



CHRISTIAN/GOSPEL:

MUSIC THAT CONNECTS



INDUSTRY OVERVIEW 2007



CHRISTIAN/GOSPEL MUSIC

1. Not a single musical style or genre
2. Includes pop, rock, praise & worship, black gospel, R&B, hip hop, southern gospel, country, and more
3. Music that connects deeply with a diverse audience

MUSIC PURCHASES

- Christian/Gospel recorded music sales have increased from \$188 million in 1990 to almost \$700 million annually!
- Over 54.2 million units of Christian/Gospel CDs, cassettes, digital albums, and digital tracks were sold in 2006.
- Christian/Gospel album sales represented 6.75% of all album sales in 2006, a total higher than Latin (6.4%), Soundtracks (4.6%), Classical (3.3%), Jazz (2.7%), and New Age (0.6%).



2006 BEST SELLING ALBUMS†

1. **Alan Jackson**
Precious Memories* (Arista/Sony/Provident)
2. **Flyleaf**
Flyleaf* (Octone)
3. **Kirk Franklin**
Hero* (GospoCentric)
4. **Casting Crowns**
Lifesong** (Beach Street/Reunion)
5. **Various**
WoW Hits 2007** (Sparrow)
6. **Underoath**
Define the Great Line (Tooth & Nail)
7. **MercyMe**
Coming Up to Breathe (INO)
8. **Various**
WoW Gospel 2006* (Verity)
9. **Third Day**
Wherever You Are* (Essential)
10. **Juanita Bynum**
Piece of My Passion* (Flow)

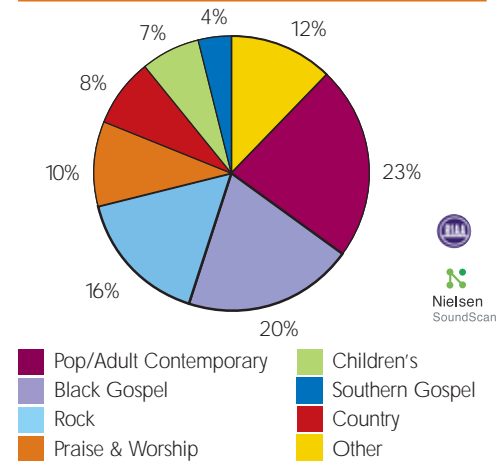
† Excludes seasonal catalog titles * Gold (Over 500,000 units shipped) ** Platinum (Over 1 million units shipped)



THE AFTERS' "Beautiful Love" was the best-selling Christian/Gospel digital track of 2006

2006 ALBUM SALES BY GENRE

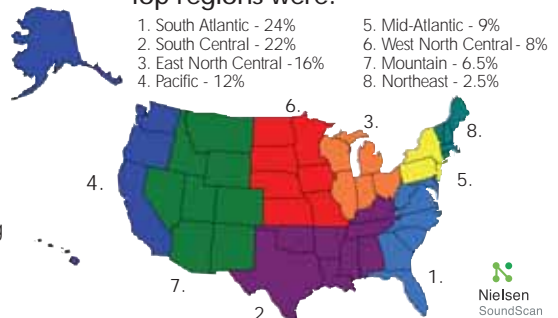
The most popular styles of Christian/Gospel music were Pop/Adult Contemporary (23%), Black Gospel (20%) and Rock (16%).



2006 ALBUM SALES BY MARKET/REGION

- **Top 10 markets were:**
 - Los Angeles
 - Atlanta
 - New York
 - Dallas-Ft. Worth
 - Chicago
 - Washington D.C.
 - Houston
 - Seattle-Tacoma
 - Tampa-St. Petersburg
 - Phoenix

• Top regions were:





INDUSTRY IQ

Over 20 million fans listen to Christian/Gospel music radio every week. (CMB)

RADIO

- Although the largest format is Adult Contemporary (AC), many stations also specialize in mainstream, Pop/CHR (Top 40), Black Gospel, Rock, Southern Gospel, Inspirational, Latin, and other formats.
- Major Christian/Gospel radio networks include Air 1, The Fish, K-LOVE, The Light, Solid Gospel, Today's Christian Music, and WAY-FM.
- Christian AC, CHR, Rock, and Inspirational formats gained 150 stations in 2006, collectively becoming the #4 format in the country with over 900 stations!
- Pop/CHR (Top 40), Alternative, Rock, Urban, Adult Contemporary, and other formats recently embraced singles by Christian/Gospel artists such as Flyleaf, P.O.D., Mat Kearney, Jonny Lang, Kirk Franklin, Mary Mary, Chris Rice, Nicol Sponberg, Relient K, Switchfoot, and Underoath.
- Mainstream radio made mega-hits of Christian/Gospel songs by country artists like Alan Jackson, Randy Travis, Brooks & Dunn, and Carrie Underwood.

PUBLICATIONS

- Music - Key consumer music publications include CCM, Gospel Today, HM, The Singing News and Worship Leader, while lifestyle publications like Brio, Breakaway, Campus Life, Charisma, Christianity Today, and Relevant also prominently feature Christian/Gospel music.
- General Interest - Leading magazines like Entertainment Weekly, Forbes, People and Time, along with newspapers like The LA Times, The NY Times, USA Today, The Wall Street Journal, and The Washington Post regularly publish a variety of articles, features, and reviews on Christian/Gospel music.



CHRIS TOMLIN, according to Time Magazine, might be the "most often sung artist anywhere," based on the millions that sing his songs weekly in church services

MOVIES

Recent placement in movies, soundtracks and trailers includes: Amazing Grace • Aquamarine • Bridge to Terabithia • Catch & Release • Facing the Giants • Just My Luck • One Night with the King • The Fast & The Furious: Tokyo Drift • Zoom • Ultimate Gift



"The Fast & The Furious: Tokyo Drift" featured music from GRITS and TOBYMAC



"Bridge to Terabithia" featured music from BETHANY DILLON, JEREMY CAMP, LEIGH NASH, and more



MERCYME's Bart Millard and NFL great JEROME BETTIS appeared on NBC's "The Tonight Show with Jay Leno"

TELEVISION

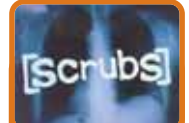
- **MUSIC IN TELEVISION** - Recent uses in television shows and promos include:
 - Dramas:** ABC's "Grey's Anatomy" and "Brothers and Sisters," CBS' "Criminal Minds," "Without a Trace," "The Unit," and "CSI Miami," CW's "One Tree Hill," FOX's "Prison Break" and "House," and NBC's "Friday Night Lights" and "Heroes"
 - Comedies:** CBS' "The Class" and NBC's "Scrubs"
 - Reality Shows:** ABC's "Dancing with the Stars," FOX's "American Idol," and MTV's "Laguna Beach"
 - Sports Events:** ESPN's "SportsCenter" and "Baseball Tonight," FOX's MLB World Series coverage, NBC's 2006 Winter Olympics and NHL Stanley Cup Finals, and WWE Events "Unforgiven" and "Cyber Sunday"
 - Daytime:** ABC's One Life to Live" and "General Hospital"
- **ARTIST PERFORMANCES** – recent highlights include: ABC's "The View" and "Jimmy Kimmel LIVE," CBS' "The Late Late Show with Craig Ferguson" and "The Early Show," MTV's "TRL," and NBC's "The Tonight Show with Jay Leno," "Late Night with Conan O'Brien," and "Last Call with Carson Daly"

- **ARTIST INTERVIEWS** – Recent in-depth artist interviews on shows like "CNN Sunday Morning," "Dayside," "Dr. Phil," "Extra," "Larry King Live," and "The View"

- **MUSIC VIDEOS** – New videos by Family Force 5, Flyleaf, Hawk Nelson, the Jonas Brothers, Kirk Franklin, Mat Kearney, P.O.D., Relient K, and Switchfoot have appeared on BET, Fuse, MTV, MTV2, and VH1



KRYSTAL MEYERS' song "Together" was used extensively to promote NBC's "Heroes" and was also featured on various episodes



The KUTLESS song "All of the Words" was featured in its entirety during an episode of the NBC hit comedy "Scrubs"



The 38th annual GMA DOVE AWARDS will be airing on over 125 network affiliates nationwide in 2007



MAT KEARNEY was selected as one of VH1's "Artists You Oughta Know" in 2006



The GOSPEL MUSIC CHANNEL, which features Christian/Gospel music of all genres, was ranked as the #1 emerging cable channel in the Beta Research Cable Operator study



INDUSTRY IQ

Over 22 million fans connect with their favorite Christian/Gospel artists through a wide variety of festivals, concerts, and theme park events around the U.S. (Walden Media)

CONCERTS/FESTIVALS

- **Festivals** – Attracting tens of thousands of fans from across the nation to hear the best of Christian/Gospel music, some of the largest festivals include Cornerstone, Creation (Northwest & Northeast), Freedom Fest, and Spirit West Coast.
- **Theme Park Events** – Since it began in 1983, Disney's "Night of Joy" has featured artists playing to a combined audience of over 900,000 people. Universal Studio's "Rock The Universe," now in its 11th year, and Six Flags Over Georgia's "Atlanta Fest," entering its third decade, also garner the industry's best talent and continue to attract thousands annually.
- **Radio Station Events** – Radio stations across the country also sponsor many concerts. The biggest of these events, the KLTY-sponsored "Celebrate Freedom" in Dallas, boasts the "largest free outdoor concert in America," with one-day attendance exceeding 200,000 people.
- **Conferences** – Annual conferences featuring music also attract thousands, including Passion Worship Conference (20,000+), Women of Faith (10,000 to 20,000 at each of 25 annual events) and T.D. Jakes' MegaFest (100,000+).

For a festival near you, please visit www.christianfestivals.com



DAVID CROWDER*BAND was voted 2006's "Artist of the Year" on MSN.com



CECE WINANS, seen here with USHER and REV. JESSE JACKSON, was honored at the 2007 Trumpet Awards

ONLINE

Christian/Gospel music fans connect online through various types of websites including:

- **Social Networking/Community** – While popular on MySpace.com and Facebook.com, Christian/Gospel music is a primary feature of MyCCM.com, MyPraise.com, Xianz.com, and YourChristian-Space.com.
- **Digital Service Providers** – iTunes, Napster, Rhapsody and others provide streaming (online listening) and digital downloads.
- **Portals** – Yahoo!, AOL, and MSN regularly - and prominently - feature Christian/Gospel music.
- **Music News** – blackgospel.com, christianitytoday.com, cmcentral.com, gospelcity.com, hearitfirst.com, and worshiptogether.com provide the latest music news.
- **Radio Stations** – Many stations provide fans the option to listen online.

ACHIEVEMENTS & COMMUNITY INVOLVEMENT

- **Amy Grant** received a star on the Hollywood Walk of Fame.
- **Michael W. Smith** was named Vice-Chairman of the President's Council on Service & Civic Participation.
- **Rebecca St. James** was named a music ambassador at the National Day of Prayer in Washington, D.C.
- **CeCe Winans and Donnie McClurkin** received the Gospel Giants honor at the 2007 Trumpet Awards.
- Christian/Gospel artists have a long tradition of involvement in national and international causes, including Compassion International, Bono's DATA.org, Habitat for Humanity, The ONE Campaign, Operation Blessing, World Vision and others. Many have also established their own foundations for a variety of causes including international adoption (**Steven Curtis Chapman's** "Shaohannah's Hope"), clean water wells in Africa (**Jars of Clay's** "Blood:Water Mission") and more.



AMY GRANT received a star on the Hollywood Walk of Fame



REBECCA ST. JAMES appeared with PRESIDENT GEORGE W. BUSH at the National Day of Prayer

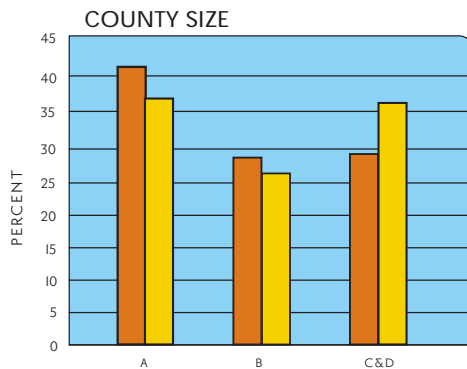
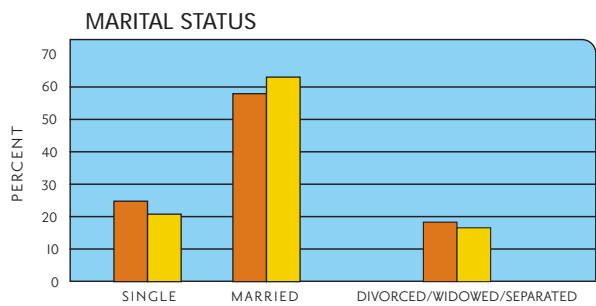
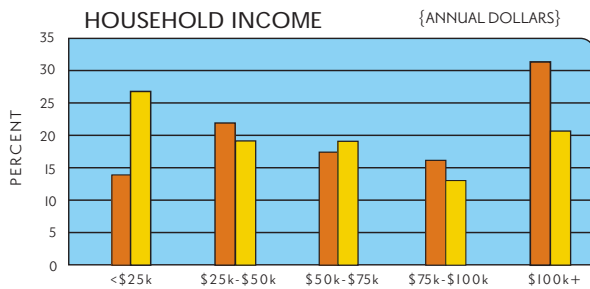
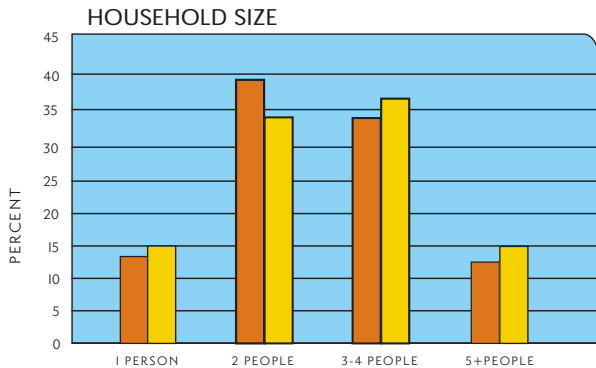
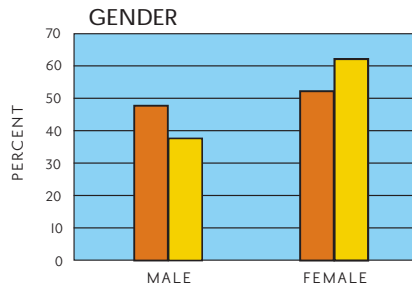
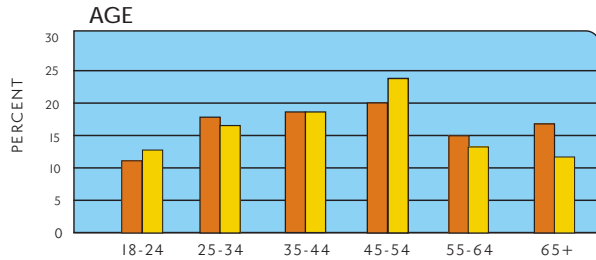
CONSUMERS CONNECTING

Christian/Gospel music buyers comprise a major force in today's economy. This large and influential consumer base, compared with the U.S. population, is:

- 20% more likely to be between the ages of 18-24 and 11% more likely to be between the ages of 35-54
- 19% more likely to be female
- 17% more likely to live in a household of five or more
- 24% more likely to be living in smaller sized counties

U.S. POPULATION

CHRISTIAN/GOSPEL MUSIC BUYERS



A - Counties with 21 largest metro areas
 B - Counties with 85,000+ households, not including A counties
 C - Counties with 20,000 - 84,999 households
 D - All other counties



CONSUMER IO

- 84% of Americans are self-described Christians.
- Over 100 million adults attend church in a typical weekend! (Barna Research)



BRANDS CONNECTING

Many national brands are already connecting to this consumer community through Christian/Gospel music endorsements, tour and event sponsorships, and other corporate tie-ins. Recent examples include:



CHEVY AN AMERICAN REVOLUTION For the fifth consecutive year, Chevy was the title sponsor for THIRD DAY'S headlining tour, a top draw in 2006.



McDonald's was the title sponsor for the Inspiration Celebration Tour, featuring SMOKIE NORFUL, KIERRA "KIKI" SHEARD, and VANESSA BELL ARMSTRONG.



In the company's first music partnership, Suzuki was the title sponsor for KUTLESS' 2006 tour.



Walgreens was the primary sponsor and Southwest Airlines was the official airline for the 2006 and 2007 GMA Dove Awards.



A performance slot at Disney's Night of Joy event was a main prize for the 2006 GMA Music in the Rockies competition.



American Airlines

AM SOUTH



GET CONNECTED*

RECORD COMPANIES – In addition to the four major music companies in the world, EMI Music (EMI Christian Music Group), SONY BMG MUSIC ENTERTAINMENT (Provident Music Group), Universal Music Group, and Warner Music Group (Word Entertainment), dozens of independent labels are also involved in the marketing and distribution of Christian/Gospel music worldwide.

TALENT AGENCIES – Artist appearances and performances are typically booked through talent agencies, who coordinate with artist managers. Key agencies representing Christian/Gospel artists include Creative Artists Agency, GOA, The Harper Agency, Jeff Roberts & Associates, and The William Morris Agency.

ANNUAL EVENTS – Key annual industry events include CBA Advance, CBA's ICRS, GMA Music Week, GMA Music in the Rockies, GMA Dove Awards, National Quartet Convention, National Radio Broadcasters, and the Stellar Awards.

*Partial listings. For more information contact the GMA for our annual Industry Directory.

Founded in 1964, the Gospel Music Association serves the Christian/Gospel music community and is dedicated to exposing, promoting and celebrating the gospel through music of all styles including pop, rock, praise & worship, black gospel, R&B, hip hop, southern gospel, country, and more. On behalf of its 4,000 members which include agents, artists, church leaders, managers, promoters, radio personnel, record company executives, retailers and songwriters, the GMA produces the GMA Dove Awards, which recognizes achievement in all genres of Gospel music and is the premiere television awards show for Christian/Gospel music. Other programs presented by the GMA are GMA Music Week, GMA Music in the Rockies and the GMA Academy. GMA is also actively engaged in advocacy efforts with members of Congress and other governmental agencies on issues like copyright protections, digital rights and music piracy. For more information, visit www.gospelmusic.org and www.doveawards.com.

OUR MISSION: TO EXPOSE, PROMOTE, AND CELEBRATE THE GOSPEL THROUGH MUSIC.

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