

# **General Information about Distribution**

Distribution ZZZ is a Canadian independent music distributor. We distribute Canadian and international titles exclusively to Canadian retail, and operate a growing export arm of Canadian and some international artists to the US market.

In the Canadian market it is important to recognize that there is a major difference between the way major labels and large independents sell records, and the way an independent label builds support and sales. A major generally focuses the promotional push around building anticipation for a release, pushes the album very hard for the first month, and then generally lets the sales ride.

An independent relies on touring, word of mouth, touring, college radio play, 'zines, touring, and press over time to sell records, and an independent recognizes that sales will not peak until months after a well handled release. Distribution ZZZ is structured to deliver this information on an ongoing basis to the key chain and independent stores in order to succeed in selling your records.

## **THE FACTS OF LIFE**

If we do not get information from you about where the bands are playing, getting press, and getting spun, we cannot and will not sell records.

Never ever tell us that the information was on your website! We have 120 suppliers. Your job is to take the information about touring, press, appearances, video play, and give that to us. We need to be a part of your team, which means you need to communicate information to us in a timely fashion if it might generate sales!

## **WE NEED IT IN ADVANCE**

Nothing is more frustrating for all of us at ZZZ than hearing one of our artists featured on CBC's DNTO or Much Music, for example, and NOT KNOWING ABOUT IT IN ADVANCE! It goes from being a tool that can lead to hundreds of sales to something that may lead to NOTHING.

## **WE ARE NOT A RECORD LABEL**

While Distribution ZZZ does not promote your artists, we do market them. Promoting between you and the world, marketing is between us and the retail stores, ensuring they know why your records are sales worthy. We provide play copies, advance copies, one sheets, reorder sheets, tour dates, press summaries, and point of sale to help get your record supported. We need your constant and organized input of new "sales points" or your record will stop selling.

## **HOW DISTRIBUTION WORKS**

It takes 2-3 weeks for a new title to be listed in the computer systems of the chains as well as the systems used most often by many larger independent stores.

Pre-release planning is very important. Now, more than ever, we need to pre-sell records. You need to have the world aware of the record on the release date, not afterward! Most "buzz" comes from preparation for the release, carefully planned by the label.

Lack of planning on your part does not constitute an emergency on our part! We need enough time to do our job, and if we do not get it the job will probably not get done. FOLLOW THE RELEASE SCHEDULE!

## **REQUIREMENTS AND INFORMATION**

- Distribution ZZZ requires all artists and labels to provide us with information and album to sell as laid out in the New Release Schedule, below.
- We pay our labels and artists the month after we are paid. We are not responsible for paying for album that is still in our warehouse or that we have shipped and not been paid for. Most retailers and sub distributors pay us within 90 days of receiving a record.
- All our sales to retail and subdistributors are guaranteed, which means records shipped to them can be returned to us (and therefore to you) for credit.
- We pay labels and artists monthly, with statements issued on the 15<sup>th</sup> of each calendar month.
- Your album must have a SKU/UPC code (bar code) which we can provide you for free, if we have to sticker it there is a \$.10 charge per record stickered.
- Your album must say "Made in the USA" or "Made in Canada" on it, or we will have to sticker it before export.
- When you ship your records to us, you must include an invoice with the following information:
  - a. label contact name
  - b. mailing/shipping address (not a PO box)
  - c. telephone, fax, and email
  - d. the cost you are billing us for the record
- After 90 days we reserve the right to ship back whatever album remains in our warehouse to you.
- Please indicate how many records in each shipment can be used as promotional copies, free of charge. It is very important that we get at least 15 play copies, for our sales reps, the bigger stores, and also for listening posts, and bribes for the stores.

## **ZZZ RECORD STORE**

We offer assistance with web hosting and direct integration of web sales into member labels sites. We do offer the opportunity to put CDs in the ZZZ Record Store to bands not distributed to retail by ZZZ, but we don't offer the same level of visibility or support to those artists.

### **WHAT WE NEED**

In order to maximize your chances of selling records in our online store, you need to provide us with the following information, in addition to the stuff you give us on the one sheet:

- A one paragraph summary description
- A three paragraph expanded description
- The record label URL
- The artists official or unofficial URL
- A URL to an mp3 - *WE STRONGLY ADVISE YOU TO HAVE ONE OR MORE MP3s available online at MP3.com*
- Three artist you think this release sounds like that we already have for sale online

### **ADVERTISING**

We are organizing an ad coop with all the labels we distribute. The intention is to have pages and half pages in Exclaim, and whatever other magazines we feel are appropriate. Contact us and see if we can help pool your resources with some other labels, and save you money.

### **RECOMMENDED NEW RELEASE SCHEDULE AND THINGS TO THINK ABOUT**

THE MORE TIME WE HAVE, THE BETTER!

8-12 weeks prior to release

- All new labels should have the contract signed
- Notify Distribution ZZZ of release (artist/title/catalog number/UPC code)
- Set the release date
- Decide on retail pricing

6-8 weeks prior to release

- Contact Distribution ZZZ to confirm details of your marketing plan (contact Waye, preferably by email.)
- Determine and book what Distribution ZZZ advertising and marketing services you may be using
- begin to mail out review copies to print press

4-6 weeks prior to release

- Follow up on success and timing of marketing campaign, mail out to radio
- Provide Distribution ZZZ with One Sheet Information, cover art mock up for fax and catalog.

2-3 weeks prior to release

- Deliver any promotional material to Distribution ZZZ (posters, post cards, other POS)

1-2 weeks prior to release

- Deliver album. Must be at our office no later than 5 working days prior to the release date.

#### **AFTER THE RELEASE**

Email us with updates on every little thing that is going on with the release as often as you can. ***AGAIN, we cannot sell your record if you do not keep us informed.*** Please provide radio station by radio station tracking, timely information about recent or upcoming reviews and articles, and tour dates. We need at least 4 weeks notice of tour dates to be able to properly work a tour and ensure records are in stores.

- Tour dates, four to eight weeks before the tour starts.
- Pre-release copies: nothing better than the actual music! 2-6 weeks before the release!
- Artwork! We need covers 2-6 weeks in advance for onesheets, presale booklet, website, catalogs, ads.
- Coordination with us for our label advertising and coop plans. We have some established and some planned advertising campaigns. We need early commitments. |
- Posters, stickers, postcards BEFORE THE RELEASE. Afterwards we use them to stuff into half empty boxes.
- Retail Marketing Programs - including buying into listen posts, in stores, positioning, display areas (some chains charge, like Music World).

#### **ONE SHEET INFORMATION**

When providing one sheets send them to us electronically, WE PREFER PDF FILES, but we can also except freehand, illustrator, word, wordperfect or quark documents, preferably Mac, but PC will do.

All one sheets should contain:

- Artist/Title/Configurations (CD/VN/CS)
- Record Label/UPC/Catalog Number
- Genre/Sounds Like "Band X, Band Y, Band Z" (preferably bands with a college radio/alt press track record)
- Retail Price
- Release Date
- A Brief Biography and Description of the Record (2 paragraphs)
- Featured Artist (if any)
- Produced by
- Previous Releases:
- Key Markets: (towns the artist plays in a lot, has support in)
- Radio Play: are you doing tracking, is another company doing tracking
- Touring: where are they going to tour?

#### **ADVERTISING**

From time to time we organize coop ads in Exclaim. Regular 1/8th pages will cost \$385.00 plus tax. From time to time, we will do group ads in conjunction with a chain or a bunch of indie stores, and prices will be announced at that time. Ad size for a 1/8th is 5.08 x 2.55 tall

**OTHER MARKETING**

We are looking into working closely with one chain do develop a regular comprehensive campaign that would involve college radio and maybe regional TV spots. The more lead time and information we have the easier it is for us to take advantage of programs offered by the chains and independent stores.

**CD MANUFACTURING**

here are our CD manufacturing prices for 2004.

Compact Discs	500	1000	2000	3000
4/1 2 panel	925.3	1538.05	2833.4	4250.1
4/1 3 panel	995.3	1608.05	2973.4	4460.1
4/4 2 panel	1039.3	1652.05	3173.4	4760.1
4/4 3 panel	1114.3	1727.05	3273.4	4910.1

to add a clear tray free!

Digital output - \$250 or more, depending on size of cover.

All quotes assume final films and master supplied. All quotes subject to additional charges in the event any master is not to spec. All quotes are BEFORE tax. A \$50 shipping fee will be charged.

CD Manufacturing is an industrial process, subject to final numbers of manufactured product being 10% over or under the ordered amount. Your final bill will be higher or lower based on final number of records manufactured.

70% down required before project can go ahead. Balance due on completion. Projects take 8-10 working days from the day masters arrive at the CINRAM plant in Ontario. (NOT OUR OFFICE!!!)

**EXCLUSIVE LETTER**

We require you provide an exclusive letter to us in addition to signing our contract. This letter should be on your company stationery. Without this letter sales will be effected and your records will not get out there as quickly as we all would like.

Aug. 10, 2000

To Whom It May Concern,

Please be advised that Distribution ZZZ currently has exclusive distribution rights for all titles <company name> for Canada. Distribution ZZZ will be responsible for sales, returns, co-op advertising and any other retail promotions with your company on the behalf of <company name>

I would appreciate your timely assistance in this matter as it greatly effects the sales and marketing of our products. Please contact me if you have any questions or concerns.

Sincerely,

Name  
Title  
Company