



MARKETING POWER THROUGH DATA AND NETWORKS

PRESENTED BY:



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MARKETING POWER THROUGH DATA AND NETWORKS



IMPALA – the pan-European organisation promoting and supporting the independent music sector – has teamed up with CMU Insights to deliver One Step Ahead, a new digital intelligence facility to enable independent music companies across Europe to navigate and identify trends, developments, challenges and opportunities in the digital music market.

In this second report from One Step Ahead, we look at how music marketing – and the role of record labels as key marketers in the music industry – has evolved over the last two decades. Labels remain crucial marketing partners for the artists they sign and work with, but the way a label delivers value has changed and is changing.

As a label, your data and your networks play an increasingly important role, maximising your marketing power and boosting the value of your campaigns. In this report we consider how to build, grow, manage and protect these crucial assets.

ONE STEP AHEAD: MARKETING POWER THROUGH DATA AND NETWORKS

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EXECUTIVE SUMMARY

1. LABELS ARE KEY MARKETING PARTNERS FOR ARTISTS

SUMMARY

Record labels are key marketers within the music industry. Through high profile release campaigns, labels not only drive sales and streams for the recordings in their catalogues, but also help artists to build fanbases and to grow their wider artist businesses. However, the marketing role of the label has changed significantly over the last two decades with the shift to digital music, the emergence of digital marketing channels, and the evolution of music distribution.

2. MUSIC MARKETING HAS EVOLVED

SUMMARY

In the age of streams, social media and direct-to-fan tools, artists are often much more involved in marketing themselves. Arguably the most powerful marketing tools are the artist's own channels and profiles on key social media and digital platforms. Plus fan communication is now a constant activity. Social feeds need to be regularly refreshed with content to keep the fanbase active and engaged. As a general rule, it often makes more sense for the artists – possibly in partnership with their management teams – to lead on this ongoing activity.

However, labels remain key marketers, and can bring more marketing power to the table than the artist's other business partners because of the knowledge and infrastructure they build across their roster and their total marketing activity. By employing their knowledge and infrastructure, labels can deliver increased value and higher returns from the budget and resources allocated to any one campaign.

3. LABELS HAVE MARKETING POWER THROUGH FAN DATA

SUMMARY

The music industry now has access to unprecedented amounts of data about each artist's fanbase. Savvy artists and management teams will also be utilising the same fan data, however the label's advantage is that it has sight of and access to data from across its roster. This bigger dataset is incredibly valuable when it comes to expanding reach and gaining insights about different audiences.

By cleverly employing this data labels can build below-the-line audiences on key social media. The primary data set here comes from the audience targeting and retargeting tools that are provided by social media and other digital platforms – what are often referred to as 'pixels'. Artists and labels can employ pixels to build their own audiences within each platform.

These pixels allow artists and labels to target and retarget content and communication within any one release campaign. But, crucially, a label can use the audiences it has built to target content and communication for future campaigns too, wherever there is an obvious cross-over between the fanbases of two artists.

This data also provides the label with insights. Because independent labels usually have a genre and/or a regional focus, they are able to identify and learn about the habits and preferences that are common to all fans who enjoy music of that genre and/or region.

This information helps labels to plan each marketing campaign, the kind of content that will be created, the platforms that will be prioritised, where money will be spent, how

paid-for communication will be targeted, and when activity should be scheduled.

Labels can also utilise these insights to create template strategies – or ‘play-books’ – for the marketing campaigns they run, most likely with a different play-book for artists at different stages in their career.

ACTION POINTS

You need to set up business or advertising accounts with each of the social media and digital platforms where you plan to spend money to distribute marketing content and communication. You then need to make sure that you use these accounts to generate pixels, ensuring that the resulting data and audiences are owned and controlled by the label.

You also need to make sure you have access to all the different categories of fan data that are required to gather useful and practical insights. Labels have direct access to some data sets – such as streaming data – but will need to be given access to other sets – such as social data – by the artist and/or their management team.

To make sure all this can happen, data considerations need to be included in record contracts, and any contracts you have with suppliers or distributors that are providing marketing services. You need to make sure all parties have access to the data they need to deliver the most effective marketing campaigns, in both the short and long term.

All parties need to make sure they also comply with data regulations. Artists, labels and any other partners need to make sure they clearly state what data they are gathering, what they are doing with it, and who has access to it, in the data and privacy policies on their websites.

TALKING POINTS

The independent music community might want to discuss what kinds of data considerations

should be included in record contracts, developing a code of practice for both artists and labels to follow regarding the fair and responsible collection and utilisation of fan data. The community might also want to share knowledge on the kinds of questions they should be asking of their fan data, allowing independents to stay on top of the latest trends and developments. Labels also need to be aware of how new laws and the changing policies of different technology platforms might impact on how artists and labels can utilise data in their marketing activity.

4. LABELS HAVE MARKETING POWER BY BUILDING NETWORKS

SUMMARY

Labels also deliver marketing power through their networks. This includes both B2B and B2C networks. Although there has been a lot of talk about ‘influencer marketing’ in recent years – meaning involving social media influencers in marketing campaigns – independent labels often have their own influencer networks: all the creative people and industry decision makers they regularly work with. Many of these people now have their own digital channels and online audiences. Some labels may also have their own fanbases, and where that is the case, more consideration should be given to have to capitalise on that audience.

ACTION POINTS

You should seek to identify all the current members of your label's community, the creative people and industry decision makers which make up your own influencer network. How could you better engage with and communicate to that community, to encourage and facilitate collaboration and cross-promotion? And does your label have a fanbase? Could it? What can you do with your digital channels and marketing content to better utilise that fan network?

01: THE MARKETING POWER OF RECORD LABELS

Record labels are key marketers within the music industry.

Through high profile release campaigns, labels not only drive sales and streams for the recordings in their catalogues, but also help artists to build fanbases and to grow their wider artist businesses.

However, the marketing role of the label has changed significantly over the last two decades with the shift to digital music, the emergence of digital marketing channels, and the evolution of music distribution. And that evolution continues as new kinds of streaming services gain traction and new digital marketing tools become available.

Today, artists usually begin the fanbase building process themselves before they even engage with the traditional music industry. They set up the digital channels that will be at the heart of all future marketing activity. And they then often run those channels day-to-day, initially again by themselves, and later with the support of their business partners. That will include their label, but might also include a manager or management team.

Meanwhile, many music distributors now also offer marketing services, helping to fund, plan and deliver marketing campaigns around

releases. Many labels utilise these services, but distributors now also work directly with artists. Which means that those acts who seek to self-release via their own labels can look to distributors to support individual campaigns.

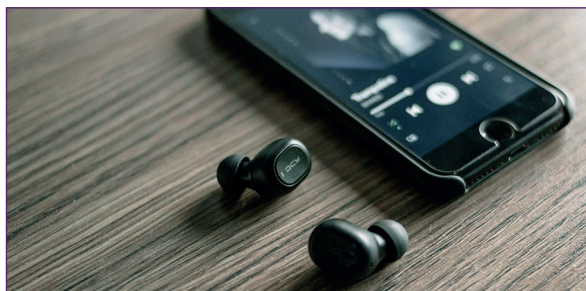
However, while artists, managers and distributors may now all be more proactively involved in music marketing, labels remain powerful marketing partners for the artists they sign. And, crucially, that power goes beyond the delivery of each individual release campaign.

Because labels are not mere service providers. Across their rosters – and the constant programme of release campaigns they run – labels gain knowledge and build infrastructure. This knowledge and infrastructure is then utilised for each marketing campaign, giving artists a substantial head-start and significantly increasing the value of every euro spent.

Larger labels have their own teams delivering each campaign. Smaller labels will hire the services of external agencies or utilise the marketing services of a distributor. However, in both scenarios the label's knowledge and infrastructure can be employed to increase the impact of the release and accelerate growth of the artist's fanbase.

Therefore to be successful – and to truly deliver value to artists – labels need to focus on building that knowledge and infrastructure. And in the modern music business a key part of that process is formalising, accessing and capitalising on the label's data and networks.

This report from One Step Ahead looks in more detail at what we mean by data and networks, and provides practical advice for how labels should build, grow, manage and protect these crucial assets.



02: THE EVOLUTION OF MUSIC MARKETING

Labels were traditionally the primary marketers of the music industry, having much more extensive and proactive marketing functions than any of the artist's other business partners, as well as active relationships with key decision makers within media and retail. Labels are still key marketers. But in many ways that role has changed over the last two decades for various reasons.

ARTISTS ARE MARKETEERS

In the age of streams, social media and direct-to-fan tools, artists are often much more involved in marketing themselves, beginning the fanbase building process before they even engage with the traditional music industry.

As their career develops business partners take over much of this work, however social media still requires greater artist involvement.

FAN ENGAGEMENT IS A CONSTANT

Fan communication is now a constant activity. Social feeds need to be regularly refreshed with content to keep the fanbase active and engaged.

This means some elements of marketing are happening on an ongoing basis, rather than via a series of finite release campaigns.

As a general rule, it often makes more sense for the artists – possibly in partnership with their management teams – to lead on this ongoing activity.

THE ARTIST OWNS THE CHANNELS TO REACH THE FANBASE

In the traditional music industry the key marketing channels were media and retail.

It was the labels that generally had the active relationships with the music press, music radio and music retailers, and the budgets to hire press and promotions agencies, and to buy advertising and fund in-store promotions where appropriate.

Media and retail – the latter now also including digital platforms – remain important of course, and the label's relationships with press, radio and retail are therefore still valuable. As discussed in an earlier One Step Ahead report, that also now includes the label's relationships with the curators and playlisters at the streaming services.

However, arguably more powerful are the artist's own channels and profiles on key social media and digital platforms. These are generally set up and managed by the artists – again possibly in partnership with a management team – and are therefore 'borrowed' by labels for each marketing campaign.

MUSIC DISTRIBUTORS MAY PROVIDE MARKETING SERVICES WITHOUT UPFRONT COSTS

Many music distributors now have expanded in-house sales and marketing teams which can



provide extra marketing services to distribution clients. Some smaller labels increasingly rely on these teams to lead on some marketing activity around releases.

But, of course, some music distributors now also work directly with artists. Because distributors will often offer these extra services in return for an increased commission on future revenues, this provides artists with another route to marketing support which – unlike hiring the services of a marketing agency – does not require upfront expenditure.

WHERE THE LABEL NOW FITS IN

Each of these developments has changed the label's role in terms of marketing. Because artists, management and distributors are all now more involved in music marketing, labels

are arguably no longer the primary marketeers of the music industry.

However, labels remain key marketeers, and can bring more marketing power to the table than the artist's other business partners because of the knowledge and infrastructure they build across their roster and their total marketing activity.

Of course, for each individual campaign, labels are also usually providing a budget and resources – whether that's their own in-house marketing teams or the external agencies and freelancers they hire. However, by employing their knowledge and infrastructure, labels can deliver increased value and higher returns from that budget and those resources.

03: MARKETING POWER THROUGH FAN DATA

The music industry now has access to unprecedented amounts of data about each artist's fanbase, how those fans interact with the artist and their music, how they spend money, and what other interests they have, beyond the artist specifically or music in general.



The different categories of fan data include...

- Usage, fan, playlist and other data provided by the streaming services.
- Sales and other data from download stores mail-order sites and high street retailers.
- Analytics from the artist and label's social media pages and profiles.
- Audience targeting and retargeting data from social and other digital platforms.
- Analytics from the artist and label's website.
- Email addresses of an artist and label's fanbase (with permission to email).
- Analytics from HTML emails sent to fans.
- Data from smartlink platforms.
- Data from pre-save platforms.
- Data from platform affiliate schemes.
- Data from merchandise and other direct-to-fan sales (by the label and the artist).
- Ticketing data.

Savvy artists and management teams will also be utilising the same fan data, however the label's advantage is that it has sight of and access to data from across its roster. This bigger dataset is incredibly valuable when it comes to expanding reach and gaining insights.

Each release campaign the label runs generates new data which further expands reach and generates additional insights. The next campaign then directly benefits from that work, while also generating a new round of data to benefit the next campaign, and so on.

DATA AND REACH

Fan data allows labels to build below-the-line audiences within social media and other digital networks that facilitates the targeting and delivery of marketing content and fan communications around each release campaign.

Targeting and retargeting tools

The primary data set here comes from the audience targeting and retargeting tools that are provided by social media and other digital advertising platforms (which we will refer to as simply 'retargeting tools').

The best known of these tools is probably the Facebook Pixel – which applies to both Facebook and Instagram – though similar tools are available from Twitter, Google, TikTok and so on.

Each digital advertising platform provides its advertisers with bespoke code – commonly referred to as 'the pixel'. The advertiser then places that code or pixel into their own digital content and communication.

If a consumer then accesses that content or interacts with that communication while logged into the platform that provided the pixel, that activity is tracked (and in some cases, even when they are not logged in).

SOURCES OF FAN DATA

STREAMING DATA

RETAIL DATA

SOCIAL MEDIA DATA

TARGETING DATA

WEBSITE DATA

EMAIL LIST

EMAIL DATA

SMARTLINK DATA

PRE-SAVE DATA

AFFILIATE DATA

MERCH / D2F DATA

TICKETING DATA

RE-TARGETING DATA

**Fan clicks on smartlink
published in artist
communications**

**PIXEL TRACKS
WHO CLICKS**

**Fan selects their
preferred streaming
platform:**

**SPOTIFY
APPLE MUSIC
AMAZON MUSIC
DEEZER
TIDAL**

**PIXEL TRACKS
WHO CLICKS**

Fan selects other options:

**ORDER PHYSICAL RELEASE
ORDER TICKETS**

**PIXEL TRACKS
WHO CLICKS**

**Target future comms
to these audiences**



The advertiser can then target future content and communication pushed through that platform based on past user activity.

So, for example, an artist posts about a new track on their social media, directing people to a page on a smartlink platform. On the smartlink page, the fan can choose to access the new track on their streaming service of choice, or possibly to buy a physical version of the release by mail-order or to buy tickets for an upcoming show.

The label applies a Facebook pixel to the smartlink page itself and to each of the options on that page. This means Facebook logs each user that clicks through to the smartlink page. It also logs each user that chooses to access the music via Spotify, Apple Music, Amazon Music, Deezer and so on. It also logs who clicked through to the mail-order and ticket pages.

When the label next pays to push content through Facebook or Instagram, it can use this data to target that communication. So the label can specifically push content to those that have previously clicked through to listen to the track, or specifically based on what streaming service they use, or based on their interest in mail-order and tickets.

Some of these 'segmented audiences' will be used more frequently than others, of course. For example, you might not push bespoke content to users of a specific streaming service very often. But doing so might be useful if you have a partnership with a specific platform, eg you might want to promote an exclusive first play on Apple's radio services just to fans that you know are Apple Music subscribers.

Building audiences with retargeting data

You will obviously target content and communication in this way within each campaign. But crucially, a label can use

the audiences it has built within the Facebook ecosystem – or on other digital advertising platforms – to target content and communication for future campaigns where there is an obvious cross-over between the fanbases of two artists.

Retargeting data has the most value when it is ‘fresh’ – ie relates to recent activity and interactions. For artists this can be a problem, because there can be significant gaps between each marketing campaign. But a label that has a constant stream of releases is constantly refreshing its retargeting data.

This benefits both the label and the artist. Because when the artist has a new release, the retargeting data that the label has gathered via its recent campaigns will likely be more valuable than the older retargeting data the artist gathered during their last release.

Technical Considerations: Setting up your accounts

Obviously, the starting point here is setting up advertising and/or business accounts with each of the platforms that provide retargeting tools and with which you are likely to spend money when pushing out marketing content and communications.

These accounts – and the data they will gather – are so important to the business, that you need to consider who should be the specific owner of your account, and make sure that that person is identified as the owner when the account is established. Employees and service providers will likely be given administrative access to the account once it is up and running, but you need to ensure your label is in full control of the data.

Once the advertising and business accounts have been established, they need to be linked to the relevant profiles, channels or pages of your label itself, and all the artists you are

currently working with. Each artist’s pages and profiles will usually be owned and managed by the artist themselves and/or their management teams, or possibly an external agency, who will need to give permission for pages to be linked in this way.

Technical Considerations: Running retargeting campaigns

Once this is all set up, the retargeting tools can be utilised and the necessary pixels created and exported. For each campaign, you need to consider how you will use these tools, what fan activity you are seeking to monitor, where the pixel will be placed, and so on.

You may have digital marketing people in-house who will manage this process for each campaign. Or you may rely on agencies, freelancers and/or digital marketing experts at your distributor to actually handle all this activity. Either approach is fine. However, it is vital to ensure any pixels are generated within your label’s account and that all the resulting data is accessible via that account for any future campaigns.

Technical Considerations: Integrating and supporting artist and label audiences

Savvy artists and/or their management teams may also be using the same retargeting tools if they are spending money with social and digital platforms. This is to be encouraged, providing you have access to the artist’s audiences for the duration of each campaign.

The artist, of course, will also have their above-the-line audience on each platform – ie everyone who has specifically liked or followed their pages or profiles. On some platforms this can be further enhanced by importing the artist’s mailing list.

These existing audiences can then be used to create a ‘look-a-like’ audience on each

platform, meaning the campaign begins with an existing audience and potential audience, to which content and communication (probably slightly different content and communication) can be pushed. Retargeting tools then enhance and refine this process as the campaign proceeds.

And, crucially, as a label you can also target your existing audiences within each platform where there is an obvious cross-over between the target audiences of other artists you work with. This might mean your entire audience within the platform, or you might have segmented your audiences based on specific features of any one fanbase.

It is fine that content and communication pushed out during a campaign includes pixels for both the artist and the label. Both sides should be clear on the mutual benefit of this activity, and therefore ensure that the other's pixels are always included. Services like Google Tag Manager can help where you are dealing with lots of different pixels and code.

Legal Considerations: Artist and supplier contracts

Artists and their management teams will hopefully recognise the value of giving the label access to their audiences on the different social media and digital platforms, and of ensuring that the label's pixels are employed whenever they are pushing out content. After all, all of this helps you better market the artist and their release, which will drive more sales and

streams of the music, and help grow the artist's fanbase in general.

However, data considerations should now also feature in an artist's record contract. Both sides should be clear about what data they seek to gather from each release campaign, what data and audiences they plan to make available to the other party, and what responsibilities they have in terms of ensuring pixels are properly employed.

Similar considerations should be included in any contract with agencies, freelancers or a distributor that is actually managing your digital marketing activity.

Legal Considerations: Data protection law

All of this activity is also subject to data protection law, of course, which within the European Union begins with the General Data Protection Regulation. The most important aspect of GDPR is that consumers – or fans – must be told what data is being gathered, what will happen to that data, who will have access to it, and how they can see or remove it.

This is generally done via the data and privacy policies that all businesses publish on their websites. It is vital that your label has such a policy and that it clearly states what retargeting tools are being employed and in what way, and that this policy is linked to from your label's website, any email communications, smartlink pages and so on.

But just as importantly, if an artist is sharing data with you, or giving you access to their audiences, this needs to be stated in the artist's data and privacy policy. Therefore, in addition to any other data considerations included in each artist's record deal, you need to ensure each artist is also obliged to update their privacy policies, and that they do so.



ACTION POINTS

- You need to set up business or advertising accounts for your label with each of the social media and digital platforms where you plan to spend money to distribute marketing content and communication. You can do paid-for activity with Facebook via a personal account, but best practice when it comes to data standards and security is only really possible when you are using correctly configured business accounts.
- Make sure all pixels are generated within these accounts so that all resulting data is controlled by you and your company. This is particularly important where you have external agencies, freelancers or a distributor actually managing your marketing campaigns.
- You need to include data considerations into all campaign planning with artists and preferably in each artist deal. Make sure that you have access to the artist's pages and audiences through your business or advertising accounts, and that the artist is able and willing to include your pixels on posts and pages that they control.
- Remember, both you and the artist need to make sure that your data and privacy policies clearly set out what data is being gathered and who will have access to it.
- Some artists will have savvy management teams who understand digital marketing. But some will not. Depending on the knowledge of the artist and/or their team, you may have to provide clear instructions about what you need them to do when it comes to placing pixels or getting direct or indirect access to their websites, mailing lists and social media.

TALKING POINTS

- The independent music community might want to discuss what kinds of data considerations should be included in record contracts – eg who should control what data, who should have access to what data, and what do you need to do to ensure all data regulations are adhered to. This could result in a code of practice for both artists and labels to follow regarding the fair and responsible collection and utilisation of fan data.
- We should remember that the use of retargeting data can be controversial, and law-makers and tech companies are constantly reviewing how this data should be collected and utilised. Tensions between law-makers and tech companies – and between different tech giants, especially Apple, Facebook and Google – will impact on all this in the years ahead. Recent changes to privacy settings made by Apple are already impacting on the Facebook ecosystem, and labels and other service providers are having to learn how to adjust.
- The independent music community needs to monitor these developments and consider how they will impact on their music marketing campaigns now and in the future.

DATA AND INSIGHTS

A label's insights are simply everything it knows about its target audience or audiences, and how, when and where they interact with music. Because independent labels usually have a genre and/or a regional focus, they are able to identify and learn about the habits and preferences that are common to all fans who enjoy music of that genre and/or region.

This includes:

- What streaming platforms, social media and devices they use.
- What media, playlists and other influencers they are influenced by.
- What kinds of content they respond well to and interact with.
- During what times of the day and the week they are most engaged.
- What other kinds of artists and music they follow, consume and enjoy.
- What passions and interests they have beyond music.
- Basic demographic and geographic information.

This information helps labels to plan each marketing campaign, the kind of content that will be created, the platforms that will be prioritised, where money will be spent, how paid-for communication will be targeted, and when activity should be scheduled.

Getting insights through comparing data sets

A starting point for gathering these insights is to simply monitor, analyse, scrutinise and compare different data sets, so the different categories of fan data on each different platform for each artist, and data associated with different artists across the roster.

Looking at data in this way – across multiple platforms and different artists – makes the

data much more valuable than simply focusing on one artist on one platform.

With so much fan data now available, comparing data in this way can be tricky. Some distributors help their clients navigate and analyse at least some categories of fan data through their proprietary portals. There are also standalone companies that can help with the process such as Chartmetric, Soundcharts and Entertainment Intelligence.

When comparing these data sets, you are looking for trends that seem to apply to multiple artists of similar genres or scenes – ie the various preferences and habits of the fanbases described above, and what kind of past activity had positive outcomes.

Obviously, every individual fanbase is different, so these trends are not going to be identical for every artist – but the aim is to gather some informed assumptions that you can begin with for each campaign, before active campaign data starts to come in.

So, you are looking for those features and trends – and practical learning outcomes and action points – that do seem to apply for multiple artists on your roster. What predictions can you make based on those trends when planning marketing campaigns for new artists?

Gathering insights through activity and analytics

More precise insights are gained through a combination of activity and analytics. That activity can take place through a plethora of marketing channels and the analytics can come from any of the categories of fan data outlined above. Though the best insights will come from digital marketing channels that can be closely linked to specific fan data.

So, to take the example above promoting a new track through social media by directing people

to a page on a smartlink platform. How many people saw the social media post? How many people interacted with it (eg liked, commented, shared)? How many people clicked through to the smartlink page? How many people clicked on the Spotify button? Did you see a spike in Spotify listening, generating revenue and influencing the Spotify algorithm?

Each of those steps can be tracked through the data provided by the social media platform, the smartlink platform and Spotify. For each piece of activity, key performance indicators (KPIs) need to be identified and then the outcome of the activity tracked.

Within each campaign, those analytics should inform the next bit of activity. If the desired outcome was not achieved, simple changes should be made next time, and the data analysed again. Realistically it can take several goes before positive outcomes are seen.

But again, the label's insight goes beyond each campaign. Where positive outcomes are achieved, the factors that led to that outcome need to be recorded. That information then needs to be made available and utilised on the next campaign. The aim here is that the wider insights reduce how much activity is required to see positive outcomes.

Technical Considerations: Access to fan data

First and foremost, as a label you need access to all the categories of fan data that provide the KPIs for any piece of marketing activity and which will identify a positive outcome. Labels will have access to some of this data as a matter of course – such as streaming data – but other categories will need to be accessed via the artist and/or their management team.

As a label, you will have a close working relationship with the artist and management, working in partnership to drive sales and

streams of the music, and to grow the fanbase. Ensuring both sides are able to access and utilise the data they need to inform marketing and other commercial activity and decisions is now a key part of that close working relationship.

Some data categories may actually be controlled by the artist's other business partners, who may or may not be willing to share that data. Where another partner won't share data for commercial or legal reasons – maybe a ticketing or merchandise platform – the label should include tracking code whenever they link to those platforms.

That might mean you actually use a link to a page on your own website that immediately forwards to the other site, but first counts the clicks. Or it could be a link generated within a smartlink platform – which is basically doing the same thing.

Either way, this means that you can see how many fans clicked on those links even if they do not have sight of what happened on those platforms once the fan arrived.

Technical Considerations: Documenting insights

You also need to set up a system via which any learnings you get from comparing data sets, and the positive outcomes you achieve, can be recorded and shared. This may be done through simple shared documents on a platform like Google Drive, Google Data Studio or Dropbox.

This is particularly important if you use external agencies, freelancers or distributors to actually undertake digital marketing activity. Part of the project plan with those external parties should be debriefing and documenting everything you learned from each campaign.

Sometimes knowing what didn't work is as useful as knowing what did. However third

parties – or indeed even employees – may be reticent about reporting on what activities did not deliver the desired outcomes.

The label needs to ensure that everyone understands that there is always an element of trial and error in digital marketing, and that the negatives are valuable learning opportunities on the way to achieving the positives.

Legal Considerations:

Contracts and data protection law

Again, data considerations need to be included

in all artist and supplier contracts. You need to make sure you have access to the fan data you need wherever possible. And suppliers need to be providing data and feedback on each marketing campaign they undertake – make sure that's a pre-agreed part of their work.

And once again, everyone has to remember data protection laws. The data and privacy policies of your label, the artist and other business partners need to clearly state what data is being gathered, who has access to it, how it will be used, and so on.

ACTION POINTS

- Identify all the categories of fan data that can help with individual marketing campaigns, and which will provide the insights you need to get a head-start on future activity.
- You will only directly control a minority of these data sets. You should include access to data in artist contracts, though understand that other business partners will control access to some data sets, and the artist may not be able to guarantee that they will share access with you. Don't forget, where the artist and other business partners commit to share data with you, they need to reflect this in the data and privacy policies on their websites.
- Think about the best ways to compare the different data sets you have access to. Does your distributor help with this process? Would you have better insights if you used a third party analytics platform like Chartmetric, Soundcharts or Entertainment Intelligence?
- Make sure that you include identifying and documenting learning outcomes as a key task at the end of every marketing campaign – and that external agencies, freelancers and your distributor are involved in that process if they are running aspects of any campaign.
- Set up a place where you can gather the learnings and insights, and make sure everyone involved in future campaigns has access to that information.

TALKING POINTS

- The independent music community could share information about key performance indicators and the kinds of trends that labels should be looking for across their data. Obviously each label's specific insights about their target audiences are incredibly valuable and give the label a competitive edge. But it's not those specific insights about any one fanbase that need to be shared – rather the kinds of data that each label should be looking for. So, what questions should a label be asking, not the answers to those questions for any one fanbase. Bigger music companies are often at an advantage because they can share this kind of knowledge across the group. Indies can better compete by ensuring that as a community they are also up to speed with the KPIs that are currently most valuable.

STRATEGIES AND PLAY-BOOKS

Labels should look to compile template strategies – or ‘play-books’ – for the marketing campaigns they run, most likely with a different play-book for artists at different stages in their career. Labels working with artists from different genres may need a different set of play-books for each genre they work with.

These play-books will basically combine the insights described above with any practical information about the assets required to deliver each campaign. So, each play-book should provide a basic outline of...

- Which digital platforms should be employed.
- What content assets will be required.
- The current tech specs for each content asset on each platform.
- What kinds of content perform well.
- What kinds of communication perform well
- Demographics, locations and interests to prioritise.
- What existing retargeting data should be utilised.
- What new pixels should be created and placed.

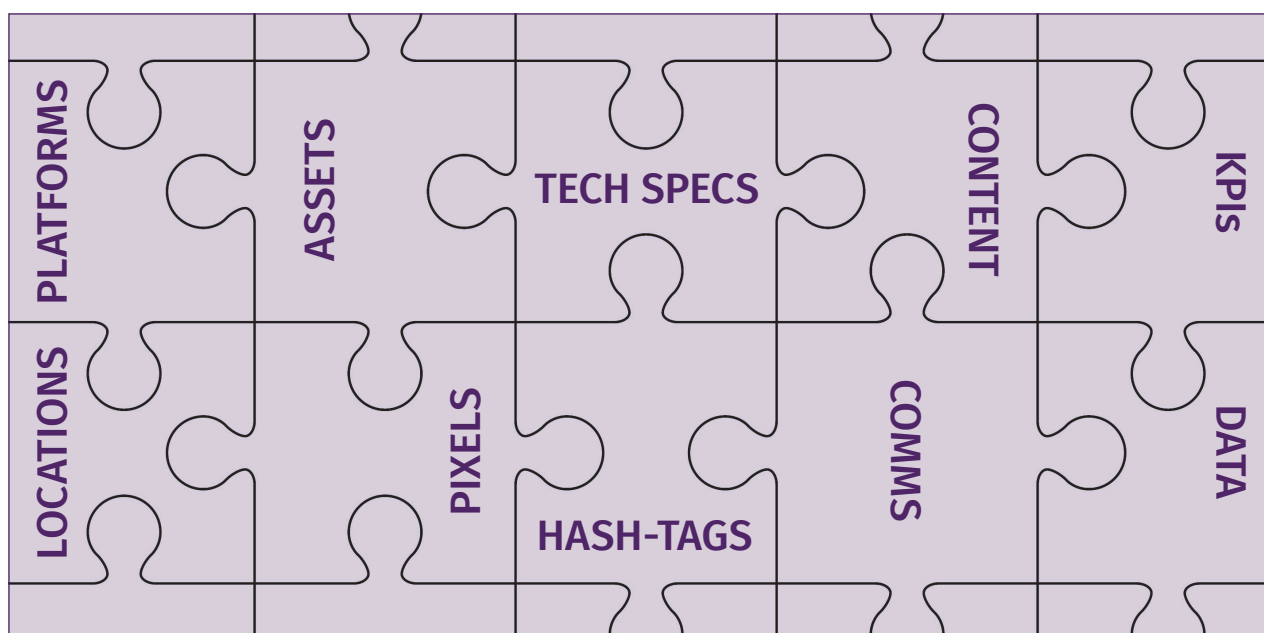
- What Instagram and Twitter hash-tags are worth considering.
- What KPIs should be prioritised at each step.
- What data will demonstrate success.

Each play-book is obviously a constant work in progress, as platforms evolve, consumer trends develop and new insights are gathered from each campaign.

However, these play-books mean that for each new campaign, the label has a template strategy to employ and check-list to utilise. Where external agencies, freelancers or distributors actually implement a campaign, this information can be shared – and combined with any insights they bring to the table – in order to give each campaign a head-start.

ACTION POINTS

- You should take your learning outcomes and insights and create a series of play-books, providing a template and check-list for running marketing campaigns – with different play-books for different levels of artists and possibly different genres.



04: MARKETING POWER BY BUILDING NETWORKS

INFLUENCER (B2B) NETWORKS

Labels have always sought to build relationships with key opinion formers in the music media and beyond, so traditionally music journalists and editors; and presenters, producers and heads of music in radio and TV; and DJs at relevant club nights. In more recent years these contacts would also include bloggers, podcasters, playlist curators and so on.

Where a label doesn't have these relationships, it may seek to access them by hiring the services of a specialist music PR or promotions agency that does.

In recent years there has also been increased interest in so called 'influencer marketing', whereby labels seek to form content partnerships with creators and influencers on the social media and video-sharing networks. These relationships are often different to traditional media relationships, in that usually there is a commercial transaction involved, rather than a contact covering an artist or release for entirely editorial reasons.

This makes influencer marketing more part of advertising than PR. It also tends to make this activity expensive and beyond the budgets of many independent labels.

The label's influencer community

However, most independent labels actually have their own influencer networks that are often under-utilised in the music industry. This is basically the community of creators that the label routinely works with.

That includes all the current artists on the label's roster, but also any songwriters, producers, sound engineers, designers, illustrators, photographers, video-makers, editors, stylists and writers that the label

routinely works with, as well as the label's own team, and friends and supporters of the company.

Independent labels have always built informal communities of this kind. However, what is new is that most members of that community now have their own audiences through social media and other digital platforms. Which makes these people online influencers.

You should therefore seek to utilise this community as an additional marketing tool, both by facilitating collaborations within the community, and encouraging cross-promotion.

Facilitating collaboration

Collaborations between artists and other creators are incredibly important in building audiences online. It allows each artist and creator to put their work in front of the other collaborator's audience in an endorsed way, interacting with that other audience, with the aim of exciting those people with the music, and recruiting them to their own fanbase.

In some genres of music, collaboration is common in the music-making process itself, with guest spots on other artist's songs or official remixes of tracks. However, collaboration is possible across all genres – both with other artists and other creators – through the creation of marketing content.

As a label, you should look for ways to facilitate collaboration between members of your community. That collaboration can be between different artists on the roster, but also with other creators within the label's network, including songwriters, producers, sound engineers, designers, illustrators, photographers, video-makers, editors, stylists and writers.

As a starting point, a label could identify all the members of its community and the online channels they currently control.

You could then ask each member of the community if they are interested in collaborations, and if so on what terms – ie would collaboration be primarily about co-promoting each other's activity, or would there be a commercial transaction?

In some cases these collaborations are probably already happening, they just aren't necessarily viewed this way. So you are hiring other creators to work on a project – but how could you encourage and enable those people to more proactively promote the project through their own channels?

And in return, how can you and the artist

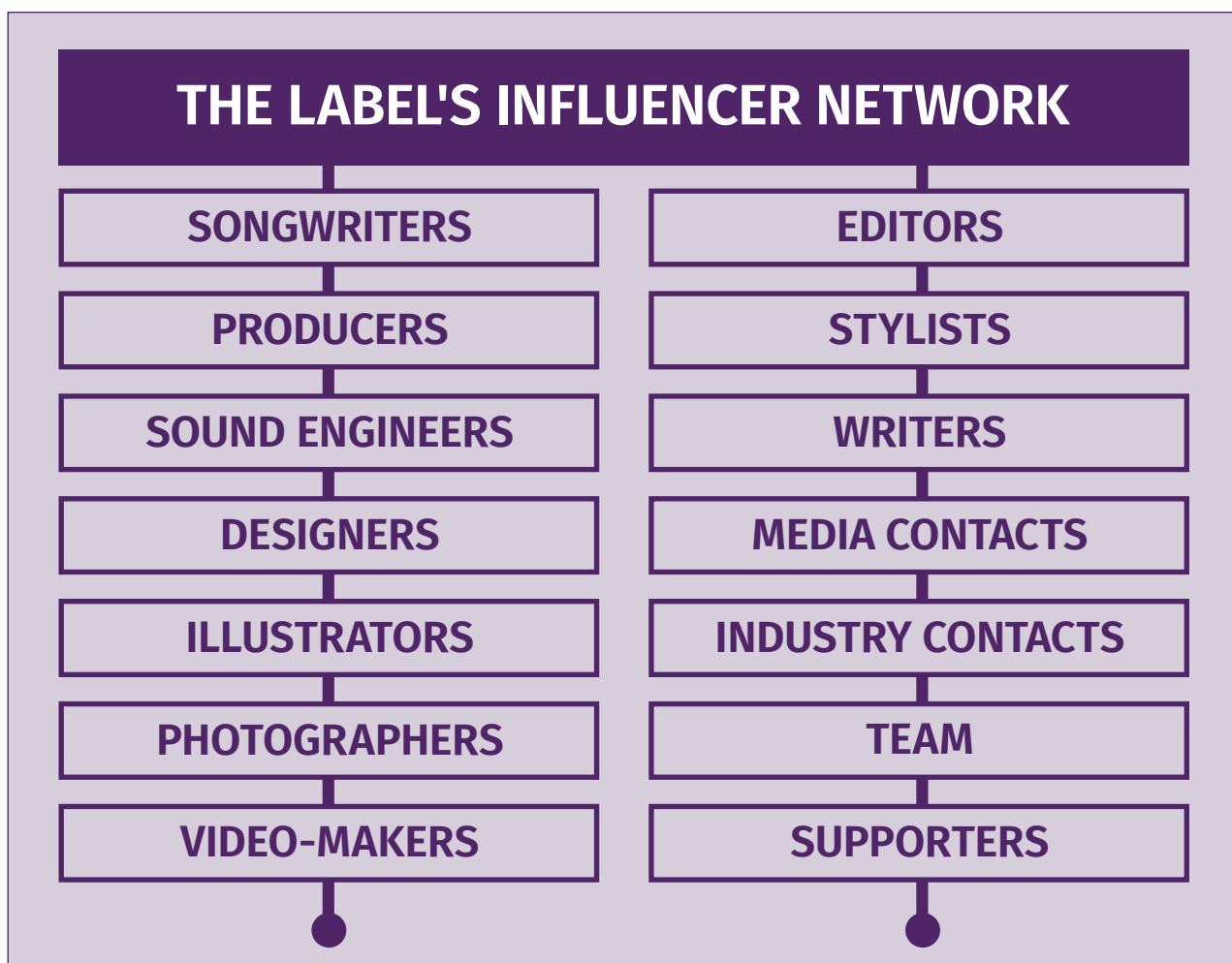
more proactively promote the collaboration, so that everyone has the potential to reach an expanded audience as a result of the project?

Facilitating cross promotion

You should also actively encourage members of your community to promote the work of other members of the community through their online channels.

As a starting point, it's maybe worth considering some sort of community communications to keep everyone in touch with both the label's projects, but also other community member's projects, so that the cross promotion works to everyone's advantage.

This could be a simple monthly newsletter sent by email, or a WhatsApp group, or something similar.



FAN (B2C) NETWORKS

Labels are, of course, in themselves influencers. Certainly within the industry, a label's involvement in an artist's recordings is a seal of approval from a business with a proven track record of discovering, signing, developing and working with great artists and great music.

The extent to which your label's brand is also consumer facing will depend on your history, your A&R policy and probably the genre of music you specialise in. Within certain genres there is an opportunity for a label to build its own fanbase, and therefore its own above-the-line audience – or fan network – on social media, streaming services and other digital platforms.

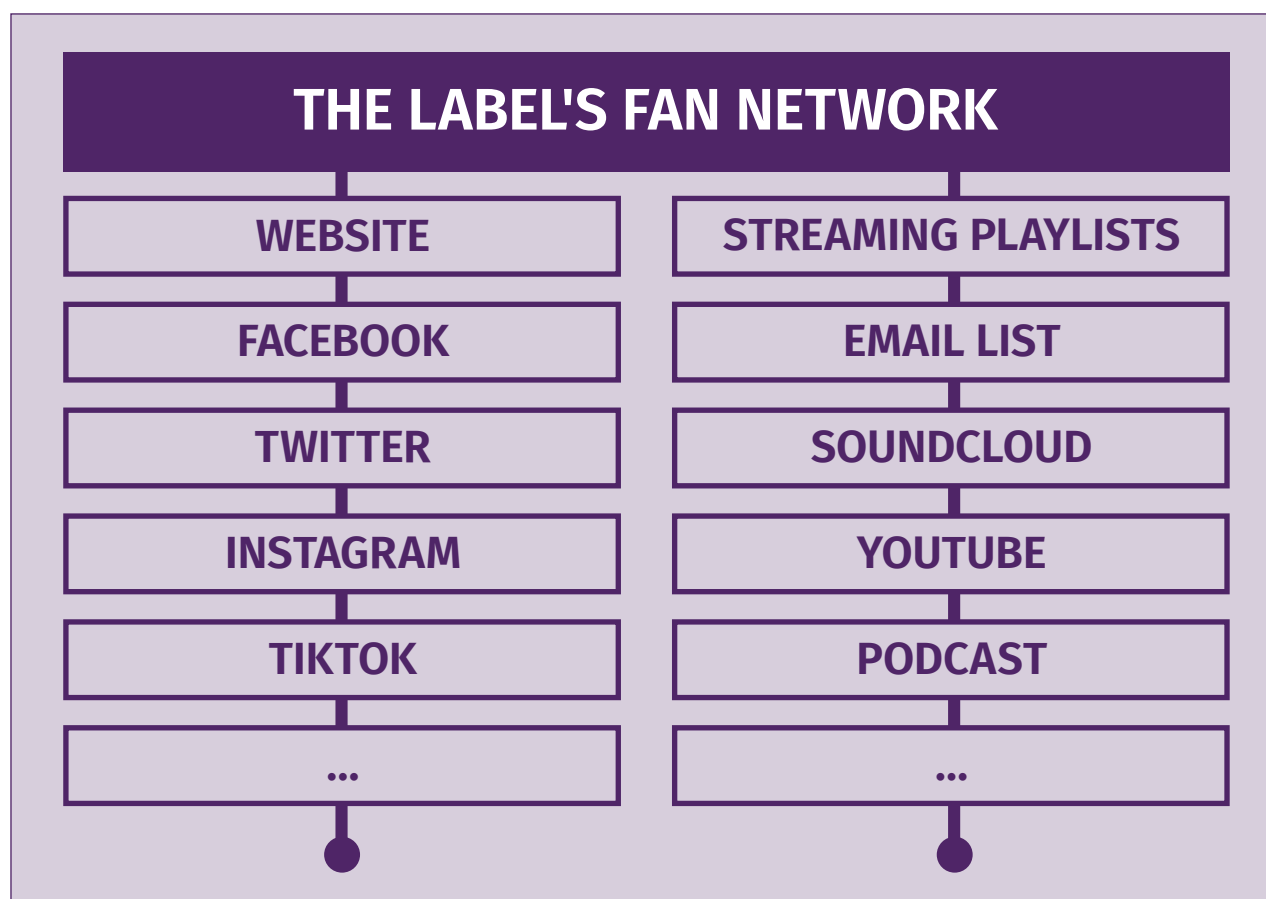
At the same time, for other labels it's the artists' brands that will always be to the fore, and your priority is helping to build and then utilise the artist's fanbase. As a label, therefore,

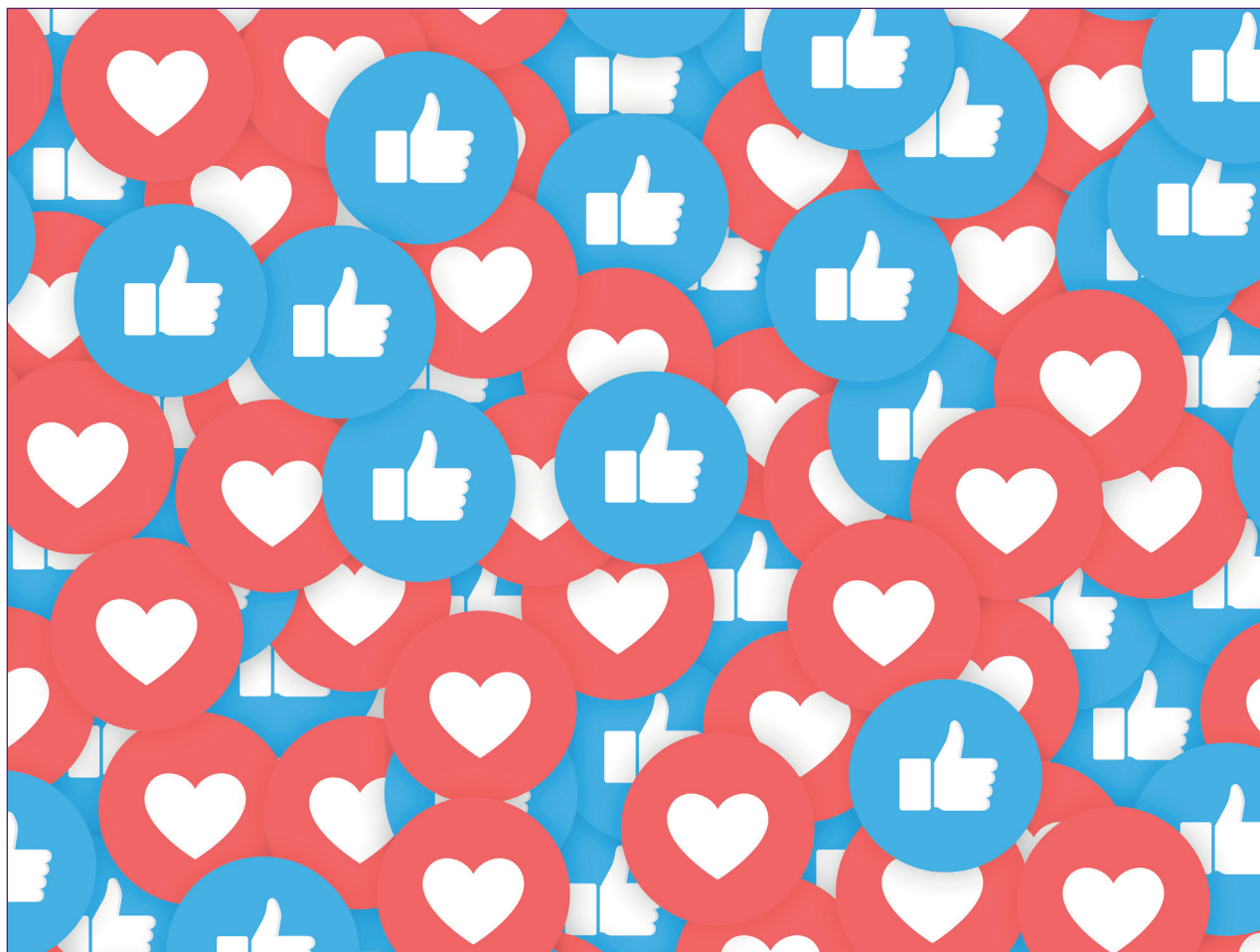
you need to make a call on how much effort it is worth putting into building your own above-the-line fan network – ie a label fanbase.

Where there is potential for a label fanbase, it is worth having an ongoing marketing plan for the label that sits alongside and interacts with each release campaign. This includes using retargeting data to promote the label's own profiles and playlists, and possibly creating some content around each release that is exclusive to the label's own digital channels.

Even where a label's brand is always going to be more B2B, obviously the label should have a social media and online presence, and ensure all release campaigns are featured on those profiles and pages.

These can also be used to promote projects and activity undertaken by other members of the label's community, further encouraging cross-promotion.





ACTION POINTS

- Identify all the current members of your community – including all the artists you are currently working with, plus songwriters, producers, sound engineers, designers, illustrators, photographers, video-makers, editors, stylists and writers who you regularly engage with. Review what online channels each member of your community currently operates.
- Think about how you could better engage with and communicate to your community, to encourage and facilitate collaboration and cross-promotion. Depending on the nature of your community this might involve something quite passive like a regular email bulletin or something more active like a WhatsApp group.
- Consider to what extent your label has – or could have – a fanbase and therefore its own fan network. This will depend to an extent on your A&R policy and the genres in which you operate. If you do have a fanbase, how could you enhance and utilise this audience through specific marketing activity for the label?
- Even where your label has more of a B2B profile, consider how you could make better use of your label's website, mailing list and social media – can you create some bespoke content for these channels with each release campaign?

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ABOUT ONE STEP AHEAD

One Step Ahead is a digital intelligence facility from IMPALA to enable independent music companies across Europe to navigate and identify trends, developments, challenges and opportunities in the digital music market. Delivered in partnership with music business consultancy CMU Insights and with support from Merlin, One Step Ahead provides reports, tools and training to help independent music businesses of all sizes to get the most out of today's digital opportunities in Europe.



ABOUT IMPALA

IMPALA was established in 2000 and now represents over 5000 independent music companies. 99% of Europe's music companies are small, micro and medium businesses and self-releasing artists. Known as the independents, they are world leaders in terms of innovation and discovering new music and artists – they produce more than 80% of all new releases and account for 80% of the sector's jobs. IMPALA's mission is to grow the independent music sector sustainably, return more value to artists, promote diversity and entrepreneurship, improve political access, inspire change, and increase access to finance. Read more about IMPALA's story in 20 milestones on our website. impalamusic.org



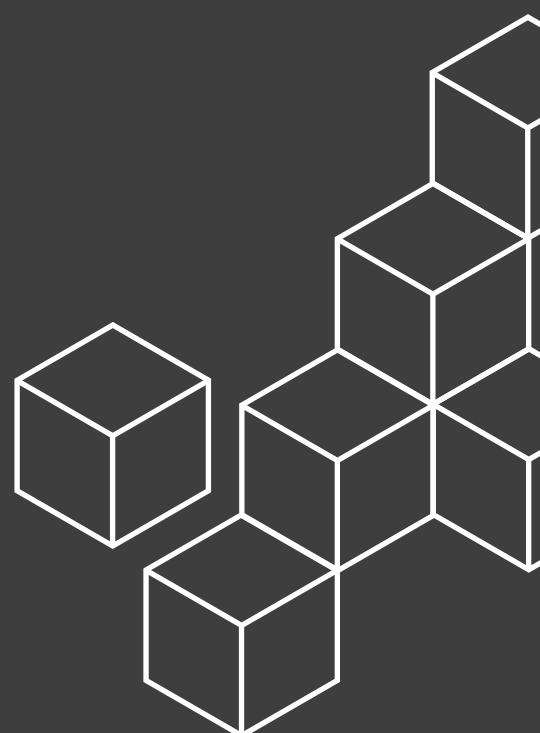
ABOUT CMU INSIGHTS

CMU helps people navigate and understand the music business through media, education, research and events. CMU Insights is the company's business intelligence unit. It supports the music industry – both music companies and companies working with music – through training, consulting, research reports and conference sessions. cmuinsights.com



ABOUT MERLIN

Merlin provides independents the means to own their future. Members work directly with key digital partners, but benefit from Merlin's premium deals with over thirty digital music services around the world. Merlin's membership consists of independent labels, distributors, and other rights-holders, representing tens of thousands of labels and hundreds of thousands of artists from every country in the world, representing 15% of the global market share. As a member-led, artist-focused organisation, Merlin's mission is to deliver best in class services and work collaboratively with its digital partners to drive incremental benefits to members, while delivering value back to digital music services. merlinnetwork.org



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