

## **Revision notes on Production and Promotion Companies that create promote and distribute music work**

### ▪ **Recording companies**

**A Record Company** is a Business, which deals in recordings. A record company pays for everything that needs to be done to make a CD.

#### **They need money for:**

- a) Recording – studio/engineer time
- b) Mixing
- c) Mastering (the final copy)

Recording companies give their artists an advance to live on while making the CD.

**A Record label** is a unit within the company, which handles a particular repertoire. A Record label is a brand or trademark associated with music recordings and videos. A record label is also a publishing company who co-ordinate the product, manufacture, distribute, market, promote and enforce the copyright for sound recordings and music videos, they also talent scout and develop new artists and maintain contracts with recording artists and their managers.

Most recording artists rely on record labels to broaden their consumer base, market their albums and be promoted and heard on MP3, radio, TV.

As of 2012, there are only 3 labels that are referred to as major labels.

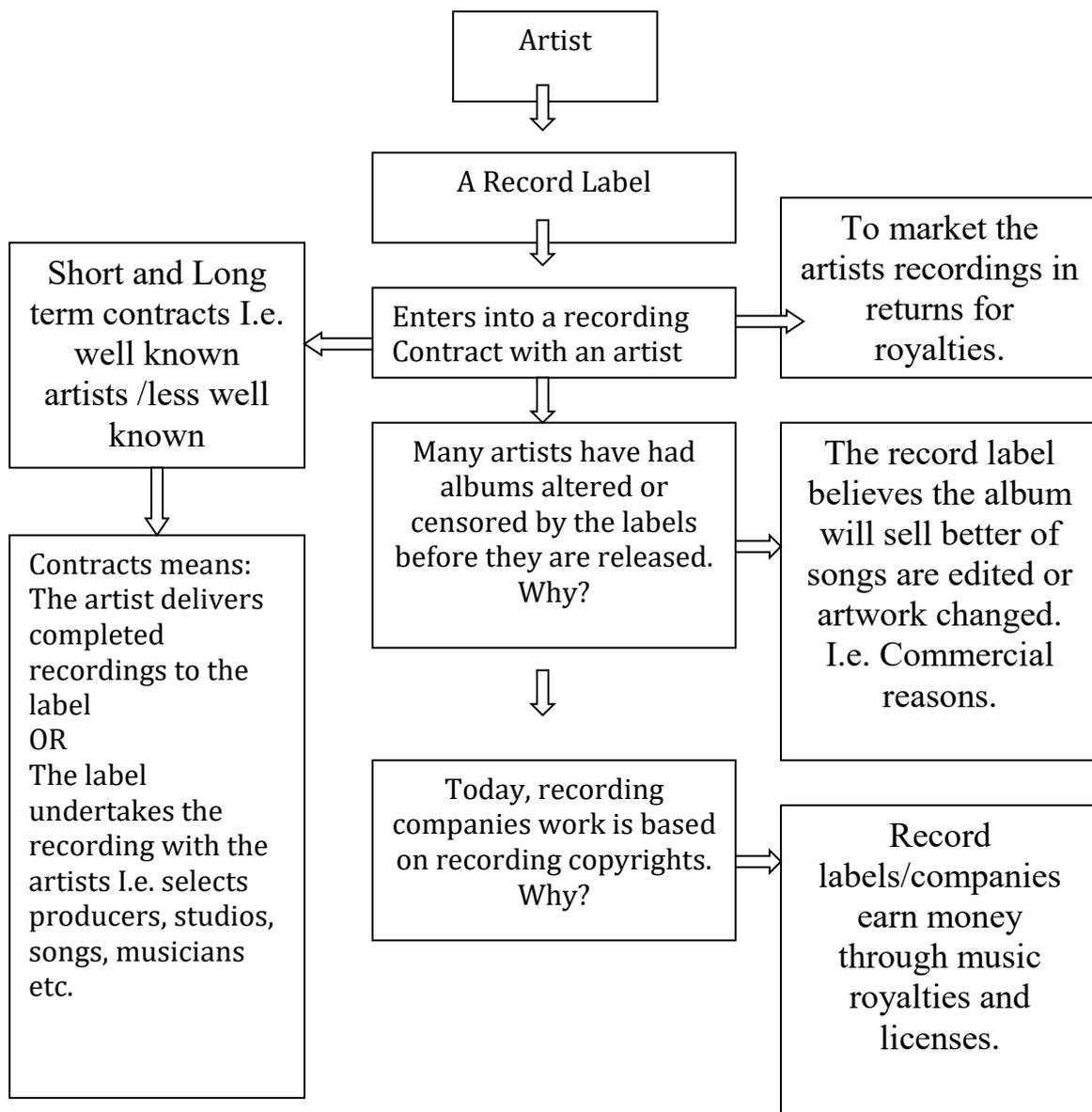
- |    |     |                       |                |
|----|-----|-----------------------|----------------|
| 1. | WMG | Warner Music Group    | 2003- Present  |
| 2. | UMG | Universal Music Group | 1996 – Present |
| 3. | SME | Song Music Group      | 2009 – Present |

# What does a Record Company actually do for an artist and why?

## Note:

**A Record Company** = a business which deals in recordings

**A Record Label** = a unit within the company that handles repertoire.



- **Music publishing companies**

Music Publisher/Publishing Company is responsible for ensuring that songwriters/composers receive payment for their music – used commercially.

A Music Publisher owns or administers copyrights in songs and licenses them to companies and other entities that use music, such as record labels, radio stations and advertisers. Why? To make money.

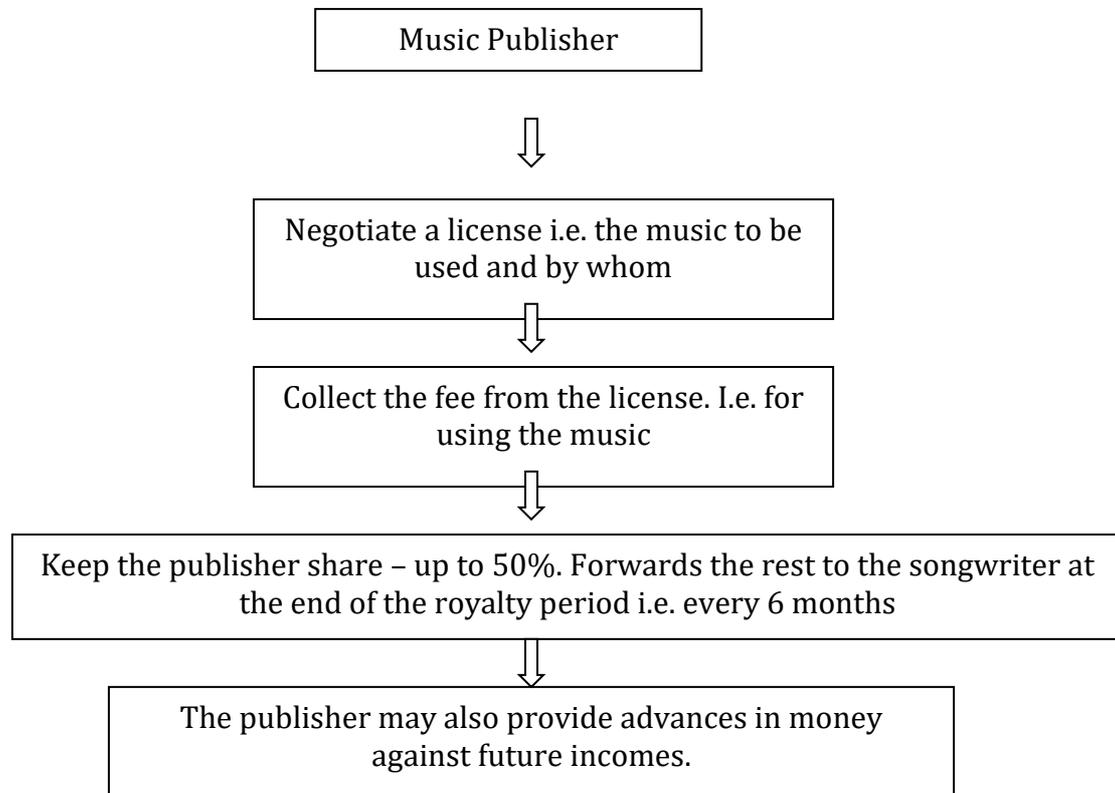
The Publisher then collects the license fee, keeps a cut and pays the rest to the songwriters or their heirs.

**Note:** A Music publisher controls the song, the words and music as opposed to any particular recording of the song.

Recordings are generally owned by recording artists and record labels.

The most important function of a music publisher is to promote songs to licensees, thus getting the songs used in ways that earn money. Through an agreement called a publishing contract, a songwriter/composer gives the copyright of their composition to a publishing company.

They also secure commission for music and promote existing compositions to recording artists, film and television.



In return, the company licenses compositions, help monitor where compositions are used, collects royalties and distributes them to the composer.

A Music Publisher also has associates in other countries to collect royalties of music used in other countries. I.e. for TV channels.

## Different types of Royalties

1. **Mechanical royalties** from the sale of recorded music. I.e. CD's, digital downloads. These royalties are paid to publishers by record companies.
2. **Performance royalties** are collected for performance rights and are paid by radio stations and others who broadcast recorded music.
3. **Synchronization royalties** are required when a composition is used in a film or television soundtrack.

Royalties pass through the hands of a music publisher before they reach the composer. Traditionally, music royalties are split, 70/30 (70 to the songwriter/ 30 to the publisher)

## Self Publishing

Songwriters/Composers can publish their own work by joining the collection societies and registering their copyrights.

Self-publishing means the songwriter/composer retains the full royalty after the collection society's commission is deducted and does not have to "split" it with a publisher.

However, the self-published songwriter/composer is responsible for exploiting their compositions and funding recordings or finding acts to record the songs.

They also have to prove they own the copyright to a song/composition.

## How to copyright your song as a Self –Publisher

- a) Send yourself a CD/ manuscript of the composition by registered post/courier.
- b) Sign your name across the seal and write the name of the song on the outside of the envelope.
- c) Make sure the stamp indicates the date.
- d) Do not open the envelope, as it needs to be sealed to prove it is yours.
- e) Submit a recording/manuscript to your solicitor and request a receipt, which states the date and a description of the work.

## ▪ Promoters

A promoter is a person responsible for marketing and publishing events. They need to figure out unique and affordable ways to spread information about the event while making people want to attend.

They need to be able to predict what types of marketing will work for specific events. I.e. social networking, event flyers etc.

There are 3 types of promoters:

1. Concert promoter
2. Club promoter
3. Festival promoter

- 1. A Concert Promoter** – organises a live concert or special event performance or a tour. They generate interest in the event through advertising and through Radio and TV. They also handle security, ticket sales at each venue, cover charges, venue decoration, setup, sound lighting and staffing.
- 2. Club Promoter-** Nightclub promoters may be hired by club owners to increase the amount of patrons who show up, especially if they want to increase business on certain nights of the week. A nightclub owner typically works out a deal with a promoter that he or she is paid only if a minimum number of people show up or the bar reaches a set profit. (Bar guarantee) Nightclub owners will sometimes receive a portion of the admission charges.
- 3. Festival promoter-** Becoming a music festival promoter is an outstanding opportunity for the entrepreneur that is seeking to start a part-time business. The business concept is basic and you can get started by first deciding what type of music festival or festivals you want to promote; country and western, jazz, rock, or folk etc. The choices are unlimited, as different music styles appeal to everybody.

### **Different types of promotion/marketing methods:**

- Posters on outdoor walls/ Fly posting/ Posters on car windows/Emailing contacts/ Social network sites; Face book/Twitter/My space

- **Broadcasting, e.g. local and national networks**
- a) **TV** - Becoming a professional musician requires a good deal of dedication, talent and sometimes luck. Many musicians dream of the day they can see their videos on MTV, but finding the super power of music promotion can be difficult. Many television stations offer promotion for new musical acts; however channelling the right resources takes a lot of confidence.
- b) **Radio - Radio promotion** is the division of a record company, which is responsible with placing songs on the radio. They maintain relationships with program directors at radio stations and attempt to persuade them to play singles to promote the sale of recordings, such as CDs, sold by the record company. They may also pay a fee to a third party, known as an independent promoter, who has a financial relationship with the radio station or its parent company.
- c) **Internet Promotion**- If you want your music to reach the wider listening world, the Internet can be your best friend. However, if you're going to have a presence online, you need to make sure that you do things right?
  1. Join a social network
  2. Set up a website
  3. Keep your website/profile current
  4. Write a decent biography
  5. Get some good photos
  6. Offer your songs for free download
  7. Interact with other artists
  8. Dedicate some time to your fans
  9. Avoid spamming
  10. Do something to stand out from the crowd
  11. Get a short, snappy URL address
  12. Get your songs on itunes

- **Marketing and distribution**

- a) On line
- b) High street Stores
- c) Social media

A music marketing/ distributor's goal is to promote/market a band's recordings, increase the band's visibility, convince stores to stock its records and get those records sold to consumers. Independent bands hire independent distributors, while a record label usually has its own distribution division or corporate partnership. A marketer/distributor might promote a new record with sale prices, advertisements, in-store displays or high-visibility placement.

Many listeners have begun to download their music, rather than buying CDs in stores, but music distributors continue to do more or less the same thing. They distribute the music to an online music seller such as iTunes, and they advertise with e-mail, text message offers, pop-up ads and social networking. A music distributor is like a wholesaler. When the distributor sells to the retailer, he or she will add a fee to the price. Usually, the record label pays for shipping to the distributor, and the distributor only pays for the CDs after he or she has sold them.

About 29 percent of all music industry revenues came from the digital side of the music industry in 2010.

As with all online activity, more musical acts also are using social networking to distribute their own music to fans -- or to get discovered by record companies who then will help market their work. Aside from several YouTube success stories and numerous links to YouTube from artists' own sites, there now is an online site devoted entirely to doing for musical acts online what shows like *American Idol* do for them on television.