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## Numbers Rock 'N' Roll In Napster Dispute

By: Brian Ploskina [Inter@ctive Week](#) Published 06/15/00

### Abstract

Use of Napster is skyrocketing, and consumers are displaying little empathy for the recording industry's claim that the service infringes on protected copyrights. Now the Recording Industry Association of America has decided to play the numbers game, hoping to prove that the use of Napster is hitting labels and artists where it really hurts: in their wallets. But analysis of the numbers reveals the RIAA's figures aren't complete.

### Full Text

By Brian Ploskina

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Now the Recording Industry Association of America has decided to play the numbers game, hoping to prove that the use of Napster is hitting labels and artists where it really hurts: in their wallets. But analysis of the numbers reveals the RIAA's figures aren't complete.

In a brief filed last **week** in its copyright lawsuit against Napster, the RIAA cites a study conducted by SoundScan, a unit of VNU Entertainment Marketing Solutions. According to the study, CD sales in general increased 18 percent between the first quarter of 1997 and the first quarter of 2000, while sales around the most highly wired college campuses declined 13 percent in the same period. The brief was filed one day after the RIAA and the National Music Publishers Association filed a motion in U.S. District Court in San Francisco for an injunction to shut down Napster.

What the numbers the RIAA presented did not address is whether there's been an increase in online sales of CDs by college students, which might explain the drop-off in sales at nearby brick-and-mortar stores.

A spring 2000 report to be released soon by Student Monitor, a market research firm that helps businesses understand student buying habits, shows that 33 percent of students have purchased a CD or cassette - the most common student purchase - online in the last year. Another 5 percent purchased downloadable music.

Meanwhile, only 20 percent of students said they had visited a music store in the past **week**, down 5 percent from six months ago. Napster, the study said, is only the fourth most

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common music site visited by students, and only 17 percent reported using the service to download free music. MP3.com is the sixth most-visited site overall.

The fifth most common music site students reported visiting is music retailer CDnow Online. Company spokeswoman Deborah Vondran said that CDnow experienced a 32 percent increase in sales to the 18 to 24 demographic ran from the first quarter of 1999 to the first quarter of 2000. "Maybe what's happening is kids are online, downloading music and, since they're already online, they go and buy the music online," Vondran said.

"Students have an incredible sampling opportunity [with Napster]," said Eric Weil, managing partner at Student Monitor. "They can listen to music and, if they have no interest in it, they don't have to buy it."

Three factors have made the student demographic a major battleground in the war of online music rights: Young and educated, they're more open to using new technology; they're considered more inclined to use a "rebellious" service to download music; and college campuses are notorious for fat, multiple T1 (1.5-megabit-per-second) pipes.

Weil said the RIAA should analyze CD sales when college kids are home with their 56-kilobit-per-second dial-up connections. If students are habitually downloading music instead of buying it while at school, then there should be a winter and summer break boom in sales when they can't download the music at lightning speed.

The problem with comparing online and offline record sales is that music that sells well in stores doesn't necessarily sell well online, said Malcolm Maclahlan, media e-commerce analyst at International Data Corp. While they are huge acts that make a lot of money, "Kid Rock and Limp Bizkit were no-shows online, because their audience doesn't have credit cards," he explained.

Maclahlan said the reason the RIAA has begun to cite numbers is so it can seek a financial settlement Napster couldn't afford. "If you're involved with a copyright suit worth damages," Maclahlan said, "you want to show harm. I think they would like to get a ruling against Napster to put it in debt and wipe it from the face of the Earth."

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