

PROFILE A2IM



Week (June 22-26). In ten years, the market has changed dramatically. The recorded music business has consolidated with the merger of Sony and BMG and by the acquisition of EMI by Universal and Warner. Digital downloads that were once dominant have given way to streaming, while traditional retailers are disappearing. Radio is less dominant in breaking artists, and a lot of listeners have switched to digital services such as Pandora, Sirius/XM or Spotify.

Bengloff looks back at the past ten years as a decade during which the indie community has made a difference. "Our organisation was founded to promote access, monetisation and equal treatment, and give as many services to our members as possible, via WIN or Merlin," he says, referring to the Worldwide Independent Network, which is the global trade body for indies, and the global rights organisation for the independent sector, respectively.

Bengloff says a lot of A2IM's inspiration comes from the work done in the UK, Europe and globally by Alison Wenham, the chief executive of AIM, and Martin Mills, founder of the Beggars Group and one of the most influential personalities from the indie sector. "Full credit to Alison and Martin for making things happen," says Bengloff.

Similarly, he believes that the creation of Merlin to negotiate framework agreements with digital services on behalf of indies has been a major weapon at the service of indies. He praises Merlin CEO Charles Caldas and his team for making deals such as the one with YouTube for its Music Key subscription service, licensing hundreds of US independent labels in the process. The terms of the deal are confidential and have been marred with controversy, as YouTube threatened to remove indie videos from the service, while Merlin asked for better terms. Indies, says Bengloff, showed their strength during the negotiations, taking YouTube

ABOVE
Mumford & Sons: Signed to Glassnote Records in the US, the British act's debut LP *Sigh No More* reached No.1 in Billboard's Independent, Rock, Folk and Alternative album charts, while second album *Babel* made it to the No.1 position in the US Billboard 200 as well as the album charts in the UK, Ireland, Canada, New Zealand, Belgium, the Netherlands and Norway

"To have a viable business plan today, you have to have a viable export business plan"

RICH BENGLOFF

to task before the public and the media.

"All credit to Charles Caldas," says Bengloff. "Merlin did the deal, negotiated the advances and the rates. For anti-trust reasons, I cannot look at the contracts but I am happy with the deal. All I know is that when Charles and his team negotiate with services, they are treated as serious partners." He discloses that in the wake of the YouTube battle, another service that Merlin was negotiating with eventually backed down after initially being difficult. "They did not want the bad press YouTube had," he smiles.

Bengloff admits that indies have not been able to change the course of history and that the market has concentrated, from five to four and now three majors. "Having only three majors has worsened the market situation," he says. "Concentration is bad in general, but it gives us more space." Indeed, he points out that one of the side effects of having three majors rather than four or five is that the overall market share of indies was at an all time high in 2014, with a 35.1% market share, the largest segment in the USA. "Our market share has increased by 10% since we existed, which means that the majors' share decreased from 75% to 65%," he enthuses.

Part of the growth in market share is linked to the way trade magazine Billboard defines what is an indie label. In the past, the share of an indie label licensed to a major or distributed by a major would be added to the major's share. This is no longer the case, states Bengloff, so the real weight of indies appears clearly. "Taylor Swift is on one of our

A2IM BOARD MEMBERS:

The A2IM board of directors (as of July 4, 2014 through to July 3, 2015)

- Craig Balsam – Razor & Tie (managing director)
- Glen Barros – Concord Music Group (president)
- Cathy Bauer – SC Distribution (head of domestic sales & marketing)
- Richard Burgess – Smithsonian Folkways Recordings (director of marketing)
- Dave Hansen- Epitaph/Anti- (general manager)
- Louis Posen – Hopeless Records (owner)
- Scott Robinson – Dualtone Music Group (CEO/co-founder)
- Portia Sabin – Kill Rock Stars (owner/president)
- Chris Scully – Glassnote Entertainment (GM/ CFO)
- Jim Selby – Ole (SVP, digital)
- Tom Silverman – Tommy Boy (owner/CEO)

A2IM Advisory Committee:

- Josh Berman – Warp Records (US label manager)
- Denny Stilwell – Mack Avenue (president)
- Garry West – Compass Records (co-founder)

WIN Representative:

- Alan Galbraith – Wind-Up Records (general manager)

members [Big Machine], and so are Mumford & Sons [Glassnote], Paul McCartney [Hear Music], and Arctic Monkeys [Domino]," he says.

The rise of indies can be witnessed in the number of nominations for this year's Grammy Awards. Independent music labels and artists secured 219 nominations out of 404 non-producer category nominations. In 15 of the categories, including Best Bluegrass Album, Best Blues Album, Best Folk Album and Best Historical Album, indies claimed 100% of the nominations.

For his members, Bengloff foresees a better but more complex future. "Consumers will decide how they will consume music and how they will pay for it," he says. "People need to adjust. They now have to get revenues from 12 or 15 streams rather than selling CDs. By the way, some of my members who cater to more mature markets still sell a lot of CDs. We want to be in touch with new media and old media, and make sure our members get a fair share from these businesses."

For Bengloff, music licensing is the challenge of the next years, alongside copyright revision. He says he fully backs the ten point 'Digital Action Plan' launched by European indies' body IMPALA, the initiative aimed at improving the relationship between labels and services. "Some of the fundamentals are good," he says, "and we would like to work with all the services that adopt those guidelines."

As the discussion comes to an end, Bengloff is asked what he thinks have been the greatest achievements of A2IM during the past decade.

He responds, "We supply our members with value, we provided a voice for our community with the feeling that it is a distinct entity, and we changed the perception of what independent companies stand for." Bengloff makes a move to leave, then turns back and says with delight, "Oh, and we now have influence."