

Record Labels

Contributed by Administrator
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Record labels come in all shapes and sizes from "Indies" to the "Big 4" (EMI, Sony, Universal & Warner) but they basically function the same way. They sign a recording contract with an artist, pay for the record to be produced, recorded, mixed, mastered, promoted and marketed, get their distributor to push the record with retailers and online outlets, maybe pay for the band to tour then hope to make a buck at the end of the day. Many people think the all the record companies are making tons of money while the artists starve. The reality is it can be very difficult for record companies both big and small to make money these days. There are a tremendous amount of talented artists vying for the attention of music consumers through a limited number of outlets and it is difficult to get noticed over the sheer volume of music that's available. A good record label will spend an enormous amount of energy and resources to get their artists noticed in the media, seen on tour and added into rotation by key radio stations with the goal of driving record sales.

Record labels sign a recording contract with an artist and agree to pay them a percentage of the sales (after they recoup their expenses) for the rights to the sound recording, copyright and masters of the music the artist records.

Record labels typically have existing relationships in the music industry that can benefit their artist roster. They can connect their artists with producers, engineers and studios that would be a creative fit to help them record their work within their budget. Over the years record labels have learned that when their artists tour it's a great way to build a fan base and has a direct effect on record sales in the markets where the band plays. Record labels can help their artists get picked up by booking agents who can book a club tour or opening slot on a tour for a bigger artist. Record labels will often help cover the band's cost of touring plus provide tour marketing and advertising support to help the band build a fan base (and ultimately sale more records).

One very important key to a record label's success is their distribution partner. The label's distributor is responsible for selling, marketing and positioning the record with retailers, online stores, subscription services and mobile providers. Most major music outlets, traditional and online, won't deal directly with record labels or artists and work exclusively through distributors. The strength of the label's distributor has a direct impact on the success of the record label and their artists.

Additional functions of a record label:

- Artwork

design, layout and production for CD's, artist photos, liner notes, websites, tour posters, print and online ads.

- Publicity

to get the artist and CD noticed and written about by influential music editors at magazines, newspapers, online media and bloggers. The record label might have publicists on staff or hire independent publicists on a contract / project basis who can leverage their relationships in the music media to get new releases written about and featured.

- Radio

promotions to get the record heard by the program director and hopefully added to the rotation at key radio stations, arrange on air interviews and CD or concert ticket promotions to support a new CD release or while the artist are in the station's market on tour.

- New

media has emerged as a critical element in reaching music fans via artist and label websites, email marketing, mobile products, online fan clubs, artist message boards, social networking sites. The new media department can also work on artist placement and promotional programs with online retailers (iTunes, eMusic, Yahoo Music).

- Legal

department to handle contracts and licensing agreements with distributors and publishers.

- Creating

and coordinating marketing programs with distributors and retailers for preferred store placement, in-store promotions, advertising and listening stations.

- Production and manufacturing of the CD and shipping to the distributor.