

10 Ways to Save the Record Business

by Larry Jaffee

We at *Medialine* wince every time we hear the major labels offer the same old excuses in their reports on continually decreasing prerecorded music sales.

Most recently the RIAA stated that domestic CD shipments to retailers dropped 7 percent, while the IFPI announced that global sales fell 11.2 percent in units for the first half of 2002. Both organizations attributed the falloff partly to the ubiquity of file-sharing and CD-R burning, coupled with poor economic conditions.

Those things are not going away any time soon.

We are not advocating anarchy in which the notion of copyrighted music no longer holds any meaning in the 21st century. Instead what we would like to present are remedial meas-

ures that could help to ensure the near-time future of packaged media. One would hope that the industry is already working on such obvious solutions; yet it's doubtful they're being executed on an en masse basis.

In any case, coming up with ways to get consumers to pay for prerecorded CDs will benefit all parties along the packaged media food chain, from the suppliers of raw materials and replication equipment, to replicators, graphic designers and printers, distributors and retailers. (And, of course, *Medialine* itself.)

These measures are largely symbiotic. Here goes, in no particular order:

1) Stop Obsessing about File-Sharing. While the major labels might have been successful in killing Napster, more difficult-to-pin offspring have filled the void. The record industry blew an amazing opportunity to harness Napster's 80 million music lovers, of



which a decent fraction of them very likely would have paid a reasonable subscription fee. But that window of opportunity is over.

2) Use the Internet As a Promotional Tool. Giving away a free track before a CD's release is not much different from giving the song to a radio station; it whets the listener's appetite to hopefully want to hear it again. Fan websites should be encouraged, not prosecuted, to make free songs available, as long as permissions are first requested. Universal's Island Def Jam's new album for Bon Jovi (*Bounce*) contains in each individual package a sticker with a unique 13-digit code, with which after registering at bonjovi.com the fan may purchase four concert tickets before they're put on sale to the general public. That's a value-added bonus to