



2011 Year-End Shipment Statistics

202-775-0101

Manufacturers' Unit Shipments and Retail Dollar Value

(In Millions, net after returns)

Digital

	2010	2011	% CHANGE 2010-2011
(Units Shipped)			
Download Single	1,177.4	1,306.2	10.9%
(Dollar Value)	1,317.4	1,492.7	13.3%
Download Album	85.8	104.8	22.1%
	872.4	1,091.4	25.1%
Kiosk¹	1.7	1.4	-18.3%
	6.4	3.3	-49.2%
Music Video	18.4	16.3	-11.6%
	36.6	32.4	-11.6%
Total Units	1,283.4	1,428.6	11.3%
Total Value	2,232.9	2,619.7	17.3%
Mobile²	188.5	115.9	-38.5%
	448.0	277.4	-38.1%
Subscription³	1.5	1.8	18.9%
	212.4	241.0	13.5%
Digital Performance Royalties⁴	249.2	292.0	17.2%
Synchronization Royalties⁵	188.7	196.5	4.1%

Physical

(Units Shipped)			
CD	253.0	240.8	-4.8%
(Dollar Value)	3,389.4	3,100.7	-8.5%
CD Single	1.0	1.3	28.3%
	2.9	3.5	18.4%
LP/EP	4.2	5.5	31.5%
	88.9	119.4	34.2%
Vinyl Single	0.3	0.4	19.7%
	2.3	4.6	99.6%
Music Video	9.1	7.7	-15.0%
	177.6	151.0	-15.0%
DVD Video⁶	8.5	7.2	-15.1%
	169.7	144.5	-14.8%
Total Units	267.7	255.7	-4.5%
Total Value	3,663.9	3,381.1	-7.7%
Total Retail Units	233.0	222.0	-4.7%
Total Retail Value	3,438.7	3,170.9	-7.8%

Total Digital & Physical

Total Units⁷	1,739.6	1,800.2	3.5%
Total Value	6,995.0	7,007.7	0.2%

% of Shipments ⁸	2010	2011
Physical	54%	50%
Digital	46%	50%

Retail Value is the value of shipments at recommended or estimated list price

Note: Historical data updated for 2009 and 2010

¹ Includes Singles and Albums

² Includes Master Ringtunes, Ringbacks, Music Videos, Full Length Downloads, and Other Mobile

³ Weighted annual average number of subscribers

⁴ Estimated payments in dollars to performers and copyright holders distributed by SoundExchange

⁵ Includes fees and royalties from synchronization of sound recordings with other media

⁶ While broken out for this chart, DVD Video Product is included in the Music Video totals

⁷ Units total includes both albums and singles, and does not include subscriptions or royalties

⁸ Synchronization Royalties excluded from calculation

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News and Notes on 2011 RIAA Music Shipment Data

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While the industry remains less than half the total value at its high in 1999, total U.S. music shipments in 2011 were up for the first time since 2004, albeit slightly, versus the prior year. Total shipments of \$7.0 billion were up 0.2% when compared with 2010. Digital sales grew 9.2% compared with 2010, offsetting the physical decrease of 7.7%, a much smaller decline in physical than experienced in recent years. Overall, digital formats comprised slightly above 50% of total music shipments in the United States, as digital became more than half the market for the first time ever. Diversification among formats continued to widen, as a greater amount of shipments came from non-traditional formats than ever before.

Digital downloads in 2011 totaled \$2.6 billion, up 17% from the prior year. Digital albums showed particularly strong gains, up 25% by value to \$1.1 billion, and surpassing 100 million in volume for the first time. Digital individual track sales also grew to \$1.5 billion, and 1.3 billion copies.

Revenues from music subscription services grew to a new high in 2011 of \$241 million, an increase of 13% from the prior year. The number of users also grew from 1.5 to 1.8 million. Growth in both digital performance royalties and subscription services indicates increasing consumer demand for music access models, which give fans the ability to listen to incredibly broad selections of music whenever and wherever they want.

Distributions for digital performance royalties, which include payments to performers and copyright holders for webcasting, satellite radio, and other non-interactive digital music services, increased 17% to \$292 million in 2011. Revenues from digital performance royalties for the first time surpassed the sales of ringtones, ringbacks, and other mobile products, which fell 38% to \$277 million in 2011. Ringtones declined 39%, while ringbacks fell 28% (both by value). Ringtones accounted for 56% of the mobile digital music market by value, and ringbacks were 28%.

The RIAA shipment report is for the first time including royalties from synchronization of recorded music with other content (such as movies, TV, video games, or other media). Data back to 2009 is included for comparison. Synchronization royalties were up 4% year-over-year, to \$196 million in 2011. Note that synchronization royalties are effectively included at wholesale value since there is no retail value for comparison, and are not adjusted to represent non-major label distributed content. They are excluded from the calculation of the digital market percentage.

The decline of 7.7% by total value in physical formats was primarily accounted for by an 8.5% value decline in CD shipments. Although still only 2% of the overall market, vinyl albums continued to grow in 2011, up 34% versus the prior year to \$119 million, with more than 5 million units shipped.

The 2011 music industry shipment data confirms that digital music has truly become mainstream, though there are certainly still challenges presented by massive volumes of digital theft. Half of industry shipments came through digital channels in 2011, and digital downloads - hardly a new format anymore - have continued growing. More than 100 million digital albums were sold in a year for the first time. Access models like subscription services and Internet radio (represented by digital performance royalties) have continued to grow both in popularity as well as in their revenue contribution to the industry. No longer just a niche, digital music has shown it can be a model - or perhaps more accurately a variety of models - for the music industry going forward.

Please note that the RIAA presents the most up-to-date information available in its annual shipment reports and subscription-only online shipment statistics database (http://www.riaa.com/keystatistics.php?content_selector=riaa-shipment-database-log-in). Based on additional market research, historical data has been updated for 2009 and 2010.

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