



# DELIVERING THE GOODS

Underestimate the importance of stellar distribution at your peril. In this special report, *Music Week* gathers a trio of industry players to discuss where physical and digital distribution fits into the modern music business landscape...

— BY JAMES HANLEY —



*"We've reached a point where 100,000 tracks are being added to services daily"*

**Ben Marlow**

CC Young

**Signed, sealed, delivered:** Republic Of Music distribution clients Kokoroko and (right) IDOL client Four Tet

**T**o the uninitiated, getting new music into record shops, supermarkets and online stores might seem like a straightforward task, but the reality is quite different. Indeed, there is a lot more to distribution than meets the eye.

"The majority of labels tend to think that as a distributor, you just contact a store and they automatically list their release and buy copies to stock and rack in the store," says Mark McQuillan, MD of Republic Of Music (ROM). "Unfortunately, this certainly isn't the case in the current era."

McQuillan knows that better than most, having handled 2022 releases by the likes of Kokoroko, Michael Head & The Red Elastic Band, Los Bitchos, Sunflower Bean, Clutch, Theo Parrish, The Charlatans, Jamie Webster, Yumi Zouma, Widowspeak, Peaness, Panic Shack and Kelly Lee Owens.

"Indie stores are overwhelmed with the sheer number of new releases coming into the market every week – they physically don't have time to even list every release

on their web stores and can't afford financially to take a risk on buying a large number of releases each week in the hope they'll sell," he explains. "They're having to be more selective on what they support."

Which is exactly where a good distributor comes in. ROM, which works with independent labels such as Lucky Number, Moshi Moshi, !K7, Sacred Bones, Full Time Hobby, Brace Yourself Records, Mondo and Brownswood, has credit in the bank with stores (and the trust of consumers) when pushing a particular release – all the more important when it comes to brand new acts. "The trust and relationship between distributor and store is crucial," adds McQuillan.

Although as Pascal Bittard, founder of independent digital distributor IDOL (Independent Distribution On Line), points out, with such a vast amount of options in the modern marketplace, it makes sense to shop around.

"It's a misconception that all distributors are the same and that we all offer the same service," he tells *Music Week*. "Some offer basic and often cheap deals with a limited service, others more



PHOTO: Gracia Villamil



expensive deals but with an extensive service that include release strategy, marketing services, and so on. It's a totally different offering. We always encourage our partners to think about what services they need and where they need assistance. Look for a distribution partner that will help you achieve and maintain sustainable growth. For us, success is a long term vision."

Bittard considers the sheer quantity of platforms that a modern artist must be present on to help generate income to be "mind boggling", with IDOL at hand to help declutter the process.

"We aim to simplify this world and help our labels excel in the places that are most meaningful for them," he notes. "Not only do we endeavour to be experts in all of these areas and guide our partners through the noise, we also anticipate the constant changes in the industry for them and make sure everyone is up to speed. Your distributor should be a trusted member of your team, offering honest and transparent advice."

Boasting more than 15 years' experience, IDOL works with partners including Erased Tapes, Kitsuné, Gondwana, Local Action, SRD (which distributes for Four Tet, Daphni, V Recordings and Substance), InFiné, Ubisoft, Bandai Namco and Glitterbeat. It also represents Local Action, which won Best Boutique Label at this year's AIM Awards, and Soundway Records, which was nominated for Best Independent Label. And with a team spread across London, Paris, Berlin, Johannesburg, Los Angeles and New York, IDOL offers a global outlook.

"We have truly seamless international reach but with a lean roster that represents some of the very best labels in the world," says Bittard. "We favour long-term over short-term and performance over profitability," he adds. "This focus on quality over quantity allows us to offer the highest level of service to all clients and adapt our efforts to all types of projects. We'll put just as much effort into working with an up-and-coming artist to grow their audience as we would into helping a charting rapper to achieve platinum certification."

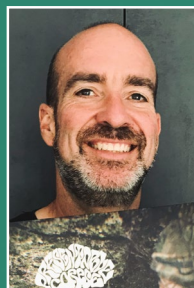
With the majority of last year's No.1s reaching the summit on the back of strong physical sales, the importance of the format was rammed home once more by the recent Taylor Swift-Arctic Monkeys albums chart battle, as *Midnights* and *The Car* both pulled in 100,000-plus first-week sales. And the message is clear.

"Whilst great digital distribution is clearly needed, many artists are still very successful in the physical market and this brings crucial sales and income," says McQuillan. "Some bands' week one sales can be as high as 85% of total sales for release week, so bands and labels can clearly benefit hugely from a proactive and hands-on physical distributor who can help maximise physical sales."

IDOL's Bittard believes a good distributor should be involved in a release strategy from the outset, helping with every stage of the campaign.

"In some cases IDOL will help a label from the early A&R process right through to detailed post-release analysis," he says. "When a label cares deeply about their releases, it's vital that level of attention and care is transmitted via the DSPs to the fans. A good distributor will offer that."

Bittard details how IDOL is constantly developing its tailored offering of label and artist services.



*"The trust between distributor and store is crucial"*

**Mark McQuillan**  
Republic Of Music

"To give one example, our international development service, which helps guide our labels and artists' global strategies, has evolved to allow them to choose their local set-ups and is now fully involved in all aspects of these campaigns," he notes. "Second, our audience development (AD) service now assists our partners not only with traditional digital marketing campaigns but also in all aspects of their social media strategy. This has meant optimising their presence and revenues across all platforms – including TikTok, Twitch, Snap, Facebook and Instagram – as they become more and more important parts of the digital music ecosystem. To achieve this we've built out the AD team and allocated dedicated AD managers to each of our partners."

McQuillan agrees that the role now extends far beyond its original remit.

"Distributors are not only a platform for artists and labels to get their music released physically and digitally into the market, but we can also set up and run all D2C initiatives, put in place promotion teams, marketing and effectively run a complete campaign for an artist as if we were an actual label as well as a distributor," he says.

McQuillan continues: "Distributors' relationships with physical stores and digital DSPs are absolutely fundamental in getting the

artist's music visible and promoted in physical retail and on digital platforms via editorial playlisting. Distributors should offer a one stop solution for both digital and physical distribution under one roof in my opinion, as the two are so intertwined. A good distributor should also be very proactive in talking with labels about formatting, digital track roll outs and pre-order initiatives to maximise sales and streams."

ROM has helped artists such as Teenage Fanclub, Sleeper, Klangkarussell, Hugh Cornwell and The Charlatans self-release and retain control of their master rights, and McQuillan preaches the value of the human touch.

"At Republic Of Music, labels talk to humans about their releases rather than logging everything through an online portal," he says. "Labels love that they can get actual feedback from our team and that's what makes quality distribution so important."

Ben Marlow, head of royalties at the multi-award-winning accountancy firm CC Young, outlines how distributors operate between DSPs and rights-holders.

"The focus of the

**Republic Service announcement:**  
Republic Of Music clients Panic Shack and (insets, top to bottom) Los Bitchos and The Charlatans





DSP is on revenue generation and customers; they cannot also manage and negotiate with the vast number of rights-holders which include independent labels and artists self-releasing," he says.

He adds that since a smaller rights-holder cannot manage a separate deal with every digital store, distribution is essential for them to not just reach their existing followers, but be discoverable to new fans.

Marlow talks through the complexities of the sector, from CC Young's point of view.

"With the royalty model shifting from price per unit to market share, it's essential for independents to be represented and in a way in which their collective bargaining power affords a fair share of the revenue being generated through subscription and ad-revenue," he says. "With the ever-smaller amounts involved in each transaction and the amount of data processing generated from each listen/click, there has to be aggregation to keep the costs of distribution reasonable."

The biggest challenge, suggests Marlow, centres on the handling of big data.

"We've reached a point where 100,000 tracks are being added to services daily, which is more than can be feasibly managed," he contends. "Can the distributors ensure that market share is not manipulated by the flood of new music? We're seeing an increased influence on market share of background music and storybook catalogues which include a high volume of shorter length tracks racking up higher play counts compared to regular music listeners."

He continues: "Each step in the chain adds another layer of data aggregation and interpretation, and removes us from the original transactions. Distributors take on a huge amount of data normalisation, but no two systems are the same, making the job of understanding royalty streams extremely complex."

Looking forward, IDOL's Bittard sees opportunities around every corner, notably in relation to the growth it is experiencing with user-generated content platforms such as TikTok, or new markets opening up.

"The biggest challenge is maintaining balanced, valuable and practical knowledge across these many platforms," he adds.

Elsewhere, ROM's McQuillan seeks to accentuate the positives.

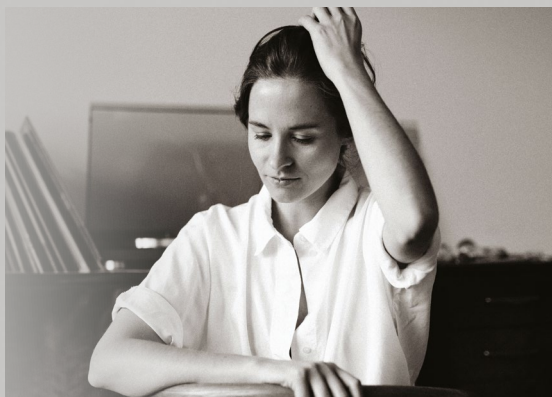
"I don't like to see things as a challenge and would rather focus on how to turn these into opportunities," he insists. "For instance, vinyl manufacturing turnaround right now is seen by many as a challenge. The way I see it is we have more time to build up to an album release so we can work with artists in releasing more digital singles, running more promo initiatives in the run up, building followers, driving pre-orders to physical products. So when the vinyl does arrive and the album is released, more fans, stores and DSPs are engaged with the artist."

CC Young's Marlow says the challenge now for distribution is a collective drive towards better and more uniform data processing, "to put these royalties in the hands of the artist faster in a way which can be fully understood and analysed".

"The pandemic has shone a light on how royalty streams are diminished from fan to artist; distributors need to drive efficient and accurate collection whilst keeping their charges, or amounts 'lost' to a minimum," he says. "We've had to re-think the way in which we conduct royalty audits to consider the margins and ratios being achieved by distributors, which change day-by-day, rather than hunting for under-reported units or incorrect rates and deductions on the known prices."

Surveying the state of play in the sector both now and in the future, Bittard likes what he sees.

"The digital distribution market will remain extremely dynamic



**Pop(ular) IDOL:**  
IDOL clients Uniiq3  
and (insets, top  
and bottom) Rival  
Consoles and  
Hania Rani

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**Pascal Bittard**  
IDOL

with the development of new services and the rise of emerging markets," he predicts. "As these changes fuel new trends in music consumption, there will be new opportunities and challenges to tackle. For all these reasons, distributors will need to keep developing innovative services and approaches to remain competitive."

McQuillan, meanwhile, takes the opportunity to reiterate that, in his eyes at least, the demise of physical has been greatly exaggerated.

"D2C and the engagement of the key influential indie stores such as Rough Trade, Piccadilly, Bleep, Resident and the Dinked [initiative] are going to become even more important as a way to promote and sell to music fans across the world," he says. "D2C is incredibly powerful if bands can promote to their fans in the right way with compelling products, and the people trust the key indies with what they recommend, so they will be as important as ever. Promotional platforms like TikTok and YouTube Shorts are also going to play a massive role in the market over the coming years as a way to break an act."

"Streaming obviously continues to be king and long may that continue and grow," he concludes. "But I do feel that physical products – especially vinyl – are here to stay for a long time yet."

