

Written Proposal Stern Plates Record Label

Introduction

This proposal aims to outline and define an entertainment product or service that will be the focus of a campaign to last a 3-year period. However, the strategies used and the execution will allow the product in question to be sustainable after Y3 and beyond. This proposal will also demonstrate the planning and understanding of marketing techniques and strategies that will be used throughout the 3-year campaign. It is also important to utilise this proposal as a framework and base-level plan to allow the campaign to be delivered and executed successfully.

Campaign Overview

I am proposing the marketing and business venture of a new record label run by myself. The label is called *Stern Records* and will release music from the UK Club music scene, including genres such as Jungle & Drum and Bass, UK Garage, Rave, House & Techno. With such a varied offering of styles of music from UK clubland, the label will be able to cater to a wide variety of audiences who enjoy these types of genres. It is important to note that the vast majority of those who enjoy one of the listed genres will also enjoy the others as well, therefore this decision to avoid cornering a specific music market will not be to the detriment of the label.

The label will aim to provide a home for fresh new artists in the Dance music scene. While at the same time, the label will reinvigorate older artists and their back catalogue for the generation of fans who are now older but are nostalgic for the tracks they heard when they were clubbing. Re-releasing these older tracks to bring them to a new audience is another goal.

The label will have an accompanying blog initially in Y1, highlighting artists and releases across the scene. It is an aim to eventually turn the blog into its own standalone print magazine by the end of Y2, which will offer PR and marketing opportunities to other labels and artists, providing additional financial income. Articles on the blog and magazine will feature interviews with artists, reviews of events and festivals, research articles on the history of UK Dance music and much more.

By the end of Y3, my ultimate goal is to create an offshoot from the label, a dedicated marketing agency, assisting independent artists and other record labels. This will aid them in marketing themselves within the UK Dance music scene. The operation of the record label for the three years before the agency launch will build up a substantial network of contacts within the industry and hone and sharpen my understanding of marketing within this field.

Audiences

To understand how *Stern Records* will operate, it is important to understand the audiences that the label will be marketing to. The strategies used will be dependent on the demographics and psychographics of these audience segments. Some marketing techniques will be different for different segments but there will also be shared strategies across the different audiences. This is because this type of music is somewhat niche already, meaning that there are a considerable number of shared characteristics across the groups.

Group 1 – *The Bedroom DJs*

This group consists of 16 to 24-year-olds who are on the cusp of clubbing or have only just started going out to nightclubs. However, they have been fans of these styles of music for some time already. They are extremely passionate about new music and have an understanding of heritage tracks as well. They are very willing to share music with one another, this is their form of communication and method of sharing their interests with like-minded people.

They are typically within the low-income demographic as they are either students or in their first job. Their passion for dance music means that they are happy to part with their cash for vinyl records, digital downloads or merchandising from the label to support the artists and business. Location is unspecified for the younger people in this group but from 18-24, large university towns such as London, Bristol, Manchester and Leeds to name a few will be targeted.

Group 2 – *Out-Every-Weekenders*

25 to 35-year-olds who enjoy partying and clubbing nearly every weekend. A large proportion of them are established or semi-established DJs. They play clubs and radio shows regularly. They can be defined as mid-level to high-level tastemakers with some form of a dedicated following on social media. This audience is perhaps less inclined to share music as they want to keep the music for themselves so that they are one of few who are playing the tracks. The locations for this segment will be major clubbing cities such as London and Bristol.

Group 3 – *Vinyl Dads*

35-50 years old, predominantly male who are passionate about old music. Specifically, old dance songs they used to know and love when they were clubbing in their earlier years. They, for the most part, do not go out to nightclubs anymore but want to reconnect with that “raver” lifestyle of theirs by listening to the music of that era. Probably married with children and have a medium to significant level of income to spend on merchandise and records.

Label Operations

Releases

Releases will be both on vinyl and digital. Vinyl is still deemed an important medium for music in the dance music scene. This taps into the idea of scarcity marketing, limiting the supply of a product to increase the demand for it "Record consumption is a direct by-product of the music fan's emotional, material investment in the art" (Sonnichsen, 2017).

My existing relationships with vinyl pressing companies and vinyl distribution networks will allow for a smooth initial start-up for the business. The manufacturing of the records will be approximately 6 months. Distribution will allow for the records to be sold internationally. Initially, there will be a unit split of 70% of records sold through this distribution network and 30% sold by *Stern Records* in Y1. This is to maximise the reach and brand awareness of the releases but will incur a higher cost/unit as the distribution will take some of the profits. In Y2, this will move to a 50/50 split and in Y3, a 30/70 split, gradually maximising profit for the label as the reach and awareness of the brand increase.

Releases will be put out quarterly with a total of 12 releases across the campaign period. Once the next release is put out, consumers will have an opportunity to download the previous one for free digitally, providing they purchase the new vinyl. Alternatively, they will be able to purchase a limited-edition USB which has the previous release on it. This technique will be deployed to maximise the concept of scarcity marketing and market the label as a "pro-DJ" one instead of a sales-driven one.

Website

The website for the record label will have a 90s aesthetic, mimicking the look and feel of early internet explorer browsers. This is to tap into the senses of nostalgia and anemoia, nostalgia for an era that you have not experienced, both of which will play a part in the marketing for all three audience segments. The site will function as a hub for the record label with an e-commerce section for vinyl and other music products as well as merchandise and will be home to the blog.

Live streaming will feature prominently on the site, with artists performing live mixes which fans can enjoy. There will be additional video content including interviews with artists. The goal of the website is to become a one-stop shop for fans of the record label to consume as much content as possible. The increases affinity for the brand significantly and therefore these consumers are more likely to purchase records and merchandise.

Marketing Strategy

Branding & Iconography

Stern Records' branding will feature predominantly monochromatic colours. This is to emphasise the importance of the music and let it stand alone through its quality. The logo will feature a vinyl record being struck by a hammer with the tool fracturing on impact. It will not be overproduced and be incredibly high quality. Instead, it will have the look and feel of old "Letraset" style rave flyers from the late 80s, and early 90s. This once again taps into the two aforementioned sentiments of nostalgia and anemoia.

Live Events

With clubbing being such a vital element in this field of music, live events must feature within the business model of the label. They will act as an opportunity for additional income as well as marketing both the artists on the roster and the label itself driving brand awareness. Events put on by *Stern Records* will begin towards the end of Y1.

Opportunities to partner with festivals and curate stages will be sought out. Some of the festivals that have been shortlisted include Outlook (UK), Dimensions (HR), Sonar (ES) and Melt (DE).

Merchandise

Merchandising will feature heavily as a form of self-promotion and marketing. The objective of this element of the business will be to build a cult following and make people feel as if they belong to a member's club by wearing some of the merch. It can be likened to the XL Recordings MA1 flight jackets that were given to artists and sold in the early 90s.

As the music released on the label covers different eras in the UK Dance music timeline, it is an excellent idea to have different collections of merch that correspond to the different fashion trends that accompanied these eras. For example, more baggy clothing for the late 80s/early 90s Rave and Jungle scene compared to a shapelier fit with flashier designs for the UK Garage era of music. This way you are providing a more thought-out offering to your consumers which they in turn will recognise and appreciate, driving up their affinity for the brand.

Additional merch concepts include branded slipmats for turntables, USBs as mentioned before, ashtrays, jewellery and much more.

Playlisting & Release Promotion

There will be a significant reliance on the old-school method of sending releases to respected DJs. They will then play the records to their fans at live shows and on radio stations. This is to build a more organic demand for the record in anticipation of it being released. However, once the records are released, Spotify playlisting will play a key part in

the release cycle. It is important to note that while I do not want consumers to have access to the digital download straight away and be able to play that out in their DJ sets, I do believe that the releases need to be accessible on DSPs such as Apple Music and Spotify. This allows those who are not concerned with DJing the opportunity to listen to and enjoy the tracks. Spotify curated playlists such as “Rave Factory” with nearly 21,000 followers and “Proper Naughty” with 92,000 followers are both the level of playlists that *Stern Records* releases will be highlighted on.

E-commerce Marketing

With a dedicated website for the label where we are selling a variety of products, we are presented with opportunities to upsell, up-market and utilise other e-commerce marketing tactics to entice consumers into parting with their cash for these products. For example, the use of bundle sales by grouping different products together, a hoodie, an ashtray, and a vinyl record at a slightly discounted price increases the likelihood of a consumer parting with a larger amount of cash for all of these products as opposed to them buying them individually.

Another strategy that will be deployed will be the use of a loyalty programme, whereby fans can earn loyalty points by purchasing releases or merch, tickets to live events and more and will be able to make use of discounts or be entered into competitions to win products.

These types of strategies fall into the realm of neuromarketing, where consumers are enticed into becoming more active in their purchasing habits with the brand. This is shown to drastically increase affinity for the brand and drive forward a sense of a cult following for *Stern Records*.

Social Media

The use of social media will play a role in the marketing strategy. However, there needs to be a balance in terms of marketing the releases and the label via social media and maintaining an organic and underground feel to the products. This balance will come from ensuring that the content posted on the socials is of high quality and that it predominantly directs the audience to the website or Spotify. In this field of music, barraging your audience with excessive information will most likely turn them off and make them search elsewhere. Maintaining a sense of mystery and holding information back to allow the consumers to find it themselves is paramount. It can be likened to going to a record store and sifting through countless records to find the one that you want.

All the operations and content mentioned so far in this proposal will count towards the content of the social media posts. This includes highlighting upcoming releases, blog posts and interviews as well as live streams and merchandising which will all feed into the content stream that the audience will receive.

A small number of Ads will be used, predominantly for live events. These will be segmented into the location of the live event and based on the audience demographics and psychographics discussed earlier in the proposal.

Project Management

SMART Goals

SMART goals will be used to ensure that the campaign and project are kept on track throughout the 3 years. SMART goals are defined as follows:

S – Strategic or Specific

M – Measurable

A – Achievable

R – Relevant

T – Time-bound

(O’neill, Conzemius and Commodore, 2006)

An example of SMART goals in operation within this campaign could be applied to the release schedule for the label. The “Specific” element is to release UK Dance music on the *Stern Records* label. “Measurable” represents the number of releases planned throughout the 3-year period which equates to 12. The “Achievability” of this is dictated by manufacturing times and budget constraints. The “Relevancy” of this goal is apparent as a record label is expected to release music and the goal is in a sense “Time-bound” as this project is set within a 3-year timeframe.

Deming Cycle

“The Deming cycle is a continuous quality improvement model which consists of a logical sequence of four key stages: Plan, Do, Study, and Act.” (Process Street, 2017) This kind of tool is incredibly useful in a long campaign such as this one. The necessity to consistently evaluate the work completed over the course of 3 years is invaluable and will be utilised at every step of the individual sub-projects and throughout the main project itself.

Budget

An initial budget of £5000 will be needed for the manufacturing of the first releases records and website building. Costings for 300 units of vinyl will be £1250 and £1000 for the website, with the rest of the money being spent on marketing and merchandise.

With the vinyl manufacturing cost of £1250, we would price each record at £12.99. As mentioned previously, there will be a 70/30 split of the units in favour of the distribution network as opposed to selling directly through the *Stern Records* website. The record label will receive roughly 50% of the revenue through sales on the distribution network giving a total of £1365 providing it is sold out. Through D2C sales, the label will make £1169.10 if it sells out of stock, bringing the total revenue to £2534.10.

This money will go straight back into the funding for future releases and merchandise.

References

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