

Upfront

TOP OF THE NEWS



ISRAELITE: PUBLISHERS GET A REAL INSIDER

Israelite New NMPA President

Jumps From Gov't Gig

BY SUSAN BUTLER

NEW YORK—Music publishers have reached inside the Bush administration to tap one of the most influential advocates on Capitol Hill for their team.

David Israelite, deputy chief of staff and counselor to the U.S. Attorney General, will become president/CEO of the National Music Publishers' Assn. on Feb. 7, *Billboard* has learned.

Israelite and NMPA chairman Irwin Robinson, who also serves as chairman/

Valentine Sales Could Lose Their Blush

BY MARGO WHITMIRE

Without a romantic darling to lure consumers, music retailers are skeptical that Valentine's Day will warm up February sales this year.

"We're certainly not expecting the same kind of week as last year," says Mike Fratt, VP of purchasing at the seven-store Homer's chain in Omaha, Neb.

Last year's strong Valentine's Day sales were fueled in large part by the release of Norah Jones' "Feels Like Home" (Blue Note), which moved 1.02 million units for the week, according to

Nielsen SoundScan. "That's what we're competing against," Fratt says.

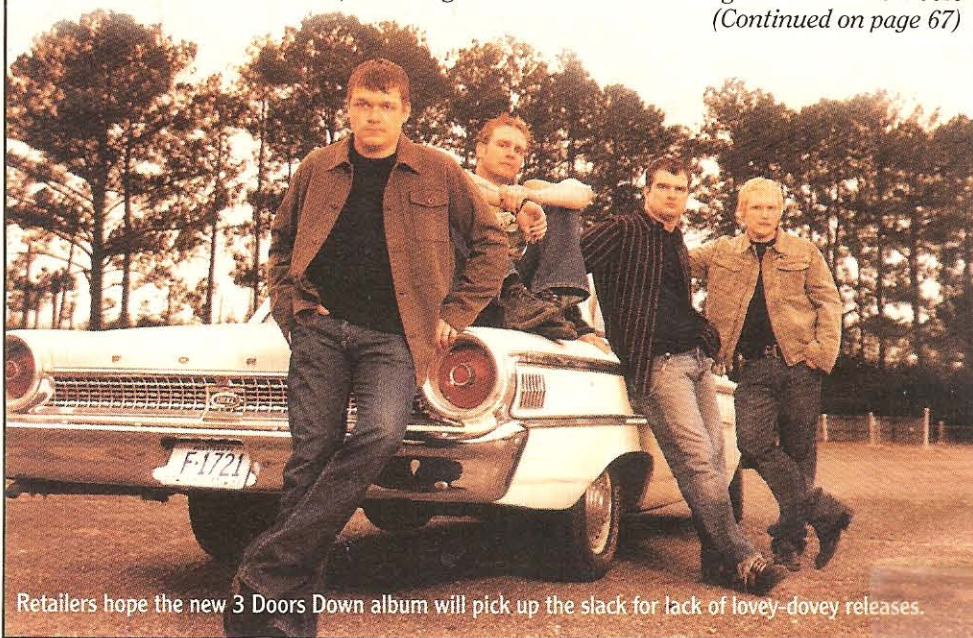
Bryan Everitt, director of music purchasing at 150-store Hastings Entertainment in Amarillo, Texas, agrees.

"There is a weaker release schedule this year, which could also be called 'no Norah.'"

Total U.S. scans for last year's Valentine's Day week exceeded 17.2 million, a 35.9% increase from the prior week.

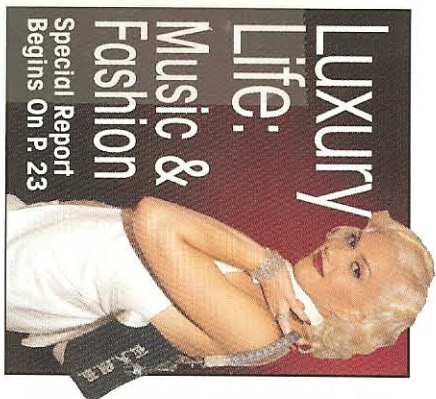
Because expected studio sets by 50 Cent and Mariah Carey missed this year's Feb. 14 deadline, retailers are counting on titles like 3 Doors

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Retailers hope the new 3 Doors Down album will pick up the slack for lack of lovey-dovey releases.

BREAKING NEWS



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Valentine

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Down's "Seventeen Days" (Universal), Brian McKnight's "Gemini" (Universal Motown) and Michael Bublé's "It's Time" (Warner Bros.)—all due Feb. 8—to provide some punch for the holiday. For the last four years, Valentine's Day has been the second-biggest sales period of the year behind Christmas. In 2003, sales hit 13.9 million units for the week; in 2002, the tally was 14.5 million; in 2001, 15.5 million.

For smaller chains in cold weather locales like Homer's and the 11-unit Gallery of Sound in Wilkes-Barre, Pa., weather is a big concern.

"The main thing for us is if there's not several feet of snow and [it's not] 40-below," Gallery of Sound VP Joe Nardone says. "It could be the best setup in the world, but it really depends on whether people are in the mood to leave their house."

Fratz says of the winter's recent affect

on sales, "We just got the crap kicked out of us in the first two weeks of January—much worse than last year."

He credits the chain's recent pickup to the Jan. 25 release of two albums by hometown breakout act Bright Eyes on Omaha-based indie Saddle Creek Records. The acoustic-driven "I'm Wide Awake, It's Morning" and the electric "Digital Ash in a Digital Urn" are expected to remain the chain's No. 1 titles through the holiday.

THE GRAMMY FACTOR

Last year, Valentine's Day sales also benefitted from the Grammy Awards, which were telecast the week before. This year, the Grammys fall the night before Valentine's Day, a change not lost on Recording Academy president Neil Portnow.

"If we look at last year—and the Grammys, Norah Jones and Valentine's Day—17 million albums were sold," he says. "We'll stand up and take credit for a good deal of that."

This year, the pre-Valentine's week TV slot was not available because of the Super Bowl on Feb. 6.

This time, as soon as the Grammy date was set, Portnow sent a letter to the labels and others in the industry, noting that the Grammys would be Feb. 13, but that the broadcast could still create a sales and marketing opportunity.

"We could have kept people in suspense and dropped the date later in the year," Portnow says, "but instead we sent out the notice that we're right on top of Valentine's Day, so people could market into the situations should they choose."

Despite the effort, Virgin Entertainment Group senior music product manager Jerry Suarez says sales will take a hit. "There's definitely a huge bounce for winners during Grammy week. I would prefer a little more time this year, and I think sales will be lighter than we've seen," he says.

Nardone contends that the February sales boost has more to do with the Grammys than Valentine's Day.

Instead of a Valentine's-themed display, Gallery of Sound is featuring a month-long promotion highlighting the Grammy nominees.

"It's a good holiday, but people are going to buy what they want, not some

love CD," he says.

Fratz agrees, saying that his store plans to be well-stocked with hit albums and new releases. "Generally speaking, those packages geared toward lovers don't really perform," he says.

Suarez, however, says that Valentine's Day compilations are expected to fill the gaps left by a spotty February release schedule.

"We always try to take advantage [of Valentine's Day] and highlight love song compilations and artists. It's always difficult to tell if people are going to buy Kenny G or what, but our love compilations do pretty well."

Several sets by romantic mainstays were released Jan. 25, including "The World of Nat King Cole" (Capitol/EMI), "Lou Rawls: Love Songs" (Right Stuff/EMI Music Catalog) and "Love, Elvis" (Sony BMG Strategic Marketing).

On Feb. 1, Miles Davis' "My Funny Valentine" (Sony Classics) and Johnny Mathis' "Isn't It Romantic: The Standards Album" (Columbia) hit stores.

One new option that consumers are already showing love for is "Martina McBride: My Heart," which is exclusively

available at Hallmark's Gold Crown stores. Following the tremendous success of its Christmas compilations, the retailer bowed its first Valentine's Day set Jan. 24. Bolstered by strong marketing efforts and TV spots, Hallmark says the CD sold 500,000 copies in its first nine days, surpassing expectations.

"We were certain Martina was a perfect fit for this Valentine project, and we knew our consumers would be appreciative of the special offering," Hallmark manager of integrated marketing Ann Herrick says. "Still, we are overwhelmed at the sales success. It really speaks of Martina's level of artistry and fan appeal."

Virgin stores will feature an endcap called "All You Need Is Love" with albums by acts like Bublé, Josh Groban, Seal, Phil Collins, Elton John, Rod Stewart and Chicago.

"We have a lot of hope for the holiday," Suarez says. "Virgin's sales have been strong so far after Christmas, and we expect them to continue."

Additional reporting by Melinda Neuman in Los Angeles.