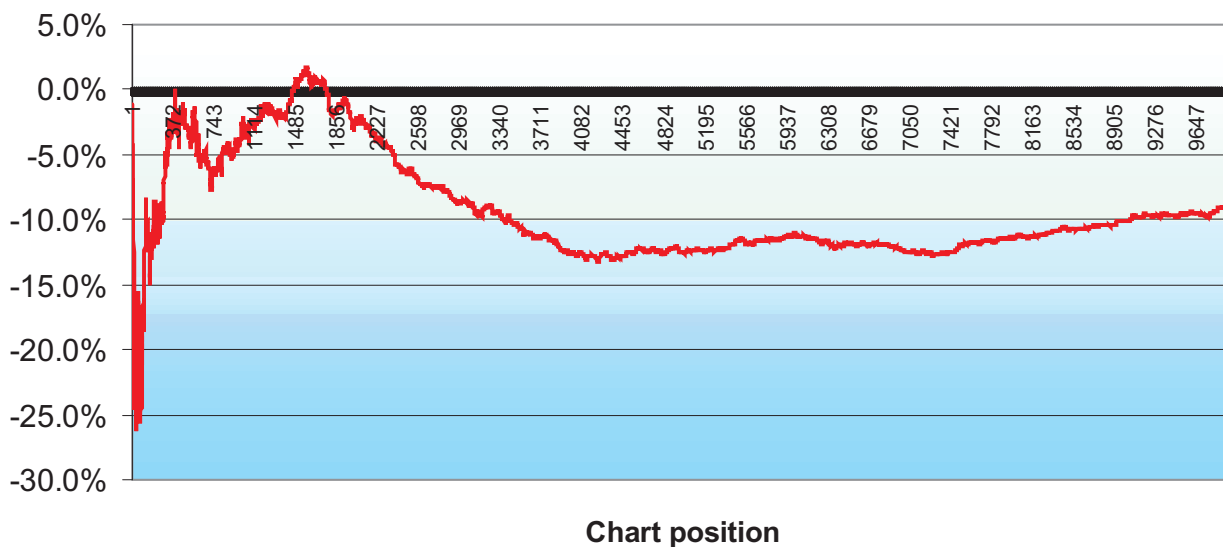


Album Sales Analysis

% Change in year-on-year sales by chart position



Analysis of lost sales

Analysis shows that biggest losses are among the best selling titles

In the first nine months of this year, 9.6m fewer albums were sold in the UK than last year. All of these losses have occurred in the artist album market, perhaps surprising bearing in mind the contraction in the compilations sector in recent years.

The above graph compares the top 9,999 albums for the nine months of 2007 with the top 9,999 for the same period in 2006.

This reveals that the largest losses have been at the higher end of the market, i.e. it is the albums at the top of the chart which suffer most in a year on year comparison.

Sales of the #1 album are down by only 1% - Amy Winehouse has sold almost as many copies this year so far as Arctic Monkeys did in 2006 - but sales of the other Top 10 albums are significantly down on their 2006 counterparts. Overall, Top 10 sales are down by a combined 10.3%.

However, the pattern of change across the Top 100 showed that sales were down significantly more, with losses particularly heavy in the 20-40 sector where declines of 20% and more were commonplace.

The table above shows how losses are spread over the top chart positions: from positions 1001-3000, sales were down by an average of 2.8% although,

Losses by chart sector

Chart Position	% Change
1-10	-10.3%
11-20	-18.2%
21-40	-22.6%
41-100	-20.5%
101-200	-12.7%
201-500	-5.8%
501-1000	-4.8%
1001-3000	-2.8%
3001-5000	-11.3%
5001-9999	-11.4%

interestingly, sales for 293 consecutive places (1465-1756) were up by an average of 0.8%.

The long tail effect?

The same analysis when conducted in June showed that sales by position towards the lower end of the chart were showing small year on year increases - from position 7634 to the end of the analysis, sales increased by an average of 2.4%.

With the large monthly losses recorded in August and September this is no longer true although, as the graph shows, losses do shrink further down the chart. Unfortunately it is not possible to analyse sales on a chart position basis after 9,999, but total album sales beyond the top 9,999 were down by only 0.9% for Jan-Sept, clearly outperforming the rest of the market and perhaps providing some evidence

that digital and online availability are helping to sustain deep catalogue sales.

Cherry picking

The constant availability of albums on a track by track basis allows consumers to download favourite songs individually.

Consequently many buyers are choosing to only buy a selection of tracks rather than entire albums.

This has been evident by some popular tracks continuing to sell well

on download over lengthy periods. For example, *Crazy* by Gnarls Barkley continues to sell in excess of 500 downloads per

week and Snow Patrol's *Chasing Cars* continues to feature in the weekly Top 100 with weekly sales of around 1,750 copies. A further example is the Top 100 chart for the week of the BRIT Awards in February, which featured all of the songs performed on the night (excluding Oasis's). This has clearly affected sales of albums at the top end of chart which tend to feature the best known current tracks, though it also true to say that best selling titles are those that are most likely to suffer from commercial counterfeiting, in-home copying and illegal downloading from p2p sites and non-network sharing.

