H̶I̶T̶S̶

WINNERS

REQUESTS

NSYNC Jive
CITY HIGH Booga Basement/Interscope
C. AGUILERA/LIL' KIM/MYA/PINK Interscope
O-TOWN J Records

EARPICKS

NELLY FURTADO DreamWorks
MICHELLE BRANCH Maverick
BLU CANTRELL Arista
BLINK-182 MCA

BREAKOUTS

LIL' ROMEO SME/Priority
WU-CHRONICLES II (VARIOUS) Priority
ALICIA KEYS J Records
LUTHER VANDROSS J Records

WILDCARD

NELLY FURTADO DreamWorks

HOT NEW RELEASES

NELLY FURTADO
Turn Off The Light
DreamWorks

K.G.B.
Lover Undercover
DreamWorks

KELLY LEVESQUE
Some Hearts
Reprise

MANDY MOORE
Crush
Epic

LUCAS PRATA
Wanna Get Witcha
Universal

TOYA
I Do
Arista

ALICIA
KEYS

Revolution Rock

"YOU SAY YOU WANT A REVOLUTION..."

Back then, the Beatles were talking about world politics. Thing is, in the near-future—when someone goes back into the studio with the master tapes from those sessions and remixes them for 5.1 Surround Sound and a digitally encoded source stream—their words are going to be just as relevant, if in a slightly different context. The new revolution is all about how we're listening to the music of the past and how we're going to listen to (and even access it) in the future.

"It was 20 years ago today, Sgt. Pepper taught the band to play"...on CD. OK, so it was more like 14 years ago, but that date was still important, because people not born when Beatlemania first hit were able to recreate the experience of June 1967. The only difference; it was on a 5 1/4-inch disc.

So what now? There are audio formats on the rise promising a sound so close to analog as to be almost indistinguishable. Internet security is such a big issue, with labels placing higher and higher priorities on encryption. And yet, those same labels are offering 44.1 MHz, 96-bit versions of songs across the wires, for a fee. But most importantly, all the good music is already out on CD, and if new kids are going to be playing with new toys, the stalwarts, who have a vested interest in making sure their past is played over and over again, want in on the action. There is plenty of new action and new technology means it will impact all of us.

David Benjamin is the interim CEO and Vice Chairman of **ClickRadio**, an Internet-based music system that downloads music directly to users' hard drives. Rather than streaming it in so you can listen in "real time," ClickRadio downloads anytime users have an Internet connection. This way you get no skips, buffered play or mis-ordered packets of information.

For Benjamin, making sure he has access to catalog music is paramount: "I have 50 stations up right

now. I have all the current stations, but how about R&B of the '80s? R&B Jazz? Smooth R&B? Old-school hip-hop? Underground hip-hop? Bell-bottom soul, which is '70s R&B, we just built one for Universal called the Motown station. I got '50s hits, '60s hits, '70s hits, '80s hits, '90s hits, rock of the '70s, rock of the '80s, rock of the '90s, Jazz masters, smooth Jazz, Reggae, New Age, so a lot of this is catalog-based.

"Will catalog move into the future, or have we already degraded it by selling the bulk of it on these 'Now' compilations? Is anybody going to care when we do it again in 20 years? What's the catalog of the past going to be 20 years from now? People have to understand that things like Napster kill it, while A&R has become as much a financial as a management function. A&R used to be Artists and Repertoire, and there's very little of that involved in the process anymore. Record companies have ceded those responsibilities to others. And to me, that's very dangerous."

Benjamin continues: "On ClickRadio, when you're listening, you can read the artist bio, the lyrics, the liner notes, the song list, buy merchandise, print sheet music...It's just like the old days, when the album packages were 12-inch squares with vinyl, when we built artists and didn't just sell songs. And we cared."

Caring is what it's all about then. Caring about the past's music and making sure it doesn't get lost in a mix of bubblegum pop. That's one of the problems. The music is around, but there's not room on store shelves for everything.

And that's where **Charly Prevost**, Vice President in charge of Retail Marketing and Promotion for **Liquid Audio**, comes in. "The key thing about the Internet is that it makes things available that aren't going to be stocked anymore. Take the case of Milan Entertainment; they have a soundtrack called "Mystery Train," and I don't know very much about the movie, but it has great music in it. And one of them is a very early Elvis Presley recording called "Mystery Train," from the Sun days. Milan was really frustrated because they get orders for about 200-300 pieces a year for "Mystery Train," but it's not economically viable to press 500 records. So it's been deleted for five years. We released it and sold 30 the first week it was available through Liquid Audio.

"Putting them on the Internet means they can invent a new price-point based on supply and demand. It's really easy for suppliers to display content on their website. Most of the merchants we work with are enthusiastic about getting big releases like that, because it offers them the chance to let people know that if they come to BestBuy.com, there's a Country section where they can find hard-to-get, or never-before-available, records," Prevost says. "We've been pursuing the gang at Blue Note for the better part of a year—I hear there are about 50 albums on the label that have never made it to CD and they're gems, beautiful nuggets from their catalog. Again, it's the same prob-

"**WILL CATALOG MOVE INTO THE FUTURE?**"
DAVID BENJAMIN, CLICKRADIO

lem—manpower and resources to clear all this stuff. But the reasoning was, there would be sales for this, because jazz tends to do relatively well.

"I think the downloader is more affluent, a little older, a little whiter and likes that kind of music," adds Prevost. "Young demographics like to get free downloads, older demos are used to paying for stuff, and they're usually the owner of the computer in a home."

But is the computer really the way music is going to be listened to? According to **Juergen Jaron**, it sure is. Juergon is CEO of the **Magix Group**, a PC-based software company that allows the user to mix their own music or, with special CDs prepped for it, remix the tracks of pre-recorded discs. "Music is no longer only played on a CD or Audio DVD player. These days, more often than not, music or video will be played on a computer. Once it is on a computer, the consumer expects to do more than just listen.

"Catalog is bought and re-bought by passionate fans, or somebody who's just discovered a group and realizes they have a back catalog," he says. "Our product enables them to become much more interactive with the group than just consuming their music. With the new DVD format, we have the chance to offer the consumer a great added value for catalog, a much better sound quality, background information and other content. On top of this, we empower that passionate consumer to combine sight, sound and emotion with catalog products into a personal and creative experience. To enable the consumer to use content interactively will significantly extend the usage time of that product and this is clearly an added value."

"We have a unique portfolio of technologies that could leverage the content of record labels in various ways," Jaron adds. "Say a record label gives us eight different tracks of a multi-track recording or the footage from a music video and lets us incorporate our technology and put it on a CD. Consumers could create their own mix of a classic catalog song. They could save it, and publish it in a community section of the artist's website and e-mail a link of his creation to a friend. They could add video or still pictures to it. Consumers are looking for added

value, and hopefully somebody will take it seriously and give the consumer what they want."

What is that added value? That's actually the question that all the big players are trying to answer correctly. **Jeff Dean** of **5.1 Entertainment**, the company which, according to **Steve Vining** of
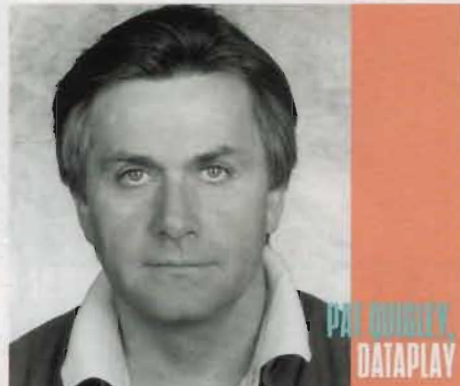
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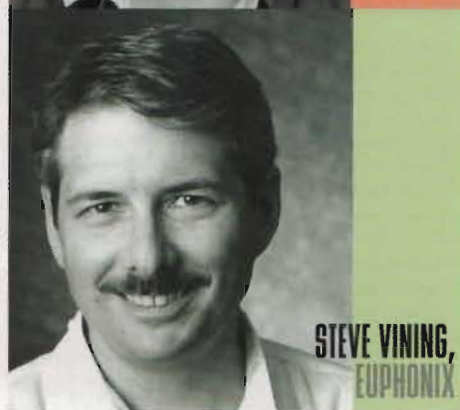
STEVE VINING, EUPHONIX

Euphonix, knows more about DVD Audio than anyone else on the planet, thinks he has at least part of the answer.

"The DVD Audio format, is a very, very, fan-friendly format," says Dean. "It provides the opportunity to marry extra content beyond the album on one piece of plastic. There can be archival video, updated liner notes or the original ones. Of course, lyrics or all those other things that you might find or may have been lost on subsequent reprintings of an album can be available again... There's almost limitless opportunity in what you can provide fans in terms of extra content by utilizing both the audio zone and the video zone on a DVD Audio disc. If there's anything that has made the release of more titles difficult, it's that we're trying to accommodate the consumer by putting extra content on the disk. And that's tricky.

"[Beyond that], what DVD Audio intended to do was raise the bar significantly—improve the level of audio resolution so that you could actually hear Led Zeppelin, for example, better than ever before. Hear what the musicians heard in the studio while they were recording. And if you take that all the way to DVD Audio's six-channel capabilities, now you're not even dealing with stereo anymore; you're dealing with higher-resolution sound coming at you from six separate speakers—literally giving you the feeling of being in the studio with Page and Plant. That's something engineers for years have been frustrated over when they go to mix a record into stereo. That immersion, that being present with the artist when they recorded then has to get squeezed down from 360° into 180° in stereo. Couple all that with the fact that these products are encrypted and copyright-protected. They aren't downloadable;

"WE HAVE A PRETTY LARGE DIGITAL DOWNLOAD AREA ON OUR SITE, BUT IT IS DEFINITELY DESIGNED TO ENCOURAGE PURCHASE OF THE HARD GOODS. WE DON'T SELL ANY OF THE DOWNLOADS." **RON PHILLIPS, AMAZON.COM**

they are not easily burned to make copies. It's a very secure format. We've achieved one of the labels' goals to have their material copyright protected."

Competing with DVDA in the new "Format Wars" is the Super Audio CD from **Sony**. Like the DVDA, the SACD also has 5.1 Surround-Sound and can create the audio illusion of being in the room. Coming from Sony, however, the SACD has a completely new approach to the way music is recorded, and they have the catalogue to support it.

David Kawakami, Sony corporate strategist, explains: "A big part of the music industry is the reissue business. Every label, big or small, has huge holdings of analog recordings. Sony has 300,000 analog masters in its vault. And it's very important material, because it represents not only our assets, but the legacy of the music industry. Because the best analog recordings sound very good. It's always been the holy grail of the audio industry to try to close the gap between the music as it was performed and captured either in a studio or in a concert hall. SACD reproduces it as close to the analog master as possible in the home. That's what fuels the entire audio industry—why people buy better speakers or compare different kinds of wire. They go to great lengths to close that gap. The key technology missing since we introduced the CD was a digital encoding system that could get all of the information, or would give us more confidence that we really did get all of the info, from the analog masters and into the digital domain. PCM [Pulse Code Modulation, the digital encoding system invented by Sony and Philips for the CD] over the last 20 years has become better and better at doing that. Although we were making incremental gains in closing that gap, we still searched for a different one which would allow us to transparently convert analog music to digital. And that led to this technology: DSD, Direct Stream Digital. That is the foundation of the SACD format. It also differentiates the SACD from DVD Audio—which is still PCM-based."

"CATALOG IS BOUGHT AND RE-BOUGHT BY PASSIONATE FANS, OR SOMEBODY WHO'S JUST DISCOVERED A GROUP AND REALIZES THEY HAVE A BACK CATALOG." JEURGEN JARON, MAGIX GROUP
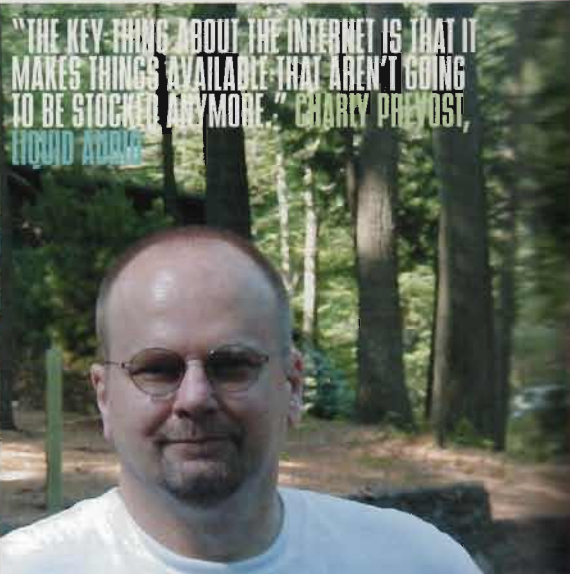
So this is all great for the consumer, right? We have tons of options, with bigger and better sound quality and tons of extras. But can we get it from their labs to our players? **Ron Phillips**, who heads up **Amazon.com**'s music and video operations, says, "The hard formats—SACD and DVDA—are hardly a blip on the radar screen." Is that really a fair assessment of the situation?

"The general public is part of the CD generation. The labels are putting out a ton of repackaging, and in some cases they're doing a pretty nice job with re-mastering CDs that were originally put out in pretty lousy forms—like all of the re-mastered Madonna catalog, with enhanced liner notes. And it sounds really good. I think that's a good path to go down," Phillips says. "It's a little bit embarrassing to say, 'Oh, well, the first time we put them out, we really did a crappy job on them and ripped you off, so now we're gonna go back and re-master them and put them out again.' But it is what it is—and there's more interest in that product than there is in the new formats of product. The other thing that's happening that disturbs me is, there's a lot of repackaging of collections of things that, in my opinion, don't seem to have a whole lot of validity as to why they're being released. There's more interest in downloadable media, but it seems to be geared towards sampling rather than purchasing. We have a pretty large digital download area on our site, but it is definitely designed to encourage purchase of the hard goods. We don't sell any of the downloads."

Geordie Wilson, part of the team behind **Microsoft**'s Windows Media, agrees: "Downloading technology makes relatively low-cost distribution possible in a high-quality format to a virtually unlimited audience. That could open up the possibility for fairly specialized and targeted distribution where, if you can identify an audience that's particularly interested in everything Queen

has ever done, it becomes possible to consider re-releasing the material because the cost of distribution is so much lower. It's not like having to pump out physical product and send it all over the country. It opens up possibilities for experimentation, using this technology to do digital distribution and it also takes advantage of the capabilities for content packaging—where you can combine audio content with a variety of other multimedia material that would appeal to a specialized interest. You can add tremendous value to back catalog that way. For example, we saw the U2 promotion a few months ago where, in a single download, you got the first track they were releasing of the album, a snippet of video, pictures and links to various places on the Web. Anything that can be digitized can be put into the package and sent as a single download. For people who have a burning interest in particular performances or in the evolution of a piece over time, you can really provide a much richer experience using that technology."

So now we've heard from the "big boys" of audio—literally. As far as hardware is concerned, both the SACD and the DVDA remain at the standard 5 1/4 inches in diameter. But come October, a "little" competition is going to show itself in the form of **DataPlay**, a 1 1/2 inch square disk that can hold 11 hours of music and represents a whole new concept in the search for a new format. But what is it? **Pat Quigley**, Chief Marketing Officer for the Boulder-based company, explains it best: "If you made a new CD player, would you make it smaller? Yeah. Would you make it faster? Yeah. Would you make it cheaper? Yeah. Well OK, that's what DataPlay is." But DataPlay is much more and it offers the ability to do more.

"The first thing we want to do is music. Enlarge and enrich the consumer experience. To give you more as well as better music, higher quality, and a lot more stuff. On the disc, you can put the tour schedule, a direct link to the website, unreleased photos, behind the scenes...There's so many interesting things that go into making a record and a video and the bands never get to share it," he says. "Our goal is to turn all of that locked content into back catalog. We do know this: It's a one-to-one correlation. When you come out with a new album, your catalog goes up. Who bought that catalog? The guy who just bought your album. Well now that guy that bought your new album has your catalog at home already on the DataPlay disk. He didn't have to go out. The retailer is happy because he didn't lose a sale; he's just going to unlock it from his web-

site. The fan's happy because he's getting a much greater value on the second album than he could ever get [buying just a CD]. Because we take out most of the cost of music distribution, it allows that catalog to be sold at a much lower price than was ever available before.

"DataPlay is not meant to dictate the direction of the art form; it's meant to enable the art form to go places the CD won't allow it to go."

So we can see the general direction catalog recordings are headed...and no matter which road you're looking down, they all start at the same place: Digital technology. But how do we get all that analog content into a digital format to begin with? Try Euphonix.

CEO **Steve Vining**, has taken the lead in creating the R1, the only 24-bit 96k console hard disk recorder. "We've got the tools to make the highest resolution DVD mix possible. With the R1, you can create an archive file out of multi-track information, whether it was recorded yesterday or 35-40 years ago. Once you get to a server-based storage environment all of the issues—humidity control, what the formulation of the tape-base was the year that Ampax was manufacturing it, did they have problems and is the oxide flaking off...You basically take all of that out of play.

"I've seen research from two different labels who commissioned their own research and taking DVD video and applying it to DVD Audio, they expect DVDA disc production, at the manufacturing plant, to pass CDs in three-and-a-half-to-four-years. That's how fast this will come up. I was in the studio last night and heard Greg Ladanyi doing a remix of 'Running on Empty.' It was amazing. You listen to something like that and it's like, 'I have to get this.' I've got it on LP, CD and now I'm going to get it on DVDA." ■

GEORDIE WILSON, WINDOWS MEDIA

JEFF DEAN, S.F. ENTERTAINMENT