



RECORDING & RELEASING

RESOURCES

Labels, Distribution & DIY Releases Explained

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This resource explains the different types of record deals and distribution options, helping artists understand how to release music and choose the right pathway for their career.

Artists have more options than ever to release their music. Each has their own pros and cons, and is dependent on what the artist is looking for, or needs, to release their music. Here's a quick run down on common deal structures across major and indie record labels, distributors, and info on how you can do-it-yourself.

Record labels

There are two main types of label deals; major and independent labels. Traditionally, these two were vastly different in their offerings, but over time independents have become a very competitive alternative with similar services and funding.

One of the biggest differences between majors and indies is the royalty structures paid to artists.

Major label deal

- Label has longer term of ownership (or licence)
- Royalties based on PPD (Published Price to Dealer) - wholesale price of the record charged to a retailer
- Label pays bigger upfront advance to artist
- Label covers marketing & promotion costs
- Once advance is recouped (paid back in full), smaller royalty paid to artist (~15%-25%)

Indie label deal

- Generally based on net profit split between label and artist
- Label pays artist an upfront advance
- Artist and label both invest in project to cover costs - recording, marketing & promotion
- Once advanced is recouped, label and artist split royalty more evenly (such as 50/50)

Both indies and majors offer multiple deal options, but some of the more common structures include:

- **Ownership or Recording Agreements:** historically, most major label deals were based on ownership of the master recordings and in perpetuity ("last forever"). These are less attractive to artists in the current landscape, but still happen regularly in the major system where an artist will forgo long-term royalties for upfront advances.
- **Licence deals:** licences have become more of an industry standard, where the label will not have ownership of the masters, but licence the recordings to exploit them (generate income through streaming, sales, sync) for a set term. After said term, the rights to these recordings would revert back to the artist who is then free to find new partnerships.

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- **Profit splits:** very standard deal type in the indie world, the most common being a 50/50 net profit split. In this structure, the label pays the artist an advance and then both the label and artist would stand behind that advance, until it's recouped (paid back in full) from the recording royalties. Once the advance is recouped, the artist and label then split all net profit 50/50.
- **Pressing & Distribution (P&D):** distribution deals have mostly replaced P&D deals now, but they do still exist and offer artists a structure where the label takes care of all manufacturing (specifically for physical products e.g. vinyl, CDs etc) and distribution, while the artist still retains ownership of the recordings. P&D deals are usually a smaller royalty for the label, similar to a distribution set up.

Distribution

Like with labels, there is no 'one size fits all' distribution deal, but this sector has developed considerably over the past decade offering artists a competitive alternative to a label.

Unlike a label, commonly distribution deals offer the artist the majority of the royalty earned on their music with a shorter term (meaning the length of the deal) or release commitment (how many songs or projects need to be released in the deal).

As distribution offerings have diversified, many now offer advances (money) for project funding and marketing, similar to traditional labels deals - making them a very attractive option for artists who want to retain more control and ownership.

Distribution splits can usually range from 50/50 all the way to 90/10 (or higher) in the artist's favour, depending on the leverage of the artist and their catalogue.

DIY

There are many self-release platform options available to artists now. Unlike labels or distribution companies with artist services, self-release platforms often simply offer a pipeline to make music available on streaming platforms, with very basic support.

These services have different fee structures, including subscription based annual fees, per release charges or may take a minimal percentage of earnings. If they are not an annual fee subscription, they will generally take between 10% - 20% royalty for the distribution usage. It's important to be aware of the support or services these platforms offer (usually very little) before taking this avenue to release music, but it can be a great entry point for new artists without committing to longer agreements.



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