



Service please: (L-R) Believe & Hoxton Vinyl act Knucks, The Orchard's Raye, Hoxton Vinyl client Stormzy and FUGA's Björk

SPECIAL REPORT

SERVING A PURPOSE

The world of **label services** is thriving, with a wide range of forward-thinking companies offering an ever-increasing array of options to labels and artists seeking an alternative. Here, in a **special report**, *Music Week* quizzes representatives from some of the biggest players to discuss the latest trends and talk data, AI and the future...

— BY BEN HOMEWOOD —

When it comes to the ever-evolving world of label services in 2023, one thing is clear: the sector has never been more competitive.

"As new players enter the market, it can get difficult for artists, managers, and lawyers to distinguish between the different offerings and what services are provided by each company and in each deal," says Malena Wolfer, director of artist services at Believe, the company which won the Music Week Award for Label & Artist Services back in May. "Our approach is to be very upfront about what services are or aren't included in our deals, we are very proactive about educating clients about the long-term benefits of label services deals and we focus on delivering real value."

Ian Dutt, MD at The Orchard, who were among the competitors on the shortlist, also points to how crowded the playing field is these days.

"The competition has intensified on three fronts," he explains. "The first is the number of new companies that have entered the market, the second is the offering that label service companies are now expected to provide and the third is how traditional labels who, in the past, would only offer copyright deals, now offer similar deals to services companies."

Dutt says that The Orchard, who in 2022 enjoyed success with Raye, Russ Millions and Bad Bunny in partnership with Rimas Entertainment, has to be ready to pivot when necessary.

"We have had to adapt our offering as the clients' needs diversify," he says. "We are expected to offer root and branch solutions from the smallest artist releasing their first track, to the largest labels in full campaign mode. That diversification has to cover all aspects of record company and distribution functionality, and our

focus, investment and core understanding of technology allows us to be fluid and constantly add new services."

At Believe, boss Alex Kennedy says ambitions are "sky-high" in the wake of their Music Week Awards win.

"We have industry-leading expertise, experience and drive in our team to sign bigger artists, deliver chart-topping campaigns and develop more acts from scratch," he says. "That will allow us to reach our aim of being the independent alternative to the majors."

Like many of its peers, Believe operates with a digital-first approach, and Wolfer suggests that is the main driver behind its recent success.

"We have seen very strong growth year-on-year across our services business," she says. "We partner with artists, managers and labels who understand the digital world and want to grow their audience and business with us. This strategy has helped us to build a very healthy roster of artists and labels who have the ability to engage audiences across DSPs and social media and make a cultural impact."

One of the jewels in the Believe crown is Knucks, the independent North West London rapper who charted at No.3 with album *Alpha Place* last May.

Wolfer says his breakthrough is a demonstration of what a great label services team can deliver, adding that it highlights the fact that Believe allows artists to grow and develop at their own pace.

"When Knucks signed a full services deal, it was clear that we wanted to deliver a Top 5 record and the team worked tirelessly throughout the entire campaign," she says. "It shows the importance of good services execs that can really plug into an artist's vision and become part of the team. The boost we were able to



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**MALENA WOLFER
BELIEVE**



"We helped Stormzy secure a No.1 album in a tight chart battle"

**MARLEY DENNIS
HOXTON VINYL**



"With us, the label remains in control of their strategy, we are an extension of their team"

**DOROTHEE
IMHOFF
FUGA**

deliver with DSPs, marketing, promotion, sync and physical distribution, combined with Knucks and his team's creativity and entrepreneurial prowess, was the perfect pairing."

Believe partnered on the physical release of Alpha Place with Hoxton Vinyl, who came on board after the digital-only initial release when fans clamoured for a physical version.

"The biggest misconception about us is that we are just a vinyl manufacturer," says Hoxton Vinyl boss Marley Dennis. "We've helped several artists and labels build significant physical businesses that continue to generate significant income for them. We provide manufacturing, warehousing, physical distribution and logistics. For younger labels we often build this from scratch, starting with e-commerce stores and manufacturing."

Dennis notes that, while vinyl is expensive to make, it can contribute to significant revenue for artists, labels and distributors. He advises labels to consider the fanbase of the artist and whether vinyl is the most appropriate format.

"I also encourage all labels to run online pre-orders and let the fans dictate how many records to press," he adds. "We build and manage many online stores for artists and labels, where we allow them to adjust their orders based on demand."

Unsurprisingly, Dennis is proud of the Knucks campaign. "Believe had already done an outstanding job and our involvement came later," he says. "Our role was to capitalise on the moment and ensure that the vinyl lived up to the quality of the music and production. Alpha Place won a MOBO and the response was phenomenal, with the vinyl release selling out almost instantly. To enhance the value of the package, we incorporated special materials and finishes such as hot foil stamping and sequential numbering on the Spotify exclusive edition, turning it into a true collector's item."

Showing the versatility of its offering, Hoxton Vinyl's recent highlights include Bear's Den's album *Blue Hours* ("It debuted at No.6 in the UK, thanks to our flexible manufacturing of 14 different variants," says Dennis) and Stormzy's chart-topping *This Is What I Mean* album.

"We played a crucial role by providing vinyl manufacturing services that proved instrumental in helping Stormzy secure the No.1 in a tight chart battle against Sir Cliff Richard," says Dennis. "Our ability to deliver a super-fast turnaround, adapt to pre-orders and be flexible around delivery to get ahead of the Royal Mail strikes that threatened to disrupt D2C orders gave Stormzy's campaign a competitive edge."

Of course, UK rap is far from the only genre that is flourishing within label services. Indeed, all of the companies *Music Week* speaks to hammer home a diverse array of success stories across the sector.

At FUGA, which was acquired by Downtown's AVL Digital Group in January 2020, global head of marketing services Craig May points to Björk, Nova Twins and Viagra Boys to show the range of the company's campaigns.

"The diversity in these artists reflects the diversity we have built in our client base through our focus on international expansion in recent years," he says. "With staff now based in 20 markets and 70% of our clients coming from outside the traditional UK repertoire



sources, we are able to fully deliver on our 'Global Presence, Local Profile' mantra. It also reflects on the skill sets we have brought into the team, with both the Nova Twins and Viagra Boys campaigns benefiting from genre specialists and our audience strategy team, who work across genre and geography to identify and connect to fans."

If all that success makes it sounds like label services are the way forward, it also prompts an age old question: which is better, a services agreement or a more traditional deal?

"There may be a bit of misconception about how broad the services that we can offer to labels are," says FUGA CCO Dorothee Imhoff. "People occasionally have the misconception that they will have to cede all control of their strategy over to us, something that is perhaps tied to the old label system. However, the label remains in control of their strategy; we are an extension of their team but we do not replace them. We build and enhance the existing set-up that the label has, play to their strengths and modify our support around their needs."

At The Orchard, Ian Dutt has some myth-busting of his own to do.

"The biggest misconception is that the same level of success as that of a major label deal cannot be achieved via label services, and that scale can be seen as a weakness," he offers. "Consumers are now driving change in the industry and success can come from anywhere, any label and any territory. Label services companies are the best equipped at identifying and empowering that success from early on."



Service industry: Hoxton Vinyl client Bear's Den (top) and FUGA act Nova Twins (bottom)

Believe's Malena Wolfer says that there's an important difference between what services companies can offer and what majors can.

"The services we provide across project management, marketing, sync, DSP pitching and promotions as well as digital and physical retail are the same as provided by the majors," Wolfer says. "But we often need to work with managers to demonstrate that, because our deals are so much more equitable, they can build out any of the few areas we don't provide in-house and will still make more money as their royalty share is so much higher."

On the subject of royalties, accountancy firm CC Young, also a previous Music Week Award winner, established its own dedicated division, Y Royalties, this year.

Ben Marlow, director at Y Royalties, outlines the importance of the mechanics behind label services deals.

"These deals are not as simple as higher rates, shorter terms, and copyright ownership," he warns. "Funding is important for a label services deal. Traditionally, copyright ownership follows those who fund it, so how does the artist fund the recording, production, marketing? Do they have the resources or can they secure the borrowing? Ownership also brings responsibility, and CC Young can help with services such as producer and third party royalty accounting, mechanical reporting, royalty tracking and licence clearance."

Marlow believes the royalty data is perhaps even more pertinent to label services than it is elsewhere in the business.

"It is particularly relevant given how close the artist is to their rights and how they are exploited," he points out. "Artists are often more hands-on in these deals, so having the ability to properly analyse data and understand the impact of decisions is very important. Things move quickly, so relying on traditional assumptions and industry norms can only take you so far."

With that in mind, it makes sense that label services companies use bespoke tools to analyse data. The Orchard uses OrchardGo and Insights to track data throughout campaigns. The company's senior director, label management Jasmine Bodkin, highlights their successful Russ Millions campaign for the Reggae x Calypso single with Bunni and YV.

"Based on closely tracked data, our digital marketing and retail teams identified opportunities that supported Russ and amplified the release in the right areas," Bodkin says. "The remix, which featured French rapper Gazo, gave the song a second life. Via our international network, we connected the dots in the market and the track is now certified Gold in France."

FUGA has developed its own analysis platform Trends, which Craig May



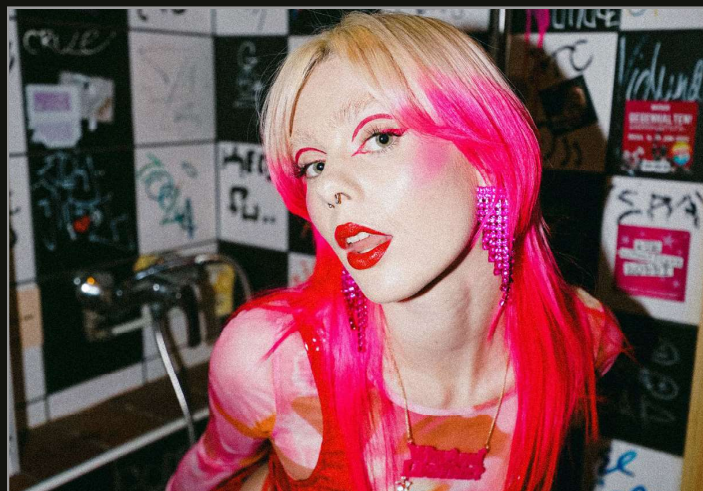
"Artists are more hands-on in label services deals, so proper analysis of data is important"

**BEN MARLOW
CC YOUNG**



"Our international network helped Russ Millions turn Gold in France"

**JASMINE BODKIN
THE ORCHARD**



says provides comprehensive information on global consumption for its acts, collating social media and D2C figures to provide analysis in "very granular" detail.

Malena Wolfer, meanwhile, notes that Believe's platform, Believe Smart Discovery, leverages tools like Spotify Discovery Mode to increase opportunity for its clients.

But given we are in the age of TikTok, streaming and now AI, why are label services still essential? And how can the industry actually get the best out of it?

"Music in the digital age brings the artist closer and demystifies the system somewhat; they are engaged and interested in the processes and technology of delivering music and its value," says CC Young's Ben Marlow. "Artists are creative not only in the song and tracks they produce but also in where they want their careers to go and how they interact with fans. Having more options in how to structure a deal [and] exploiting your copyright gives you flexibility to try different things; the shorter term licenses offered by label services deals allows an artist to reassess and re-organise their plans every few years if they wish and not stick with one decision long-term."

Though CC Young's Marlow emphasises the need to be wary about the impact of AI on creativity, Manan Vohra, CTO at FUGA parent company Downtown Music, prefers to look on the bright side.

"While the industry is actively navigating the copyright issues surrounding generative AI, there are significant upsides," she says. "AI algorithms can analyse vast amounts of data, streaming patterns and user preferences to identify specific target audiences. This enables precise and personalised campaigns and higher ROI."

At Hoxton Vinyl, Marley Dennis also sees the positives when it comes to machine learning.

"AI can help record labels optimise their inventory by predicting which physical formats will sell faster and which will be slower," he suggests. "This can help record labels avoid a loss of sales from out of stock products and reduce the risk of overstocking. All of which can help labels plan their manufacturing schedule more effectively."

Pointing to the dawn of a new age, Believe's Alex Kennedy says AI is set to transform every aspect of what label services companies do.

"AI and generative AI will make our lives simpler, better and more efficient, from deal-making, to AI-assisted creation of promo assets, to royalty management, to coding," says Kennedy. "But with these great powers comes a new sense of responsibility and the industry needs to control the responsible deployment of AI."

Even though he sounds a note of caution, Kennedy's optimism about the future of the flourishing label services sector is palpable.

"The industry pivot towards label services is clearly gathering steam," he concludes. "For the first time, there is now a serious choice for artists in terms of a variety of deal types and an embarrassment of riches in terms of excellent companies offering these services. Rather than a one-size-fits all scenario, it really is a seller's market and we are well-placed to thrive in this new world."

At your service: The Orchard enjoyed success with Bunni, Russ Millions & YV (main photo) and Believe client Girli (above)