

North Star Shining In Nontraditional Music Market

BY TRUDI M. ROSENBLUM

NEW YORK—If you're looking for the CDs "New England Christmastide," Steve Schuch's "Celtic Celebration," or Robin Spielberg's "Beautiful Dreaming," you have more of a chance of finding the albums at your local gift shop, museum, or even furniture store than you do in a traditional record outlet.

"Most of our music is sold in the alternative market," says Richard Waterman, president of North Star Music in East Greenwich, R.I. "We do sell some in traditional record stores, but 95% is sold in the specialty gift and retail market—gift shops, gourmet food shops, restaurants, even furniture stores that carry household items and ornaments."

For traditional record stores, the company relies on Woodland, Calif.-based Valley Media; Lansing, Mich.-based Goldenrod; Durham, N.C.-based dyslipper; Waterbury, Vt.-based Rounder Kids. But for the gift market, it uses its own nine-person staff, headed by Robert Martins, plus some of the above distributors.

Among the company's diverse accounts are the Mystic Seaport museum, a gift store called Reflec-

tions of Naples in Naples, Fla., and large specialty chains including the Nature Company and People's Pottery. "We have a ton of accounts, running the gamut of a one-owner gift store to a 180-store chain," Waterman says.

The label does all of its alternative distribution itself. "Our in-house account reps spend every day making calls and expanding our account base," Waterman explains. "We also attend a lot of gift shows every year and have a booth where we promote our music."

The jazz, Celtic, world, instrumental piano, and contemporary acoustic music produced by North Star is unlikely to ever gain radio play. Instead, North Star relies heavily on in-store play, with nearly 500 listening kiosks that allow customers to hear the CDs before buying them. "The nice thing about our market is that our recordings don't have just a six-month shelf life," Waterman adds. "It's more like a five-year shelf life."

North Star also uses point-of-purchase displays to entice buyers. For Spielberg's "Mother" album, North Star made up a special display with a

backing header card and a Mother's Day theme. "We targeted it very specifically to Mother's Day and opened up a ton of accounts—card stores, toy stores, even bridal shops," recalls Waterman. "Once we got in for Mother's Day, they continued to carry our music year-round."



For Schuch's "Celtic Celebration," the label designed a counter display with a Celtic/Christmas header card and gave supporting materials to store owners,

encouraging them to put the title near the counter at Christmas as an impulse buy.

"We're on the phone always," Waterman adds. "We do a lot of mailings announcing new titles, but then we have a six- or eight-week phone campaign focusing on two or three titles. We do very heavy, strong phone promotion."

Waterman, a guitarist and songwriter, founded North Star in 1985 after regretfully realizing "I wasn't going to be the next James Taylor. But I had to be involved in what I loved, so I decided to start a record label." He began recording instrumental acoustic

Christmas carols and bringing batches of cassettes and LPs around to local stores in the back of his station wagon. To his surprise, "They sold like crazy. We were pioneers in selling music to the specialty market."

North Star's biggest-selling title is "New England Christmastide," which has sold between 400,000 and 500,000 copies, Waterman claims. Another top title is "Celtic Celebration," which sold over 100,000. A typical title that sells well for the label will move 50,000 to 70,000 copies. There are about 50 artists on the label, and the company sells between 400,000 and 450,000 units a year altogether. The business is increasing by 20% annually, Waterman says.

North Star's competition includes Sugo Music, North Sound Press, Solitudes, and Green Hill Music. "It's tougher now than when we started because there's more competition," Waterman observes. "Instead of us being the only music [vendor] at a gift show, now there are five or six of us. Most of us have very good music and very good merchandising tools. There's still plenty of business to go around, but it is tougher now. It's important to have really good customer service and build customer loyalty."