



The Digital Music Consumer - A Global Perspective

February 2013

Methodology

Ipsos MediaCT were commissioned to conduct a global consumer survey on behalf of IFPI to explore the usage of digital music services across 9 markets. These 9 markets represent 80% of global recorded music sales (source: IFPI).

Survey method: 7,502 interviews were conducted using an online survey method in November 2012 amongst a representative sample of internet users aged 16-64 in the following countries:

- USA (1,000 interviews)
- Brazil (1,002 interviews)
- Mexico (499 interviews)
- UK (1,000 interviews)
- Sweden (501 interviews)
- France (1,000 interviews)
- Germany (1,000 interviews)
- Japan (1,000 interviews)
- South Korea (500 interviews)

Results have been weighted to represent the population of internet users aged 16-64 years in each country.

Notes:

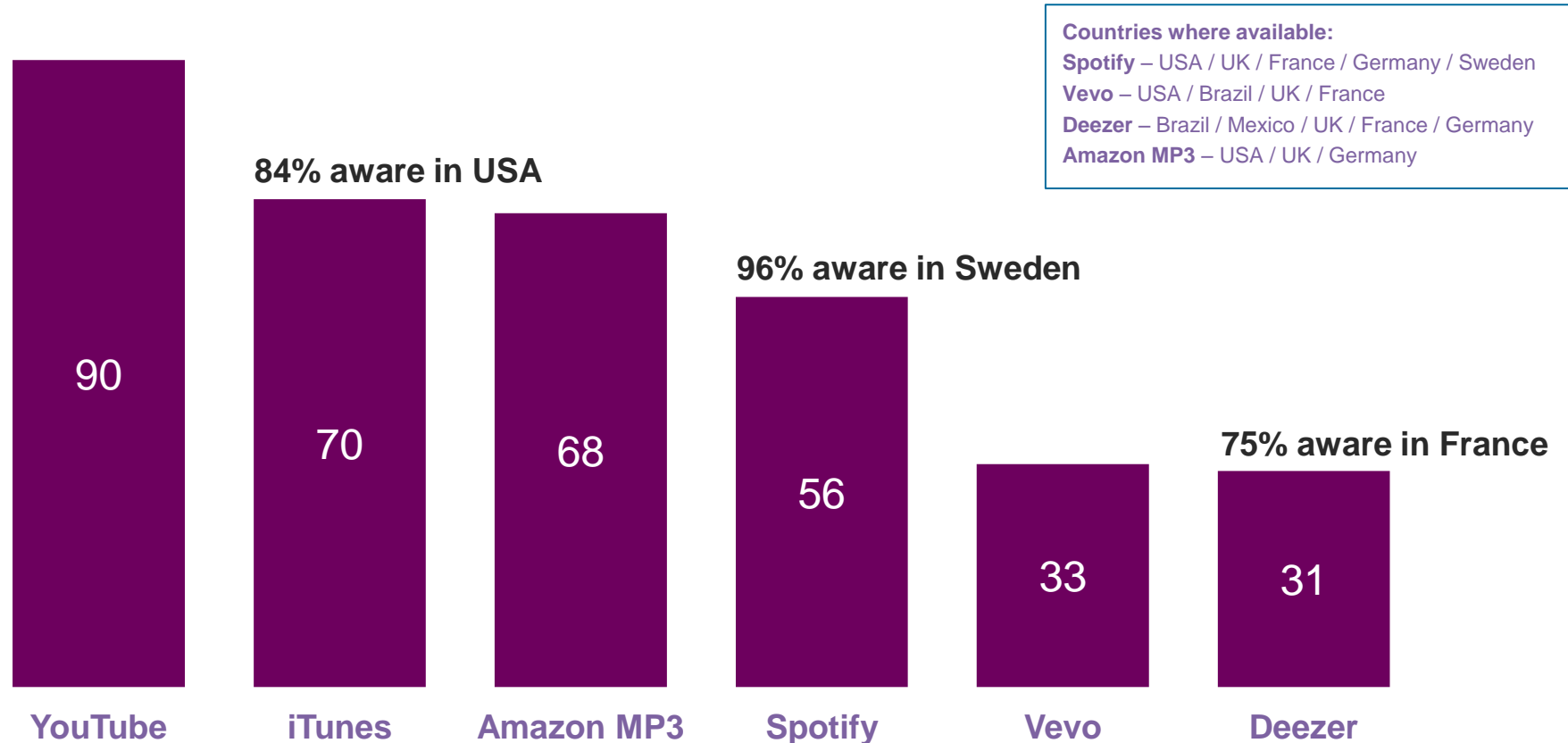
Unless stated otherwise, all 'global averages' shown are based on a 'weighted' average of the 9 countries. This weighted average takes into account the size of the internet market in each country. Where an average of the countries is shown this is simply based on the mean average of the 9 countries.

Internet penetration across the countries surveyed averages around 80% of the national population with the exception of Brazil and Mexico where it averages around 40%. Internet users aged 16-64 years within Brazil and Mexico are therefore not typical of the wider population. They are thought likely to be early adopters of digital services. This is reflected in the high levels of usage for various digital music services compared to other markets.

In order to encourage survey respondents to be honest about their pirate activity, we avoided using emotive words such as 'illegal' within our survey question wordings. Nevertheless, some respondents are thought likely to be reluctant to admit to accessing music via unlicensed services. Therefore piracy usage levels should be treated as the minimum levels within each country.

Awareness of legitimate services is high globally – the majority of internet users are aware of legal services like YouTube, iTunes, AmazonMP3 and Spotify

% internet users aware of the following services (average across countries where services are available)



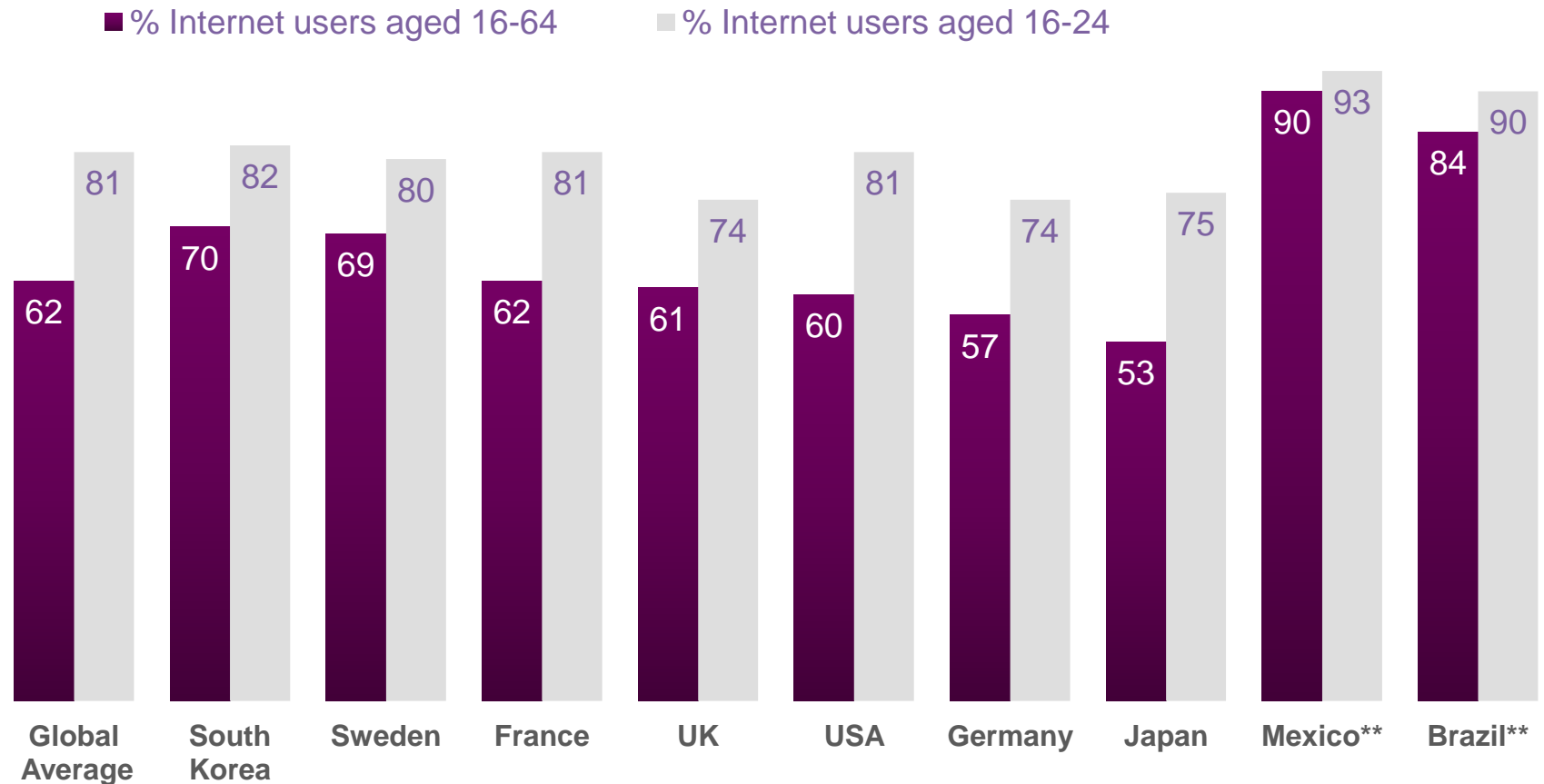
Base: All internet users aged 16-64 (n=7,502)

Q6: Which, if any, of the following have you heard of or have you personally used for music or music videos in the past 6 months?

Source: Ipsos MediaCT

Legal digital services are now mainstream – 62% of internet users have used a legal music service recently

% internet users using legal digital music services in the past 6 months



Digital services - download services, music subscription services (paid/free), music video streaming services, internet radio or mobile products (eg ringtones)

**Brazil and Mexico show high incidence levels for these services - the internet users in these countries are thought likely to be early adopters

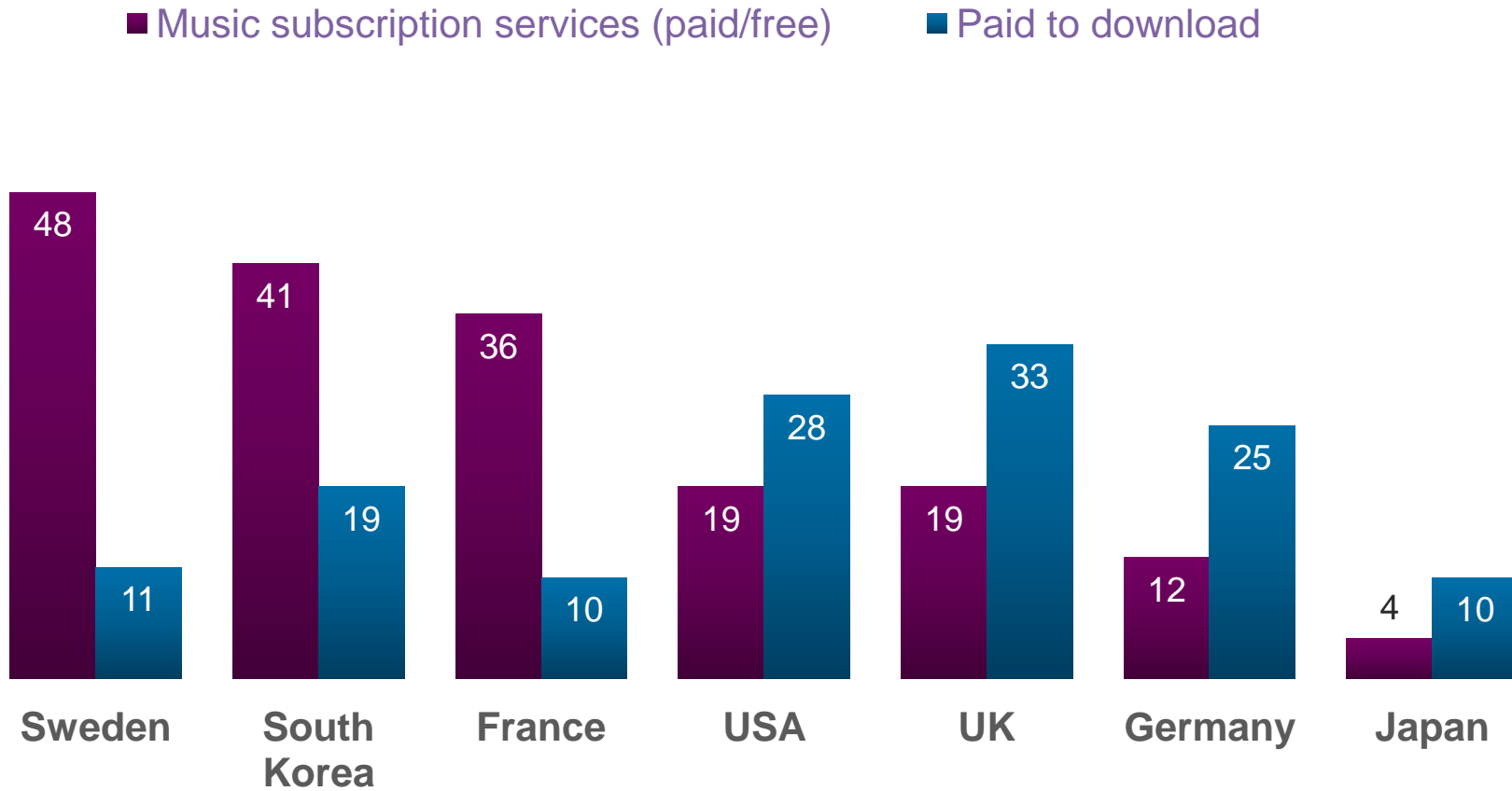
Base: All internet users aged 16-64 (n=7,502)

Q3: When, if at all, did you personally last do each of the following?

Source: Ipsos MediaCT

A diverse digital market: downloads lead in some countries, subscription services in others

% internet users using legal music subscription / download services in the past 6 months



Base: All internet users aged 16-64 (n=7,502)

Q3: When, if at all, did you personally last do each of the following?

Source: Ipsos MediaCT

Different models appeal to different consumer needs

Main reasons for using legal services, average across all countries

Paying to download from an online store	
Payment is easy / secure	48%
It's a legitimate environment/no risk of getting caught/ no risk of fines	45%
I trust the company	42%
It's safe / no viruses/ no broken links	36%
It's good value for money/not expensive/to save money	34%

Streaming music subscription (paid/free) services	
It's a legitimate environment/no risk of getting caught/ no risk of fines	41%
To hear/discover new music	40%
It's free	39%
To listen to music without having to purchase each song	38%
It's good value for money/not expensive/to save money	35%

Streaming for free from Internet radio services	
It's free	62%
To hear/discover new music	42%
To listen to music without having to purchase each song	41%
It's a legitimate environment/no risk of getting caught/ no risk of fines	38%
It's good value for money/not expensive/to save money	33%

Streaming music videos for free from online services	
It's free	70%
To listen to music without having to purchase each song	48%
To hear/discover new music	46%
To sample music before I buy	39%
It's a legitimate environment/no risk of getting caught/ no risk of fines	37%

Base: All using legal music services (n=4,773)

Q5a Please indicate your main reasons for using these services to access music

Source: Ipsos MediaCT

Even consumers who use unlicensed services agree that the standard of legal music services is good

Average across all countries – all agreeing strongly/a little

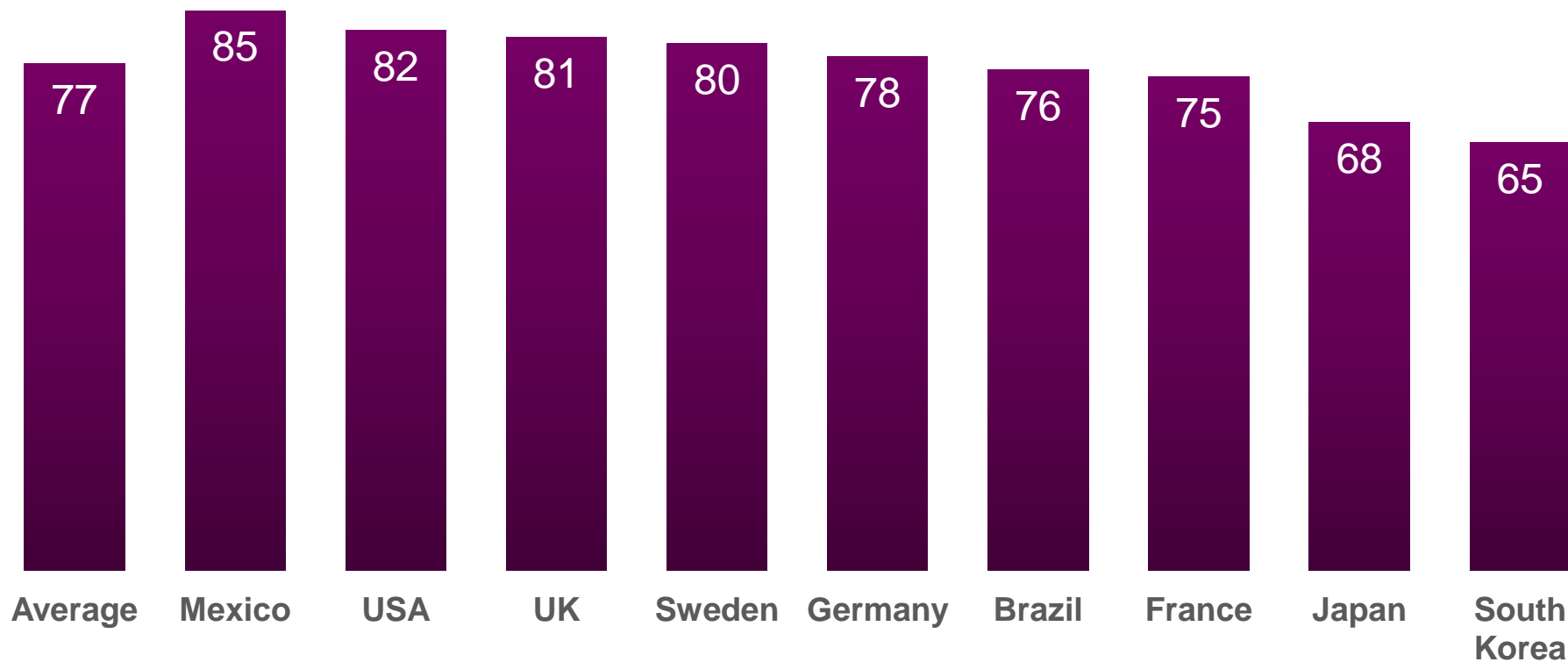
Positive perceptions of legal music services	Pirate users	Legal digital users	All internet users
There are good services available for legally accessing digital music	57%	64%	57%
Quality/choice of legal digital music services has improved recently	56%	57%	49%
There is less need to use pirate services because there are more legal digital music services available nowadays	48%	54%	49%
With the amount of music available legally on digital services, there is no excuse for accessing pirate services	43%	51%	48%

Base: All internet users aged 16-64 (n=7,502)

Q13: Please can you indicate how much you agree or disagree with each of the following statements?

Satisfaction with legal services is high with the vast majority of legal users (77%) happy with their service

■ % of legal services users saying these services are 'Excellent/Very good /Fairly good'



Legal services include paid downloads, subscription services (paid/free), internet radio and streaming music videos

Base: All using legal digital services (n=5,735)

Q4. How would you rate these ways of accessing music?

Source: Ipsos MediaCT

Most consumers, even pirates, agree more should be done to tackle piracy

Average across all countries – all agreeing strongly/a little

Deterrents to piracy	Pirate users	Legal digital users	All internet users
Search engines should give priority to legal digital music services over pirate services when they show their search results	59%	64%	60%
Accessing music through services that don't have the copyright owner's permission is unfair to those creating and producing the content	58%	63%	59%
Companies should not advertise on websites that offer music without the copyright owner's permission	56%	59%	55%
It is acceptable for people to be fined or have their internet account suspended if they persistently file-share music without the copyright owner's permission, after multiple warnings	45%	50%	49%
Internet providers should have the responsibility of ensuring the internet is not used to distribute content without the copyright owner's permission	48%	49%	48%
Websites offering music without the copyright owner's permission should be blocked/shut down so people can't access them	43%	48%	46%
I don't know where to find legal music online so I use other services instead	31%	24%	24%

Base: All internet users aged 16-64 (n=7,502)

Q13: Please can you indicate how much you agree or disagree with each of the following statements?

Source: Ipsos MediaCT