



# Spotlight

## RED DISTRIBUTION

# The Red Hot Path To Sales

*Celebrating 25 Years Of Success In The Indie Tradition*

BY STEVE TRAIMAN

Indie artists are seeing RED—and they couldn't be happier.

Pop veterans Hall & Oates, pop-punk rockers Taking Back Sunday, country star Joe Diffie—each records for an indie label signed with RED Distribution, which this year marks its 25th anniversary

as a key player in the independent music business.

In recent months, RED has helped drive sales for an array of acts, including Los Lonely Boys on Or/Epic Records, Coheed and Cambria on Equal Vision

Records and Switchfoot on Columbia Records.

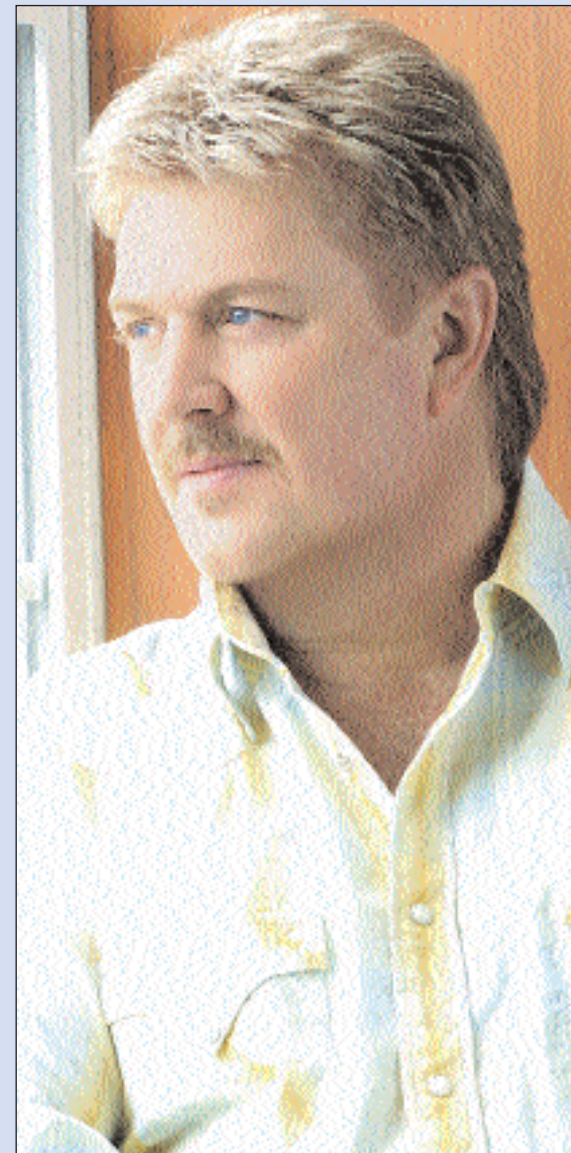
Although Sony Music has fully owned the company since 1996, RED counts as an independent distributor in Nielsen SoundScan's calculations of the music market.

Last year, independent distributors accounted

*(Continued on page 54)*



Photo: Brad Barker/WireImage.com



Acts selling via RED Distribution include, clockwise from upper left, Hall & Oates, Joe Diffie and Los Lonely Boys.

# RED's Antonelli Has Golden Rule

*'Our Success Record Is Strong In Every Area Of Music'*

BY STEVE TRAIMAN

On the occasion of his company's 25th anniversary, RED Distribution president/CEO Ken Antonelli spoke with *Billboard* to discuss RED's past, present and future.

## How has RED Distribution evolved through its history?

The company started out 25 years ago as a label, actually, and it evolved like any indie label back in those days. We had a difficult time because most were regional, not national, so we didn't have much importance outside of New York.

As we started to distribute ourselves on a national basis, we started to evolve into a distribution entity as well. We asked, "If we're doing this for ourselves, why can't we do this for other people?"

As RED grew, it started picking up other labels for distribution, primarily in the rock and metal field. As we became a successful operation, we grabbed the eye of some of the bigger companies, and Sony became interested. To their credit, they realized there were lots of different ways they could integrate RED into their music operations, and Sony bought 50% of RED in 1993.

## What genres were you working with then?

At that point, we were a lot more involved in rap and urban, as well as rock and metal, but other aspects of

the company were starting to grow as well, such as Broadway scores with "Les Misérables."

Urban started to dominate as the genre crossed over into the white suburban demographic. RED responded by concentrating on the label side, with the idea of having more street-oriented urban acts.

Bone Thugs-N-Harmony came out of that era, as well as Fat Joe, Common and M.O.P. All were signed to Relativity. Then Sony bought the other 50% of the company in 1995.

*'We'll continue to be a leader in the independent business.'*

—KEN ANTONELLI

## How have RED's partners influenced the growth of the company?

RED, the distribution arm, has continued to evolve and diversify, especially when I came onboard in 1996. Sony decided they wanted to do business with Loud Records, and they came onboard. We created an in-house marketing arm called RED Ink, which evolved into RED Dance and RUMM [RED Urban Music Marketing]. We also expanded heavily and very early on into the DVD business.

We had tremendous success with "Up In Smoke" early on with Eaglevision, and this has evolved into all genres of DVD product, including anime, martial arts, special interest, public domain movies, Steve-O from MTV's "Jackass," as well as music titles.

Edel bought RED in 1999 and held the company for about a year and a half until Sony took the company back 100%.

In the last five years we've had a hugely successful joint cooperative with the act Train. Since Sony took the company back, they've given us all the tools we've needed to continue to expand and become a No. 1 distribution business. We opened RED Canada in 2002, and that is flourishing as well.

## What are some of your recent successes?

We put out the Switchfoot record ["The Beautiful Letdown"] for Sony, and it is now at almost 1 million sold. It was a great team effort by both companies, and we're very proud of that. We helped break Victory Records [band] Taking Back Sunday, and two years later it's building into one of rock's most important emerging acts.

Other successes include Equal Vision's Coheed and Cambria, Epic's Los Lonely Boys, the Hieroglyphics' [single featuring] Goapele, Rendezvous' Praful, Mark Antoine and Michael Linkton, among others.

The Dualtone June Carter Cash series won two Grammys this year, and New West's Delbert McClinton won the [2001] Grammy for best contemporary blues album. [RED also distributes New West artist John Hiatt]. And the Steve-O DVD was a great success.

Simply Red on their own label had two singles go top five and top 10, respectively, and Hall & Oates on their own U-Watch label had three singles go top five, both solid accomplishments with breakthrough songs on the highly competitive AC radio format.

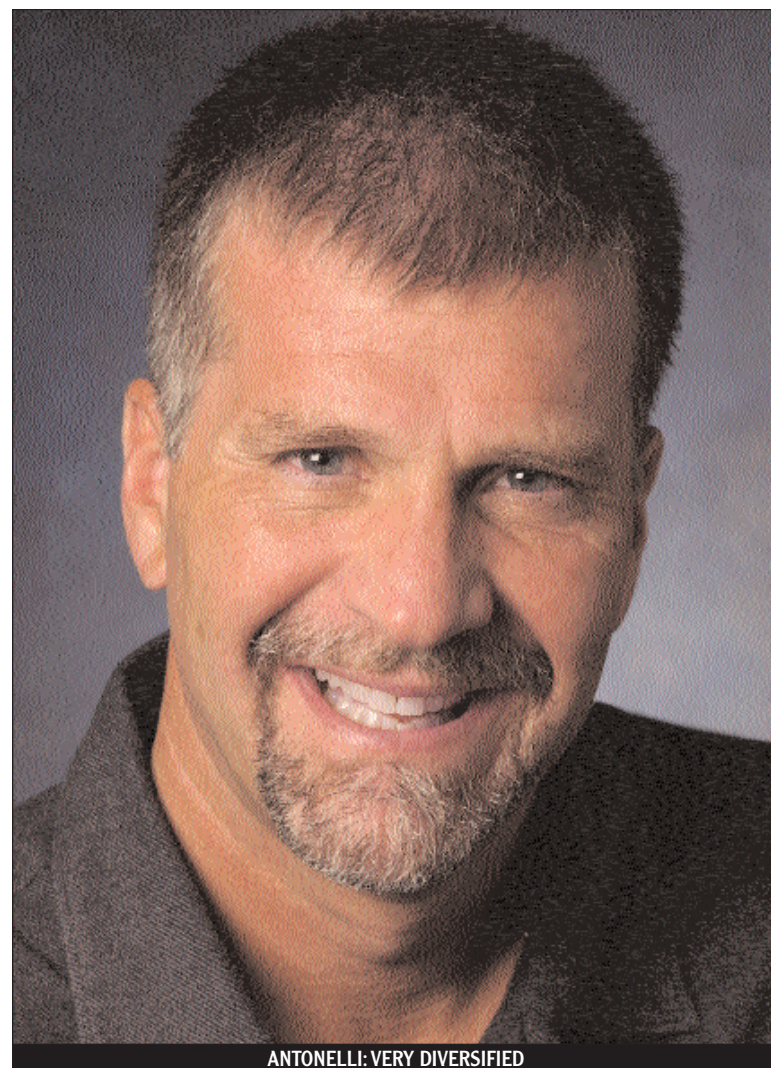
Four of our bands have been recognized by two of the biggest summer tour packages, Ozzfest and the Warped tour. Taking Back Sunday and Coheed and Cambria are two headliners on the Warped lineup, and at Ozzfest, Atreyu on Victory and Everytime I Die on Ferret Music are headlining the second stage, a great springboard of future success.

Our success record is very diversified and strong in each area of music, and these examples are just a sampling of RED's recent highlights.

## What are the challenges for RED in the digital entertainment environment?

There are two parts to this problem. We've already announced to our label base and we'll be asking others to look at RED as a one-stop to be competitive with any [company] that's out there.

We have deals with all of the digital



ANTONELLI: VERY DIVERSIFIED

music sales entities like iTunes and offer a wonderful system of digital rights management where we can provide services for everyone across the board.

Often, the labels don't have the manpower or the staff to handle the numerous facets of each digital rights deal, and we can act as an aggregator for that vital area. It just adds one more dimension to RED as a company that provides a number of services, and we'll have more details on this later.

## What discussions about the digital future are you having with your brick-and-mortar clients?

The other aspect of the challenge is to continually impress upon our retail partners that the digital environment will not go away. I don't think a lot of the people in the retail community understand that, because our product falls into the 'slow turning' category. If a record is good and word-of-mouth is strong, kids will go out and buy it. They have to own it, the complete package.

The problem is when they don't find it in the store, especially in a secondary or tertiary market. Then they go home to find a way to own it, and download it—another lost retail sale. The challenge is to find a way to work with the retail community to solve this problem, which is complicated because

those records customers really want are often not available in the store.

## What is your perspective of RED's business today?

I'm very optimistic today, and I say that in a humble way. I think the indie business has really started to blossom. Market share has gained a point, and indies have the second-largest share in the U.S. and in the U.K. and the No. 1 spot in the rest of the world. The main reason for this success is that some of the executives will come out of these larger companies and start their own labels. They will figure out how this new business model can work for them and will create more opportunities for us to diversify and grow.

About 75% of our labels were up in the last fiscal year, at least half had a record four or five months financially, and 90% were profitable. In the second and third releases, you could see that quality remained, and they were growing their businesses successfully. You could see the A&R and career-oriented, artist-development philosophies are much more focused, with the result that the indie music scene is much more vibrant than it has ever been.

I'm really confident that because of the way we've positioned ourselves in

*(Continued on page 59)*

## Fact File: RED Distribution

**Founded:** 1979

**Headquarters:** New York

**Web site:** redmusic.com

**Key executives:**

Ken Antonelli, president/CEO

Alan Becker, senior VP of product development

Mitchell Wolk, senior VP of finance and administration

Howard Gabriel, RED Ink senior VP/GM

Dean Tabac, VP of sales

Laura G. Marques, VP of marketing

Marla Shatz, VP of international sales and marketing

Greg Bell, VP of finance

Tony Timpano, VP of business/legal affairs

Lou Tatulli, VP of field sales

Dean Fine, VP of inventory management

**Distributed U.S. labels, audio:** Bardic, Broken Bow, Doyle-Kos Entertainment, Dualtone, Eagle Rock Entertainment, Equal Vision, Fat Wreck Chords, Grandstand Entertainment, Hybrid Recordings, Immergent, Immortal, Look-out, Metal Blade, MSC Music, New West, Or Music, Psychopathic, RED Ink Group, Rendezvous Entertainment, Savoy Jazz, Sea, Studio E, the Militia Group, Trauma, Victory, Vivaton, Warlock

**Distributed U.S. labels, video:** Crash Media Group, Eagle Vision, Ground Zero Entertainment, Vintage Home Entertainment

**Distributed labels, RED Canada:** Artemis, Divine Industries; U.S. audio labels Bardic, Broken Bow, Doyle-Kos Entertainment, Dualtone, Equal Vision, Grandstand Entertainment, Hybrid Recordings, Immergent, Immortal, New West, Or Music, Psychopathic, RED Ink Group, Rendezvous Entertainment, Sea, Studio E, the Militia Group, Vivaton, Warlock; U.S. video labels Crash Media Group, Vintage Home Entertainment

# Spotlight



The RED Distribution team includes, standing from left: national senior director of urban marketing Wardell Mahone, VP of finance and administration Gregory Bell, senior VP of product development Alan Becker, VP of business and legal affairs Tony Timpano, RED Ink senior VP/GM Howard Gabriel, president/CEO Ken Antonelli, VP of sales Dean Tabac, VP of field sales Lou Tatulli, VP of marketing Laura G. Marques and senior VP of finance and administration Mitchell Wolk. Sitting from left: VP of international marketing Marla Shatz, senior director of new media Russell Fink, manager of national singles sales Paul Reitz and director of the Northeast/Central region Frank Falkow.

## Red Hot

Continued from page 51

for 109.6 million in album sales, according to Nielsen SoundScan. Indie distributors collectively ranked second in album market share with 16.7% (up from 16.4% in 2002). They ranked first in distribution of classical, jazz, gospel and new age titles and second in catalog and music video.

### OLD-SCHOOL RED


RED has won the National Assn. of Recording Merchandisers' distributor of the year award four times, most recently in 2003. The Trans World Entertainment retail chain has twice named RED independent music vendor of the year, with RED's salesperson earning rep of the year two times as well.

"What makes these awards so special to us is that they are acknowledgments by our customers of what we were able to achieve for them," RED president/CEO Ken Antonelli says.


Even RED's competitors praise the company. Ryko Distribution president Jim Cuomo worked at RED's original incarnation, Important Record Distributors, for several

(Continued on page 58)

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# RED Partners Roll In Green

BY ED CHRISTMAN

NEW YORK—After 25 years in business, RED Distribution's ability to help its labels achieve sales growth still gets high marks from its partners.

"The only problem we have with RED is they sold too many records," quips Steve Kerry, owner of Equal Vision Records in Hudson, N.Y. "We weren't ready for how many they can get out—and sell-through."

Kerry has run Equal Vision for 12 years. But until he signed on with RED about a year ago, he says, "I didn't know what the *Billboard* chart was."

For example, on Oct. 7, 2003, Equal Vision released Coheed and Cambria's album "In Keeping Secrets of Silent Earth: 3." Kerry hoped for an initial shipment of 30,000 units. RED delivered orders for 70,000.

By the first week of May, the album's shipments stood at 200,000.

"I am completely confident," Kerry says, "that I made the right choice in coming to RED."

Larry Miller, CEO at Or Records, a 1-year-old label based in New

York, knows exactly what Kerry is talking about.

"We are so thrilled with this relationship," he says of his distribution deal with RED.

The company has helped Or Records take Los Lonely Boys from a small regional band to 200,000 in sales, with its self-titled album now breaking out nationally (see sidebar, below).

The sales results RED delivers have also impressed Mike Carden,

North American president of operations for Eagle Rock Entertainment. Eagle Rock shipped 125,000 copies of "Hangover Music Vol. VI" by Zack Wylde's Black Label Society project. That is "pretty wild in this day and age," Carden says.

Prior to signing with RED several months ago, Eagle Rock moved its product through a number of different distributors.

"We had some of our video with Pioneer and some with Warner

Home Video, we had our Spitfire label with [Alternative Distribution Alliance] and we had a little bit with RED unit RED Ink," which provides marketing and promotion services for labels.

But Eagle Rock "pulled it all back in and give it all to RED, and they have really turned it around for us. They are doing a fantastic job," Carden says.

Victory Records, now one of the labels anchoring the RED portfolio,

has been with the distributor for nearly eight years and is pleased with the growth that the relationship has produced for both companies, label leader Tony Brummel says. For the first time in the label's history, thanks in part to its RED partnership, Victory is within striking distance of three gold albums, according to Brummel.

New albums from Atreyu and Taking Back Sunday "will blow up this summer, and [Victory and RED] have worked together really well on these projects," Brummel says. The albums arrive June 29 and July 27, respectively. "RED is 100% behind the plans we have and the units we want to ship. This is going to separate us from all the other indie albums out there."

Brummel says he is also aiming for gold sales for the Straylight Run album due in September.

A key ingredient in RED's success, according to its distributed labels, is its staff and how it works with partner labels.

"This business is about music, but it's also about people, and some-

(Continued on page 59)

## Not So Lonely Now

RED Distribution's marketing process and prowess has clearly worked for Los Lonely Boys and the group's self-titled album on Or Records.

"When we first were talking about signing and putting out Los Lonely Boys, we met with them and talked about our setup strategy, which [was] to issue an EP in Texas and work it regionally," Or CEO Larry Miller says.

He recalls that Ken Antonelli, president/CEO of RED Distribution, told him: "You might not be aware of it, but we pride ourselves on starting things regionally

and then rolling it out nationally."

Miller concedes that Or was a bit skeptical of that claim. But a year later the album "is a barn-burner. RED staged the regional rollout, and now it's up to national and international markets and moving over to Epic and Sony Music Distribution."

The move to Epic and Sony Music Distribution is "another instance where our trust in Ken and the RED team overrode any concerns we had about putting Los Lonely Boys in that structure."

ED CHRISTMAN

# Congratulations on 25 Years!

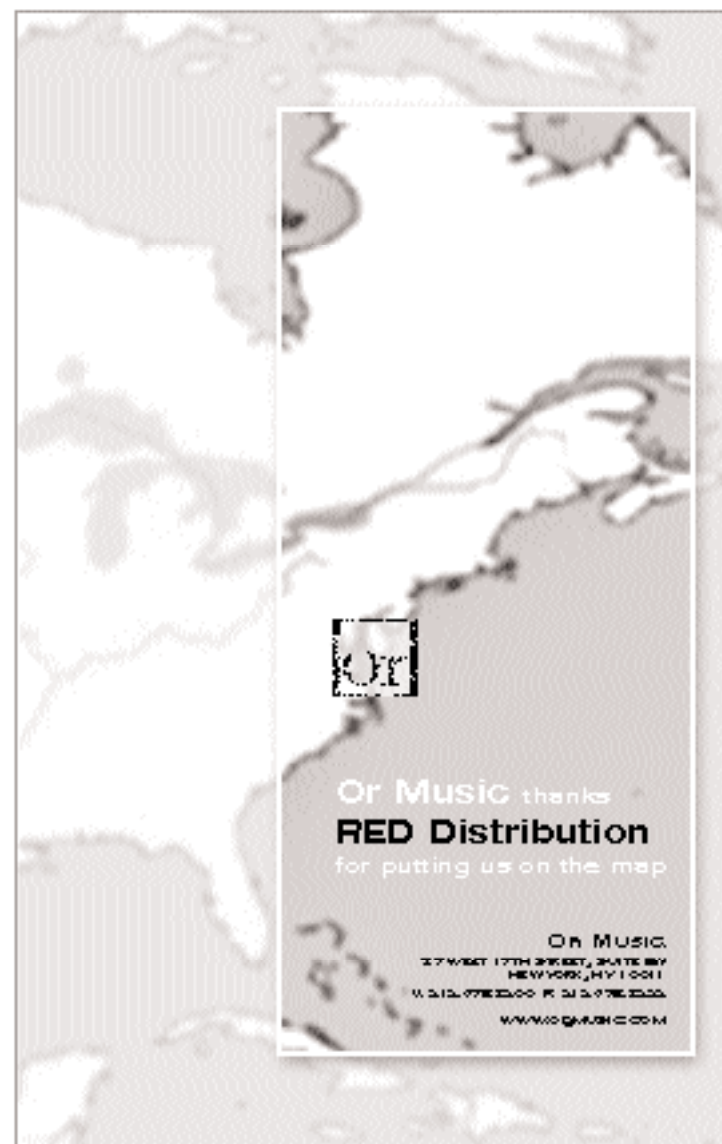
## Happy Anniversary to a fantastic team at RED.

### Here's to many more.



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• JACQUELINE KOTLER • ALANA SARRATORE •



# Spotlight

## Red Hot

Continued from page 54

years in the late '80s.

"RED has always had a sound base with veteran experience," Cuomo says. "They are professional, knowledgeable and intimate with all the workings of domestic retail to this day. They've had the resiliency in the

face of adversity to come back and thrive, and I'm proud to know them as friends and colleagues."

RED Distribution, then-known as Important Record Distributors (IRD), opened its doors in May 1979. Its focus was selling recordings imported from the United Kingdom, Europe and Japan.

### RED'S DEN MOTHER

Tova Hoffman, now with Sony

Music, worked at RED for more than 20 years. Aside from being VP of human resources and accounting services, she was RED's self-styled den mother.

"Our first office was in the back of Rick's Restaurant [in Jamaica, N.Y.] near the airport," Hoffman says. "The inside wall was unpainted cinder blocks, and there were bars on the windows—you would have thought you were in jail.

"I was one of a five-person staff, and we had three desks, a coffee machine, a copier and a fax," Hoffman continues. "And no computers; everything was done manually. In the beginning, I did everything—billing, collections, monitoring the warehouse, all the financial transactions. And I'm proud to say we never borrowed a penny from the bank to operate."

Within a year, the business moved to larger quarters nearby and became the first national independent distributor to "regionalize" with a network of offices, according to RED Ink VP/GM Howard Gabriel, who was IRD marketing VP at the time.

The launch of Relativity Records, the company's first in-house label, coincided with the growth of its distribution system, says Alan Becker, a 24-year veteran of RED and now senior VP of product development.

Among Relativity's earliest releases were licensed products by such U.K. acts as the Cure and Robyn Hitchcock; homegrown efforts from the Beastie Boys and Talas; many English releases from the 4AD and Beggars Banquet labels; the London original cast recording of "Les Miserables" and Joan Jett's first album on Blackheart Records.

Becker credits John Zazula—whose IRD-distributed Megaforce label released early albums by Metallica and Anthrax—with shaping the direction of Combat Records, the company's second in-house imprint.

Combat released pioneering albums by future metal icons Megadeth ("Killing Is My Business") and Slayer ("Hell Awaits"). The similarly minded Shrapnel and Metal Blade labels joined the fold shortly after. RED still distributes

(Continued on page 60)



When we think of distribution,  
we always see 

Congrats on 25 years!

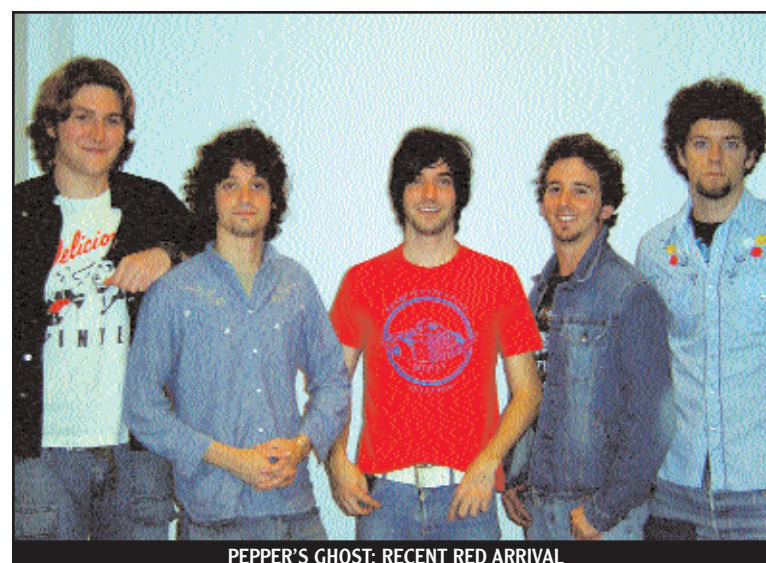


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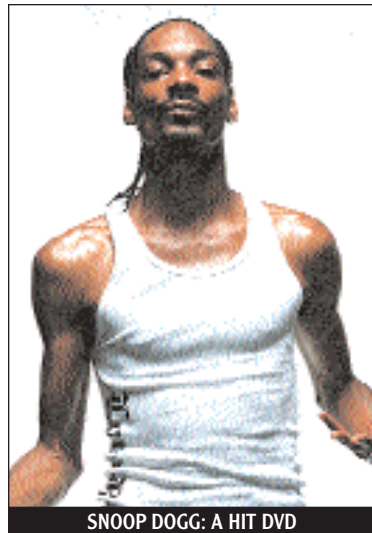
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## Partners

Continued from page 56

times that gets forgotten," Brummel says. "We have been with RED for almost eight years, and they have the best staff in independent distribution. The people that work there have been there for a long time, and that says a lot about the company. Also, they have a lot of music people there, and for Victory that makes all the difference in the world."

Eagle Rock's Carden also feels that RED's staff distinguishes it from



SNOOP DOGG: A HIT DVD

## Antonelli

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the marketplace and the infrastructure we've created that we'll be able to continue to offer labels a wide variety of services and continue to be a leader in the independent business. If you look at our track record, it's very diverse in its successes, and we're adding value to what our labels do.

### What are your goals for the future?

Long term, it's to be more broad-based, to upgrade our services and infrastructure so that we can shorten the time that a label success occurs, making it less expensive for them to break a new band while maintaining artist development and career-oriented strategies.

In the short term, the most recent, notable turnaround for success I can point to is Los Lonely Boys. This was a testament to the fact that we were able to capitalize on the buzz and bring success to fruition faster. We see with some of the new labels we're signing that they recognize the importance of that approach.

We will continue to look for the most cutting edge and high-quality people as business partners. That's always been a part of our mission statement and will continue to be a key to RED's success. At the same time, we're focused on making sure our customers understand that what we're giving them is what people want, and we will draw customers into their stores.

the competition. "From [RED president] Ken Antonelli all the way down, they have great people and are passionate about what they do."

An essential element of RED's philosophy that allows it to superserve its labels is having integral RED personnel sitting in on as many of its label marketing meetings as possible, according to RED VP of marketing Laura G. Marques.

"That way RED doesn't have to wait for labels to tell them what they need," she explains. "RED's own staff

gets that information firsthand."

RED also holds regularly scheduled meetings with labels to make sure they are further abreast of all marketing plans and priorities, she adds.

"I personally work with many labels well in advance of a new release to help them develop marketing plans and help with media contact and materials they need in setting up marketing plans," Marques says.

Then, RED itself has meetings to make sure various departments are

up to speed on what needs to be done. RED builds marketing plans so the company "can deliver quality campaigns to the sales department with the ultimate goal of selling records," she says.

### BLENDING IN WITH SONY

RED Distribution, now fully owned by Sony Music Entertainment, has become a much more integral part of the Sony structure. The parent finally has hit its stride in using RED to help launch some

new bands on its big labels before moving the albums back to the parent companies.

Sony and RED also have aggressively offered that arrangement, where appropriate, to RED-distributed labels. In addition to Or, Equal Vision says it has just done a joint venture with Columbia on Coheed and Cambria. The album is still at RED, but at some point it could switch to Sony Music Distribution.

(Continued on page 64)

# Thank you



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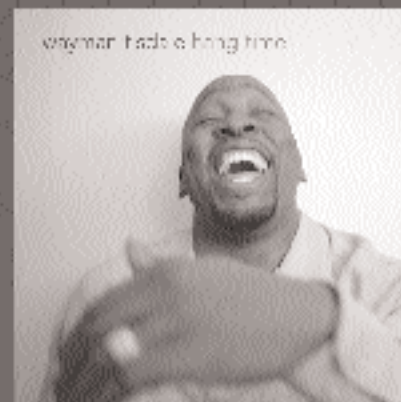


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# Spotlight

## Red Hot

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the latter imprint.

In the '80s, the number of U.S. indie labels specializing in what would become alternative rock

exploded. RED, now located in a two-story building in Hollis, N.Y., distributed releases from influential indie labels, including Sub Pop, SST, Twin/Tone, Enigma and DB, which issued R.E.M.'s first single.

### ALIEN SURFING

By the late '80s, such punk-

oriented labels as Epitaph joined the mix. At one point, RED distributed as many as 150 labels. Other factors influencing the company's growth included Relativity's multiplatinum success with guitar hero Joe Satriani's "Surfing With the Alien" album and, on a broader scale, the emergent CD market.

"The '80s were when all the pieces starting falling into place," Becker says. "We put together our label base, our customer base and our sales staff with our whole attitude about marketing, which was to educate buyers and provide better service than our indie competitors.

But music retailing hit hard times in the early '90s. "Of course, indies are always the last to get paid," Becker says. "There also was this mass defection of labels and artists to major-label deals, so we really had to reinvent ourselves."

With Sony providing the capital, IRD co-founder Barry Kobrin bought out his U.K. partner, Steve Mason, in 1991. Under Sony's financial oversight, IRD became RED (an acronym for Relativity Entertainment Distri-

bution) and relocated to its current office on Fifth Avenue in Manhattan.

When Sony purchased Kobrin's share of the company in 1994, RED evolved further.

"We decided to concentrate on labels with which we had exclusive distribution deals," Gabriel explains.

"By cutting back, we actually drove volume up," says Dean Tabaac, RED VP of sales and a 16-year company veteran. "We could focus more and actually work a project for two years, if warranted. By 1999, we had four regional and 15 sales offices and 25 account service reps—who visited 300 stores a week—all linked with an incredible computer system."

RED increased its sales of electronic, dance and urban music. The

(Continued on page 62)



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**We congratulate the RED Family on 25 Years of excellence. Thanks for all you do for Emergent and our family of labels.**

**HAPPY 25 ANNIVERSARY, RED!**

It's been a pleasure working with you over the past six years, watching you continue to grow and evolve. RED is comprised of an incredibly talented, strong and caring group of people who go the extra mile everyday. It's what makes RED the best at what it does. JLM is honored to be a part of your success and we look forward to working together for a long, long time.

JODY MILLER AND THE STAFF AT JLM PR, INC.




Recent priorities for RED have included, from top, Coheed and Cambria, the Roots and Taking Back Sunday.

**Congratulations to Ken Antonelli & RED Distribution on your 25th Anniversary**



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Special thanks to Laura G. for adding us to the team!



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## Red Hot

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company set up the RED Ink Group to assist developing acts on Sony imprints and other young, entrepreneurial labels like Emmylou Harris' Eminent, roots-rock-oriented New West and guitarist Steve Vai's Favored Nations.

RED Ink claimed an early home-grown success with Train's debut album, which it nurtured from first-week sales of 3,000 to platinum certification.

"Train started in one of our artist-development programs," says VP of field sales Lou Tatulli, an 11-year RED veteran. "With our high-tech systems and [account service rep] feedback, we can spot trends better

and react even faster than ever."

In November 1999, Edel Music, one of Germany's leading independent music companies, purchased an 80% stake in RED. But when Edel defaulted on a \$25 million payment on the purchase, Sony regained full ownership of the company.

Antonelli joined RED in 1996. During his tenure, the company has expanded into Canada, forged new international partnerships and entered the digital rights management (DRM) sector.

"We started RED Canada in 2002 more like a marketing services company," Antonelli says. "The response was overwhelming, and RED has distribution deals for North America with most of our U.S.-distributed labels, and [we have] picked up several Canadian labels for the U.S. The business has been growing faster

than anticipated."

To bolster its international partnerships, RED attends MIDEM every year. "We are always on the lookout for opportunities," Antonelli says. "Anyplace in the world we can go for business, we'll be there."

Antonelli continues to champion bands on RED labels, recently citing the arrival of Pepper Ghost, a new group on Hybrid Recordings.

DRM represents another opportunity for the company.

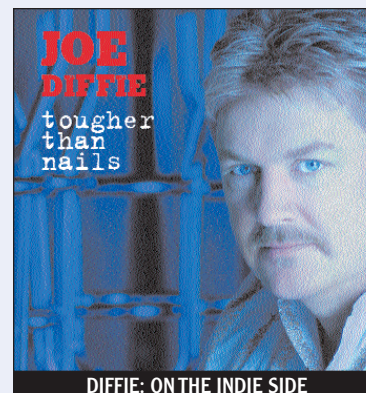
"We have the ability to add value with RED's digital service to all of the existing resources and services we provide," Antonelli says. "We already have deals done with all of the major [digital music service providers] like iTunes, Real Networks and Napster.

"With many small labels unable to provide the manpower for managing digital rights," he adds, "it's an important service to offer both our [distributed] labels and other labels,

## RED Alert: Albums To Watch

BY CHRIS MORRIS

Country singer **Joe Diffie** bowed on Nashville's Broken Bow Records June 1 with "Tougher Than Nails." The set marks Diffie's arrival on the independent side, after nearly 15 years with Epic, Columbia and Monument. The title track from the new album has already hit the top 20 on the *Billboard* Hot Country Singles & Tracks chart. Broken Bow co-founder Jim Yerger says "Tougher Than Nails" represents "a more mature Joe Diffie . . . We think there's a minimum of five singles on this album." Yerger says Diffie has some 50 dates lined up for a summer tour.




DIFFIE: ON THE INDIE SIDE


Pop-punk band **Taking Back Sunday**, which hails from Amityville, N.Y., will release its sophomore album, "Where You Want to Be," July 27. It follows debut "Tell All Your Friends," for Chicago's Victory Records. The group has been on tour with Blink-182 and Cypress Hill and will headline the Vans Warped tour. Victory VP of sales Ramsey Dean says the label will engage in a full-scale direct-marketing campaign for the new album, especially on the Internet. "Their main strength is their fan base," Dean says.

Detroit's manic rap duo **Insane Clown Posse** returns Aug. 31 with "The Wraith: Hell's Pit," the sequel to 2002's "The Wraith: Shangri-La" on the hyper-theatrical group's own Psychopathic Records. "This album is the culmination of the 'Joker's Card' series, which fans have really devoted themselves to," says Steve Furay, Psychopathic sales and marketing director. The duo's Violent J and Shaggy 2 Dope will launch a

(Continued on page 64)



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as well."

Offering the perspective of a 19-year company veteran, Gabriel says, "We've learned a lot. We've adapted to the needs of the marketplace. All of us—our labels and our staff—are like a family that has grown together.

"We have incredible detail in communication and share this information with our labels and retailers," he continues. "We market smartly and already know we're the best indie distributor in America. Now we're expanding our role as a truly global company in the digital age of music."

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**Congratulations  
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Dear Ken (and all the folks at R.E.D who really do the work),

We want to congratulate you on surviving another year in the music industry, no easy feat. We love your team of grizzled veterans and smart young guys. We like the fact that you can operate on the micro level, cause that's where we are right now, slugging it out. We know your real joy is doing that tonnage, and we intend to get there soon.

All our artists have been trained to say 'thank you', so All Hours, Jen Chapin, DrugMoney, Paul Pena, Pepper's Ghost, Matthew Ryan and Bob Weir all join us in wishing you the very best.

Al Cafaro & John Scher

**CONGRATULATIONS**  
THANKS FOR MAKING 2003 OUR BEST YEAR EVER

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- THE HOPE CONSPIRACY: ENROUTE (EVR95CD)
- COHEED AND CAMBRIA: THE SECOND STAGE (EVR90CD)
- BANE: GIVE BLOOD (EVR84CD)
- CONVERGE: JANE DOE (EVR81CD)
- BLACK CROSSES: AN UPPERSIVE (EVR81CD)
- LIAR'S ACADEMY: TRAINING MY LIFE (EVR90CDP)
- THE HOPE CONSPIRACY: ENROUTE (EVR95CD)
- COHEED AND CAMBRIA: THE SECOND STAGE (EVR90CD)
- BANE: GIVE BLOOD (EVR84CD)
- CONVERGE: JANE DOE (EVR81CD)
- SAVES THE DAY: THROUGH BEING COOL (EVR54CD)

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# Spotlight

## Partners

Continued from page 59

In the past, when it became clear that Sony was going to use RED to its advantage more often for its own acts, a few of the bigger labels at RED worried that Sony's artists might become priorities at the expense of the distributed labels.

But RED's partners say nothing of the sort has occurred. In fact, if anything, the opposite has happened, according to Equal Vision's Kerry.

"I feel the word is coming down from Sony to pay more attention to the indie labels and how they do it, and that is helping us and them."

RED's video distribution also

benefits from its Sony relationship. As labels issue more music videos on DVD and break into other video genres, independent distributors have scrambled to keep the pace.

As a result, RED has emerged as a leading independent video distributor. Carden notes that RED has helped Eagle Vision ship 500,000 units of its "Up in Smoke" movie featuring Snoop Dogg and Dr. Dre.

In addition to its own three-person field staff, RED can draw on Sony Wonder to help it market special-interest DVDs.

"RED has definitely improved their video side," Carden says. "Between RED and Sony, they have nine people devoted to working my product. And they are trying to break into accounts that we never

sold to before, and also libraries."

### TARGETED CAMPAIGNS

RED also serves its partners by pooling marketing resources. "One of the most important jobs we do," RED's Marques says, "is successfully set up marketing campaigns integrated with accounts, labels and media partners."

For instance, RED might create a campaign for rock acts on six to 10 of its labels in the same campaign. By pooling the labels' resources, the campaigns can be multipronged and include exposure via radio, online, TV and other media. This gives the labels marketing opportunities that they couldn't obtain as economically on their own.

RED's labels are diverse so that the company can plan upcoming initiatives for specific genres.

For example, RED has a campaign under way for such veteran acts on its labels as Rick Springfield, Hall & Oates and Simply Red. Each has had huge sales in the past and has new albums out on RED-distributed labels.

Marques says other future initiatives include creating more genre-based campaigns as well as continuing the rock campaign to support 30-plus RED-distributed acts on the summer festival circuit.

Or Records is a label that takes advantage of all of RED's capabilities, including working with RED Ink and RUMM, the marketing and promotion arms of RED. So Or's Miller has become very familiar with the company in the past year.

He measures RED against other independent distributors from the perspective of his previous work as a private equity consultant, advising investment firms on potential music companies to purchase.

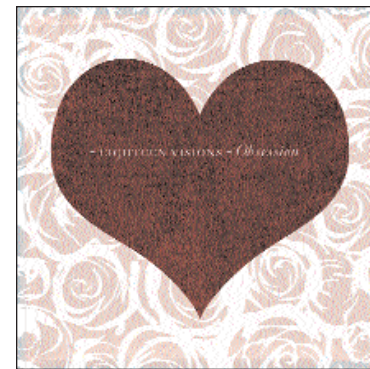
After doing due diligence on a number of companies, including some independent distributors, Miller is convinced that "nobody can touch RED's management, their systems or their ability to deliver."

## Albums

Continued from page 62

nationwide tour in support of the album in the fall. "Anytime ICP goes out on tour, they make it a spectacle," Furay says.

**Eighteen Visions**, the standard-bearers for Trustkill Records, returned with "Obsession" June 15. The Orange County, Calif., band has developed a dedicated fan base with three albums of seething metalcore for Trustkill, which is based in Tinton Falls, N.J. Befitting such hard rock bands, Trustkill owner Josh Gabelle says: "They're going to be touring machines." The group, which recently opened for Atreyu and Finland's HIM, will do six weeks on this summer's Vans Warped tour, headlining the Smart Punk stage. The label has also shot a video for the track "Waiting for the Heavens" and is aiming for MTV2 and Fuse airplay.



The ever-smooth **Daryl Hall & John Oates** return to their R&B roots on "Our Kind of Soul." The new album contains classic soul covers from such acts as the Four Tops, Marvin Gaye, the Spinners, Al Green and the Dramatics as well as new original material. It is due in September on the duo's U-Watch imprint, which Doyle-Kos Entertainment distributes through RED. "It's a perfect extension of their career," says Brian Doyle, the duo's co-manager/label head. "They're covering songs that they love." Appropriately, the release will coincide with this fall's Rock and Soul 2004 tour, which will feature Hall & Oates, Michael McDonald and the Average White Band.

**The Roots** took on executive-producer chores for "True Notes Vol. 1," the first release on their imprint, Okayplayer Records. Among the top rap and hip-hop talents contributing to the album are Dilated Peoples, Blackalicious, Aceyalone and Madlib. The album arrived at retail May 18. The Okayplayer brand—which has been used on a popular Web site—was used for a Roots-headlined tour that preceded the album's release. Peter Bittenbender, president of label partner/distributor Decon, says: "The Roots will be promoting their own album this summer, and they'll bring some of the Okayplayer artists on the road to support the project."



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on their first 25 years.

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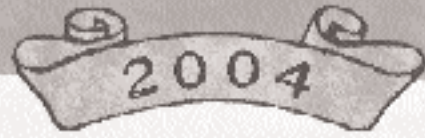


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