

2014 music business flat as streaming offset CD sales drop

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The U.S. retail music business was essentially flat in 2014 as growth in streaming revenue helped offset further decline in sales of CDs, a report from the Recording Industry Association of America said Wednesday.

Overall, retail revenue declined about half of a percent to \$6.97 billion. Wholesale revenue for the recorded music industry, meanwhile, grew 2 percent to \$4.86 billion.

The industry's revenue mix last year was more balanced between physical, digital and streaming sources than ever before, the RIAA said. Permanent downloads made up 37 percent of the total market, down from 40 percent in 2013. Streaming revenue was 27 percent of the total, up from 21 percent a year earlier.

Physical shipment revenue was 32 percent of the total, down from 35 percent. CD sales continued to decline, though they still make up by far the largest category when it comes to physical products. CD sales fell 12.7 percent to \$1.85 billion. Vinyl records, meanwhile, continued their resurgence, growing 49 percent to \$315 million.

Streaming revenue from paid subscription services grew 25 percent to \$799 million. Revenue from ad-supported services increased 34 percent to \$295 million. Revenue from services distributed by SoundExchange, such as Pandora, SiriusXM and other Internet radio providers, grew 31 percent to \$773 million.

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