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## Hoping to Energize CD Sales

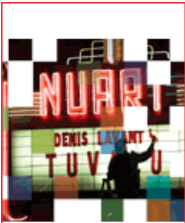
With the release of albums from three top acts, all eyes are on the first-week results.

By Charles Duhigg, Times Staff Writer

Tuesday is the music industry's equivalent of Super Tuesday, and executives and retailers are hoping for a big turnout.

Long awaited albums from three high-profile groups — Coldplay, the Black Eyed Peas and the White Stripes — will hit shelves Tuesday, an unusual triple-threat that could help the industry bounce back from this year's 7% dip in album sales.

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"We're counting on Tuesday to bring bodies into the stores," said Lon Lindeland, who oversees music for Best Buy Co., one of the nation's largest sellers of compact discs. Lindeland expects the three releases to sell almost 1 million CDs nationwide in their first week.

The emphasis on first-week album sales echoes Hollywood's infatuation with opening weekend grosses. More and more in recent years, large music retailers have come to rely on the hype that accompanies a new release to lure shoppers who, in turn, frequently buy other products.

"There's a real desire among retailers to have 'event weeks' that create traffic and excitement," said Jeff Pollack, one of the nation's leading radio industry consultants.

At Best Buy, for example, Lindeland anticipates Tuesday's event will increase his chain's June music sales by up to 17%.

But some music business leaders caution that this short-term measure of success diverts attention from the business' enduring financial problems.

As digital purchases of singles displace more lucrative album sales, for example, labels are seeing their profits shrink. Last year, music fans downloaded 141 million tracks from pay Internet sites such as iTunes, a 734% increase over 2003. Many of those tracks were priced at \$1 or less — rates that industry executives say border on the unprofitable.

"Everybody is trying to be a cheerleader right now, cheering about first-week sales to hide that they are all in denial," said Andy Gershon, president of V2 Records, which distributes the White Stripes. "The big retailers want a first-week buzz to pull in customers. But what really matters is how an album sells over six months, not six days."

Tuesday's releases have received largely positive reviews, though one critic called the Black Eyed Peas' "Monkey Business" "shamelessly derivative." Fueled by the early rollout of videos and ring tones, advance sales for all three groups have been strong. But the trio enters the marketplace at a perilous time for the music business.

After continuous decreases in album sales from 2001 to 2003, the industry last year scored a modest 1.6% increase, selling 666.7 million albums. But that growth was driven in large part by several multi-platinum hits from artists such as Usher, Norah Jones and Eminem. So far this year, such monster albums have been in shorter supply.

In March, 50 Cent's "The Massacre" sold 1.14 million copies in its first four days in stores, and more than 4 million copies to date. But only 10 other albums released this year have sold in excess of 1 million units, compared with 23 albums released in the first half of 2004.

"We've had some pretty big names, like Springsteen and System of a Down, but there haven't been gangbuster sales," said Geoff Mayfield, a senior analyst at Billboard magazine.

This is not the first trifecta in recent months. In November, albums by Eminem and country superstars Shania Twain and Toby Keith hit stores within days of one another. The albums sold a combined 1.6 million in the first week, but still failed to boost the week's sales total above the numbers purchased during the same week in 2003.

This week, many expect "X&Y," the latest from the English band Coldplay, to be the top seller. But that doesn't necessarily mean huge numbers right away. The band's last album, released when it was less well known, sold nearly 4 million copies, but only 140,000 of those moved during the first week.

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Executives at EMI Group, Coldplay's label, said they were thinking longer term rather than focusing on immediate payoff.

"Retailers love big releases," said Phil Quartararo, president of EMI Music marketing. "And we're excited they are projecting these huge numbers. But we want to be working this album for 18 or 19 months. We can't get distracted by one week."

Meanwhile, some say it's not distraction EMI should be worrying about, but the perception of failure that inflated expectations can bring.

"If Coldplay sells fewer than 400,000 albums in the first week, everyone will talk about how it's a huge disappointment and that EMI is faltering," said a music executive at a rival company who only spoke on the condition of anonymity. "But that's crazy. 400,000 in one week is great."

Opening week mania has another downside, label employees say: the slashed prices that big retailers use to attract customers make it more difficult for the companies to turn a profit.

For example, Tower Records is advertising the new Coldplay album for \$11.99, significantly less than the \$14.92 average retail price of a compact disc in 2004, according to the Recording Industry Assn. of America. Other recent albums have debuted at major stores for as low as \$9.99.

"The discounts get bigger every year," said V2's Gershon. "It's a lot harder to make money at those prices."

Todd Clifford, owner of Sea Level Records, an independent music store in Echo Park, knows just what Gershon means. He says that to save money, even he will probably be heading for a big retailer Tuesday to buy the new White Stripes album, "Get Behind Me Satan."

"Chances are I'm buying it at Best Buy," said Clifford. "It's cheaper there than what I have to pay in wholesale."



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