

edison media research

**The National
Record Buyers Survey**

June 2001



Sponsored by R&R

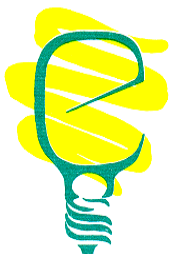
Topics we will cover today...

- The most important influences on music purchase behavior today
- Which artists are currently generating the most interest for upcoming releases
- How to use Radio more effectively to sell product
- The enormous "Generation Gap" in music that exists today
- The evolving impact of the Internet



How the survey was conducted:

- 748 Total Interviews
- Ages 16-40
- Telephone Interviews Nationwide conducted 5/18 - 5/28, 2001



Make this survey your resource

- We have crosstabs by:
 - Sex
 - Age
 - Ethnicity
 - Format
 - Downloading behavior
 - MTV/VH1/Other video channel viewers
 - much more
- Info on Movie Soundtracks; Compilations
- Stay tuned to R&R for more research reports

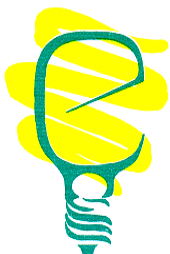
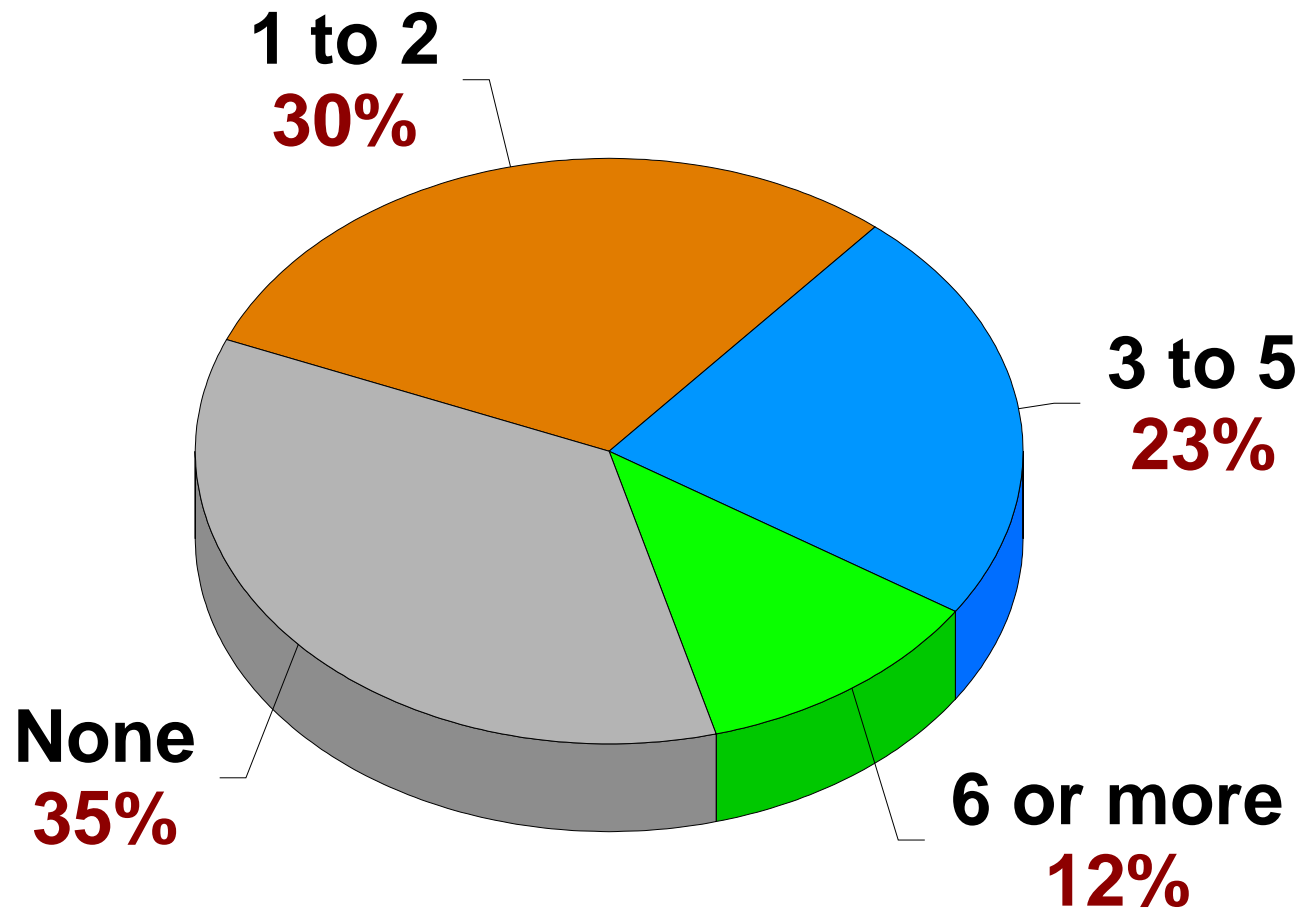


Music Purchase

16-40

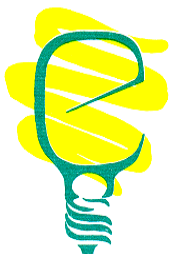
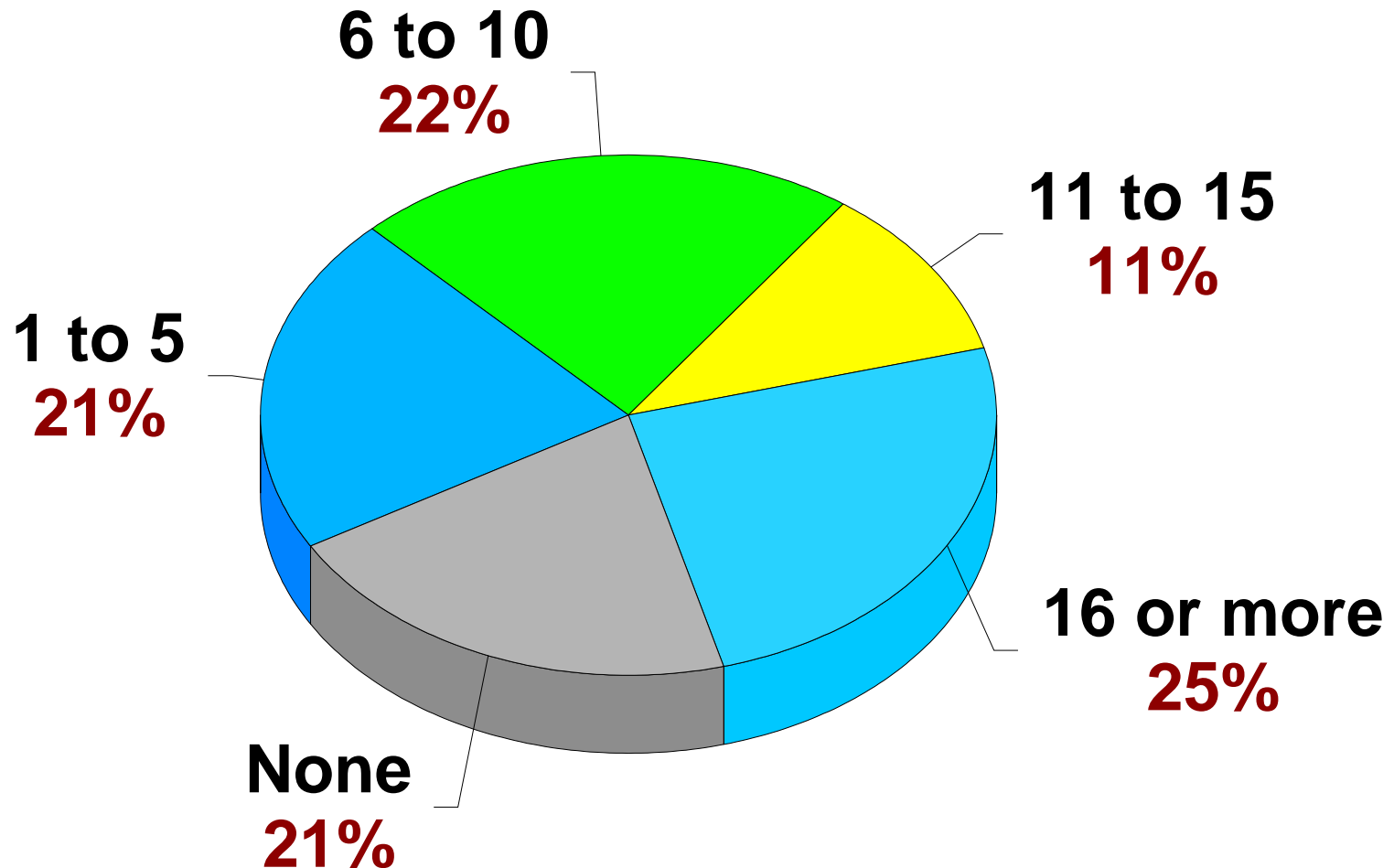
Approximately how many CDs or tapes have you bought in the last *month*?

Mean= 2.9

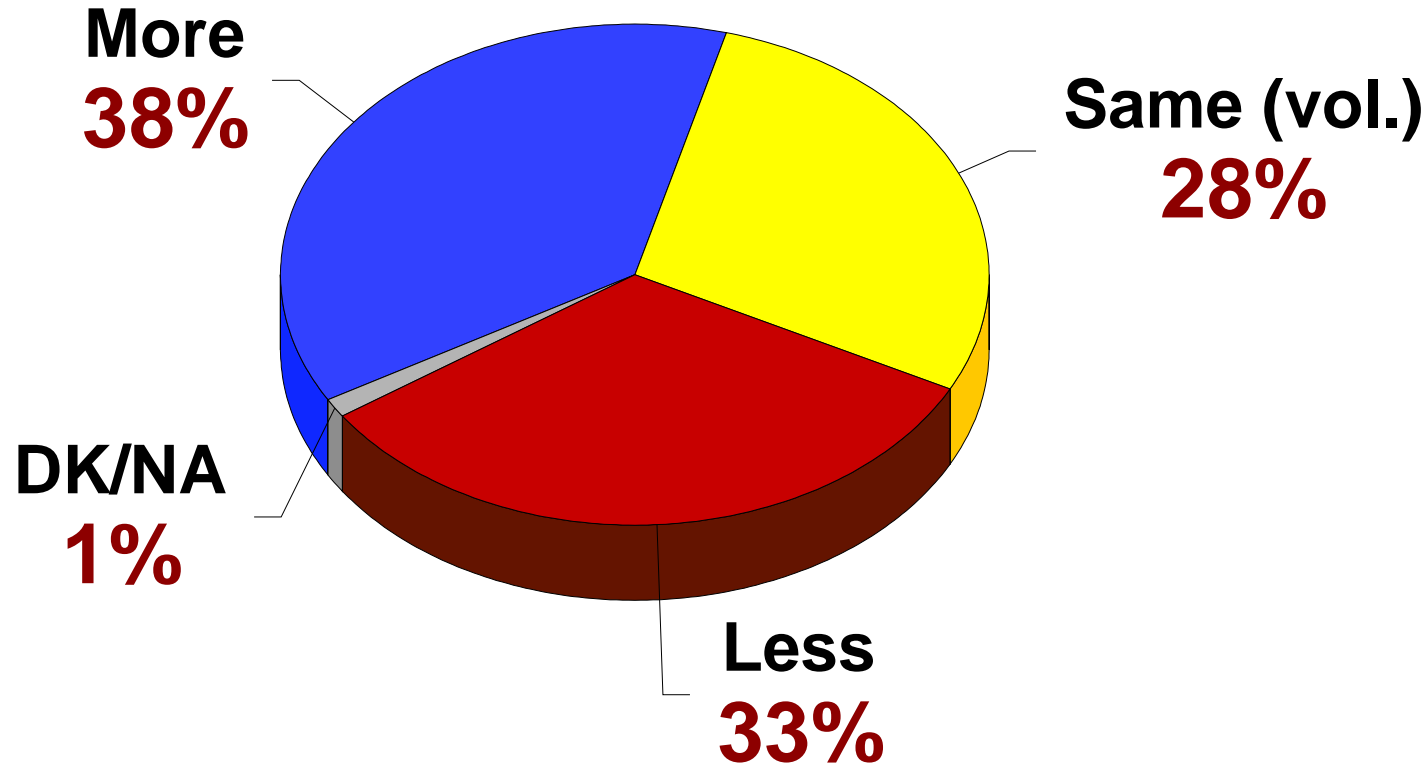


Approximately how many CDs have you bought in the last *12 months*?

Mean = 14.9



Is this more or less than what you had purchased in the previous 12 months?

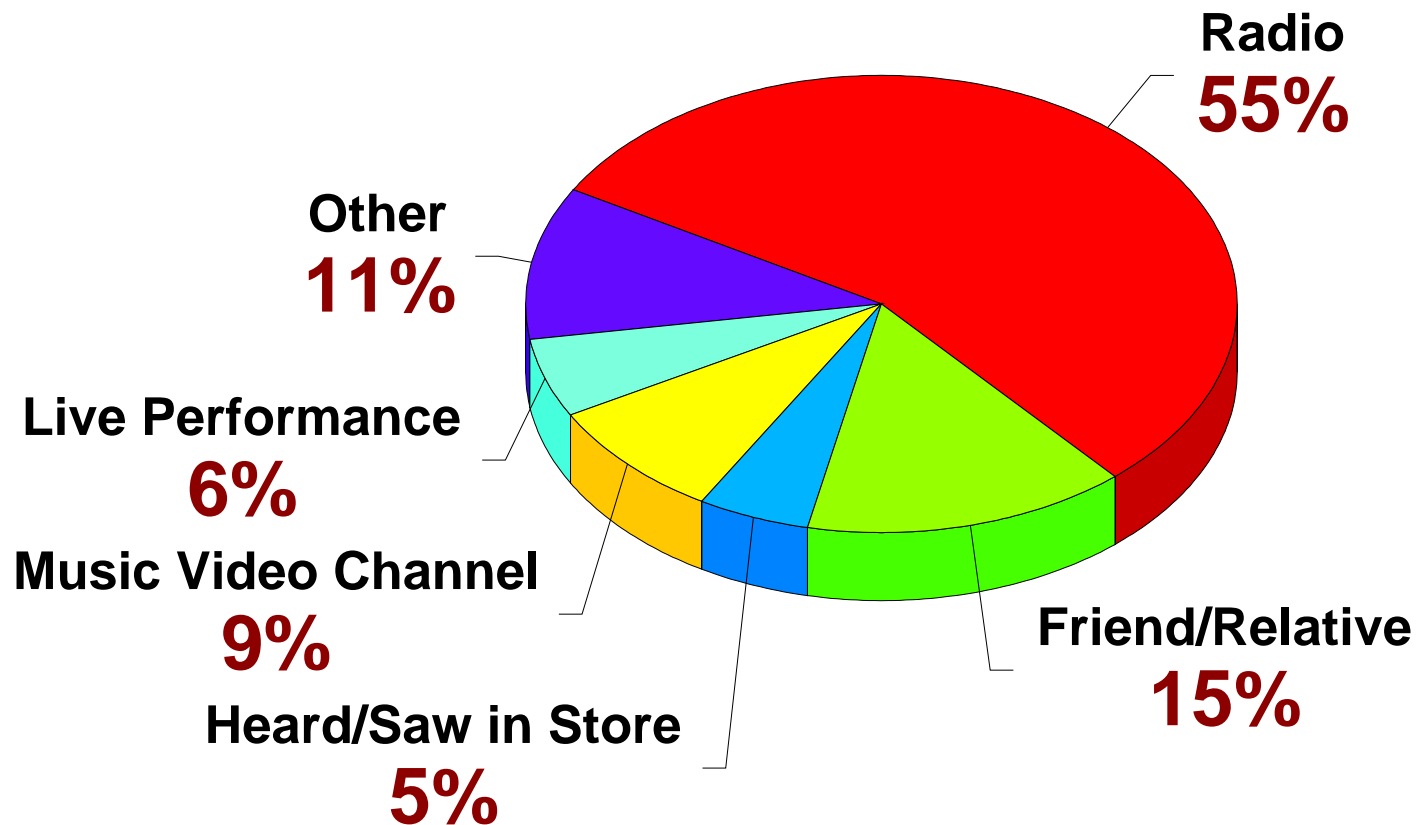


Base: Purchased music CD or cassette in last 12 months



***What Influences
Purchase Behavior?***

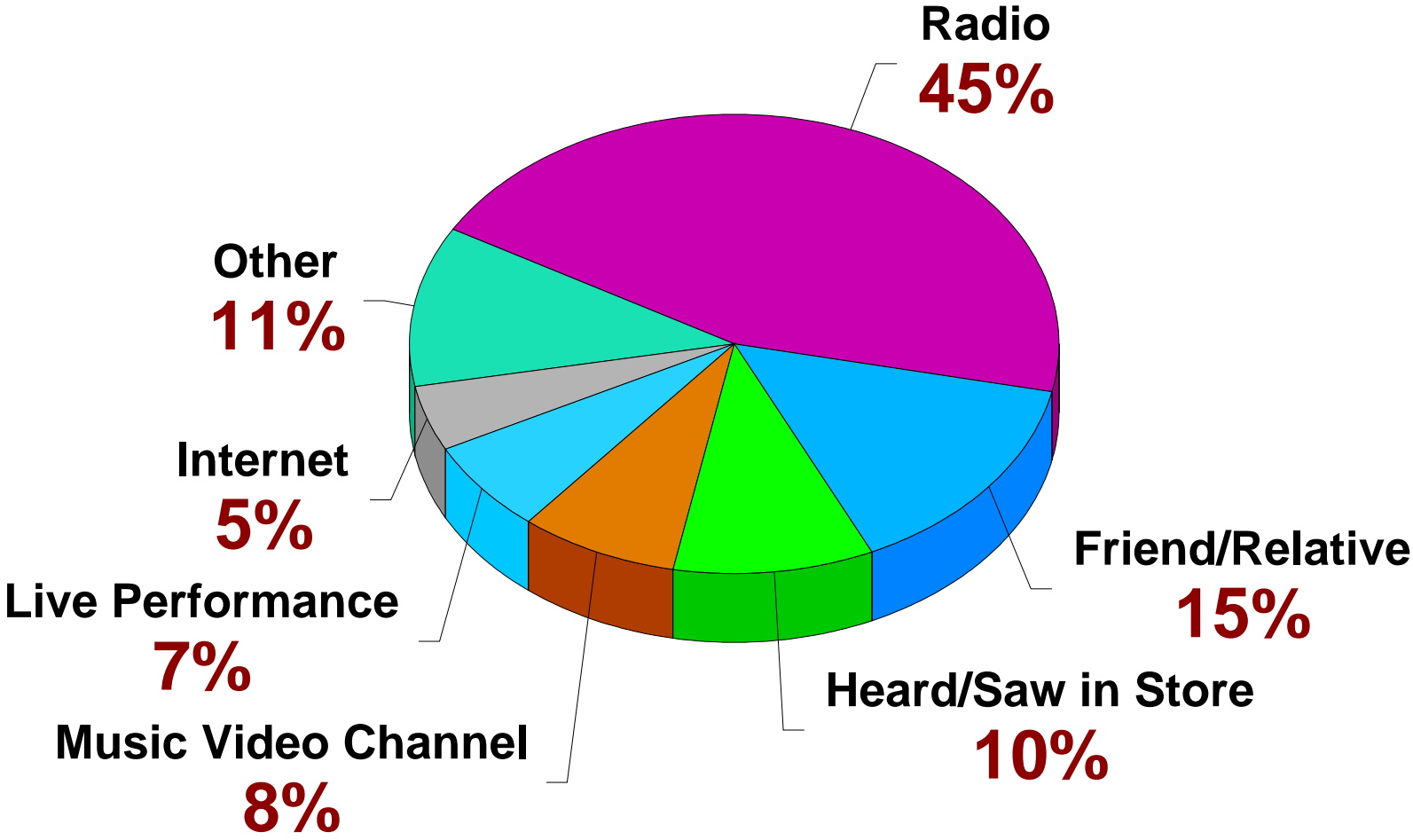
Item that *most* influences your music purchasing *in general*:



Base: Purchased music CD or cassette in last 12 months



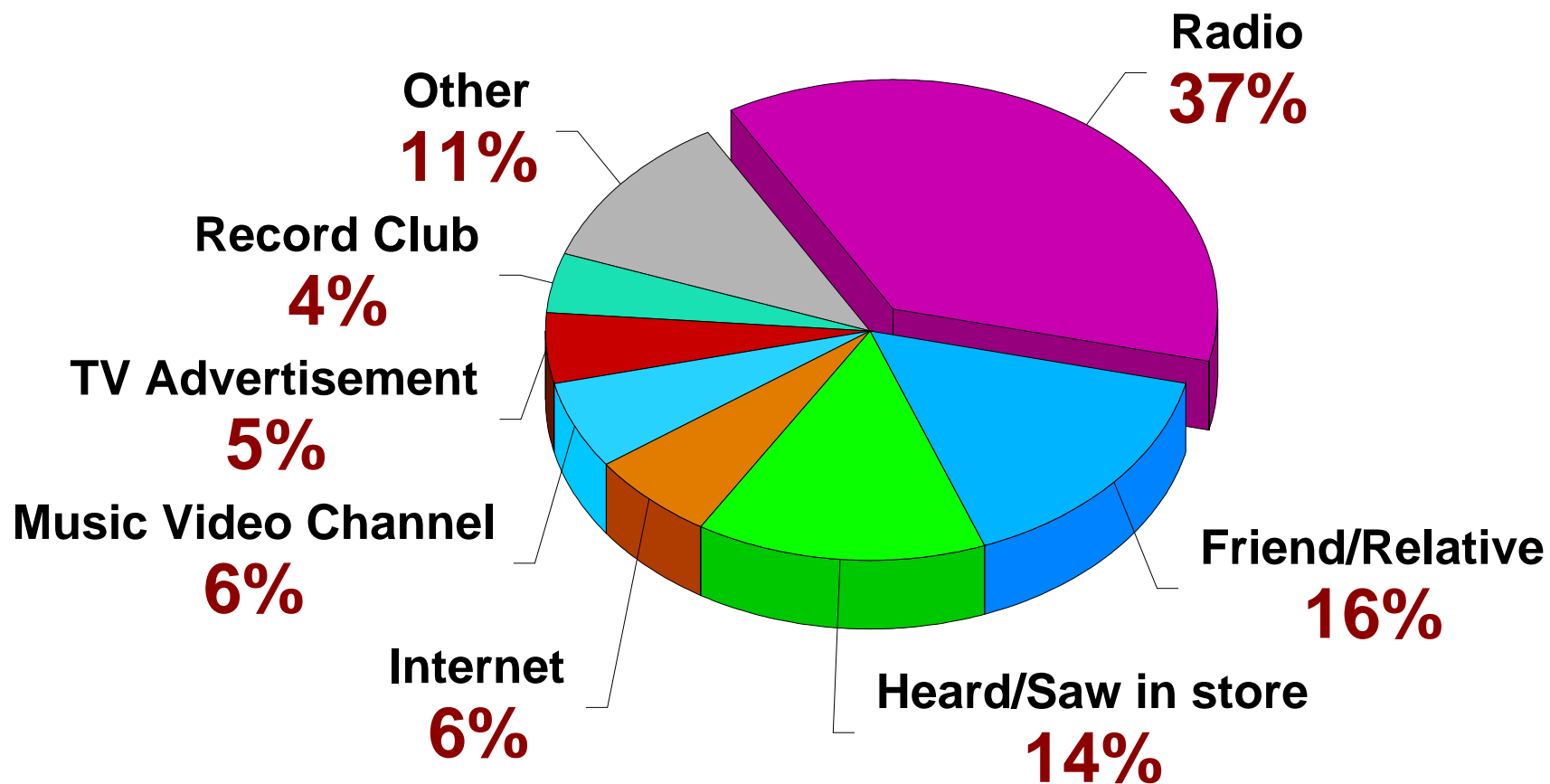
Item that *most* influenced decision to buy **last CD** for yourself:



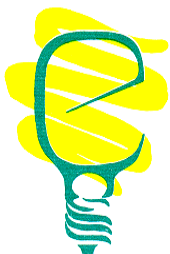
Base: Purchased music CDs or cassettes in last 12 months



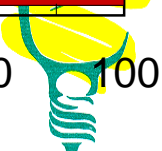
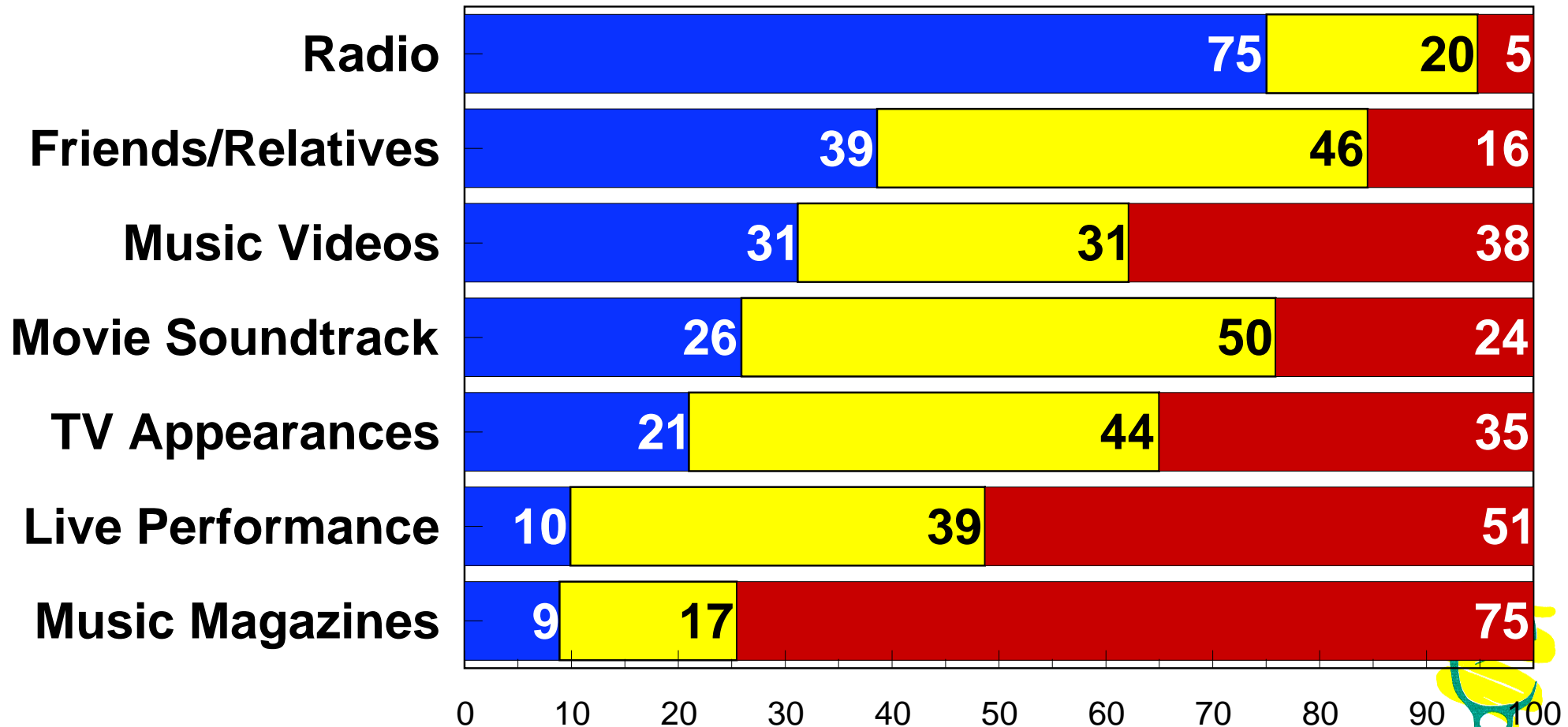
How did you *first* find out the last CD you bought was available?



Base: Purchased music CDs or cassettes in last 12 months



Ways you find out about **new** music:



The Artists

Urban Artists

Babyface

Dr. Dre

Jay-Z

Nelly

Usher

Luther Vandross



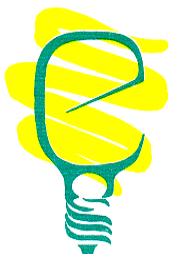
Country Artists

Garth Brooks
Dixie Chicks
Faith Hill
George Strait
Shania Twain



Rock Artists

Bon Jovi
Creed
Metallica
Offspring
Chili Peppers
Santana
Tool



Pop Alternative Artists

Blink-182

Depeche Mode

Goo Goo Dolls

Alanis Morissette

R.E.M.

Sugar Ray

U2



CHR Artists

Christina Aguilera
Backstreet Boys
Madonna
'N Sync
Britney Spears
Destiny's Child



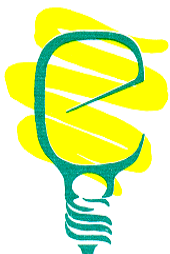
"Superstar" Artists

Celine Dion

Paul McCartney

Bruce Springsteen

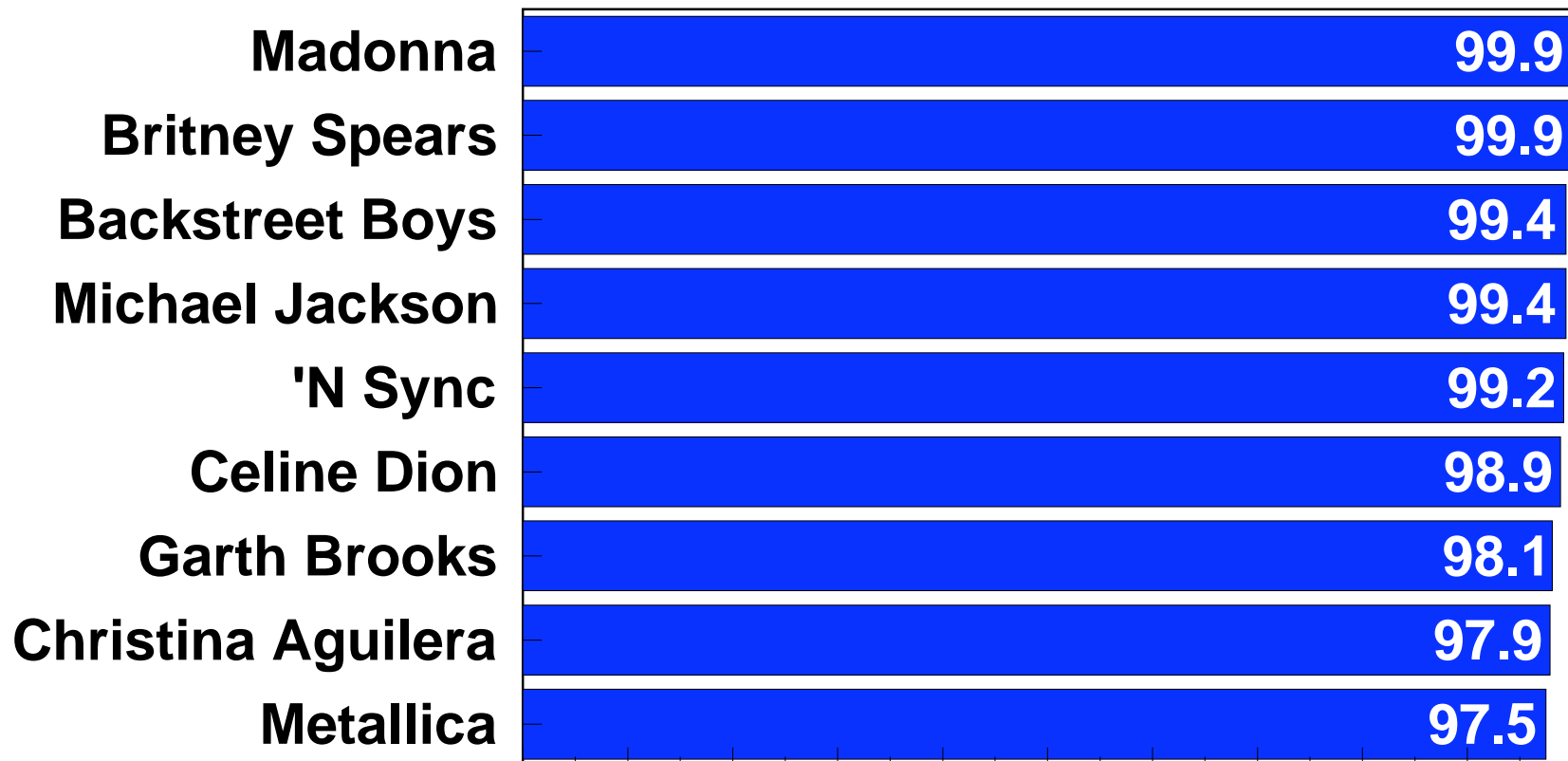
Michael Jackson



Material Girls

Madonna & Britney: Most famous artists today

Most Well-Known Artists

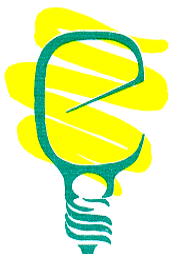
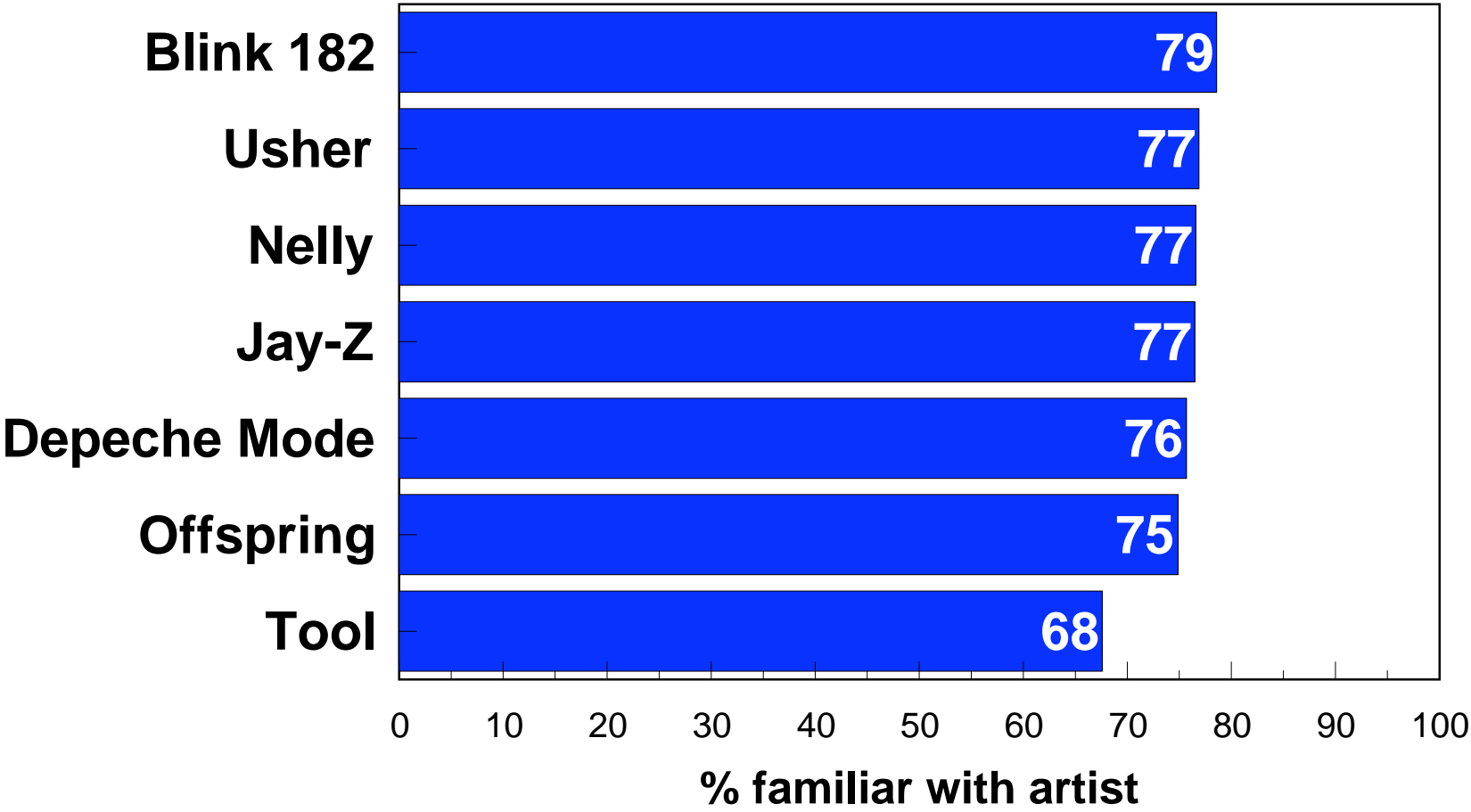


% familiar with artist



Tool, Offspring: artists with lowest familiarity among those examined

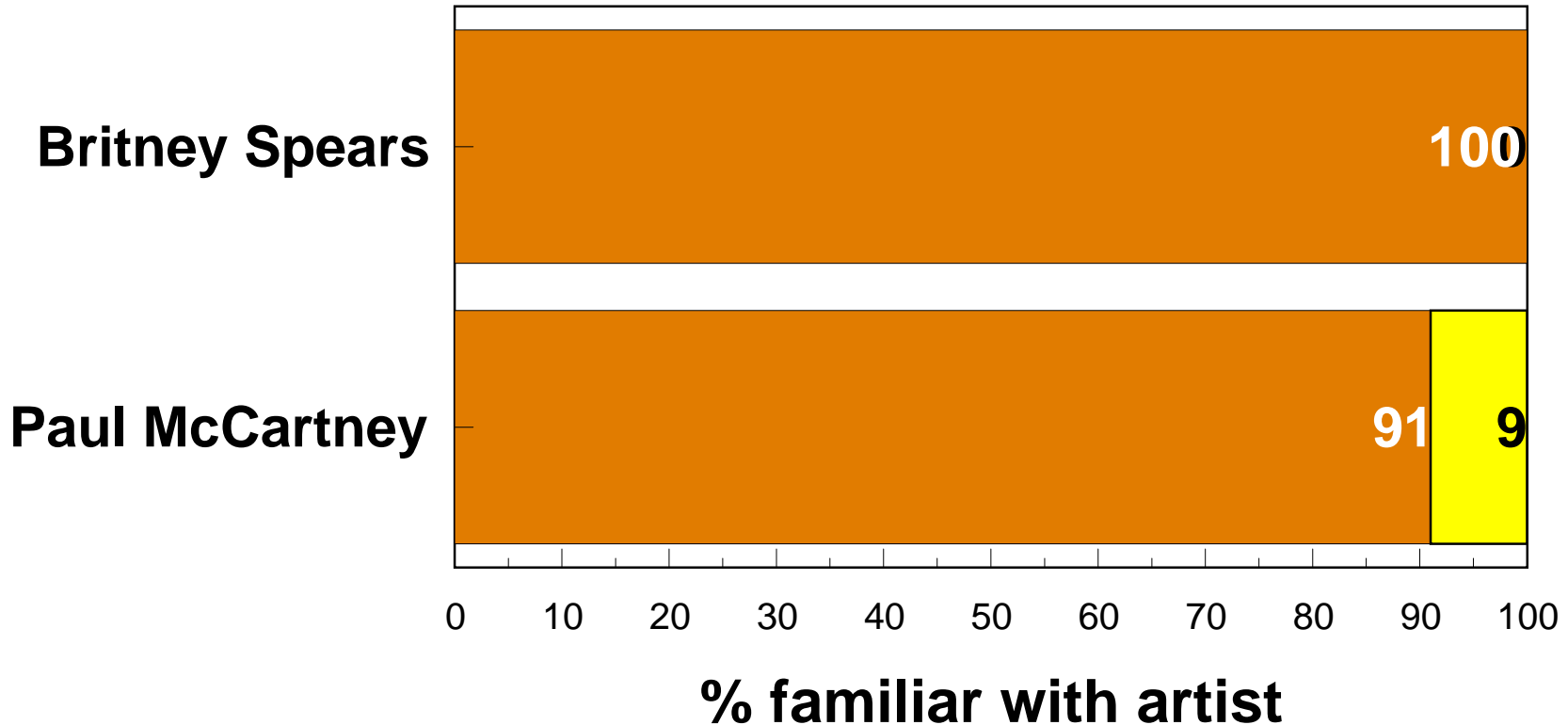
Least Well-Known Artists



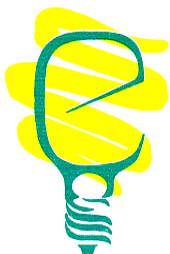
Paul is Dead?

9% of 16-24 year olds are unfamiliar with Paul McCartney

Have you heard of...

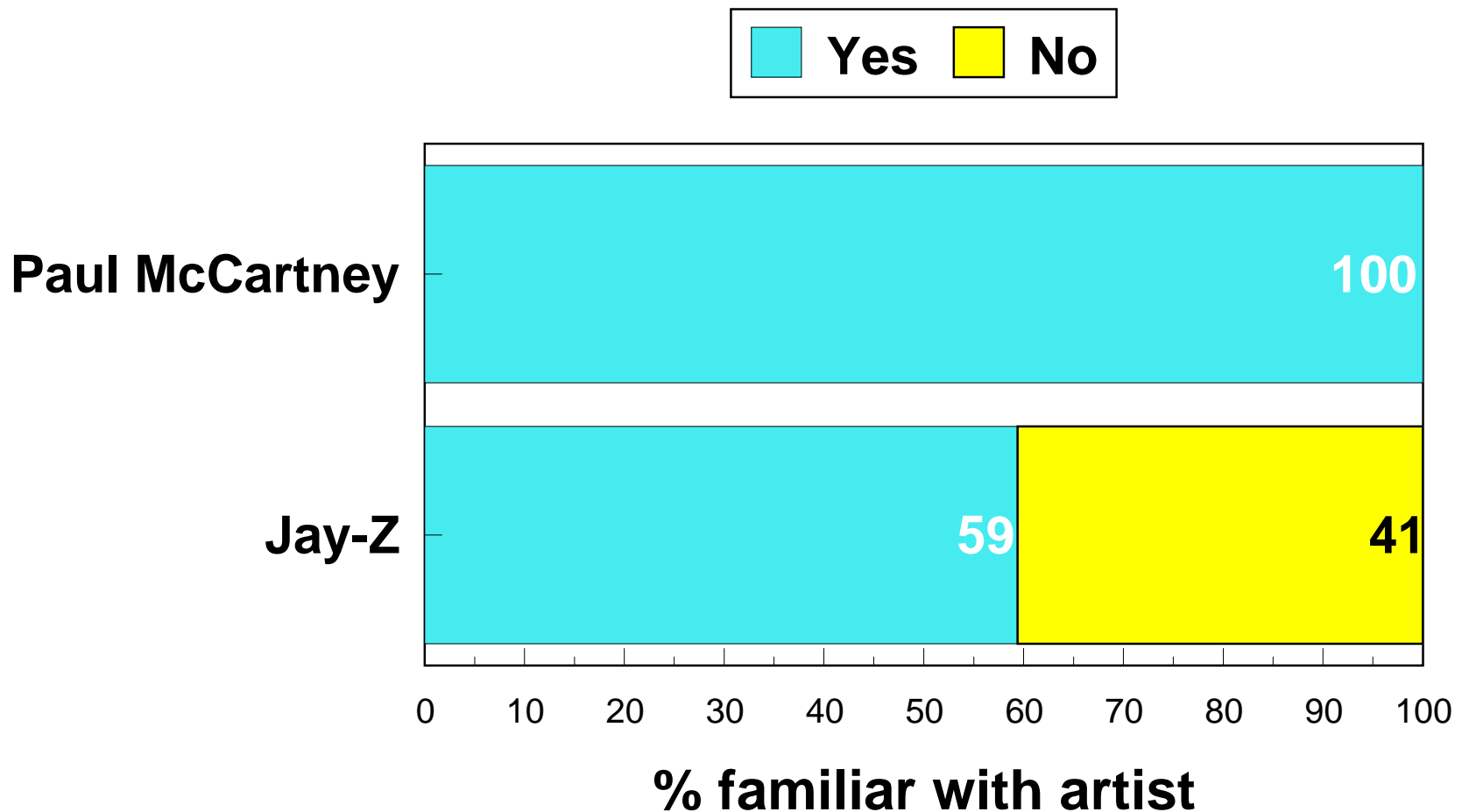


Base: 16-24 year olds



Many 35-40 year olds are unfamiliar with Jay-Z

Have you heard of...

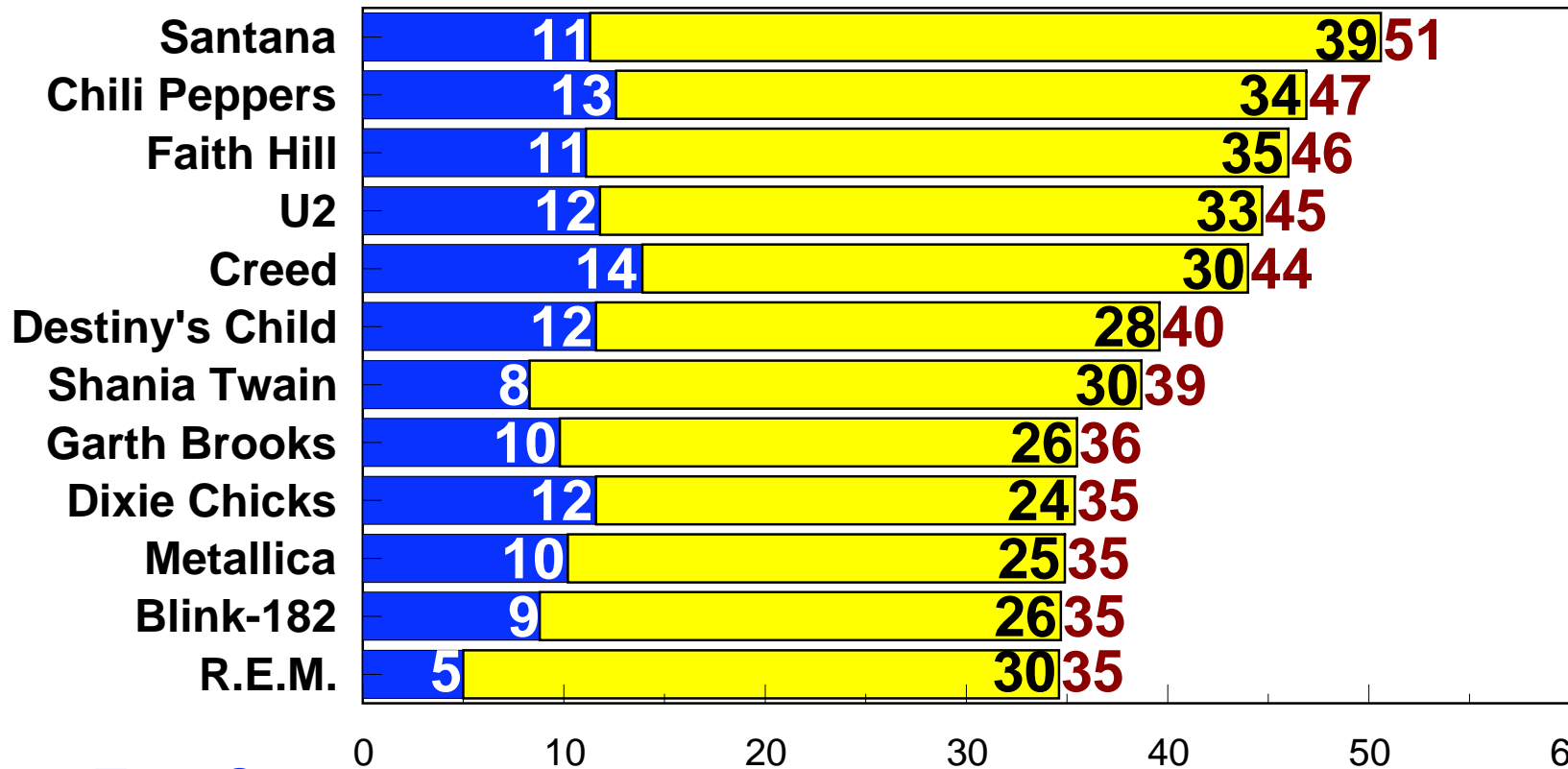


Base: 35-40 year olds



Santana, Red Hot Chili Peppers have broadest "intent to buy"

How likely are you to buy an album by:

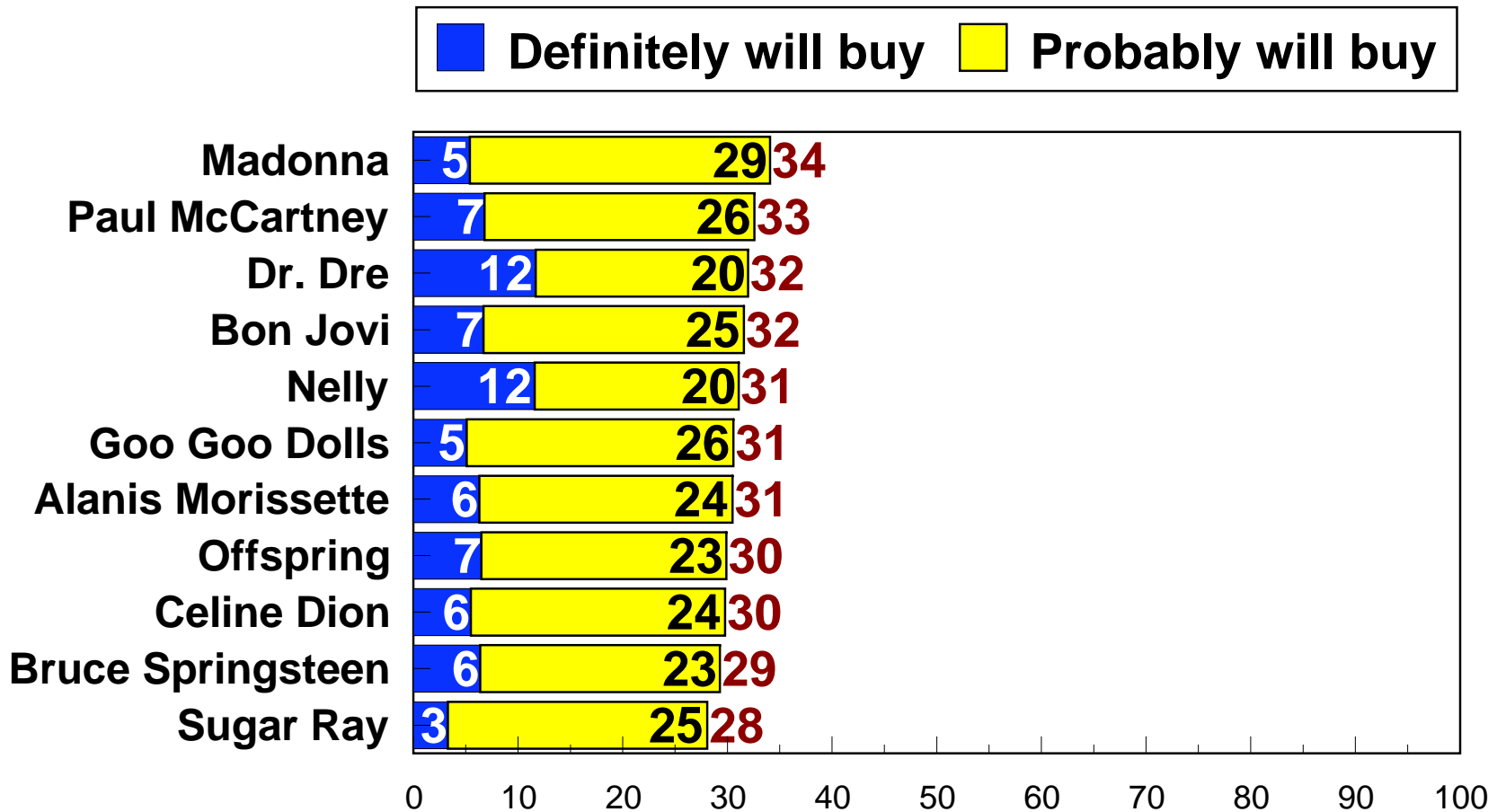


Base: Total Sample

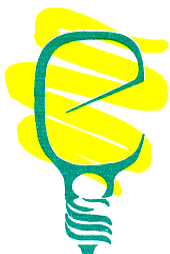


Many will "definitely buy" Nelly, Dr. Dre

How likely are you to buy an album by:

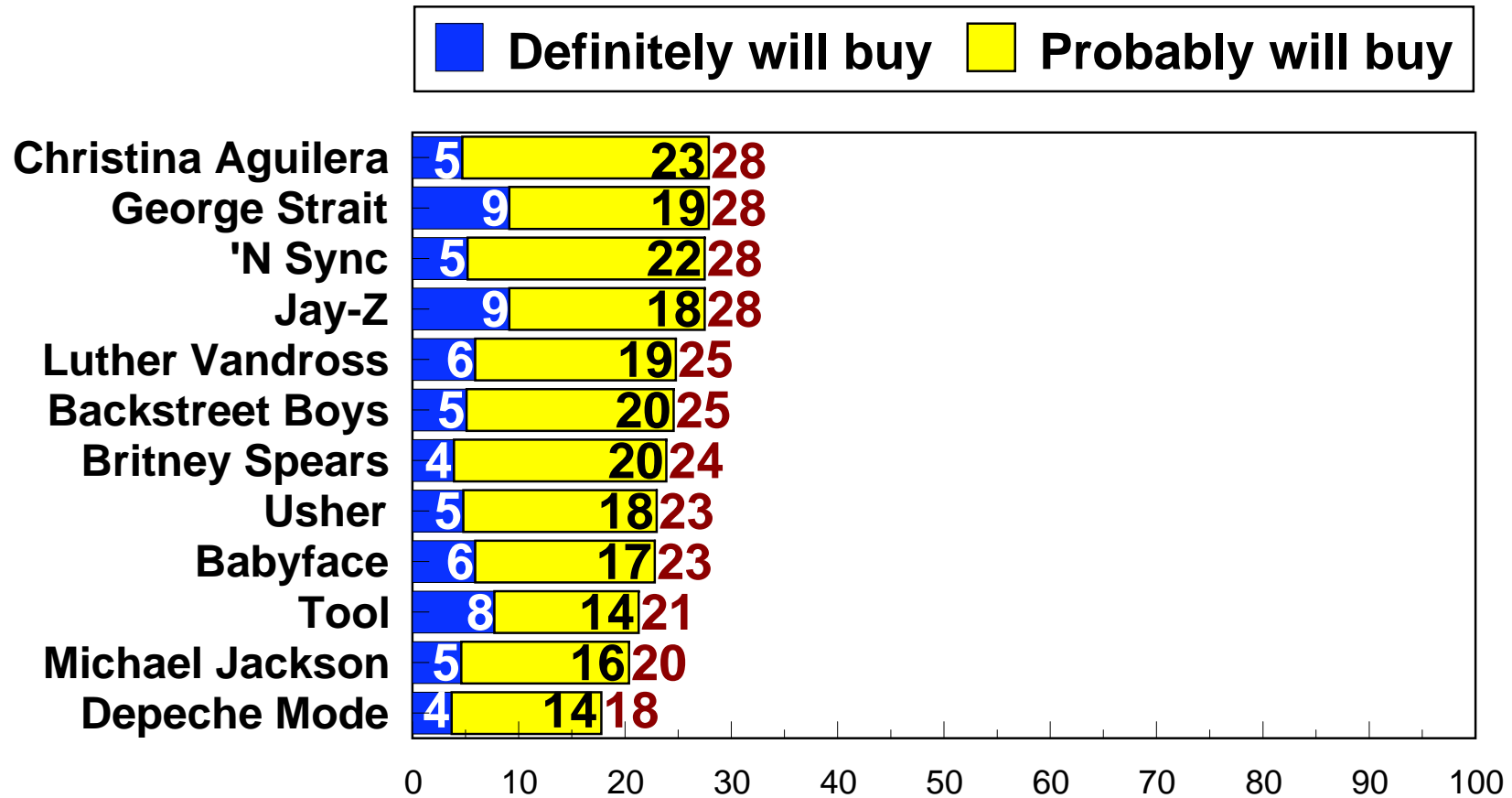


Base: Total Sample

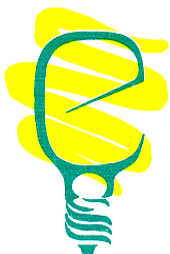


80s Stars Michael Jackson, Depeche Mode face biggest challenges

How likely are you to buy an album by:

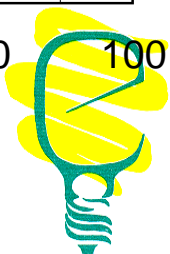
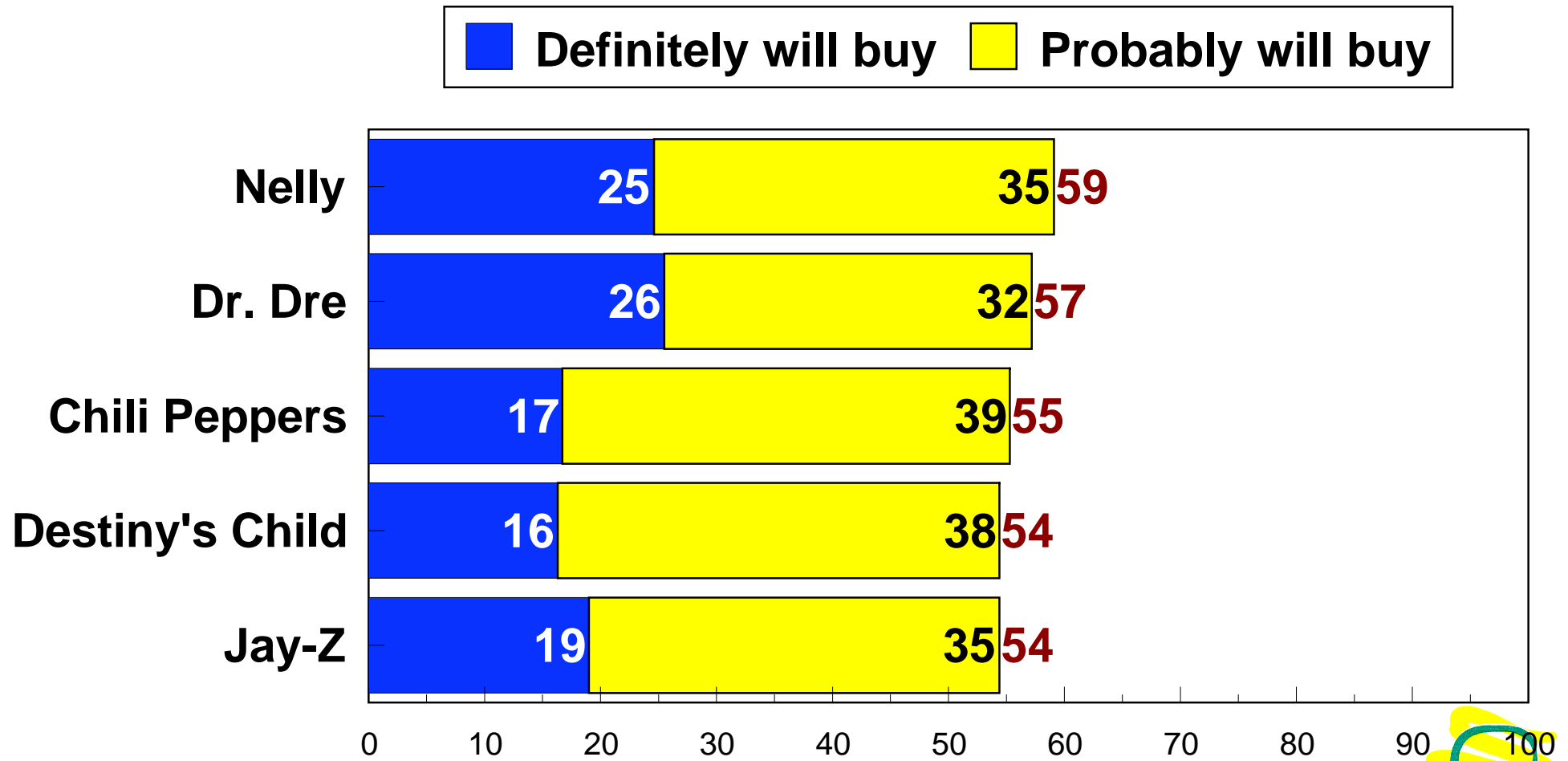


Base: Total Sample



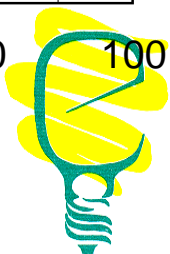
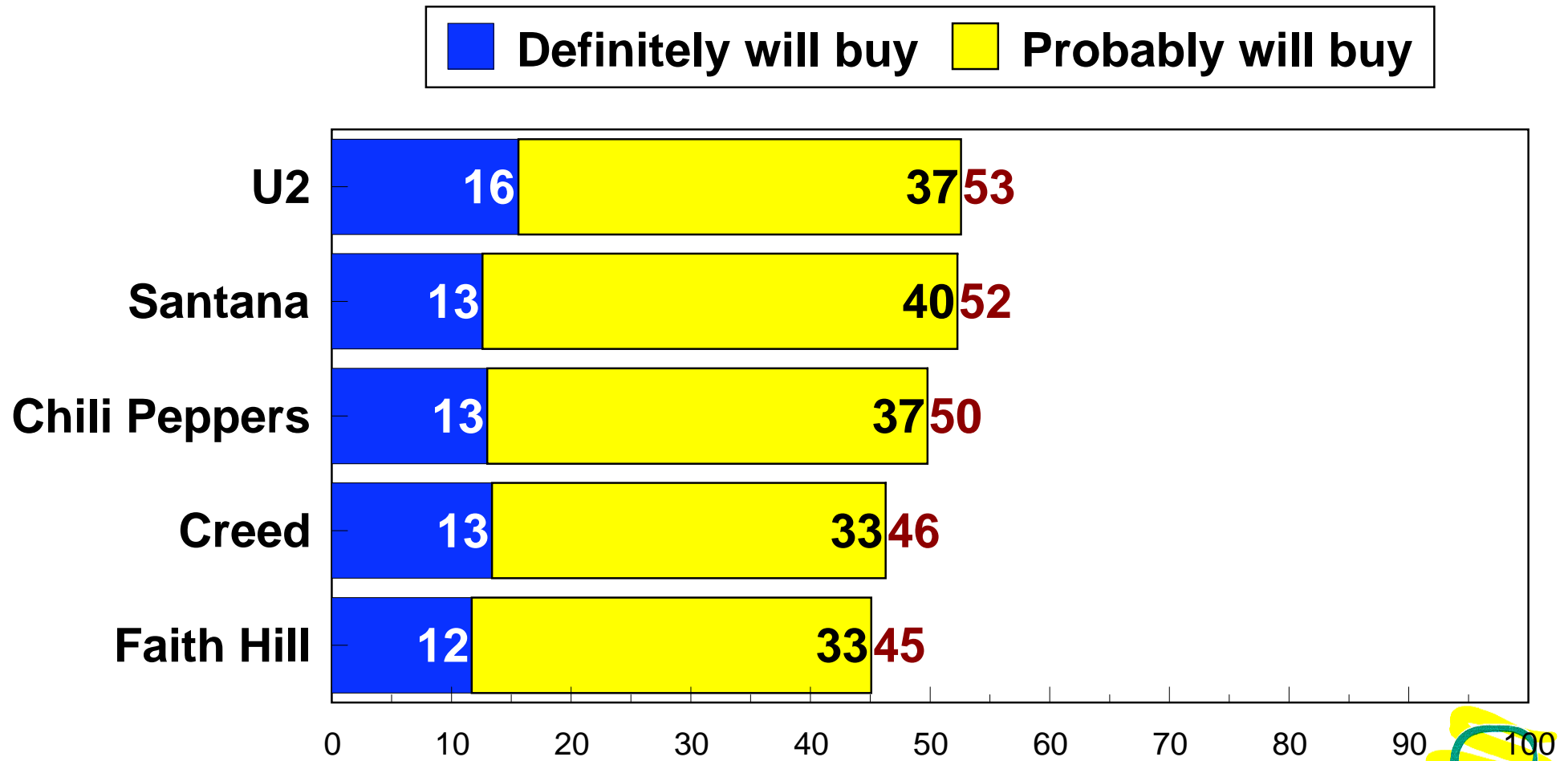
Purchase Intentions

Top Five Albums Among 16-24s



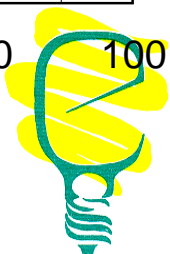
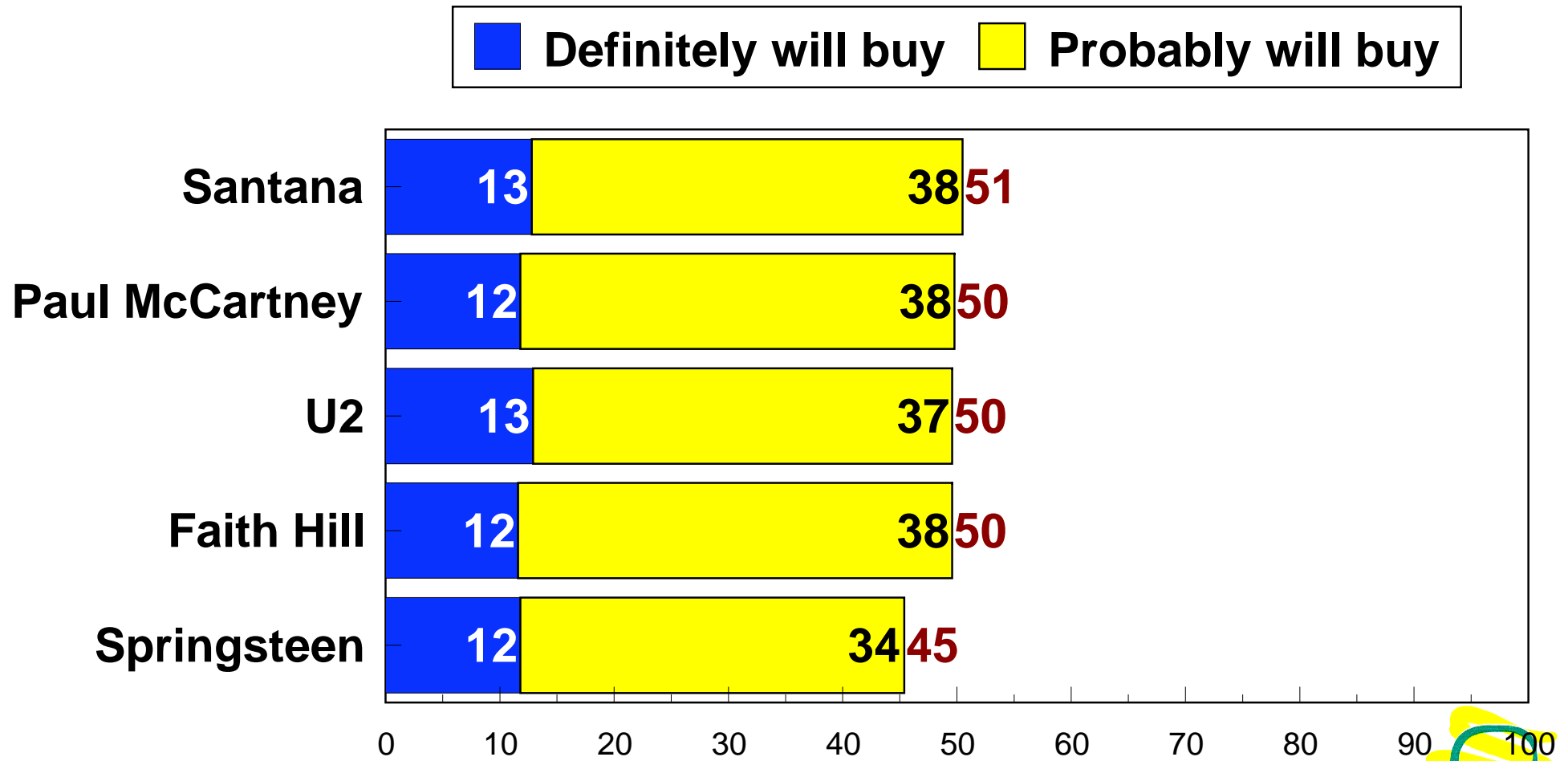
Purchase Intentions

Top Five Albums Among 25-34s



Purchase Intentions

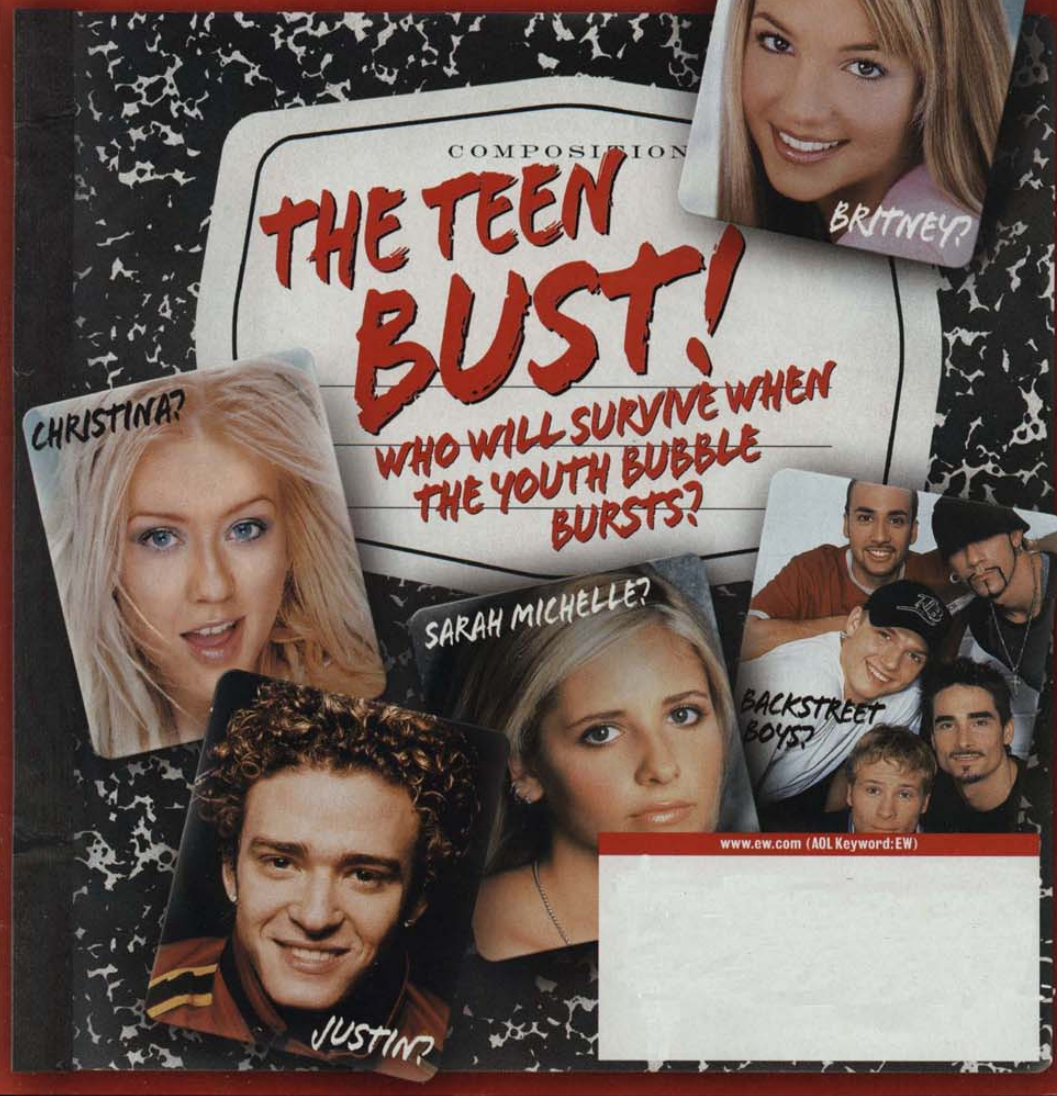
Top Five Albums Among 35-40s



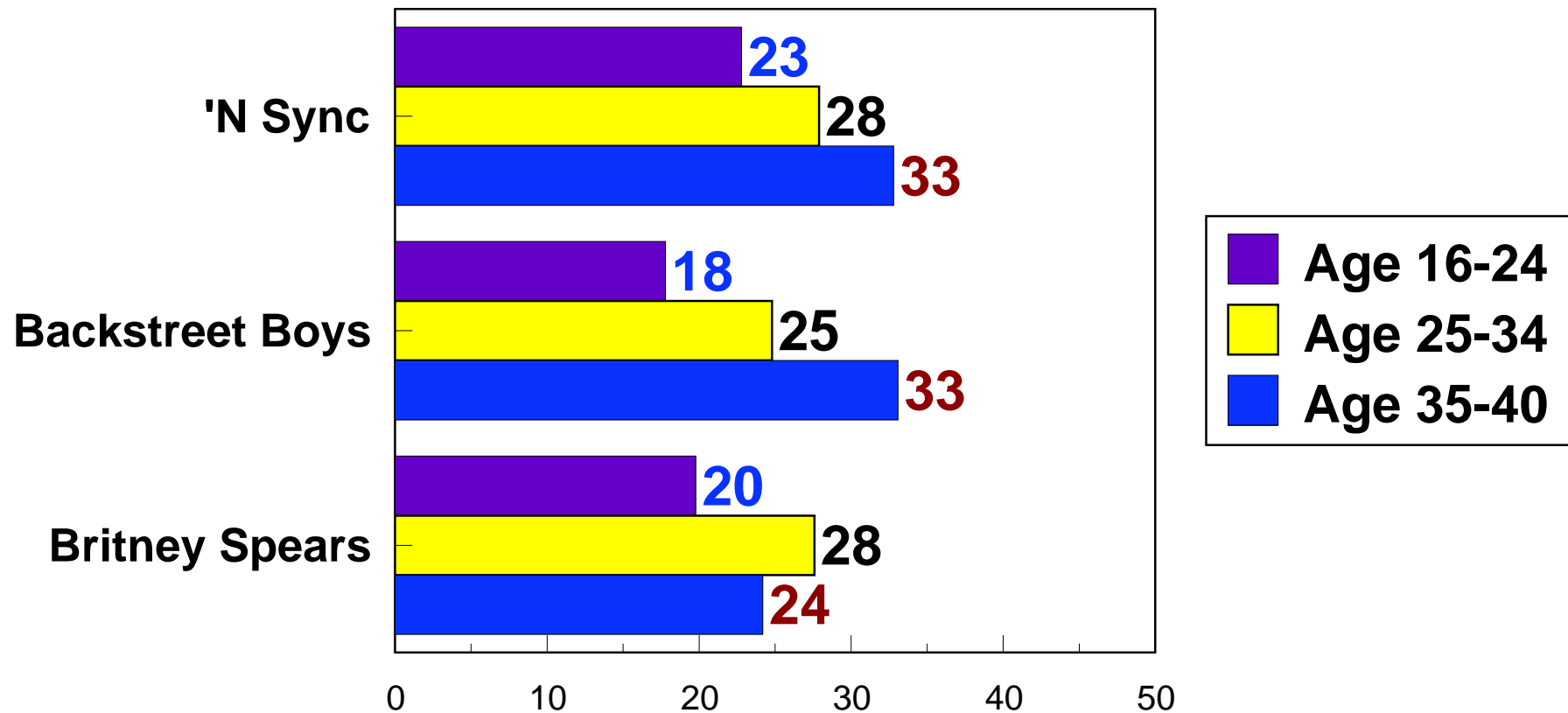
RADIOHEAD | PEARL HARBOR: REALITY CHECK

#599 • June 8, 2001

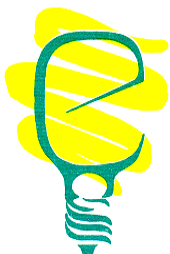
Entertainment



Interest in "Teen Pop" artists leans *older!*



% saying "Definitely" or "Probably" will buy next album



"Generation Gap" 2001

"How much do you like..."

Music Type

Pop Alternative

Classic Rock

Rock

Dance

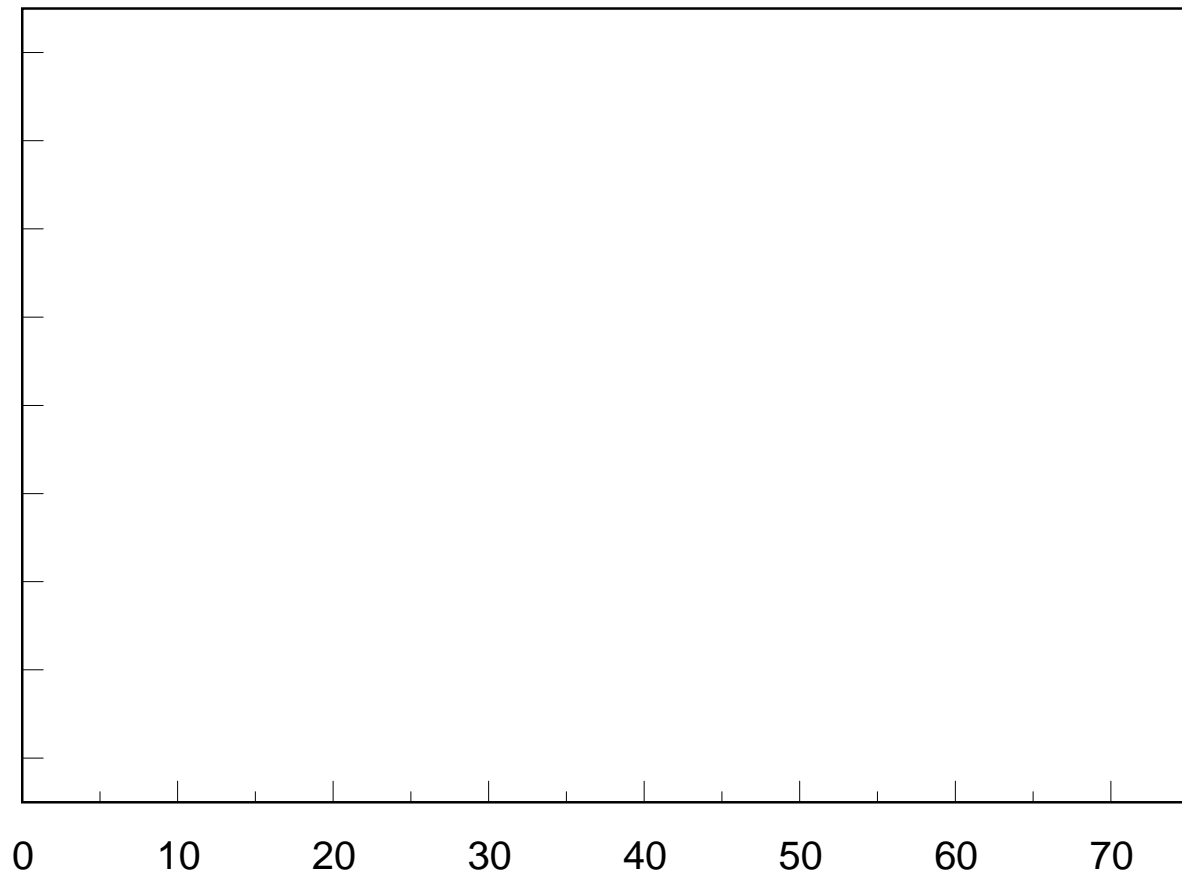
R&B

Country

Mainstream AC

Hip-Hop/Rap

CHR

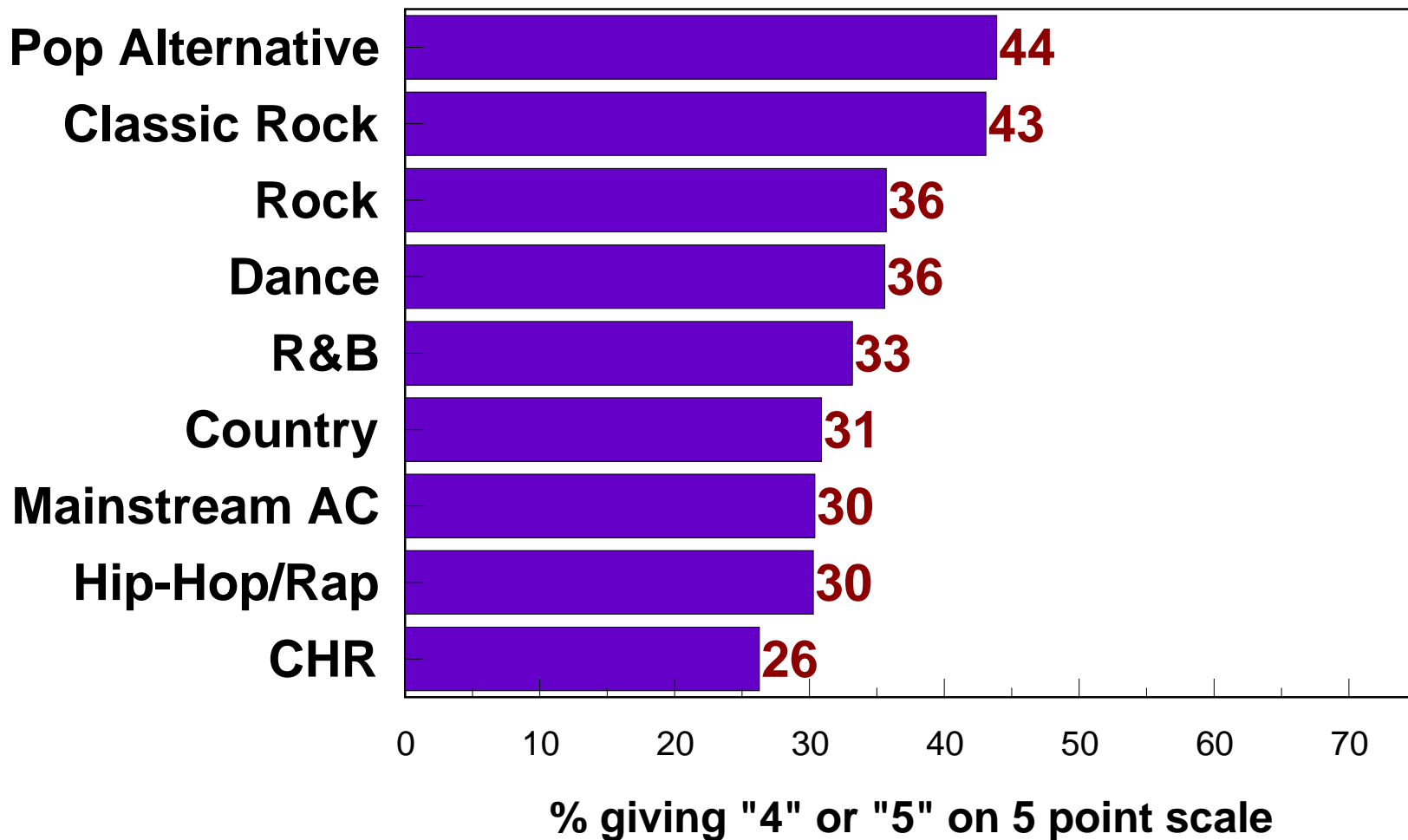


% giving "4" or "5" on 5 point scale

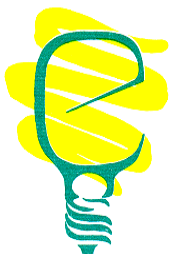


Pop Alternative; Classic Rock have broadest preference among all 16-40s

Music Type

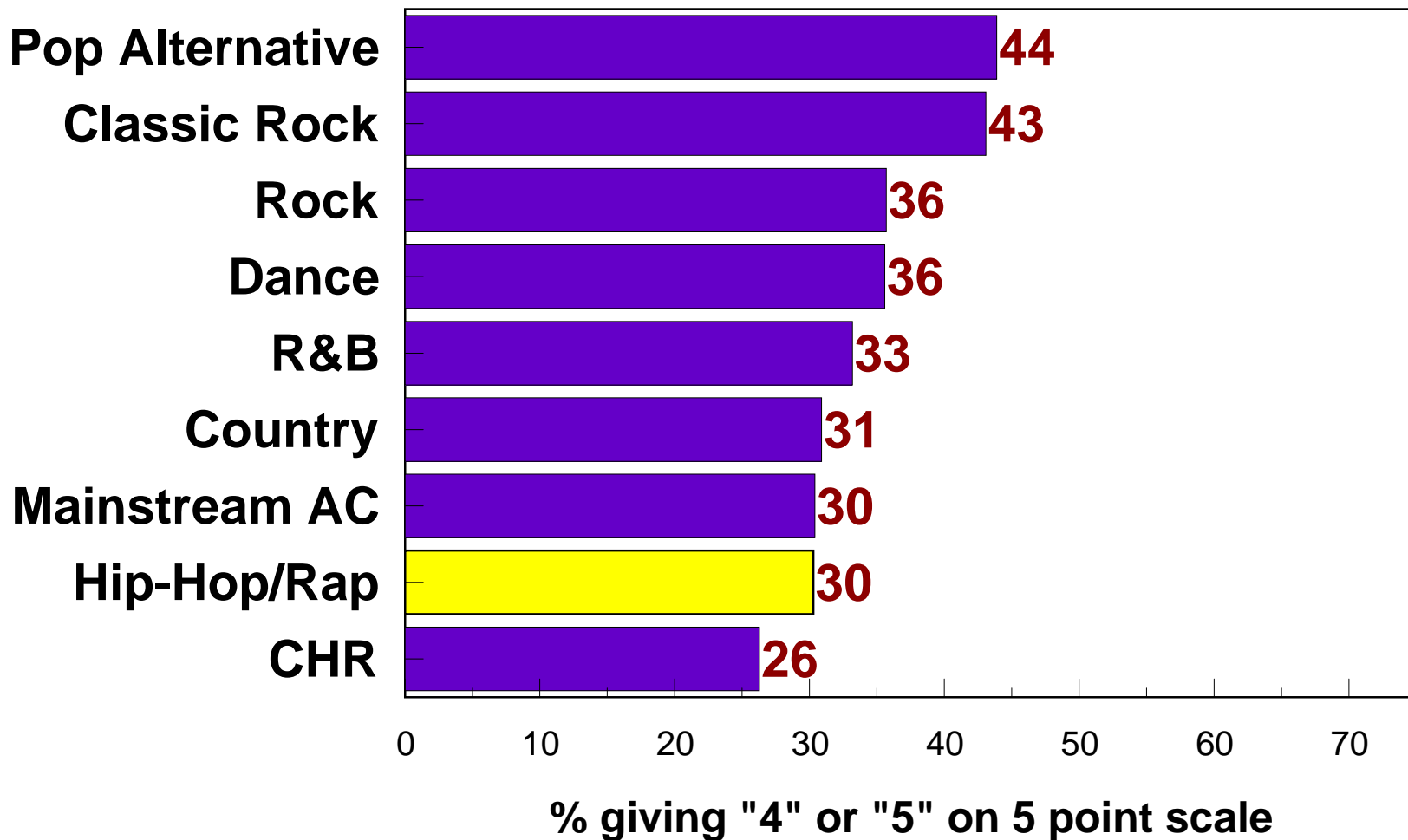


Base: Total Sample

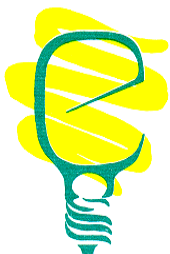


Hip Hop & Rap has limited preference against the broad sample

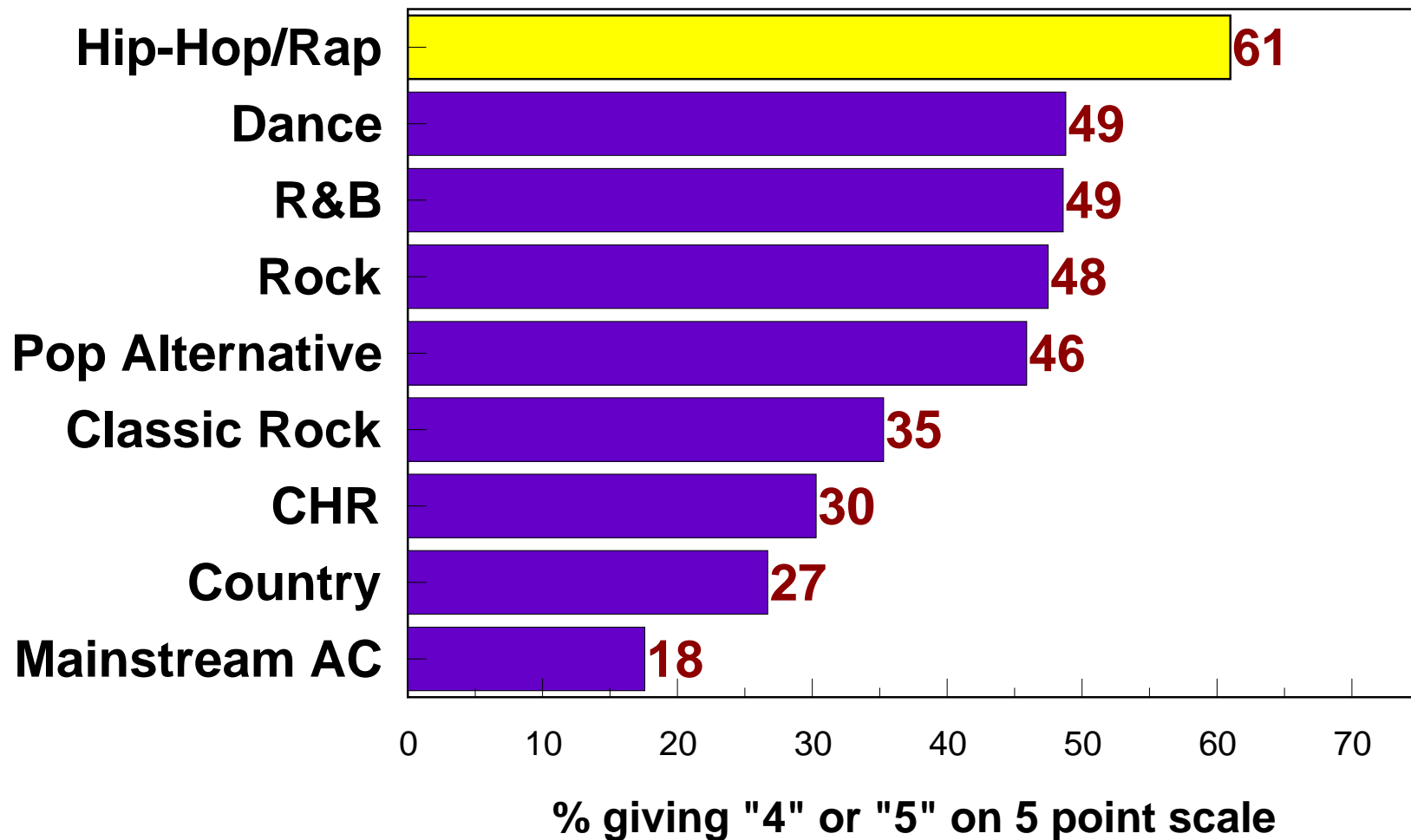
Music Type



Base: Total Sample



Hip-Hop & Rap dominate 16 to 24s

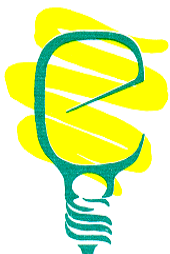
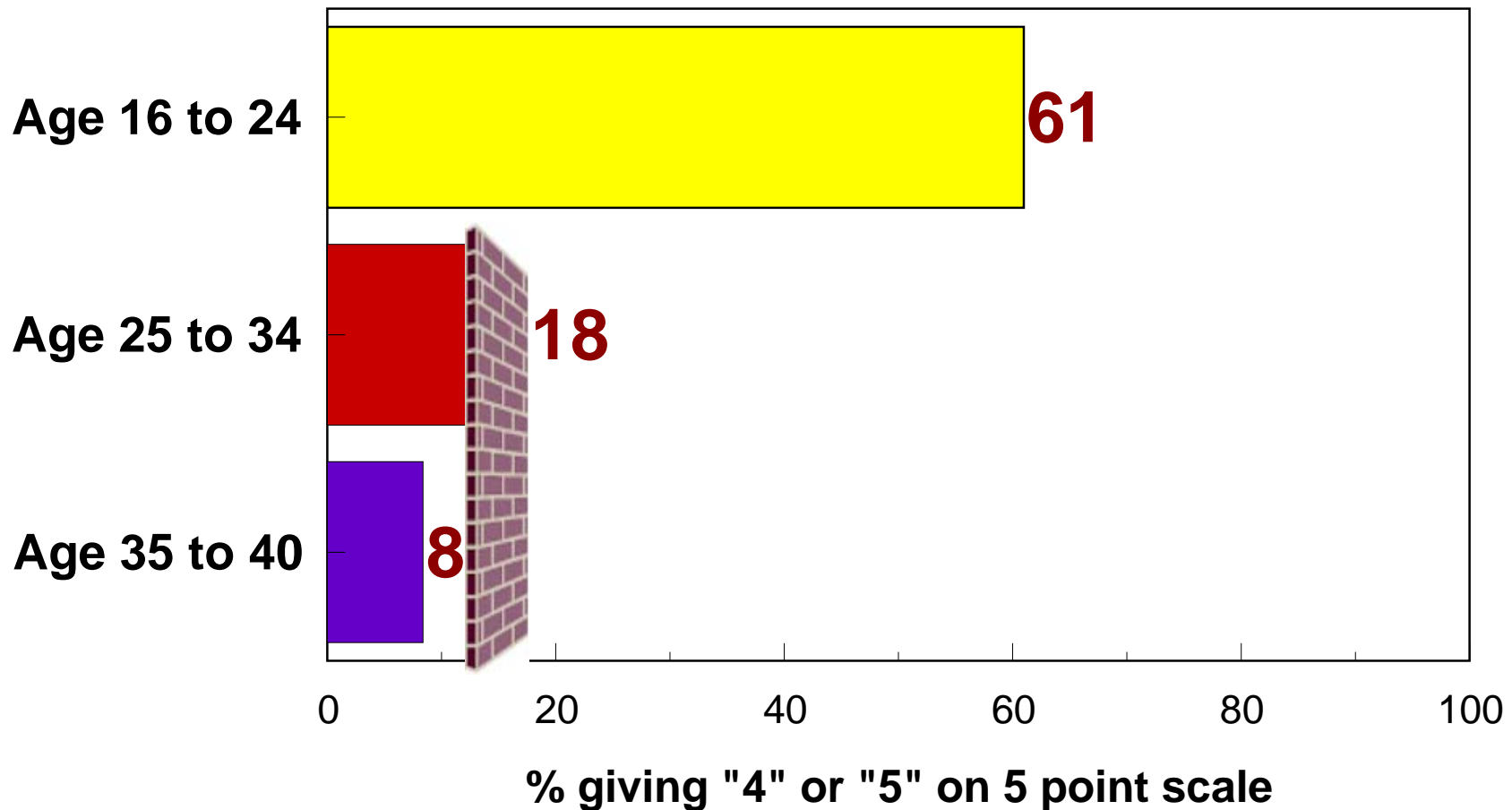


Base: 16-24 year olds



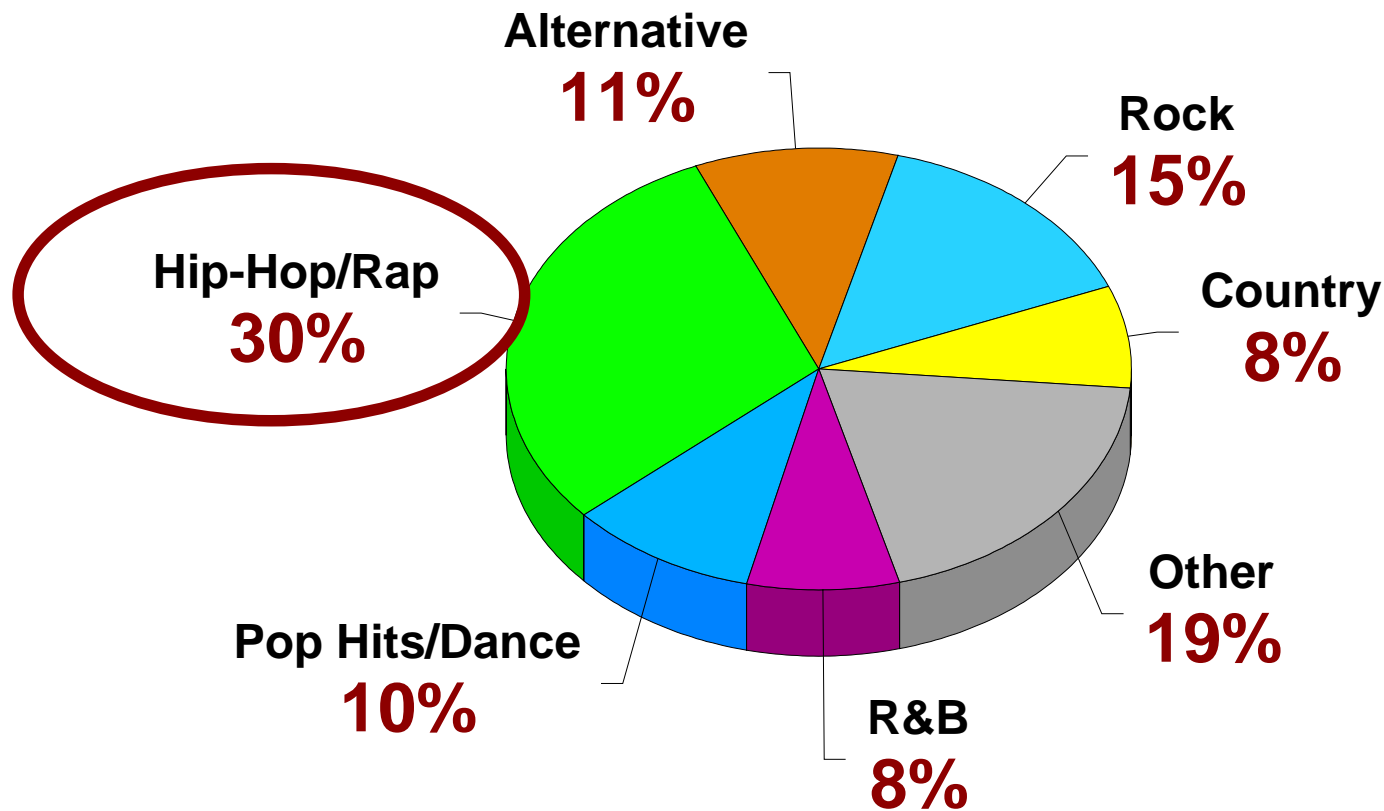
There is a wall around the age of 25

Hip-Hop music preference

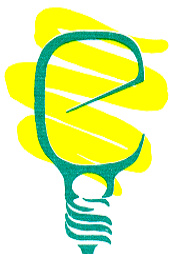


16 to 24s buy way more Hip-Hop albums than any other music type

Type of music you bought most in the last 12 months

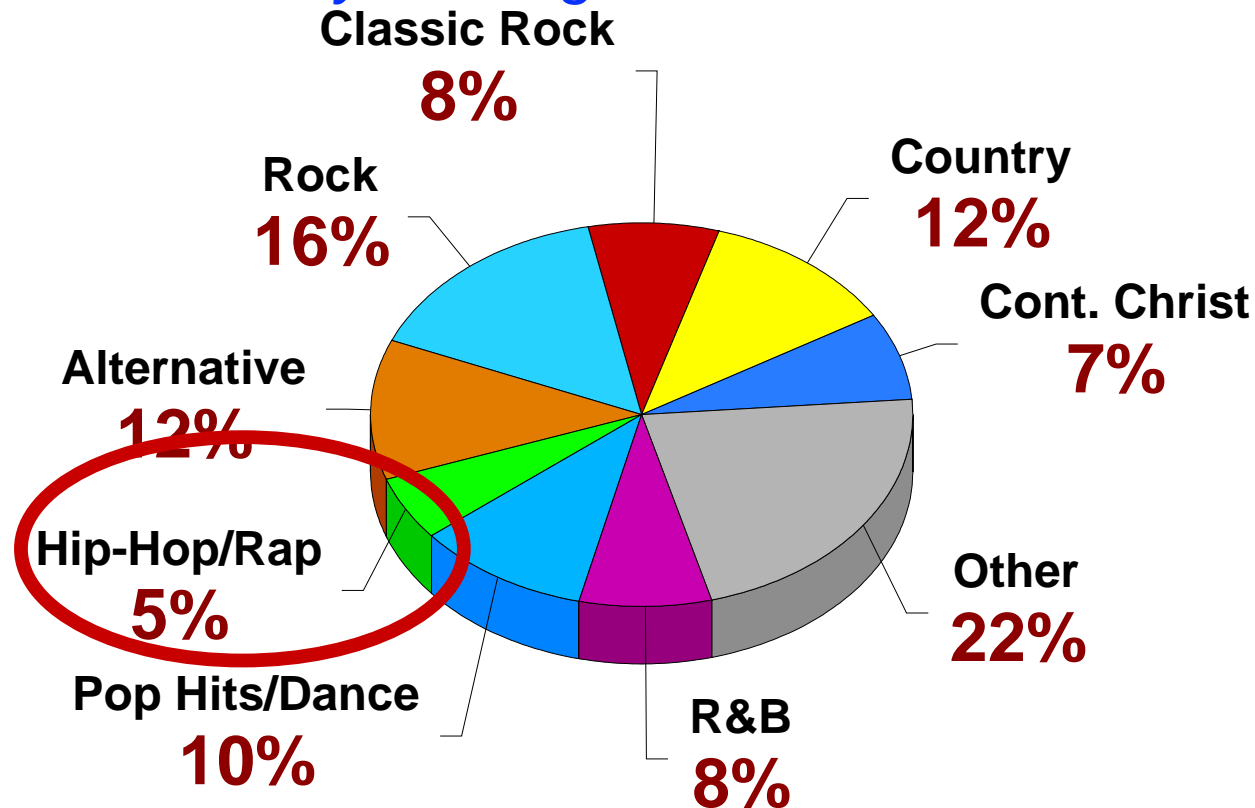


Base: Purchased music CDs or cassettes in last 12 months

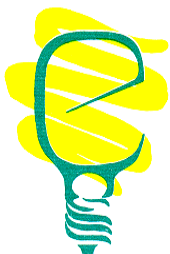


This number drops tremendously with 25 to 34 year olds

Type of music you bought most in the last 12 months



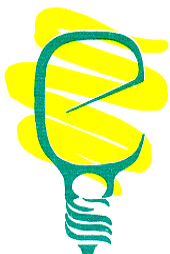
Base: Purchased music CDs or cassettes in last 12 months



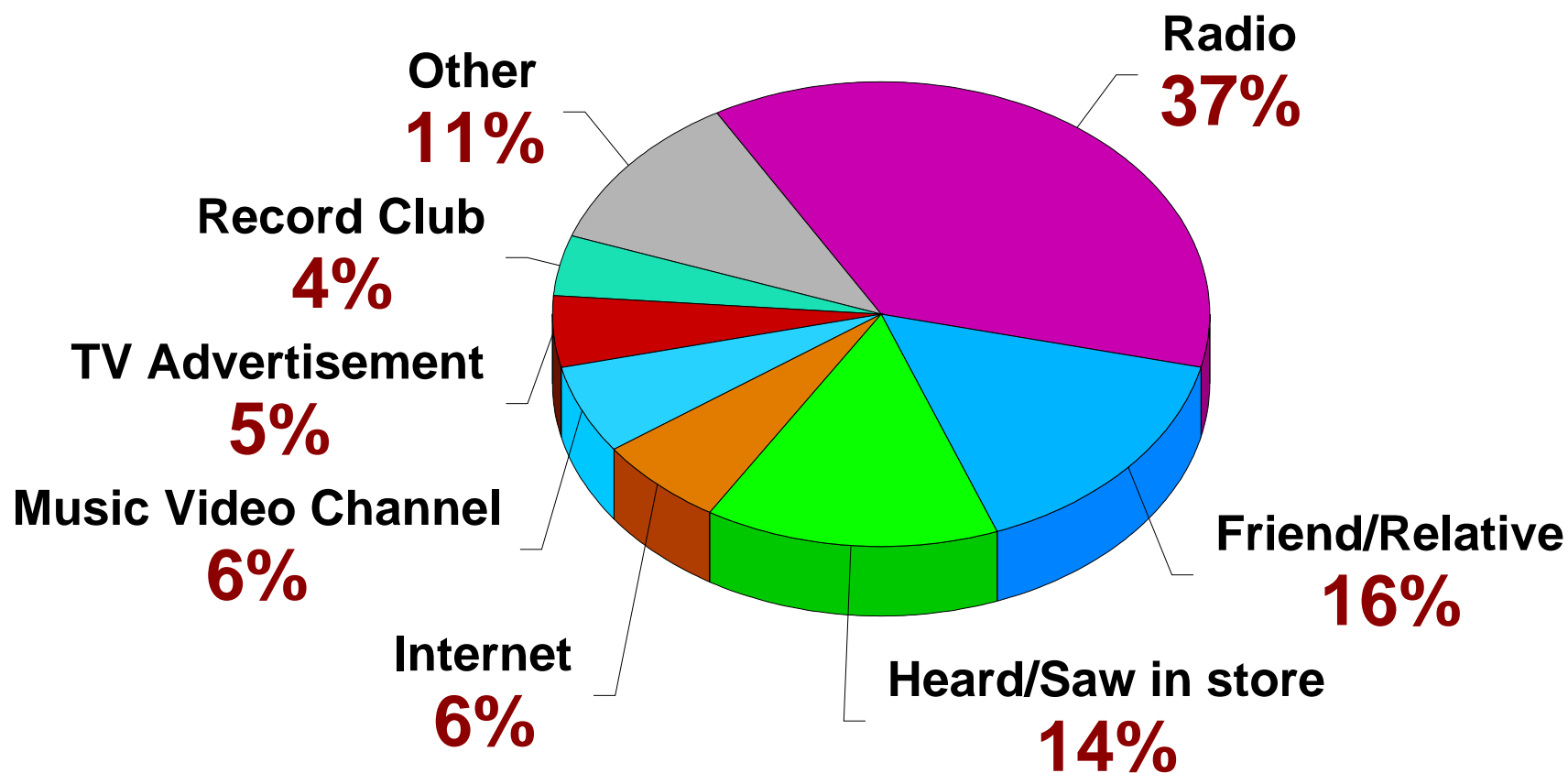
What three artists' next CD or cassette are you most likely to purchase?

- Age 16-24**
1. Limp Bizkit
 2. **Tupac**
 3. Staind
 4. **Nelly**
 5. Metallica
 6. Destiny's Child
 7. **Eminem**
 8. **Missy Elliot**
 9. Dave Matthews
 10. **Ludacris**
 11. 112
 12. **Ja Rule**
 13. **Jay-Z**
 14. Blink-182
 15. Weezer

- Age 25-34**
1. U2
 2. Dave Matthews
 3. George Strait
 4. Metallica
 5. Backstreet Boys
 6. Alan Jackson
 7. Dixie Chicks
 8. Faith Hill
 9. Limp Bizkit
 10. Tim McGraw
 11. Godsmack
 12. Creed
 13. Sting
 14. Beatles
 15. Celine Dion



How did you *first* find out the last CD you bought was available?

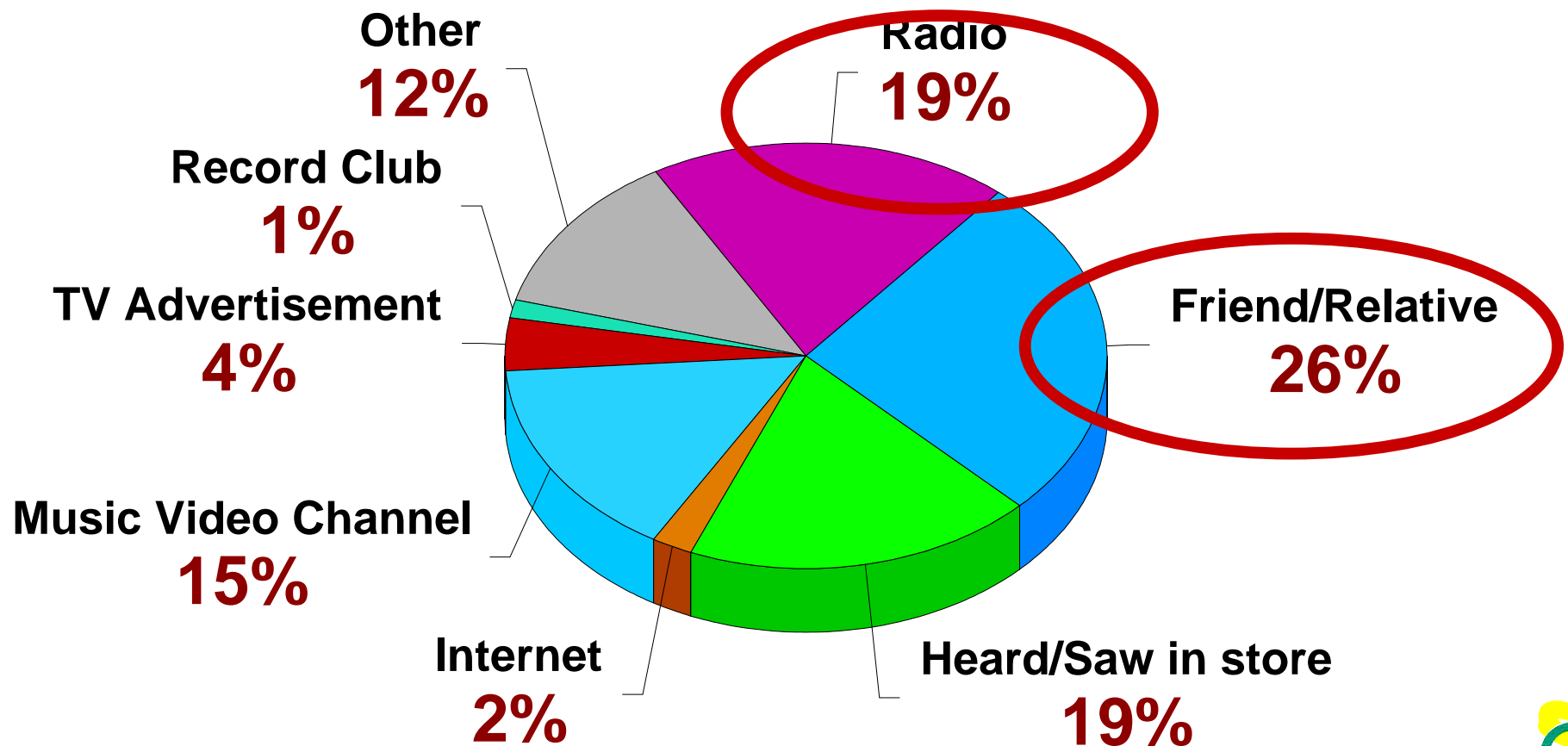


Base: Purchased music CDs or cassettes in last 12 months

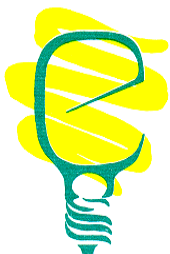


How did you *first* find out the last CD you bought was available?

Hip-Hop/Rap liked best

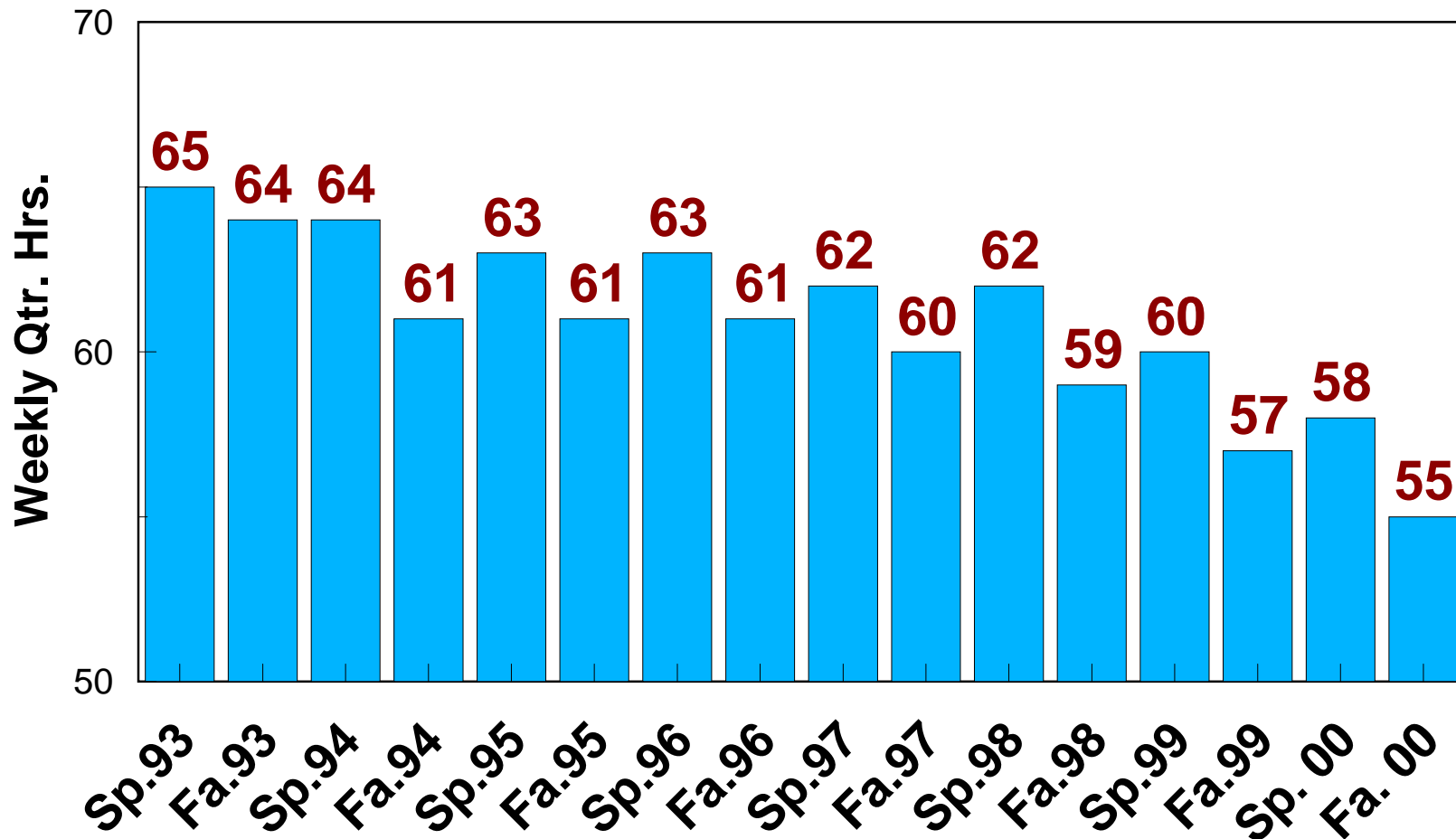


Base: Purchased music CDs or cassettes in last 12 months

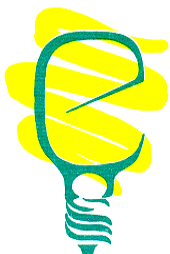


Working with Radio

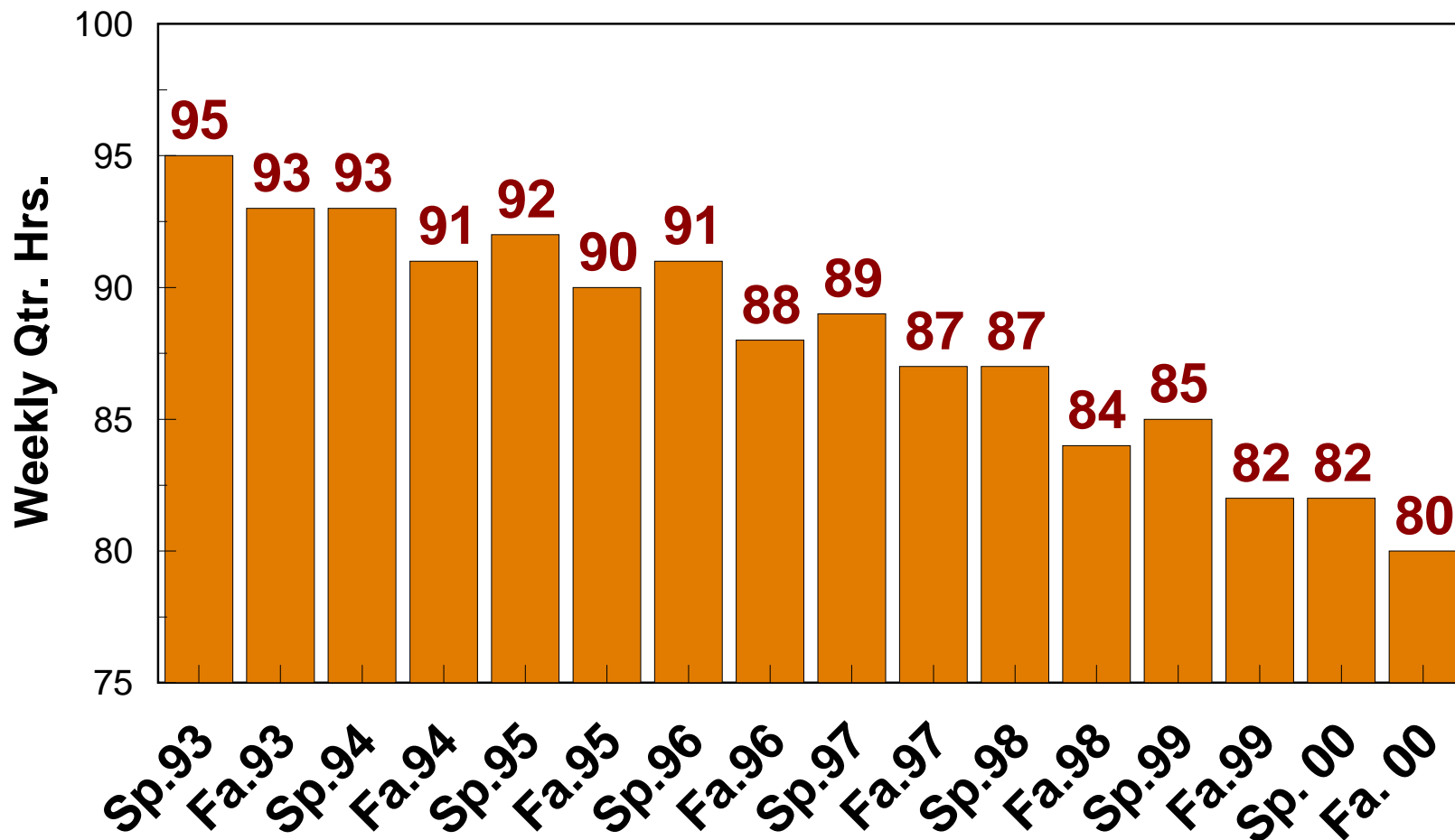
Radio listening among **teens** is down 15% in the last seven years



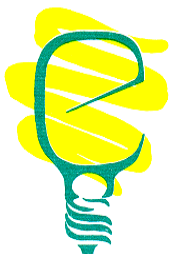
Source: Arbitron



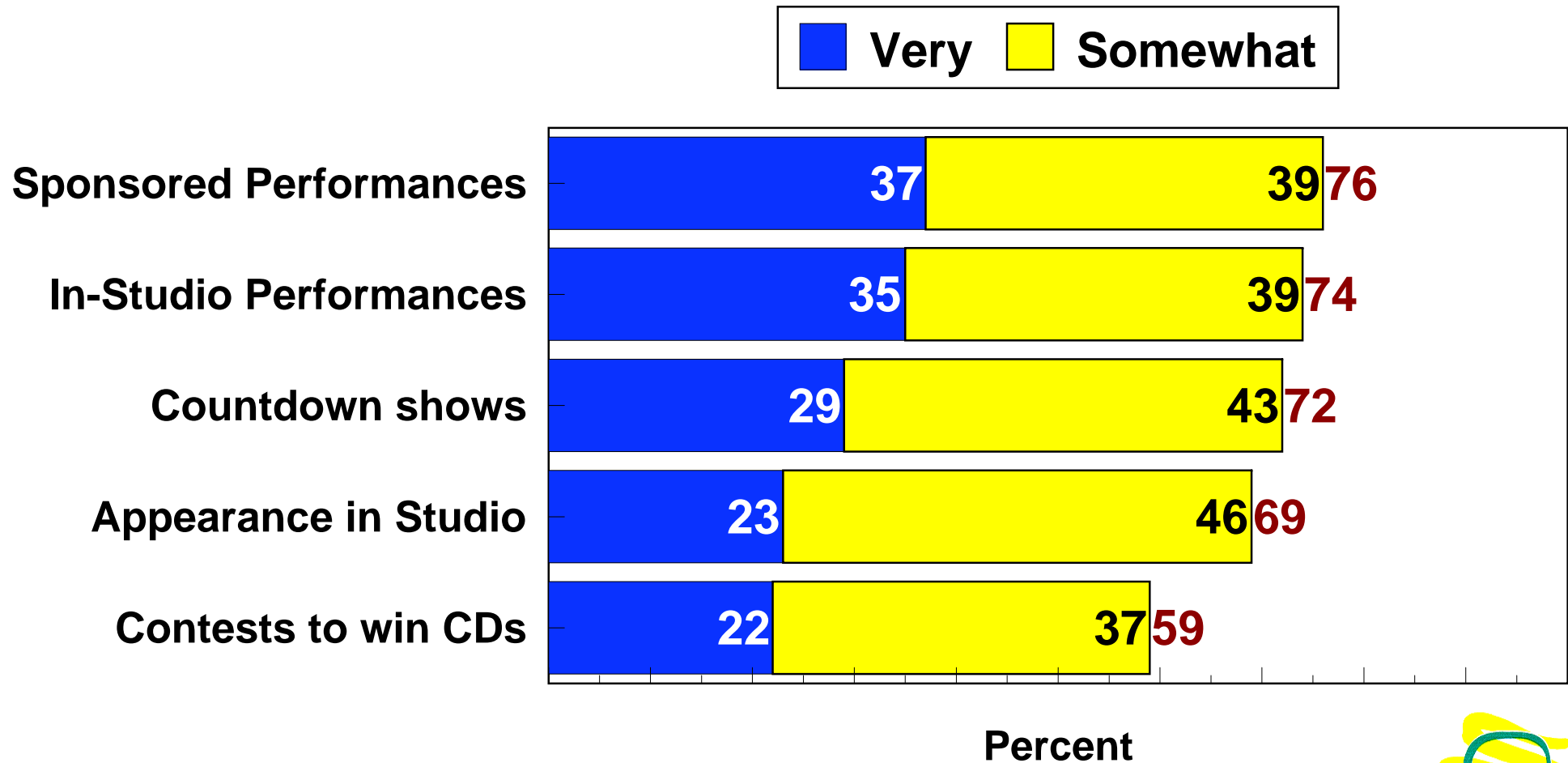
Listening down 16% among 18-24s



Source: Arbitron



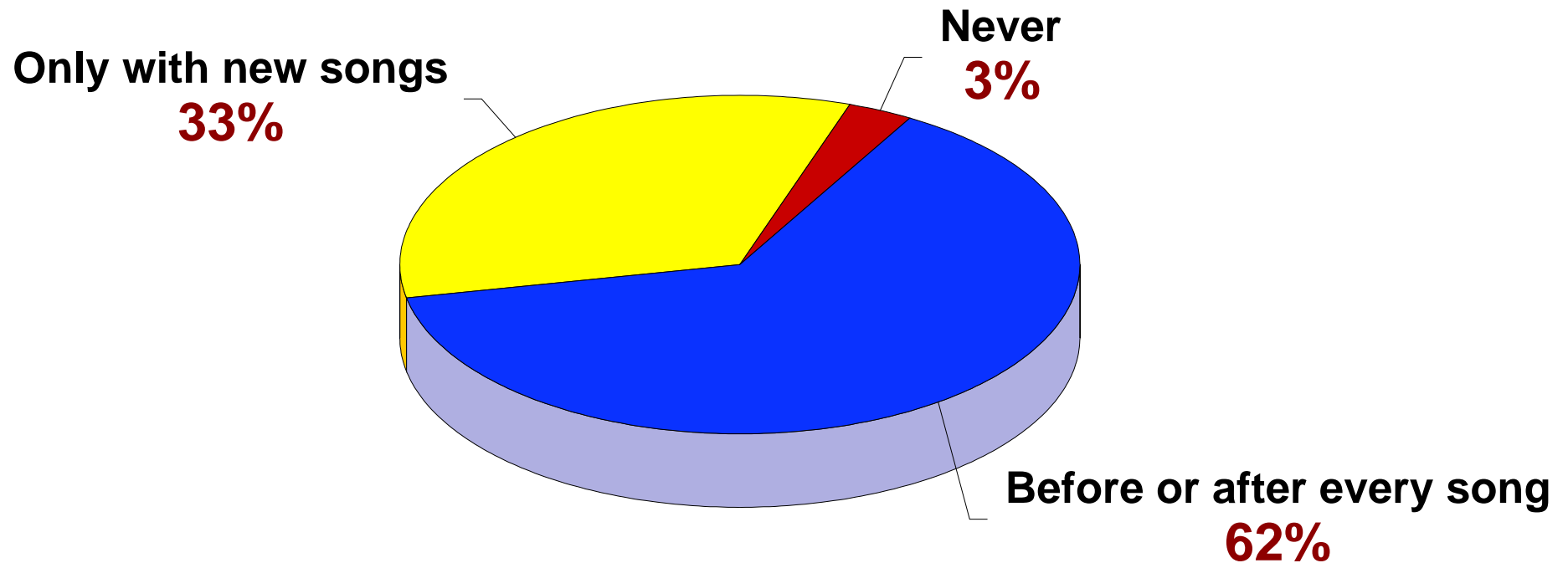
How effective are these radio promotions of new artists?



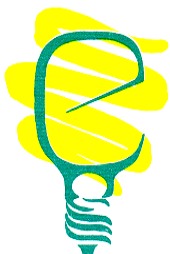
Base: Total Sample



How often do you think radio stations should announce the name and artist of a song they play?



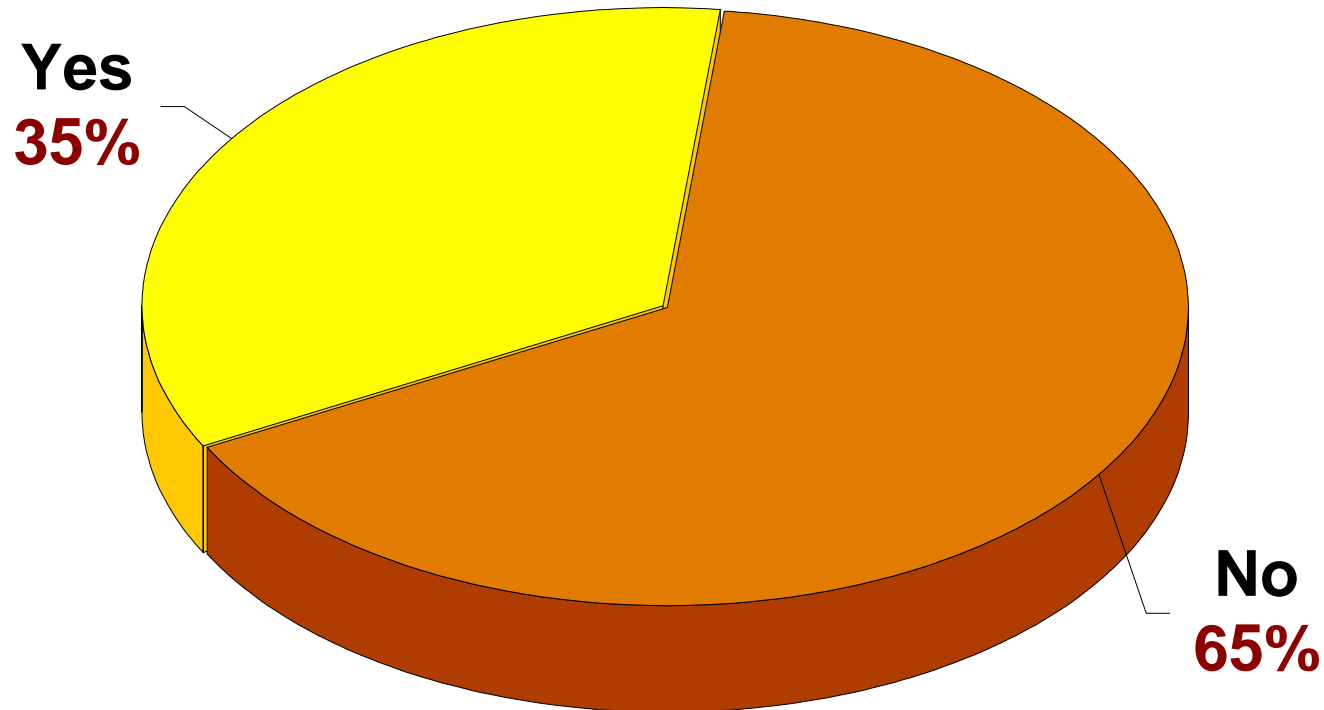
Base: Total Sample





The Internet

Have you downloaded music files from the Internet for playback at another time in the past few months?



Base: Total Sample



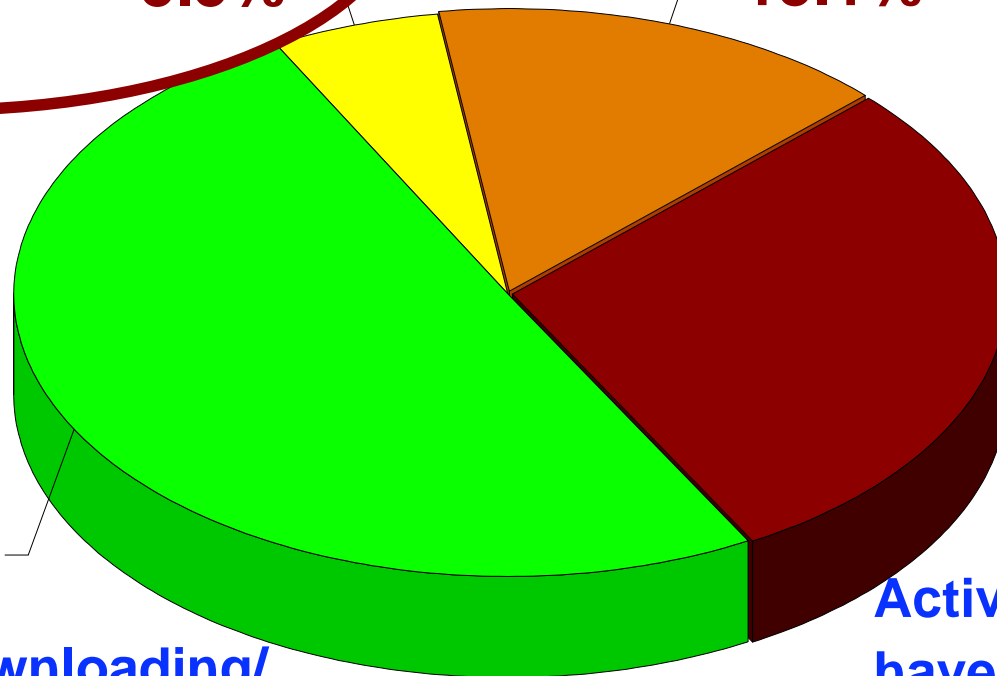
5.5% of 16-40 year olds are actively downloading *but not buying* music

Actively downloading/
have NOT purchased CD
or cassette in last 12 months

5.5%

Neither downloaded
nor purchased CD
or cassette in last 12 months

15.1%

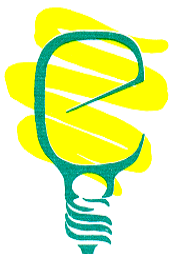


50.3%

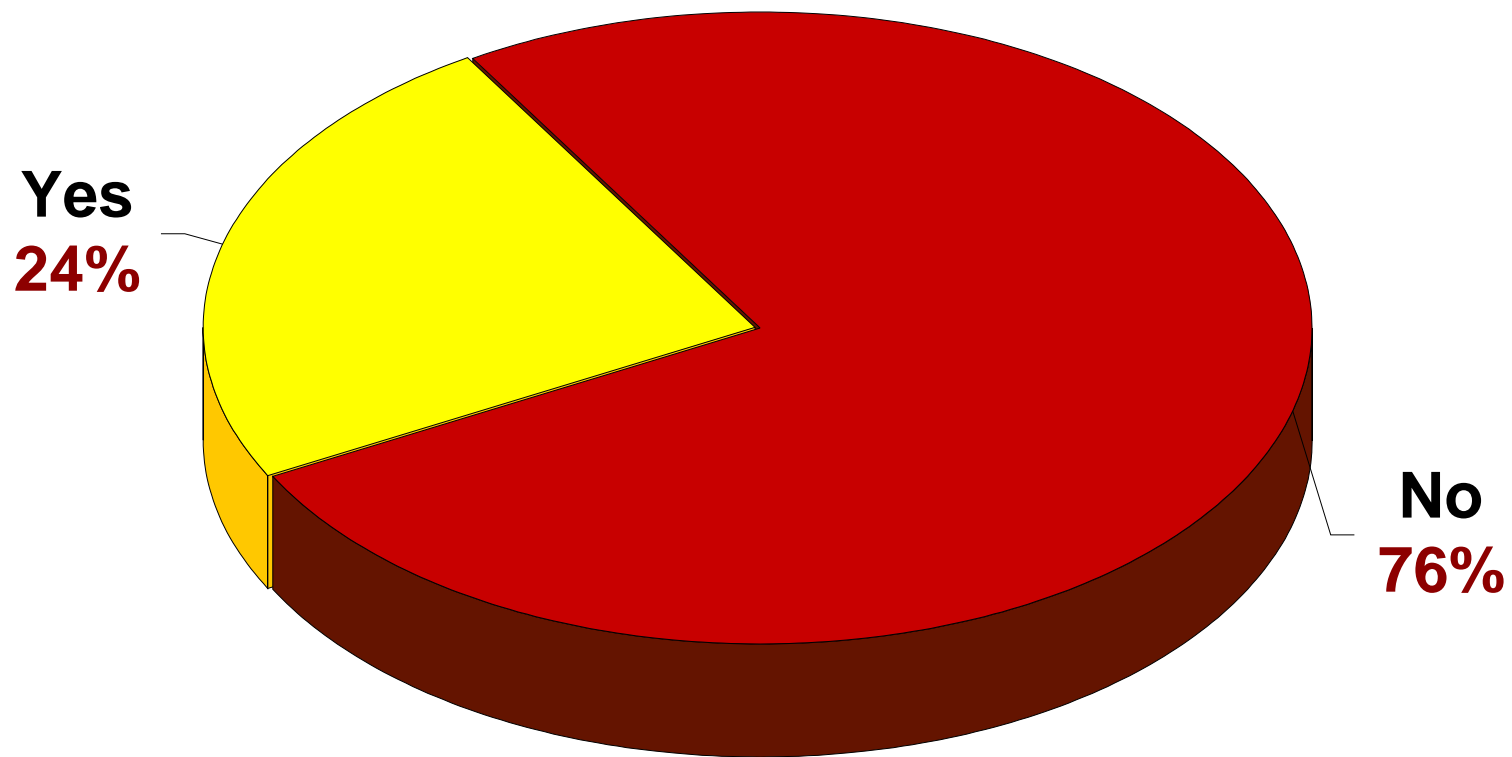
Not actively downloading/
purchased CD
or cassette in last 12 months

29.1%

Actively downloading/
have purchased CD
or cassette in last
12 months

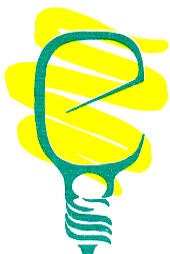
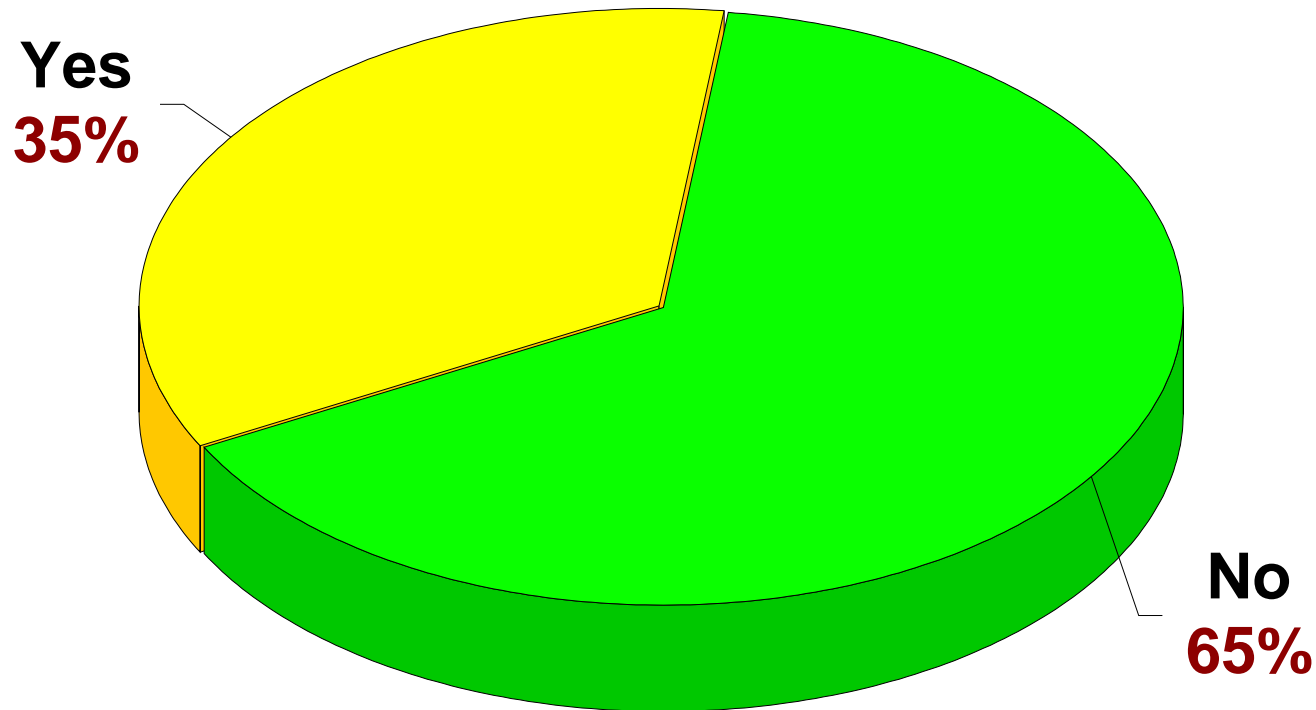


Ever used your computer to "burn" your own CD with songs you selected?



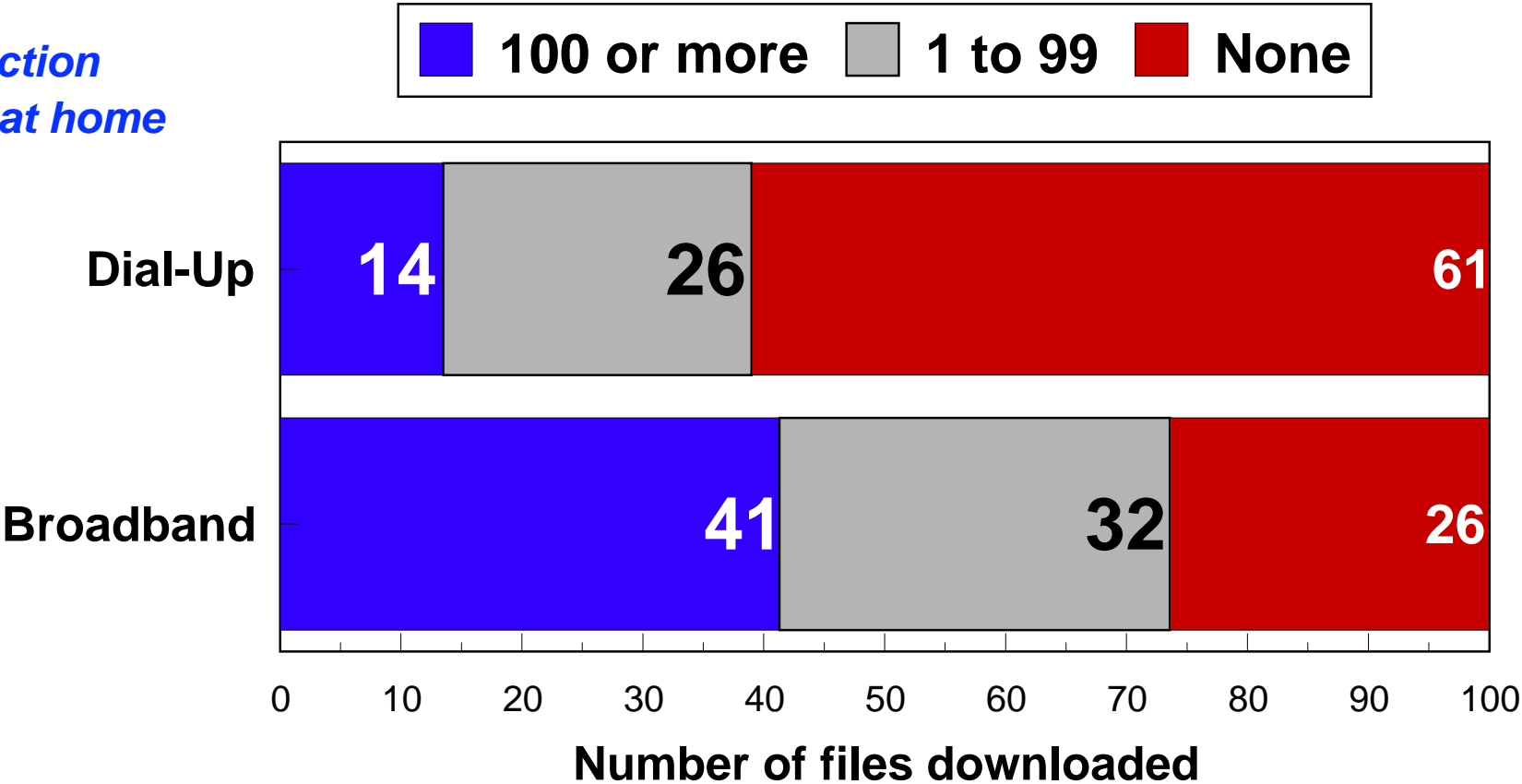
Ever used your computer to "burn" your own CD with songs you selected?

Among those purchasing CDs or cassettes **LESS** in last 12 months



The faster the Internet connection at home, the more music files downloaded

Connection speed at home

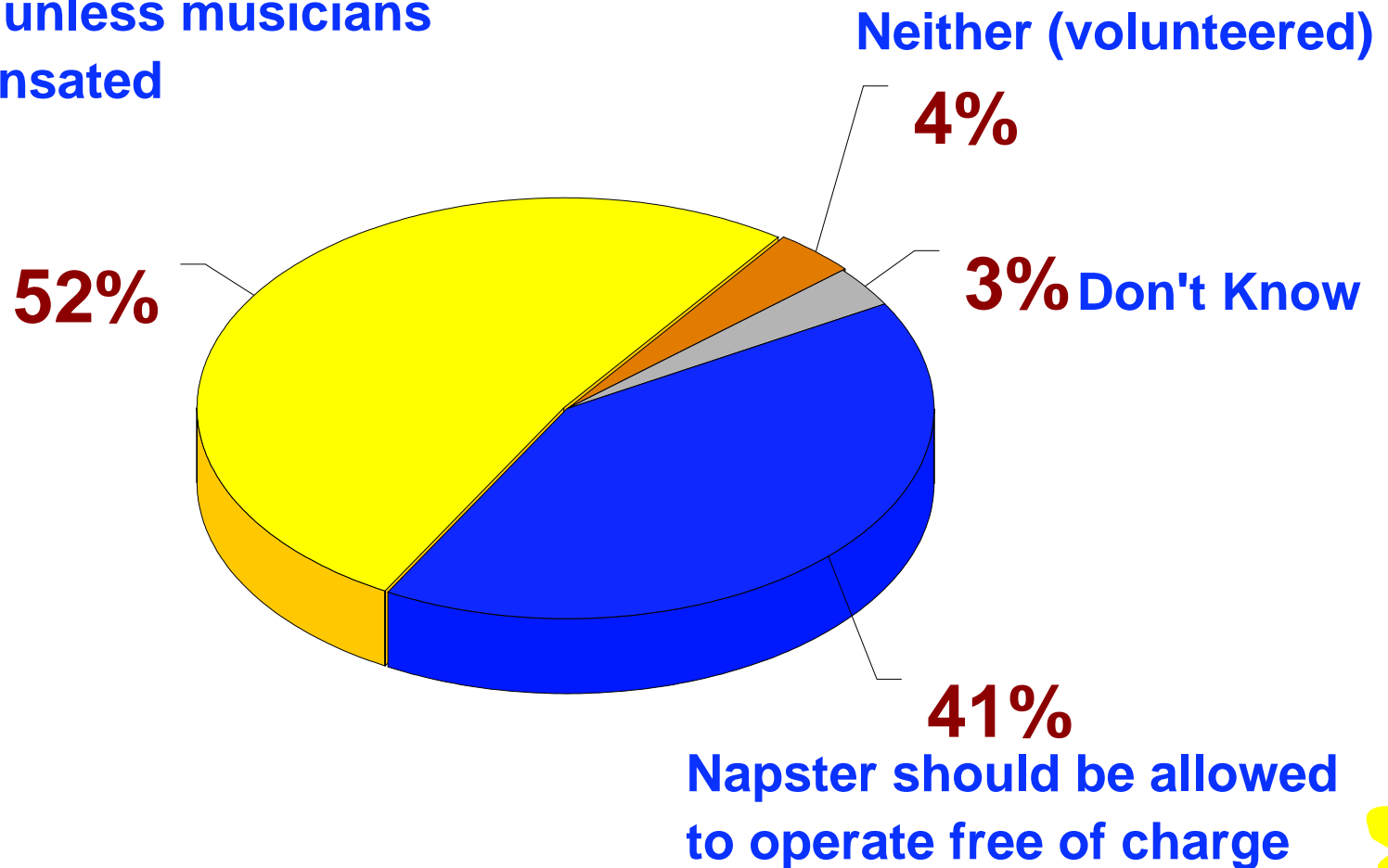


Base: Have downloaded music



Which statement about Napster comes closer to your view?

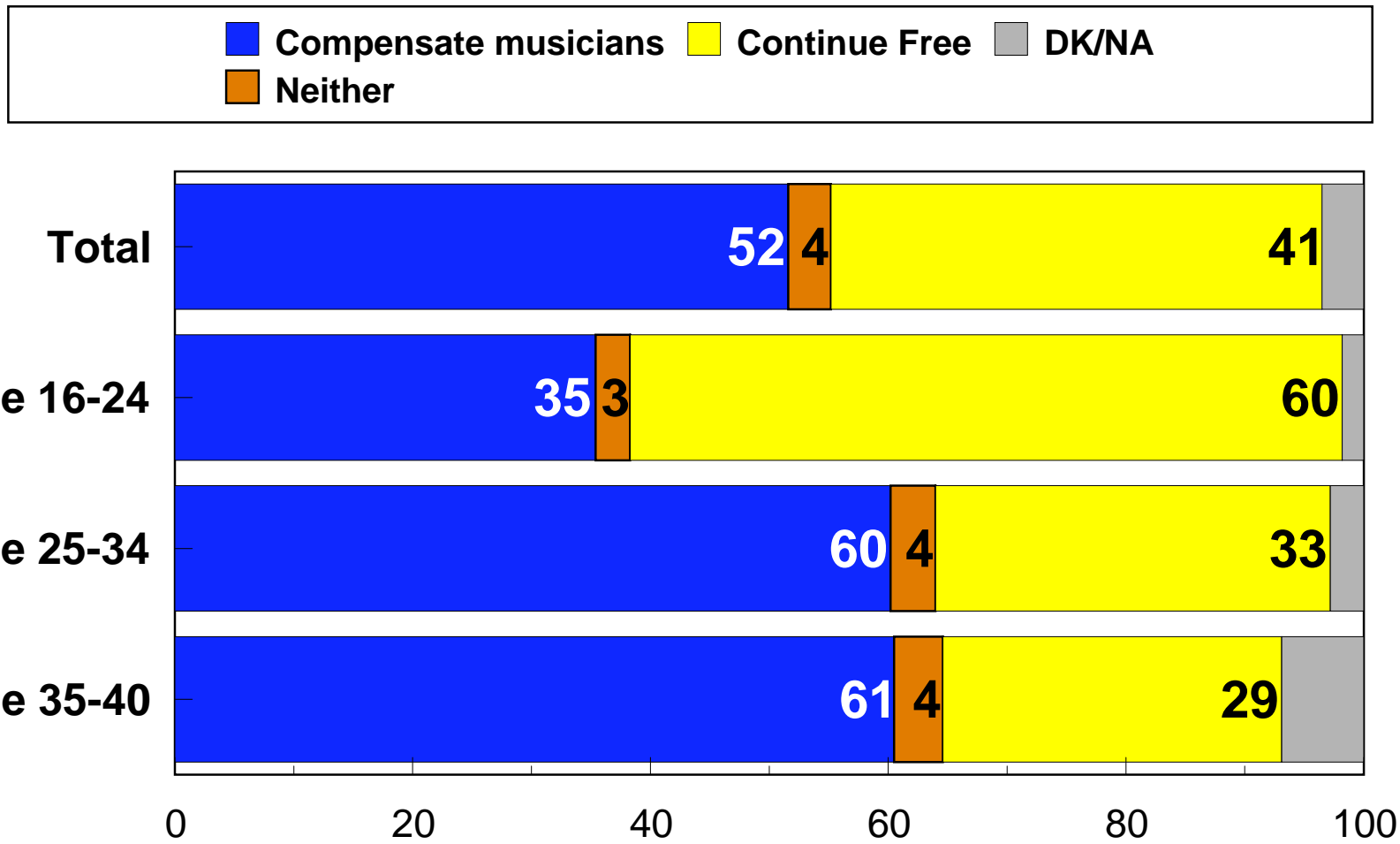
Napster should not be allowed to operate unless musicians are compensated



Base: Total Sample



Which statement about Napster comes closer to your view?



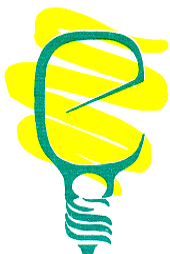
Recommendations/Thought Starters

- Work on radio "premiering" your new releases, not only playing the songs
- Speed up the "life-cycle" of artists to comply with today's low-attention-span world
- Older Teens do seem to have moved beyond the teen-pop idols -- can you meet your goals selling to the Nickelodeon crowd and their parents?
- Given radio's 25-54 obsessions, promoting to young people today (especially promoting rap and hip-hop) requires additional pathways



Recommendations/Thought Starters *(continued)*

- Continue to pound radio on the topic of front-selling/back-selling -- it's good for the listeners, good for the radio stations, and good for you
- When it comes to the Internet -- only one strategy is really available: CO-OPT it!
 - You are not going to stop entirely the flood of sites and services that are being used
 - You do, however, have the music -- especially the new music that people want



Recommendations/Thought Starters *(continued)*

- Attempt to frame your side of the digital music debate more positively. People do think musicians should be compensated -- it's all of you that people feel are ripping them off



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