

Company Profile - One Nation



One Nation is a 'one-stop' independent distributor based in North London, now in its 17th year of operation and employing a team of five. It specialises in physical music product sourced from the UK and while it first traded as One Nation Exports it rebranded itself five years ago as One Nation Vinyl Distribution to emphasise its specialisation in that product area.



Background

While the company's initial focus was on Dance/Electronic Music exporting, One Nation subsequently opened UK shop accounts and decided to make all vinyl releases the main sales focus, encompassing many genres - as the best sellers chart shows, Pop titles sit alongside Dance, Rock and Dubstep. Despite the upheaval in the physical distribution sector in recent years, vinyl sales have grown steadily, building a healthy - although relatively niche - market.

In its past 12 months One Nation's sales have split roughly into:

- **Vinyl: 97%**
- **CD: 2%**
- **Merchandise (T-shirts/books etc): 1%**

The core of the business - vinyl sales - breaks down into:

- **12" singles: 70%**
- **7" & 10" singles: 5%**
- **LPs: 25%**

The company buys from all the UK suppliers of vinyl, with daily deliveries from the majors and weekly orders placed with

Best Sellers - Singles - 12m ending May 2011

Pos	Artist	Title	Label	Format
1	Mungolian Jet Set	Moon Jocks n' Prog Rocks	Smalltown Supersound	12"
2	House Of Pain	Jump Around	Tommy Boy	12"
3	James Blake	Limit To Your Love	Atlas	10"
4	Aphex Twin	Windowlicker	Warp	12"
5	Booka Shade	Regenerate	Kammermeier & Merzige	12"
6	Burial	Street Halo	Hyperdub	12"
7	Lady Gaga	Bad Romance	Interscope	7" Picture Disc
8	Franki Valli	Beggin' (Pilooski re-edit)	679 Recordings	12"
9	Depeche Mode	Personal Jesus	Mute	12" Coloured
10	The Prodigy	Smack My Bitch Up	XL Recordings	12"

Best Sellers - Albums - 12m ending May 2011

Pos	Artist	Title	Label	Format
1	Dr Dre	2001	Interscope	2xLP
2	James Blake	James Blake	Atlas	2xLP
3	Pete Rock & CL Smooth	Mecca and the Soul Brother	Elektra	2xLP
4	Michael Jackson	This Is It	Sony	4xLP Box
5	DJ Vadim pts The Electric	Life Is Moving	Organically Grown Soul	2xLP
6	Rolling Stones	Exile On Main Street	Polydor	2xLP
7	Massive Attack	Heligoland	Vinyl Factory	3xLP
8	The Prodigy	Fat Of The Land	XL Recordings	2xLP
9	Magnetic Man	Magnetic Man	Sony	2xLP
10	Azymuth	Aurora	Far Out Records	2xLP

companies such as Republic of Music, PIAS, XL Recordings, Ministry Of Sound, ST Holdings, Kudos, SRD, Prime and Essential. They also buy direct from independent labels, DJs and producers.

Repertoire

On an average week the company offers its customers between 250 and 300 advance new release titles via its mailout. This is backed up by emailed soundfiles, soundlinks, artwork and salesheets. Not every title is of interest to every buyer, so alerting them about specific titles is crucial. "Genre breakdown is important as rock buyers won't be looking for rare northern soul releases", says sales director Barry Milligan, "but we're always looking to excite our customers with interesting and progressive new sounds and artists."

One Nation also trades in good quality back catalogue sellers, in particular major label deletions, warehouse finds, limited re-presses, overstocks and stock clearances. There is also a consistently strong demand for several lines of key product. "We maintain a modest warehouse stockholding

of key stock and deleted items" says Milligan. "Regular catalogue items are equally as important as hard to find items and repeat orders on old classics are amongst our best sellers every year."

Exclusives and Deals

The company also has occasional exclusive deals with labels and suppliers - one current agreement is with Play it Down Records who have released tracks from artists including Totally Enormous Extinct Dinosaurs, Oliver \$ and Zombie Disco Squad. The label presses only 200 12" vinyl copies of each release which One Nation distributes exclusively.



Similar arrangements in the past have been struck with imprints such as the UK Hip Hop label Heavy Bronx and the Urban label Urbanstar, who released a series of EPs from artists such as Leah McRae, Dazz Band and Iceburg Slimm.

Company Profile - One Nation

Feeding Back to Suppliers

Knowing the market and feeding back about demand to suppliers is crucial, says Milligan. "We work with them, suggesting forthcoming titles that we think will benefit from a vinyl release and giving them presales figures to build into their equations. For example, Sony weren't going to release MGMT's *Kids on 12*" vinyl. We said we'd start with a minimum order of 1,000; they then pressed it and it's sold nearly 10,000 copies to date."

"We also had success with Beggars Banquet in persuading them to repress The Prodigy's back catalogue LPs and 12"s for us and we're currently asking Warners to repress 2,000 copies of an old Streets 12" single. If there is customer demand we will do our best to try and make it happen."



Market Trends

Whilst vinyl releases in traditional Dance genres such as House and Urban have declined, others such as Dubstep have flourished, where a real vinyl culture has developed among both DJs and fans. Crossover artists such as Skream, Burial and Magnetic Man all sell extremely well on the format and increasingly dubstep mixes on rock or pop artist releases are a familiar and attractive feature for vinyl enthusiasts.

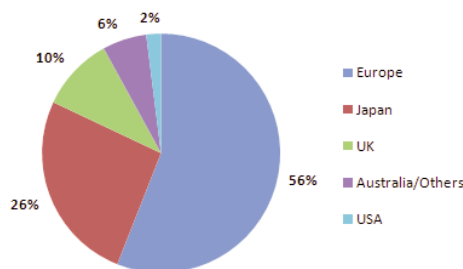
Similarly, the repackaging of classic albums as heavyweight reissues or limited boxsets has been welcomed by the vinyl audience. These are now coming from across the supplier board, adds Milligan. "Warners are working through their catalogue with classic

albums from The Doors, Neil Young and Prince all being recently rereleased on LP. We're also selling stacks of James Blake and Jamie Woon LPs from Universal, and EMI are also demonstrating increased vinyl interest with our customers now able to buy LPs from Depeche Mode, David Bowie, Iron Maiden and Daft Punk."

The Changing Business

The customer base has increased but also shifted and changed over the years, notes Milligan. "Originally we were supplying mainly large distribution companies in overseas territories but now our customers are a mix of distributors, shops and, increasingly, internet sales companies." On an average week, One Nation ships between 80 and 120 boxes of records to its customers with the turnover breakdown as below.

Sales by Territory 2010/2011



"Europe and Japan have always been our strongest territories and the UK is steadily increasing" says Milligan. "The most startling statistic here is the way in which physical distribution to the US has collapsed so dramatically in the past 10 years. All the large to medium sized physical distributors in the US have disappeared and direct to shops or internet suppliers is the only reliable business left there. The fluctuating strength of the pound is definitely a big factor in our sales figures over the years and right now with the comparative strength of the Euro and the Yen our European and Japanese customers are looking to concentrate their buying on the UK."

Utilising Technology

With the music business going through so many changes, customer ordering has inevitably become more targeted. "Suppliers press up to preorders and, understandably, don't want to tie up too much money in unsold stock." says Milligan. "Buyers are also, of course, under the same financial pressures and like to see and hear before they buy via emailed artwork, soundlinks and soundbytes. This obviously applies to us when making buying decisions as well. I remember well the frustration of yet another key promo not arriving, whereas now we have instant access to everything that's been recorded - suppliers will direct us to cloud based streaming or just email us an instant link. While MP3 illegal downloading is undoubtedly crippling large parts of the industry the internet has definitely enhanced everything that we do."

Future Plans

While the advent of digital music has meant that the recorded music industry has undergone a tremendously turbulent past few years, One Nation are optimistic about the future of physical formats.

"The fact that we're still here distributing physical records is showing that we must be doing something right. We run a tight ship financially, have always paid our suppliers on time and have insisted on the same from our customers. We've continued to expand our product range having successfully added vinyl display cases in the past year and will continue to look at interesting music or vinyl-associated items to offer."

"However, the core business is buying and selling finished vinyl and we won't be moving away from that anytime soon. There is an emotional attachment that people understand with vinyl, not to mention something tangible for your money! The fact that people are continuing to discover and connect with this format has us feeling very positive about the future."

One Nation
Unit G10/Unit G11
Belgravia Workshops
159-163 Marlborough Road
London N19 4NP

email: info@onenation.co.uk
www.onenation.co.uk

