adds that the freedom and flexibility to pick and choose their projects without a company mandate is a large part of their success. "At record labels, for example, you don't get to decide what projects you work on," he says. "Sometimes you get stuck with something you're not passionate about, and you don't do your best work. We're able to pick projects based on the partners and our passion and not have to take things on just to get a check."

Their impact hasn't been damaged by the recession, either; Cornerstone is working on developing a strategy with Levi's. "We're lucky, relative to what's going on," Cohen says. "We can reach a lot of people in a cost-effective manner, and there is a need for that."

While Cornerstone's passion for music is cited by many as its greatest asset, Cohen and Stone think their ability to identify developing talent might be an even bigger strength. "Big artists were unknowns when we first met them," Stone says. "When we put our stamp of approval on someone, it has an impact." ♦♦♦

## EXCLUSIVE

## BOY IN DA CORNER(STONE)

### CORNERSTONE + PHARRELL = STRATEGIC SYNERGY

Pharrell Williams says he was always aware of the power of branding, even if he didn't know it at first. "As I grew as an artist, I began to realize how central marketing and branding was to success," he says. So perhaps it's only a natural progression for him to launch his own branding agency in partnership with longtime collaborator Cornerstone. Both parties tell *Billboard* the deal is still taking shape, and

Williams will act as the "chief of creative" in the new venture. It will operate separately from Cornerstone and have its own staff.

"When I was a kid I'd see a video and the way an artist sang or the way that they moved or their presence, and that was what would get me really into them," Williams says. "When I got older, I realized that the video was a means of marketing. When you do things that feel organic and natural, it's not like you're selling something to people. The problem with a lot of advertisement is that it feels forced. And for kids, they can see it. They can smell it a mile away."

It's that type of savvy that makes Cornerstone co-founder Rob Stone feel confident about the new venture. "We both have unique skill sets, and we can

combine them to create a powerful agency," he says.

"We're starting small, on the ground level," Stone says. "We have one or two clients and some things in the works."

Williams isn't the first musician to launch a branding agency—last year, Jay-Z founded Translation with Steve Stoute. While Translation also brings artists and brands together, the firm focuses on "multicultural" projects.

Stone says Williams is talented at identifying the strengths of brands and artists and improving campaigns. "Pharrell is a natural at bringing people together in new ways," Stone says. "If you look at the kids backstage at his show, you'll see a lot of designers and artists and creative types. He's very talented at getting people thinking in new ways." —CH



# The Billboard Q&A

**PHARRELL WILLIAMS DISPLAYS HIS BRAND AMBITION IN MUSIC, APPAREL AND BEVERAGES**

**BY CORTNEY HARDING**

At a Smirnoff press conference at the Bowery Hotel last year, Pharrell Williams admitted that he doesn't sleep. "I'm just operating in a fog," he told the crowd. Williams has plenty of reasons to be worn out. Aside from his thriving career as a producer (of the new Usher album, among other projects), he performs with N\*E\*R\*D (which is finishing a new album), runs a clothing line (Billionaire Boys Club) and a shoe line (Ice Cream) and will soon launch a branding agency with Cornerstone (see story, page 22). He even has starlets lining up to work with him: A gossip column reported that Lindsay Lohan was overheard telling friends he wouldn't return her calls.

Williams' break arrived in 1992 when Teddy Riley got him a gig writing a verse of the Wreckx-N-Effect hit "Rump Shaker." He then produced songs for performers from Kelis to Mystikal, before landing his first No. 1 with his production work on Britney Spears' "I'm a Slave 4 U." In 2004, Williams won two Grammy Awards for his production on Justin Timberlake's "Justified."

Along the way he released five albums—three with N\*E\*R\*D, one with the Neptunes and one on his own—and found time to launch two fashion lines. Now he's preparing for the release of the Usher album, finishing the next N\*E\*R\*D project and working with Shakira.

**You're well-known for being a tastemaker, and you have a solid understanding of branding. How did you get started thinking about that in a strategic way?**

Sabina Belli from the Moët Hennessy Co., which is part of L.V.M.H., gave me an opportu-

nity to work on the Hennessy campaign a couple years back, and I worked in creative there. I was learning on the job, and there were a couple of ideas that worked. They were very supportive, and I learned so much from that one opportunity.

**How did you first connect with Cornerstone?**

I met them when they put me on the cover of the Fader in 2002. They're great guys and Cornerstone is a huge business, but Fader has stand-alone power in itself because of what they do. They're all about discovering what

is hot. Once they get on an artist, they really go all out to support them. They not only give them a cover, but they'll try and figure out a way to get involved and work on making sure that artist breaks in the mass media.

**Wasn't Cornerstone also involved in promoting and marketing the first N\*E\*R\*D releases?**

They've been involved in all our releases. They helped get the word out that we're underground and much more indie than what would be expected in comparison with the songs I produce for other artists. The branding is very important because one of the most fickle demographics is the indie scene. We had to release our music properly so that the right ears got to it first and it could become viral after that.

**How did you get involved writing a song and making a video for the Converse "Connectivity" campaign?**

That campaign forged my partnership with Cornerstone. They were like, "Converse wants to do X, Y and Z. We want to know what you think and how you would do it, because we felt it would resonate with people better if it was coming directly from you." So I was like, "Well, here's who I want to work with and here's the track." And they were like, "OK, cool." And that was it. It just felt real. Santigold was amazing and Julian Casablancas from the Strokes was amazing. We had a great time in the studio and what that said to a lot of kids was, "Yes, the track's cool, but this is why Converse is cool, because they understand what it would be like for the three of us to get in a room and make magic." The same people who brought you that shoe, of course they would make that kind of decision and put the three of us in the studio to make whatever kind of song we want to make. That's the way of the future, if you ask me, and that's why we joined forces.

**In addition to your new venture with Cornerstone, you're still doing your clothing line, Billionaire Boys Club, and your Ice Cream shoe line. Do you have new designs for either in the works?**

We do new designs every quarter. Ice Cream is expanding. We're developing a TV show around it, actually. I can't speak about it too much because we haven't begun shooting yet, and they would kill me if they knew I was letting the cat out of the bag.

We are also working on this other project, a new platform, because every time we get onstage, we're bombarded with CDs but also with animation, photos, everything. We get hit with blueprints for designs because the kids that we inspire are artists. It is an amazing experience for us to see all of these super-inspired, super-talented

kids who were just in it because they love what they do.

The problem was that we couldn't employ them all, so we created this platform called [artst.com](http://artst.com). It's amazing because it's a small online community. They're mostly college students. There's everything on there, from animation to architecture. We have teams at Vanderbilt, Harvard, Yale that are out there working really hard, giving us great feedback on the site and the people they're bringing to it. It's just our way of giving back to our fans and giving them a means to be discovered. It's this big creative dormitory of dope talent and kids getting to commune and increase their visibility so that they can be discovered.

**Billionaire Boys Club is known as a luxury brand. How's it holding up in the recession?**

Billionaire Boys Club is a lifestyle brand. Ice Cream is a little more affordable, but BBC is different. I created that brand because I had a lot of admiration for Ralph Lauren but I wanted to take that concept and pretend that Willy Wonka was the head designer. So it's different, and the clothes are made in Japan, so there's a price that goes along with that. Ice Cream, on the other hand, is like our silliness mixed with a huge, huge respect for skating and how I saw things when I was a kid. It's kind of like me making the clothes I never got to have when I was 15.

**How did you end up working on a TV ad for Nike in China?**

Cornerstone showed me footage of the ad and they needed a track so I gave them something. The people at Wieden and Kennedy, Nike's ad agency, wanted something that felt nostalgic. I had to use some of my older sounds and give them something that felt a little more colossal. And it only plays in China, which is super-interesting because I like exploring sounds for different territories.

**What music projects are you working on now?**

I'm finishing up with Shakira's new album. I'm in the studio with Usher, I'm going in with Rihanna, I'm going in with Incubus and then with Sara Bareilles.

**That's a pretty diverse group of artists.**

I just want to make great music—that's what I love to do. And we're finishing the new N\*E\*R\*D album. We just put one out last year, but we're having fun. It's so cool when we go on tour. With all the support we get from kids, our shows are growing. It's all happening.

**You're a machine.**

Well, I have no social life, and it's kind of cool that way. ...