The Miami sound is gone. But the beat goes on. Here is what replaced it

There is no one musical movement in the city, but the Latin music industry has never had a bigger presence in Miami.

Major record labels, superstars from around the Americas, and studios have made the city their headquarters.

The digital revolution has transformed how music is sold and consumed.
In the 1980s and 1990s, U.S. pop music was infused by the “Miami sound” — upbeat, radio-friendly songs by Gloria Estefan, Jon Secada, Exposé, Willy Chirino and Julio Iglesias, performed in English or Spanish but leavened with a recognizably Hispanic beat.

Today, Estefan’s life is the subject of a Broadway musical, Iglesias has ceded the spotlight to his son Enrique, and there’s no such thing as a Miami sound.

But the Latin music industry has never had a bigger presence in the city, with all three of the major U.S. record labels — and a slew of independents — having made Miami their headquarters. The Latin Recording Academy, which has presented the Latin Grammys since 2000, is based here. **Visualizate**, the new album by the Cuban duo Gente de Zona, which debuted at the No. 1 slot on Billboard’s Top Latin Albums last month, was recorded here. Superstars such as Alejandro Sanz, Juanes and Maná also recorded recent albums here. Marc Anthony is launching a new production company, Magnus Media, in Miami.

“There isn’t a Miami musical movement like there was with Gloria Estefan and the Miami Sound Machine,” says Leila Cobo, executive director of Latin content and programming for Billboard. “There’s no Miami Motown. But there are a lot of Latin artists who live here full time — singers, producers, musicians — and the city does seep into their work. All these different influencers are here: the best Colombian producers, the best Argentine producers, the best studios.”

Despite the growing Hispanic presence in popular culture, though, Latin music is still reeling from the seismic shift that has impacted every other industry: the digital revolution.

According to the International Federation of the Phonographic Industry (IFPI), the global recording industry raked in $15 billion in 2015, a 3.2 percent rise from 2014 and the highest amount since 2009. But the IFPI says the increase came mostly from subscriptions to music streaming services such as Pandora and Spotify, not physical or download sales, both of which went down.

Latin America was the region with the highest level of growth in recorded music revenues for the fifth consecutive year. Digital sales went up 44.5 percent (four times the global average) and streaming revenue increased a whopping 80.4 percent. The region’s two largest markets remain Brazil and Argentina.

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Leila Cobo, executive director of Latin content and programming for Billboard
In the U.S., the Recording Industry Association of America (RIAA) reports total sales of Latin music in 2015 (including physical media, downloads, streaming services and even cellphone ringtones) were $140,277,000 — a 6.3 percent drop from 2014, when sales reached $149,675,000.

Rafael Fernandez, senior vice president of state public policy and industry relations for the RIAA, says the drop is even more dramatic when compared to 2005 sales figures, which hit $750 million.

“Although the market has been going down for several years, we’ve seen the drop slow down,” he says. “For us, stagnant is the new up. In the digital world, you don’t get paid as much as you used to when people bought CDs and cassettes. There’s a value gap. And although the Latin music industry has fought hard against piracy, it still lags behind the English-language market. You can walk into a flea market and buy pirated CDs for $3.”

In his eyes, the fate of the industry rests on how it deals with the digital world and figures out how the public wants to listen to their music. But, he says, “big parts of Latin America lag behind the rest of the world in the availability of technology. They’re not fully digitized yet, which is impacting our growth there.”

Warner, Sony and Universal all have two record labels based in Miami: One dedicated to the U.S. Hispanic market, the other to Latin America and the Iberian Peninsula. Each has its own CEO and president, although their staffs often overlap.

Gabriela Martinez is the general manager for Warner Music Latina, the label’s U.S. arm, and senior vice president of marketing for Warner Music Latin America, which distributes Spanish-language music outside the country. She confirms that the industry shrunk during the transition from physical to digital.

“Budgets were more restricted and everything was about being more cost-effective,” she says. “But things have been stabilized. Everybody is signing new artists again.”

And while the Hispanic market is huge, reaching it comes with challenges. “Yes, there are 60 million Latin people in the U.S., but they are really fragmented. They come from different cultures and have different tastes.

“And then there are the younger generations that have been born here: They’re Hispanic by blood, but they consume culture as Americans. That’s one of the challenges the Latin music industry has: To reach those younger people. If you can get them to listen to it, chances are they will like it.”

Lack of visibility in the English-language media is a problem. Pitbull has 22 million followers on Twitter, but the Mexican rock group Maná — which has been performing since 1986 and has sold more than 40 million albums worldwide — only has a tenth of that.

“Justin Bieber sold out three shows at Staples Center in Los Angeles, but Maná has sold out 11,” says Gabriel Abaroa Jr., president and CEO of the 3,000-member Latin Recording Academy. “Who has heard about that? No one. Lady Gaga sold out three or four shows at Radio City Music Hall, but Romeo Santos
sold out four consecutive concerts at Madison Square Garden [and later two shows at Yankee Stadium]. The audience for these acts is huge. But it’s almost as if they were underground. They’re like the eighth passenger in *Alien*. They’re there, but no one knows about them.”

Abaroa recognizes Miami’s significance to Latin music. But he doesn’t think the city is to the industry what Hollywood is to movies.

“Is Miami important? Yes, extremely,” he says, pointing out that the Academy and the Latin chapter of the RIAA are both headquartered here. “But is it essential? No. Miami is a strategic city for artists who want to make it in the U.S., because record labels, television networks and industry people all have offices here. But that doesn’t mean that if you succeed in Miami, you will succeed everywhere. It’s just one of several important cities in the U.S., along with New York and Dallas and Chicago and Los Angeles. And my biggest regret is that when talent comes here to perform a concert, audiences turn out for all the big stars, but they don’t always support the smaller acts.”

Gustavo Fernandez, who worked as the national director of sales for Warner Music Latina for seven years, agrees, saying that one thing the city’s Latin music industry lacks is a big hometown audience.

“The Miami market is often misread, because our No. 1 industry is tourism,” he says. “We had 15 million people come through here last year. Not many cities get that. When we had physical sales [CDs and cassette tapes], Marc Anthony would sell a lot of records in Miami. But they weren’t selling to locals. They were selling to tourists from Brazil or Mexico or Argentina.

“We have good studios here and good producers,” Fernandez says. “But we don’t have a good consumer market unless you’re an established act. And musical acts have to tour. You need to cross over and integrate with the country you’re in.

“Artists think that Telemundo and Univision is giving them exposure, but they’re just getting sound bites. Television is important, but that’s not the end game. They’re just filling a time slot. You’re not going to come back tomorrow. *Sabado Gigante* is worthless. Abuelita is not going to buy your album, bro.”

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Gabriel Abaroa Jr., president and CEO of the Latin Recording Academy

Fernandez now works for BVE 45, a company that helps musicians and artists protect their copyrights via digital downloads and streaming services, which reached an all-time high of 68 million paid subscribers in 2015. He says Miami would strengthen its position within the industry if it had a more robust music scene.
“We’ve lost a lot of venues here,” he says. “Now you’re either playing a small room or you’re playing the AmericanAirlines Arena. We have no middle ground in Miami. We’re not developing new artists here, because they can’t survive on the economics. That’s why you see the same 10 artists getting all the attention, whether on the radio or at concerts. And although there is a large Latin population here, it’s comprised of subgroups — Venezuelans, Colombians, Chileans, Cubans, Mexicans, Dominicans, Argentines. So you’re not talking about one demographic. It’s difficult.”

But even if Miami isn’t an essential stop for acts trying to break through to the U.S. mainstream, the city remains critically important to the Latin music industry throughout Latin America — a lucrative market that continues to expand.

“In the last couple of years, Miami has grown in importance as a regional center,” says Tomas Cookman, the director of the L.A.-based Latin alternative label Nacional Records, whose artists include Los Fabulosos Cadillacs, Ana Tijoux and Mexrrissey.

“Sony, Warner and Universal have based their regional head offices there for a long time. But their importance as a hub has grown with the shift within the industry from physical to streaming, because you can do the same thing from Brickell [as you can] from Buenos Aires. Anyone who is running a record label has to have a good perspective of what is happening in Latin America, just the way it’s good to know what a Pop-Tart is if you’re selling music in the U.S. And Miami gives you a better avenue to Latin America than any other city in the country.”

Despite the seismic changes, some players in the Latin music industry are still bringing old-school tactics to the business. Juan Estevez, 66, has been in the game since 1973, when he set up shop in Miami under the name Alhambra Records as a distributor of Spanish-language artists such as Charytin and Danny Daniel. In 1979, he sold the company and went to work in sales and promotion for Sony Discos (then known as CBS Records), where he signed Miami Sound Machine to its first contract.

“Miami became the center of Latin music for the U.S. in the 1970s,” he says. “A lot of the big hits at the time — Julio Iglesias, Raphael, Camilo Sesto — came from Spain. Miami became a focal point for them because they could own property here, use it as a home base for tours to Latin America and they didn’t even need to speak English. At the same time, we had Univision and later on Telemundo.

“FM92 was probably the premiere programmer for Latin music in the U.S., and whatever they played automatically played throughout Latin America too. The amount of music and different genres that came from Miami was incredible.”

Today, Estevez wrangles 64 labels worldwide for digital music largely comprised of a huge catalog of Cuban and tropical music he has acquired over the years. He is also one of the distributors of Hasta que se seque el Malecón, the smash hit by Cuban reggaeton singer Jacob Forever, who is currently recording his first album for Sony Music Latin. The song has already gotten a Pitbull remix.
“The Latin music industry is in a kind of limbo right now, but I can’t complain,” Estevez says. “It’s not easy to get a hit, because it costs a lot of money to break an artist and the sales aren’t there right now. But I have a few hit artists and a huge catalog. And being in Miami helps, because this is definitely the center of the Latin music world in the U.S.”

Other entrepreneurs are finding new ways to take advantage of the Latin music industry beyond traditional record sales. José Tillán is one of the founding partners of babyelvis, a Wynwood-based production company specializing in filmed musical events for television such as the iHeartRadio Fiesta Latina 2015 concert, which featured performances by Jennifer Lopez, Prince Royce and Wisin and aired on Telemundo last November.

“We live in a city where Latinos have a lot of power, from politics to industry to music,” says Tillán, who previously served as executive vice president and general manager of MTV Tr3s, Viacom’s U.S. Hispanic entertainment cable network. “You don’t see that kind of strength in many other cities in the country. You’re living, marrying, borrowing from different cultures and different rhythms. But the meat and potatoes in this game is the 18-34 demographic, and it’s a hard demo to reach, because it’s varied and language isn’t an issue with them. They’re watching Fox and Telemundo and HBO. It’s very broad and it’s growing in size and sophistication.”

With that growth, the Latin music industry is destined to grow too, because music is always a reflection of the era in which it is being made.

“We’re not doing Latin things just because we’re Latin,” Cobo says. “Hamilton is not a Latin musical. But its creator [Lin-Manuel Miranda] is of Puerto Rican descent and his first play [In the Heights] was about a Dominican neighborhood in New York. Shakira was a coach on The Voice. Shakira speaks with an accent. I would almost guarantee that five years ago, she would not have made the cut.
“All these things open doors for more inclusivity without anybody thinking about it. Latin music is seeping into the U.S. mainstream. It’s a niche genre, because it’s in Spanish. But it is more present than ever in all kinds of places where it wasn’t before. It’s less foreign now, almost gradual and imperceptible, and it’s becoming a new normal.”

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5 Comments

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**Thomas Cuevas** · Colegio Regional de Carolina UPR
Kudos. Great article.
Reply · 15 hrs

**Roberto Ravelo**
Don't tell us the millions tell us who are the ones making it I bet is only a few while the others are wannabes
Reply · 15 hrs

**Jorge Martinez**
Ahhhhh-ahhhhh, hasta q' se seque el del tabacon!
Reply · 12 hrs · Edited

**Greg Hansmen** · University of Georgia
Latin music is creeping in because Latins are creeping in as our borders are being broken down by the Liberals on the far left, that's not too hard to figure out!
Miami in particular has been under a Latin siege for over 40 years..In this case, the dog has certainly bitten the hand that fed it.
Reply · 1 · 7 hrs

**Ronald Amon**
Yes, Hillary is big on "mi casa es su casa." As long as the trove of immigrants don't take her literally and descend on that $1.7 million home in Chappaqua, New York they own or the $2.85 million mansion on Embassy Row in Washington D.C. You know, the ones she claims they struggled to pay the mortgages on?
But America? No wall. The borders are open like a free range. That is, if you vote for her in November.
Reply · 1 hr

**Ronald Amon**
Very interesting and informative as to what the sound is today naming those who make the difference. Appreciate the effort that went into this to bring us current on the music scene.
Reply · 1 · 1 hr

**Alex Brito** · Southwest High
Today's hip hop crap sucks long live rock n roll
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