

**Manic at the distro:**  
(L-R) The Orchard client Skepta, Gigi Perez, who partnered with Downtown-owned CD Baby, and Bryan Adams, who launched Bad Records with Lasgo Chrysalis this year

# STAND AND DELIVER

With each passing year, the **distribution** world continues to generate more and more headlines. In this **special report**, *Music Week* speaks to a selection of key players in the sector to understand how they are remaining a vital piece of the campaign puzzle and dissect some of the biggest developments in the market...

— WORDS: JAMES HANLEY —

**R**eports of the death of physical music were greatly exaggerated, as the format stays on track for its first annual growth in two decades. The revival, which has been driven by a surge in vinyl LP sales, is music to the ears of the thriving distribution sector.

“Distribution is vital for the continuance of the ever-growing physical vinyl business,” Lasgo Chrysalis MD Garry Elwood tells *Music Week*. “CD sales have now stabilised and in fact grew slightly in 2023/24 – a pattern which we expect to see continue. And, of course, there is a resurgence of the audio cassette market as fans clamour to get anything they can relating to their favourite artists.”

Operating 24/7 all-year-round, Lasgo Records’ distribution business has posted significant growth in the last 12 months, with its distributed labels count more than tripling from 15 to 46 (Charly Records was a new addition in January, coming on board in its 50th anniversary year).

Highlights have included 1st Ist’s fourth album, *Light A Bigger Fire*, which peaked at No.25 in the UK to give the company its first Top 40 chart entry. Lasgo also struck a worldwide physical sales and distribution deal with Bryan Adams’ Bad Records, which kicked off on November 15 with the limited-edition release of Adams’ *Live At The Royal Albert Hall 2024* box set.



*“It is essential that distributors evolve as consumption, discovery and client needs change”*

**IAN DUTT,  
THE ORCHARD**

“The world is full of collectors, and the fans of music in the UK still want to own that album on CD or cassette,” surmises Elwood. “Having that in their collection gives kudos. The digital market cannot offer the hugely popular vinyl variants that are being made available and then, of course, the collectors’ boxed sets. To own a CD or vinyl is like owning your own master of that artist’s work.”

The renewed confidence is exemplified by larger retailers such as HMV and Rough Trade, who have invested in new outlets.

“The continued success and growth of Record Store Day also contributes to the need for a solid, reliable, physical distribution service,” adds Elwood.

The fun and games continued through the autumn, as PIAS founders Kenny Gates and Michel Lambot revealed their decision to sell the remaining shares they held in the company to Universal Music Group, an agreement that saw its distribution arm, Integral, join forces with Virgin Music Group. Elsewhere, Dirty Hit renewed its UK physical distribution partnership with Universal Music, whilst Cargo Records UK, Beggars Group and Secretly Distribution jointly launched Cargo Independent Distribution.

Earlier this year, meanwhile, Colleen Theis, president and COO at The Orchard, revealed that around 2,000 artists distributed by the company had made more than \$100,000 in the past 12 months.

The 2024 Music Week Award-winning firm, which now



operates in 48 markets worldwide, had a hand in three No.1 albums in four weeks in September and October with the 30th anniversary edition of Oasis' Definitely Maybe (Big Brother Recordings), Blossoms' Gary (Odd SK) and Shed Seven's Liquid Gold (Cooking Vinyl). The Orchard's client base also spans Raye, Jorja Smith, Skepta and many more. But the Sony-owned firm's UK president Ian Dutt is not resting on his laurels.

"The spotlight has been on distribution services for well over a decade now and it is essential that we continue to evolve as consumption habits, discovery and client needs also change," he says. "We have continued to invest in our world-class technology and increase our global footprint."

His colleague Chris Manning, MD, UK & Europe, stresses that quality distribution is an "intrinsic part" of any successful campaign.

"Being fortunate enough to work with an amazing mix of artists, labels, managers and entrepreneurial individuals, we completely understand that getting the fundamentals right is essential," says Manning. "However, we also understand that distribution is the engine that drives discovery and gets an artist's music heard by the target audience, at the right time, and in the right places."

The key to becoming a master of the trade, suggests Dutt, comes down to communication.

"You can have all the best tools, but unless there is clarity of purpose, a defined roadmap, shared vision and the ability to pivot at a moment's notice, you likely will not serve as a good distributor," he asserts.



*"We aim to help new artists grow once they have the most solid foundation possible"*

**MOLLY NEUMAN,  
CD BABY**



*"Distribution is vital for the continuance of the ever-growing vinyl business"*

**GARRY ELWOOD, LASGO CHRYSALIS**



The distribution services on offer from Downtown's artist & label services division have not so much evolved in the digital age; they are of the digital age. Indeed, president Ben Patterson says they have been specifically designed around the needs of reaching audiences online.

"A primary focus has been expediency and innovation – expediency in releasing content, opening up new DSP sources for streaming and discovery; and innovation in how digital partners use music and compensate our clients for it," notes Patterson. "By being open and flexible, we've given a lot of new models and new artists chances to break out globally without traditional hurdles such as terrestrial radio or physical distribution."

Patterson highlights the importance of how a proper set-up and attention to detail on metadata can help maximise revenue before, during and after a campaign.

"Having all the data points and marketing narratives aligned and at our fingertips in a dashboard at the time of release enables real-time ad strategy investment and DSP updates and response," he affirms. "As the release matures to the catalogue definition, the earlier work ensures that the ongoing streaming is steady and monitored for factors that can lead to a viral resurgence."

Elsewhere, Downtown stablemate Fuga has continuously switched up its approach to music distribution since launching in 2006.

"Rather than simply adapting traditional physical distribution for the digital age, we pioneered a truly digital-first distribution service," explains president Chris Kröner. "Over the past two decades, Fuga has grown from a delivery platform into a full-service global distribution company, offering innovative marketing solutions powered by cutting-edge technology."

Of late, standout campaigns for Fuga have included those for rapper and singer Mark Tuan and Brazilian artist DJ Zerb, who has enjoyed success with breakout hit Mwaki and Chainsmokers collaboration Addicted. He boasts around 13 million monthly listeners on Spotify.

"A great distributor understands what it takes to maximise the value of a campaign and works closely with the artist or company to identify, gather and elevate the key elements for success," adds Kröner. "From curating metadata and selecting optimal DSP settings to crafting compelling marketing strategies and artist narratives at the campaign's outset, every detail is important."

The operations of US-headquartered direct-to-creator division CD Baby, meanwhile, were merged into Downtown Music earlier this year as part of the alignment of the company's operating businesses. CD Baby president Molly Neuman – winner of International Woman Of The Year at the Music Week Women In Music Awards 2024 – notes how its services have developed hand-in-hand with the changing industry through the years.

"In 1998, we began as the first platform focused on bringing direct distribution from artists to their fans and physical retail," she says. "With the launch and growth of digital platforms, CD Baby became the premier partner for independent self-releasing artists for digital downloads and then streaming."

Now, Neuman says, CD Baby's offering is in a position to continue its evolution in a constantly changing market.

The executive points to its "top-tier partnerships with digital

**Special delivery:** The Orchard client Jorja Smith and (above L-R) Mark Tuan, client of Downtown-owned Fuga, and Oasis, who work with The Orchard



platforms” and “alignment with Downtown’s other distribution offerings focused on businesses and artists at different stages of their careers” as distinct advantages for the company.

CD Baby served as distribution partner for US singer-songwriter Gigi Perez as she launched her 2024 breakthrough single *Sailor Song*, which reached the summit of the UK singles chart at the end of October.

“With our focus on early-career artists, we are aiming to align them with specific platforms that will connect with their target audience and help their growth once they have established the most solid foundation possible,” says Neuman. “By working in partnership with both the artist and the digital platform and setting rational expectations, we aim to clear any confusion and identify new and solid opportunities.”

**B**en Marlow, director at Y Royalties, puts forward his own observations on how distribution factors into the overall evolution of the business.

“Access to distribution as an alternative to a major deal is now a staple of the recorded music market,” he opines. “Providing these services for artists to remain independent and have a global reach is no longer a selling point in itself, so the question is, what else can they do for an artist?”

Marlow believes that the way in which “the majors have moved to further their offerings in distribution services” shows the value of the sector.

“However,” he counters, “we have observed a feeling among artists seeking distribution services that there is less to differentiate between the deals available.”

In Marlow’s words, “independence brings innovation”.

“The challenges for independents in the sector are to maintain market share against the large catalogues whilst developing the hands-on element and taking some risks,” he adds. “The shift in consumption to streaming makes these services increasingly more relevant. There are fewer barriers in achieving a global reach compared to the old days of physical distribution and getting your product into other territories. However, easy access to older catalogues, mood music and increased lean-back listening habits heighten the importance of what you do alongside the core business of getting music out there and maintaining market share for new releases and independents.”

Formed in 2023 by Colin Young, Marlow and Gary Groutage, Y Royalties specialises in royalties data, rights management, audit and transaction services.

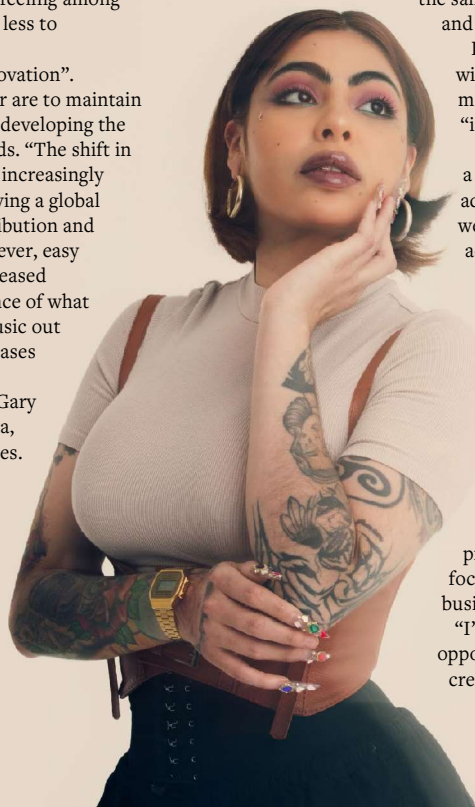
“We are interested in studying these factors which affect market share and performance,” continues Marlow. “Comparing rates and payments of individual deals doesn’t tell the full story of what a good distribution deal looks like. We all know that streaming is growing, but what are the events and activities which can drive a release and boost the catalogue, and how do we put a value on these activities



*“There are fewer barriers to global reach compared to the old days of physical distribution”*

**BEN MARLOW,  
Y ROYALTIES**

**Distribution revolution:** Downtown client Yoss Bones and (above, L-R) The Orchard’s Raye and Lasgo Chrysalis act 1st 1st



to help artists and rights-holders make informed decisions?”

Lasgo Chrysalis’ Garry Elwood credits advancing tech with making distribution “much more accurate and cost-effective”.

“The older days of sending a print-out of sales to a client is now an online portal where the client can see their stock and sales live,” says Elwood. “This same technology allows for product to be live within 24 hours, maximum, from time of delivery.”

As for the future, with the physical business now finally back on an upward curve, the need for distribution grows in tandem.

“More diverse retailers are now seeing that there is an opportunity to become involved in the physical music market, even if it is just music to suit their market sector,” argues Elwood, who sees opportunities around every corner.

“The re-releasing of classic albums will also continue to build sales and consumer loyalty,” he says. “Most of Gen Z cannot afford a new car and the second-hand one that they buy has a CD player. Good turntables are now available at more competitive prices, which encourages the new young adopter to start a vinyl collection, with the option to pick up CDs if they can’t afford the outlay. As long as record labels continue to invest in releasing physical product, the customers will continue to buy.”

Although The Orchard’s Ian Dutt expresses concern over the industry’s understanding of how to break artists “in a world of heightened engagement”, he is adamant the continued investment in growth markets will be prevalent for the next few years.

“Distribution will be central to that growth,” he insists. “At the same time, we need to better understand client requirements and expectations in the more mature markets.”

Downtown’s Ben Patterson, who lists the company’s work with Luis R Conriquez on *Corridos Bélicos Vol. IV* as a key moment from the past year, sees the market heading towards “increasingly fractionalised and sync-like usage patterns”.

“Music will remain a frontline entertainment product, but a lot of the growth and innovation is going to come in the adjacent space – how it’s consumed in short-form video, websites, games, and our ability as distro partners to administer and market to those channels,” he advises.

Fuga’s Chris Kröner predicts “increased artist autonomy and evolving consumption”, with short-form video platforms driving discovery, streaming services supporting passive listening and D2F models fostering deeper engagement.

“To thrive in this landscape, adaptable distribution strategies will be essential, alongside a focus on data-driven innovation, technological disruption and maintaining a global infrastructure with a strong local presence,” he states.

Over at CD Baby, Molly Neuman, who took over as president in June, believes the market will be increasingly focused on specific services “that allow artists to grow their business acumen”.

“I’m bullish on the future,” Neuman concludes. “There is opportunity for continued growth in partnership with the creative class and technology platforms in our industry.”

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