



NEWSLETTER

An Entertainment Industry Organization

Did It Again

Latin Album Sales Plunge In 2010,
As Digital Sales Remain Modest

By Leila Cobo

The President's Corner

The Board of Directors looks forward to this evening's panel on the exciting world of Latin Music. As we see reductions in revenue across the industry, Spanish language radio and television is one of the key areas showing growth and this market is sure to be increasingly important in the years to come.

I am also very excited to announce our first ever joint event with the AIMP this month. Please join us on Tuesday, February 22nd at the Gibson Showroom in Beverly Hills from 4 to 9 for the Music Industry Toolbox. You can learn more about this free event and register to attend on either the CCC or AIMP websites.

Sincerely yours,

Shawn LeMone
President, California Copyright Conference.

U.S. album sales of Latin music continued to plummet in 2010, hampered by a growing, but still woefully underdeveloped, digital market.

Album sales of Latin music - defined as albums that are at least 51% in Spanish - totaled 12.4 million units for the 52 weeks ended Jan. 2, 2011, plunging 25% from 16.5 million in 2009, according to Nielsen SoundScan. That tally represented the lowest total in more than a decade and the drop in sales far exceeded the 12.8% decline in overall U. S. album sales during the same period.

Of the 2010 Latin album sales tally, 917,000 units were digital albums, up 30.8% from 701,000 in 2009. That means digital albums accounted for only 7.4% of all Latin album sales in 2010-an improvement from 4.2% of sales in 2009, but far below their 26.5% share of overall 2010 U.S. album sales. (These figures don't include single-track downloads. Another caveat: SoundScan had a 53-week year in 2009, so to keep a 52-week comparison with 2010, it dropped sales from the first week of 2009, which ended Jan. 3.)

Why sales of Latin music in particular have suffered such a precipitous decline remains an urgent topic of discussion, with loss of retail space, the slow economic recovery and immigration crackdowns often cited as reasons. In addition, some label executives point to an upturn in physical piracy, where illegal albums are sold not only in flea markets, but increasingly in small neighborhood shops across the country. Cheaper, imported Mexican CDs have compounded the problem, they say.

Even as Latin album sales plummeted, distributor market share remained relatively stable, with Universal Music Group still dominating the field. Universal wound up with a 44.4% market share, down from 48.3% in 2009. Sony Music Entertainment again finished second but gained ground on Universal, aided in part by releases from crossover stars Shakira and Marc Anthony. Sony's market share climbed to 27.2% from 23.3%. Warner Music Group increased market share to 6.3% from 5.1% in 2009, putting more distance between it and EMI, the smallest major Latin distributor, whose share inched up to 4.8% from 4.7%.

Surprisingly, indie distributors didn't experience the upturn in business that many had predicted. Their combined market share, which excludes that of Alternative Distribution Alliance, RED, Fontana and Caroline, slipped to 17.2% from 18.7% in 2009.

UPCOMING EVENTS

February 22, 2011 – Music Industry Toolbox

March 8, 2011 – Branding

April 26, 2011 – International

May 24, 2011 – An Evening With....

Among leading Latin labels, Universal Music Latin Entertainment - with its four imprints Universal Music Latino, Machete, Fonovisa and Disa, plus Siente, its joint venture with Venevision - commanded 42.4% of the market, slipping from 47.1% in 2009. Sony Music Latin's share climbed to 25.9% from 20.8% in 2009, while WEA Latina moved into third as its share rose to 4.8%, from 4% in the prior year, exceeding EMI Latin's 4.6% share, little changed from 4.5% in 2009.

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Q&A with Eric Palmquist

What is your role at Disney?

The role has become quite diverse, but primarily I'm in charge of global income tracking, which is in essence about ensuring that the full amount of royalties are collected from all global income streams.

Can you offer any royalty recovery tips for publishers or songwriters?

You really need to pay attention to digital and other new types of royalties. The labels' staffs, as well as the staffs in other fields have mostly been reduced while the types of income streams have increased. Technology helps, but it has yet to bridge the gap.

Why is the Latin market key for songwriters and publishers based in the US?

Demographics for one. The Latin percentage of America's population is only growing, and is projected to grow enormously over the next few decades.

What was the impetus for organizing a Latin Music panel for the CCC?

I think many copyright organizations/panels have largely ignored the Latin Market, and opportunities have been lost both for creative talent and companies. Hopefully, this panel will lead to better lines of communication, and more consideration of the Latin market.

What are some of the most interesting developments in the Latin music market?

The Latin music market doesn't follow a lot of the trends we see in the other music markets. For instance, digital sales as a percentage of the total are very low in the Latin music market when compared to other markets.

If a publisher wants to begin exploiting copyrights in the Latin market, who are the biggest licensees?

Univision, Telemundo, but of course more and more Latin artists are crossing-over and being used by the same licensees as other types of copyrights.

What are the important Latin collection societies to join?

There are of course quite a number of societies in Central & South America. Here in the States, ASCAP, BMI & SESAC all have excellent Latin departments.

How did you get involved in the California Copyright Conference ("CCC")?

I've been coming to the meetings for years and one of the board members suggested I run for the board.

When I first came to the business I was very fortunate to have great mentors like Scott James, Quincy Jones, & (former CCC President) Ed Arrow.

What is new at the CCC?

The website has been revamped, the CCC is partnering more with the AIMP (joint meeting coming up later this month), and the CCC has formed an action committee to better inform its members about the challenging issues we all face.

Why is it important to join the CCC?

The concept of intellectual property is under attack like never before. There is an organized group of people who are invested in and benefit economically from not paying for the use of music, as well as other intellectual property. That's an uncomfortable fact, but a fact nonetheless. It's really not much different than someone grabbing your car keys out of your hand, and saying I feel like driving your car for a few hundred miles but I expect you to maintain the car and pay for the gas. In other words, they steal your property and benefit from it financially. The music industry has particularly been damaged because it has not been as organized, and has failed to speak with one voice both to the consumers and to the thieves. Any unifying force in the industry is frightfully important right now, so joining groups like the CCC is essential for the future.

Panelist Biographies

RICHARD A. BULL

Richard Bull is the co-founder and President of the dynamic Latin entertainment company, The Sixth House (T6H). T6H has a strong base as a management company with clients such as: Anahi, Jorge Villamizar (from Bacilos and Alex, Jorge y Lena), Christopher von Uckermann, Ninel Conde, and Christian Chavez, among other talented artists. In addition it has a touring division, music label, publishing company, licensing division, and corporate marketing arm. T6H's success can be credited to nurturing strong strategic alliances and partnerships in order to optimize the benefits for both the talent and the company.

Prior to co-founding The Sixth House, Inc, Bull was the executive vice president at the fastest growing tour management company in the Latin market; Roptus, Inc. He traveled the world; from Romania to Argentina and from Spain to Mexico while on tour with several multi-platinum acts. At EMI Televisa Music, Bull served as VP of Marketing and Business Development achieving several #1 hit albums for acts such as, Intocable, RBD, and Kumbia Kings. Before EMI, Bull enjoyed great success with AOL Latino as the director of Latin Entertainment and Music; where he helped launch and further develop the AOL Latino service. He also worked at Warner Music Latina from 1998 – 2003, in key roles in marketing, sales, catalog marketing, publicity, and product management.

Richard Bull holds a BA from the University of Miami, is a member of the Recording Academy

TOMAS COOKMAN

Tomas Cookman is the President/Owner of Cookman International. The Nuyorican born/Los Angeles-based entrepreneur first established himself as an artist manager, guiding the careers of many notable artists, like Fabulosos Cadillacs, Manu Chao, Tom Tom Club, Aterciopelados, Nortec Collective and many more.

Cookman is the head of Nacional Records, home to artists such as Ana Tijoux, Manu Chao, Bomba Estereo, Nortec Collective, Los Fabulosos Cadillacs, Los Amigos Invisibles, Choc Quib Town and Aterciopelados. Canciones Nacionales is the publishing arm and is very active in film, television and brand synchs.

Cookman also runs, GIANT Cookman, a marketing company based in Austin, Texas that focuses on bi-cultural, bi-lingual Latino youth.

Cookman also founded the LAMC (Latin Alternative Music Conference). One of the more successful music conferences, that is now in its 12th year. It celebrates genres such as rock, hip hop, electronica and other cutting edge styles.

Cookman is a long time supporter of artists and artist rights.

YVONNE DRAZAN

Born and raised in L.A., Yvonne Drazan has worked in the music industry since 1989 when she founded “Club Rock En Español”, a pioneer in the promotion of Latin Rock on the West Coast. Since that time she has worked for EMI Latin in Marketing, Promotions, Merchandising, and Production, followed by a stint as a freelance road manager and publicist. After a few years on her own, she moved to the legendary label Rhino Records, where she worked with some of her musical heroes including The Ramones, Sugarhill Gang, Los Lobos, Curtis Blow and Devo, among others. Following Rhino, she was offered a job by Gustavo Santaolalla as the Label Manager of Surco/Universal – home to Juanes and Molotov – as well as coordinating his activities, as a producer, film composer and solo artist. In 2003, Yvonne was hired by Peermusic, the world’s largest independent music publisher and is now Director of A&R. In this role her responsibilities include signing new talent, catalog acquisitions and maintenance of current roster of writers for both the West Coast Latin department and the peermusic office in Mexico City. Since joining peermusic, Drazan has signed worldwide deals with artists such as Gloria Trevi, Anahi, Horoscopos de Durango, Plastilina Mosh, Regional Mexican writer/producers Omar and Adolfo Valenzuela (AKA “Los Twiins”), and the creation of a joint venture publishing company and label with The Sixth House which released its first artist Christopher Von Uckermann in November 2010. She also oversees the work of Micky Huidobro of Molotov, ChocQuibTown and developing artists Facundo Monty and La La Romero.

KIKE SANTANDER

Dr. Flavio Enrique Santander Lora, commonly known as Kike Santander, is a Colombian composer, record producer, arranger and entrepreneur. He is considered one of the major Hispanic composers, having worked with artists such as David Bisbal, Christian Castro, Thalia, Chayanne, Diego Torres, Alejandro Fernández, Olga Tañón, Bacilos, José Luis Rodríguez (El Puma) and Gloria Estefan among others. More than 25 of his songs have won the coveted Top Ten, as reflected in the Latin Charts for Billboard magazine in the last five years. More than 15 of his songs are featured within the top 100 most played songs by the association of authors and composers BMI. His songs and productions have surpassed 25 million albums worldwide.

NIR SEROUSSI

Nir Seroussi heads the West Coast operations for Sony Music Latin. Since joining the company in 2005, he has overseen the marketing, promotion and A&R duties for the label's Regional Mexican artists and several of its pop, rock and urban acts.

Prior to Sony Music, Mr. Seroussi was Vice President, Marketing and A&R for EMI Latin (now Capitol Latino). Previously, he served as General Manager for Insignia Music, heading the company's joint ventures with Universal Music Publishing Group and Famous Music (now Sony/ATV).

Throughout his career, Nir Seroussi has worked with some of the biggest names in Latin music, such as Vicente Fernandez, Ricky Martin, Intocable, A.B. Quintanilla III & Kumbia Kings, Camila and many others.

As an award-winning songwriter, Nir Seroussi has written for numerous top Latin artists, including Intocable, Kumbia Kings, Pepe Aguilar, Reik, OV7, Olga Tañón and Conjunto Primavera, among others.

Mr. Seroussi holds a BA in Music Business / Management, summa cum laude, from Berklee College of Music, Boston.

Moderator Biographies

MARISSA LOPEZ

Based in Los Angeles, Marissa Lopez is an Associate Director, Latin Writer/Publisher Relations. Lopez joined BMI in 2007, and reports directly to Delia Orjuela, Assistant Vice President, Latin Writer/Publisher Relations.

In her position, Lopez is responsible for establishing and maintaining relationships with songwriters and publishers in the Latin music genre, as well as for providing assistance with all administrative and creative functions. Since joining BMI, Lopez has been involved in affiliating Gerardo Ortiz (Del/SonyMusic Latin), El Compa Chuy (Sony Music Latin), MIS (Nacional Records), El Komander (Fonovisa), Los De Sonora (Sony Music Latin), Los Buitres (Fonovisa), Hello Seahorse (mun/EMI MX), Maluca (Mad Decent), Niña Dioz and Jumbo. She also helps coordinate and participate in special conferences, showcases and events, including BMI's annual Latin Awards gala.

Previously, Lopez was West Coast Assistant Manager for peermusic's Latin division in Los Angeles, where she worked for four years. She was promoted to that position after being hired as West Coast Creative Assistant. At peermusic, Lopez worked with such groups as Upground, Charanga Cakewalk and Los Pinguos. She also worked on song plugging and assisted peermusic's digital distribution company Digitalpressure with the signing of Latin artists. Prior to her role at peermusic, she worked as Promotions Director for La Banda Elastica magazine in Long Beach, California, for three years. She also served as Publicity Coordinator for the fifth annual Reventon Super Estrella.

When tracing the roots of her lifelong dedication to the advancement of Latin music, Lopez cites an early career breakthrough at Mt. San Antonio College, where she was the first DJ to play Spanish format music. A progressive call-to-action at the time, her playlist helped foster the growing stateside awareness of and passion for Latin music.

Lopez is currently a member of the Latin Academy of Recording Arts & Sciences (LARAS) and the National Association of Latino Independent Producers (NALIP).

ERIC PALMQUIST

A songwriter and industry veteran of nearly twenty years, Eric Palmquist has held executive positions with Quincy Jones Music Publishing, Famous Music & was Vice President at Warner/Chappell Music, Inc. He currently is Director, Global Income Tracking, Disney Music Publishing, and is a Board Member of the California Copyright Conference. In 2009, he received the prestigious Best In The Biz award from the National Association of Record Industry Professionals.