

# Are CDs Destined for Oblivion?

## Young People Shy Away from Buying Albums: A Change in Music Listening Habits

By Kurosawa Tsuneo

Is Japan's record industry fading away? Given the current state of the music business in Japan, anxiety is growing over its outlook. Reflecting changes in the way young people enjoy listening to music, production of CDs has been dropping at an alarming rate in recent years.

### CD Production Plunging

Production of CDs in terms of the number of units has been continually declining from its peak in 1997. Production in 2004 was about 65% of the 1997 total, meaning production plunged 35% in seven years. In terms of value, production in 2004 was down by 38% from the 1998 peak.

No other commercial sector has seen such a drastic decline in production. Nevertheless, there is no sense of crisis among the public, except for the recording industry itself, about the future of recorded music. It is, perhaps because the country has remained permeated with music.

What is behind the sluggish sales of CDs? Traders used to attribute the phenomenon to the fact that young people are cutting down on CD purchases to pay their mobile phone bills. But, since the advent of digital music players, represented by Apple Computer's iPod, music retailers have complained about being squeezed by online music services.

### Are Record Jackets Rubbish?

The way young people enjoy music has changed. Before the Internet, their parents' generation shelled out a large share of their pocket money to buy records. They bought an album even if they liked only a few of its 10 or so tracks, if the album was by their favorite singer. The jacket and the lyric sheet were as important as the record itself and were kept close at hand.

Young people today are different. They're content to just have the music and don't miss the jacket or the lyric sheet if it means saving money. Record company officials lament that young people regard the CD jacket as nothing but rubbish. Young people prefer to obtain music from the Internet, because it enables them to selectively download their favorite numbers.

### New Sales Pattern is Essential

However, the music industry on the whole is not so downbeat. While the slide in CD production has been felt, such musical sectors as the concert business and rental stores are reporting upward sales. It seems that the number of people enjoying music has remained unchanged. The problem stems from the outdated sales method of the recording industry: record 10 or so songs for a CD and put it on the market.

A similar phenomenon is taking place in the publishing world. Most people still read novels in a printed book or magazine the first time, but an increasing number of young people are reading novels on their cell phones or on websites. Some novels initially sold in digital form have become best sellers.

Sales strategies are being revamped in various business sectors these days. The music business is no exception. CD sales may continue to decline, but music itself will never disappear from the face of the earth. **JS**

(Relevant figures taken from "The Current Situation and Problems of the Music Industry," issued by the Ministry of Economy, Trade and Industry in June 2003)

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