

RECORDING INDUSTRY RELEASES 1998 CONSUMER PROFILE
R&B and Gospel Growth Continues, Women Again Outpurchase Men, and Online Sales Triple

WASHINGTON, March 23, 1999 – Today, the Recording Industry Association of America, which represents U.S. record labels, released its [annual demographic survey](#) of 3,051 music purchasers in the United States. "Several interesting profiles emerged in 1998, including the boom in R&B and Gospel, as well as the sharp decline in Rock sales," said Hilary Rosen, RIAA president and CEO. "Demographic shifts also continued with women outbuying men for the second year, and a drop in purchases among 15 to 29 year-olds, contrasted by significant growth among those age 35 and older."

Last month, the RIAA released its annual year-end shipments statistics, which revealed the size of the domestic sound recording industry in 1998 to be \$13.7 billion.

The following are highlights from the [1998 Sound Recording Consumer Profile](#):

Genre: Rock and Country maintained their decade-long domination of the market, although Rock continued to decline, dropping from 32.5% in 1997 to 25.7% last year. The absence of hits from established Rock artists, the continued decline of the Rock sub-genre, Alternative (down from 11% to 9%, not broken out on the chart), the shrinkage of buyers in the 20-24 age bracket, once a stronghold for Rock, may all be contributing factors to Rock's decline. With 14.1% of the market, Country remained stable and was able to maintain its second place market position.

Meanwhile, the hot genres of 1998 were R&B, Gospel, and Soundtracks. R&B growth (from 11.2% in 1997 to 12.8% last year) came mainly in the 35+ age group, and can be attributed to the success of artists such as the triple-Platinum award winner Lauryn Hill, Brian McKnight, Levert, Sweat & Gill, Erykah Badu, Jon B. and Janet Jackson.

Gospel has surged from 4.5% in 1997 to 6.3% last year, showing the greatest market growth of any genre. Its increasing popularity over the past three years is due largely to the cross-over success of a number of Gospel/Christian artists who appeal to R&B, Pop, Country and Rock fans. Of particular note last year was Kirk Franklin's "The Nu Nation Project," which certified Platinum and peaked at number seven on the Billboard album charts, Lee Ann Rimes' "You Light Up My Life," DC Talk's "Super Natural," and Point of Grace's "Steady On." Also extremely popular were the children's video "Veggie Tales," and the inspirational soundtrack to "The Prince of Egypt."

Other blockbuster movie soundtracks – including "City of Angels," "The Wedding Singer," "Armageddon," "Hope Floats," and the "Titanic" of them all – propelled this genre's growth from 1.2% to 1.7% last year. And Classical enjoyed a healthy year (2.8% to 3.3%) also driven by purchases of Titanic which, with sales of more than 10 million, is the best selling orchestral soundtrack in history.

Gender: Continuing the trend from last year, women accounted for a higher percentage of units purchased than men (51.3% vs. 48.7%). Women over 30 accounted for the largest share of purchases, and their genres of choice are Pop and Country (65% and 60% respectively). This increase in buying among older women can be attributed to the Titanic "phenomenon," along with the success of artists such as Celine Dion, Shania Twain, Jewel, Sarah McLachlan, Sheryl Crow and Mariah Carey. Conversely, men under 30 outpaced their older counterparts, and Rock dominated their purchases followed by a combination of R&B and Rap (62% and 51% respectively).

Age: The trend towards an older purchasing demographic continued. In fact, consumers over 30 were the only age demographic to show any growth last year. Consumers 35 years and older accounted for 39% of the units purchased in 1998 compared to 22.1% 10 years ago. In 1998, 12% of all purchases were made by those 50 years of age and older compared to just 6%, 10 years ago. Country and Pop dominate the music choices made by these mature consumers, accounting for 51% and 53% respectively of all purchases within these genres. Also, a drop-off in the proportion of purchases accounted for by 15 to 24 year-olds (32.2% in 1996 vs. 28% in 1998), once the mainstay of the market, continues.

Configuration: Accounting for 74.8% of the total market, full-length CDs were consumed at a greater rate in 1998 than in the past four years. Full-length cassettes, while maintaining their second place position, continued their gradual decade-long decline (18.2% to 14.8%). Singles declined more than 2% last year, music videos recovered their 1996 market share of 1% and vinyl maintained at 0.7%

Outlet: Last year, more music consumers (86%) shopped at retail outlets than in the past eight years. However, the gap continues to narrow between purchases made at traditional record stores versus other retail stores such as consumer electronics stores and specialty stores (51% vs. 34%). The percentage of consumers who purchased from tape and record clubs (9%) dropped to the lowest level since 1990.

And for the second year, the RIAA broke out online sales, indicating 1.1% of music buyers made purchases via the Internet. While instances of online purchasing are still relatively low, this number has tripled from last year (0.3% to 1.1%) and now equals the number of acquisitions made from television offers (not broken out on chart.)

The annual Consumer Profile is compiled by Taylor Nelson Sofres Intersearch (previously Chilton Research Services) from a monthly national telephone survey. (TNS Intersearch surveys 3,051 music buyers each year.) Data from the monthly survey, tabulated annually and semi-annually, is weighted by age and sex, and then projected to reflect the U.S. population age 10-and-over. The reliability of the data is +1.7% at a 95% confidence level.

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Editor's Note: To calculate the dollar volume of these percentages, simply multiply the size of the domestic sound recording industry times the percent. \$13.7 (billion) x ___ % = \$ ___.

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