newcomer's corner

The Hows And Whys Of Distribution

By Alexis Kelley

ne of the most important cogs in the wheel of marketing your recording is distribution. You can cre ate demand for your recording, but you also have to give the consumer a place to buy it. Yes, you can sell your recordings over the Internet and at your shows, but to really have any kind of sales impact, you can't forget the brick and mortar retailers – these stores are still doing the majority of the business. And to get into these retailers, as well as into the online guys, you've got to have a distribution source.

A common myth about distribution is that the distributor is responsible for promoting your recording. A distributor is a distributor, and only a distributor. Always remember that it is the record label's responsibility to provide the consumer with a reason to want your music. In other words, it is the record label's responsibility to create the demand, and the distributor's role is to fill this demand.

When new to this business it's easy to confuse a distributor with a one-stop. Distributors sell to the one-stops just as they sell to retail; one-stops are another account source that buy the label's goods from the distributor. One-stops sell only to retailers, and in the perfect model, carry or can obtain recordings from every major and independent distribution company. As long as you have good distribution, your recording will be available to retail from one-stops.

There are different types of independent distribution companies. Some national companies have large sales staffs and distribute a few labels, while other distribution companies rely on small sales staffs to get their releases in the stores, and may carry many labels. And of course there are all sizes of distributors in between. For example, many new distribution companies have no sales reps in house and use all independent sales reps. These growing companies are usually



looking to sign labels and individual artists, and may be a place for you to get a start, particularly if you have one release that is going to require quite a bit of development. The larger national distributors may have up to 100 people in their sales and marketing staffs, but they only deal with labels that guarantee a certain dollar volume each year.

Perhaps you should consider one of the many regional distributors if your distribution needs aren't quite at the national level. Most of the regional distributors partner with each other and can help you obtain distribution in other areas of the country once your recording breaks out of their territory.

All of the distribution companies are capable of filling certain needs. Therefore, when looking for distribution, determine which company or companies best fit your needs before you decide which to approach.

The best way to approach a distribution company is with your gun loaded. You want to show them that you've done your research and are approaching them because you feel they are the best fit for your recordings. There are many ways to research distribution companies to ensure they do indeed fit your needs, and that

they sell to the types of stores that sell your genre of music. If you are going to stick to one particular genre, make sure that the distributor knows how to sell that kind of music and is selling to the specialty retailers that cater to the consumers who buy that type of music. For example, if you have a classical label, you should stay away from a distributor whose forte is hard and alternative rock. More often than not, that distributor will be perceived by retail as strong in the indie rock field, and not taken as seriously in the classical world. Also, while they are probably selling to Tower, they may not be dealing with the mom and pop stores that specialize in classical music. The sales reps may feel intimidated by your classical recordings; they may be uncomfortable talking about them or attempting to pronounce the names of them. As a result, they may choose to pay them little or no attention. Now, there can be exceptions to that rule, of course. Perhaps that indie rock distributor wants to expand into other genres such as classical, and is willing to learn and give you the support that you need. This could be a real scenario. Still, the safest way is to go with a distributor that already knows what they're dealing with and will work with you side by side. You should be able to consider your distributor as your partner, not your enemy.

Research the distribution companies. One tool at your fingertips that you can use is AFIM'S Membership Directory. There are nine pages of independent distributors in the Guide to Independent **Distribution** section (one-stops are also in this list - don't get them confused). Some of the distributors list their specialties, and most of them have websites where you can find answers to commonly asked questions. Another way to research distributors is to call record labels that have music similar to yours (also listed in the AFIM directory) and question them about their relationships with their distributors. Ask the artists you meet on the road their distribution experiences. Since you want to find a "partner", your business philosophies should be similar. Local retail can also offer perceptions that may prove invaluable; therefore call your local retailer and ask if there are any companies that they recommend. such as the number of sales and market-

1MW 4/01 ing reps in the company, the number of labels the company currently distributes, and how many they add each year are important. Since distribution agreements and fees differ from company to company you'll want to know the cost of doing business. And don't assume that just because they're in business they'll be able to sell to all the accounts that are important to you. If you have country product, you'll want to make sure that your distributor has the relationship with the rack jobbers that service Wal-Mart and K-Mart. There is one retailer that is aggressively buying up chains and currently has 10% of the retail account base. But not all distributors are able to do business with them. So base part of your decision on your retail needs. Remember, it's very important to feel comfortable with your distributor, and to start the relationship with realistic expectations. Your diligent research will give you a good idea of what they're capable of doing and hopefully will help avoid misunderstandings once the relationship is in place.

After narrowing down your distribution search, the next obvious step is to contact potential distributors. (Believe me, they'll be impressed when you make it clear how much you already know about their company.) First, submit your package. Your package should provide as much information as possible about your company, your financial backing, your goals, and your music in a concise manner. A distributor wants to know your long-term plans and feel comfortable that you have enough money to support these plans. Your package should also contain music and a one sheet detailing each release. The one sheet should list the pertinent facts about each recording you're submitting, on one page. Also include a marketing plan and budget. The marketing plan should consist of the radio and press plan and tour information. Once again, it's your job to get the radio and press exposure. The distributor wants to be sure that you're going to help them sell your recordings once they place them in the stores. If your company doesn't have the staff on hand to provide these services, list the companies that are working with you to obtain these goals. Your affiliation with certain radio, PR, or marketing companies may help convince the distributor to do business with you, espe-

cially if the distributor has had experience with these companies and feels that they are effective. This also shows the distributor that you are seriously trying to expose your music. The distributor will also want to know that you have the funding to support advertising or placement programs at retail. These programs take your recording out of the miscellaneous bin and give additional exposure to the customer, and combined with in-store play, prove an excellent way to promote your recording to shoppers. The placement programs may consist of a sale price and positioning on an endcap, or placement in listening stations. To feel that they're getting their money's worth, a consumer may want to hear more than one song before buying the entire CD, and listening stations provide this opportunity. A listening station program is also a good way to get recordings heard that might not necessarily be receiving airplay on the top radio stations in the market (or on any station for that matter). But of course these retail programs cost money, and this is another reason financial information should be included in your package.

Hopefully you can now see why distribution is a necessity, not a luxury, in marketing your recording to the masses. Do your research and put together a great package that demonstrates you not only have excellent music, but that you are a serious businessperson and also know how to market and sell your recordings!

Alexis Kelley is the founder and president of LiveWire Entertainment Sales and Marketing. Livewire provides sales consulting and retail marketing for record labels.

The opinions stated here are those of the author and not necessarily those of AFIM. If you are interested in submitting an article or responding to this one, please contact Pat Bradley at 606.633.0946.

modern postcard: pu page 9