

# NEW CHANNELS OF MUSIC DISTRIBUTION

## TEST - Website Portal

### **Chapter 1**

#### MUSIC INDUSTRY STUDY AND FACTS

1. Radio continues to be the number 1 source of music discovery in the United States, with 61% of respondents saying they find out about new music from AM/FM or satellite radio? T/F
2. Word of mouth is also important, particularly for teens: 15% say they discover new music through family and friends. T/F
3. Product endorsements and promotions/competitions that feature musical artists are one of the quickest ways to establish an artist's brand, and the study indicates that consumers support this. T/F
4. Almost one-third (30%) of people globally look out for competitions or promotions that feature their favorite artists and bands (topped by China at 49%), while 43% agree that "If brand sponsorship is the only way an artist can make money, they think they should do it (even if they have to compromise)" T/F
5. In this electronic age, TV has surpassed all other media as our primary source of information and entertainment. T/F

### **Chapter 2**

#### MUSIC COPYRIGHT, PUBLISHING AND LICENSING

1. Any original works that have been created and is in tangible form is a form of copyright. T/F
2. The role of a music publisher is to  

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3. The three types of music publishers are: (1) "majors," (2) "mini-majors" and (3)  

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4. With an Administration Deal the publisher agrees to service the writer by collecting all sources of income and handling all aspects of administration on a commission basis. The range varies but usually goes between 50% and 75%, but varies from deal to deal. T/F
5. According to copyright law, the current royalty rate you are entitled to receive — called the “statutory mechanical rate” is currently \_\_\_\_\_ cents if you wrote 100% of the song and the song is under five minutes long.
6. What is the function of a performing rights organization’s (PRO)?
7. What are the (4) Performing Rights Organizations in the United States?

### **Chapter 3**

#### **MANUFACTURING PROCESSES, SYSTEMS, PRODUCT PLATFORMS AND MUSIC PRODUCTION**

1. Product platform is a term used for any medium or format used to host music; examples are \_\_\_\_\_.
2. While CD sales are falling worldwide, Japan still reports about 28% of physical sales and Germany 70% compared to 20% in some countries, like Sweden, where online streaming is dominant (IFPI, 2015). T/F
3. Understanding the Entire Production Process. The production process typically breaks down into four phases: Pre-production, Production, Post-production and \_\_\_\_\_.

### **Chapter 4**

#### **TYPES OF DISTRIBUTORS AND INDIE DISTRIBUTION ASSOCIATIONS**

1. Distribution has changed within the last few years, substantially, which is the reason for the term (major) independent distribution companies, encompassing those companies that have the capability to place product in most or all major music retail chain outlets and one-stops within a 24-hour period. T/F
2. One-stops are national operations that obtain product only from major labels and buy in large quantities from major distributors. T/F
3. Rack Jobbers lease space from big box retailers. T/F

4. In international business, (Direct Exporting) involves a foreign purchaser in the local market or using an export management firm. T/F
5. Name the (3) major label distributors:

## **Chapter 5**

### **DISTRIBUTION PROCESSES**

1. Distribution Companies are obligated to pay you within either 30 days from the date of the invoice. T/F
2. Reserve or hold-back against returns serves as a protection for the distributor in the event that moderate to significant returns occur with your title. T/F
3. Discounts as high as 30% are given to distributors for large volume buys. T/F
4. Stores pay distributors on a monthly or quarterly basis; they return unsold merchandise, generally after 30 days. T/F
5. The price at which distributors buy from record labels is commonly 50% to 55% of the retail list price. T/F

## **Chapter 6**

### **DISTRIBUTION RESOURCES**

1. BDS technology tracks and monitors retail digital sales of music downloads. T/F
2. Gracenote, in simple terms, is also music fingerprinting. If you have incorrect or missing track information in your music files, Gracenote will identify the tracks and add the correct tagging information, including title, artist, album, etc. T/F
3. The organization that tracks sales of music and music video products throughout the U.S. and Canada is called \_\_\_\_\_.
  - a) Sound Exchange
  - b) Harry Fox
  - c) BMI
  - d) Nielsen Soundscan
4. MediaBase monitors and tracks radio airplay in the US only? T/F
5. ISRC is an identifying code for physical and digital music? T/F

## **Chapter 7**

### ALTERNATIVE SELLING AND TOTAL EXPOSURE

1. "Cutout Companies" are defined as:
2. Brand equity is the degree to which a consumer purchases a certain product brand without even considering alternatives. T/F
3. Music branding companies connect top brands with the ideal artists and music. Name one of their core services \_\_\_\_\_.

## **Chapter 8**

### INTERNET MARKETING

1. Define Inbound Marketing.
2. Define Outbound Marketing.

## **Chapter 9**

### RADIO

1. According to CMJ (Top 200 Charts) about 75% is urban contemporary music? T/F
2. \_\_\_\_\_ (Radio Promotion Platform) is the new way to send your promotional content (music, video, ads) in full broadcast quality to managed lists of broadcasters, press, music directors, program directors and industry VIPs worldwide.
3. FMQB is read by over 10,000 industry professionals and reaches over 3.5 million hits per month with over 300,000 visitor sessions through its website. T/F
4. Close to 1,000 college radio stations report to CMJ out of roughly 5,000 US colleges and universities. T/F
5. Bridge Ratings estimates based on current trends that Internet radio will have 185 million listeners by 2020, 250 million will still be listening to terrestrial radio, and HD radio will have less than 10 million. T/F

## **Chapter 10**

### **PROMOTIONAL CAMPAIGNS AND PLANNING**

1. EPKs stands for \_\_\_\_\_, used to promote your music to touring and booking agents.
2. Co-op advertising may be paid up-front, all or in part by the retailer or the distributor, then reimbursed by the label from a co-op budget determined by the retailer's volume of purchases from the distributor. T/F

## **Chapter 11**

### **COMPANY STRUCTURE**

1. Members can draw up their own contract, allowing for flexibility in management and responsibilities for a General Partnership and LLC. T/F
2. The advantages of Sole Proprietorship is that it provides personal liability protection for its owner. T/F (False)
3. Employer Identification Number (EIN) is also known as a \_\_\_\_\_ Number.
4. D-U-N-S Number is a unique nine-digit identification sequence that provides unique identifiers of single business entities while linking corporate family structures together. T/F
5. A Paydex score of \_\_\_\_\_ or higher is considered healthy for a company.

## **Chapter 12**

### **RECORD LABEL ORGANIZATION**

1. The sales and distribution department is the "foundation" of every department of the label in that it is critical in producing overall sales for the company by having a solid sales and distribution platform in place. T/F
2. The (President) works on a company's long-term strategies and strategic partnerships; provides leadership to position the company at the forefront of the industry. T/F
3. Culture is defined as the environment of a particular organization. T/F
4. The (Sales & Distribution Department) utilize teams of publicists to coordinate print advertisements and artists' public appearances. T/F
5. The \_\_\_\_\_ division of a record label company is responsible for scouting and artist development.

## **Chapter 13**

### **INTERNATIONAL MARKETS**

1. According to a polled survey of 30,000 online respondents in 60 countries, less than 10% of global consumers are willing to buy products online. T/F
2. The Japanese spend more money on music per person than anyone else in the world—almost three times more than Americans. T/F
3. Japan is also still obsessed with buying physical CDs; in fact, of all music sales in the country, 38% are CDs, whereas in other countries. T/F