

FINAL REPORT

Monetizing Music File Sharing: A New B2B Model



October 31, 2011

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1. Introduction

*“With the advent of IP networks and modern household computing capacity, music and video have become both nonrivalrous and nonexcludable, in the same way that ships can all utilize the services of a lighthouse without paying the owner of the lighthouse directly for that use. The current proposal advanced by the Songwriters Association of Canada (S.A.C.) would ensure that that lighthouse owner gets paid, and it is one of the only sensible ways in which it can be technically accomplished in an era in which nonrivalrous, nonexcludable units of tradable media (music and video) are ubiquitous and are the norm.”*¹

People have always shared music and always will. The music we share defines who we are, and who our friends and peers are. The importance of music in the fabric of our own culture, as well as those around the world, is inextricably bound to the experience of sharing.

According to the International Federation of the Phonographic Industry (IFPI)², over 95% of music acquired by consumers was obtained using peer to peer, or other online music sharing technologies in 2010.³ While consumers have overwhelmingly adopted this method of obtaining musical works, there is no system in place to remunerate music creators and rights holders for this widespread use of their works.

Over the past decade, as music file sharing has proliferated, a long and ever growing list of digital music services have attempted to gain consumer acceptance. The list includes names such as SpiralFrog, Nokia Comes With Music, Qtrax, Puretracks, Pandora, Rhapsody, and many others. Almost all have either fallen by the wayside, or gained limited traction in the marketplace. iTunes and Spotify, often cited as rare successes, have neither stemmed the music file sharing tide, nor replaced lost revenues. Ironically, iTunes is the means by which billions of illegally file shared songs are transferred into iPods, iPhones and iPads. It bears repeating that iTunes, as well as all other legitimate online music stores taken together, currently constitute 5% or less of music³ obtained online.

The continuing dominance of music file sharing has led many of us who write and perform music to the conclusion that the time has come to monetize the private noncommercial sharing of music. Not only would doing so finally recognize the new era of online consumer behaviour and empowerment that the internet has fostered, but it would ensure that those who write, perform and produce music are properly compensated for this massive and dominant use of their work.

Estimates based on the CROP/ Songwriters Association of Canada survey which accompanies this report suggest that a reasonable monthly license fee of \$5.00 per month (\$60.00 annually) paid by those Canadians who wish to music file share, would bring the Canadian music industry back toward revenue levels last seen at the turn of this century, when they were at all time highs.⁴

2. Why Canada

The monetization of private noncommercial music file sharing would best be launched in a country with a well developed legal, regulatory and music industry infrastructure, all attributes Canada is fortunate to possess.

The regulatory powers of Canada's Copyright Board offer an excellent example. The Board provides a quasi-judicial process by which various stakeholders may seek a determination of not only appropriate license fees for the use of music, but also for the proportions in which the proceeds may be split among the various rights holders and creator collectives.

Canada has a well developed system of music collectives such as SOCAN, which is considered by many to be among the most transparent and efficient performing rights societies in the world. The cohesive, law-abiding culture of Canada is also imperative to an endeavour such as the one herein described.

While existing copyright laws and regulation in Canada give music creators both the rights and legal structure to pursue the model envisioned in this report, what follows does not suggest a solution that relies on new government legislation or regulation, but rather, proposes a business to business (B2B) approach that requires no legislation be enacted in Canada in order to make the monetization of noncommercial sharing of music a reality.

3. Description of Model

"Music creators and rights holders have been largely left out of the new digital economy that has created vast wealth for companies who enable consumers to enjoy new ways of accessing music. The S.A.C. strategy to monetize file sharing would go a long way towards correcting this injustice." Michael McCarty, President OLE Music Publishing Canada (Toronto, ON)

The S.A.C. model proposes the monetization of music file sharing rather than using litigation or legislation to end or dramatically reduce the activity as has been tried in other countries. Rather than continuing to engage in these increasingly futile efforts to stop people from using new technologies to share music, the Songwriters Association of Canada believes this massive use of creators' work should be licensed just as live performances and broadcasting, also initially considered infringement, were ultimately licensed in the past. In both these previous examples, new business models, dynamic growth, and decades of wonderful music ensued.

The S.A.C. favours a "Business to Business" approach. Existing rights in Canada are sufficient to enable the monetization of music file sharing activity, and therefore no new legislation is required.

Private individuals and households who wish to music file share would be licensed to do so in conjunction with an agreement to pay a reasonable monthly license fee. The license would cover the private, noncommercial sharing of music, between two or more parties, using any internet-based file sharing client.

It is important to note that a license fee differs fundamentally from a levy or tax in that consumers may opt out if they self-declare not to music file share.

4. Key Components of the Model

- A new company (Song-Share.ca for purposes of this report) owned by Canadian creators and rights holders would partner with ISPs to license consumers who wish to music file share.
- Only those who wish to share copies of musical works without motive of financial gain would be covered by this license. Parties who receive, or seek to receive financial compensation for file sharing, or any other commercial purpose, would not be covered, and would be required to obtain the appropriate licenses and/or approvals from those bodies who license commercial music use.
- Any internet-based technology could be used for music file sharing, including current technologies such as torrents, social networking sites, etc., as well as new technologies as they become available. No behaviour modification related to the sharing of music is required on the part of the consumer who may continue using whichever music file sharing software or technology they currently employ.
- The license fee would appear as a line item on monthly internet access statements sent to consumers by ISPs.
- ISPs would deduct a reasonable collection fee before forwarding net revenue to Song-Share.ca.
- Song-Share.ca would analyze data in a non-intrusive, privacy compliant manner in order to determine which musical works are being shared and in what numbers. Existing third party companies such as Big Champagne who currently collect and analyze this type of data may be used to supply expertise in this process.
- License fees would be pooled and pro rata distributions based on this non-intrusive data would be made to performers, songwriters, and rights holders through existing collectives which already have back office and data base capabilities to effect such distributions. (Please see Section 7. Ownership, Administration and Structure for details on distribution.)

- Net revenues would be split between performers, songwriters, and rights holders. Any particular musical work would attract a pro rata share of the net revenue pool based on the number of times that work was file shared. Once that pro rata share was determined, the performer, songwriter, record label and music publisher would split that amount based on an agreed upon formula and contractual obligations.

As mentioned earlier, Big Champagne, based in Los Angeles, employ proven, proprietary and privacy sensitive technologies to track file sharing. Other companies, such as Semetric based in the U.K. offer similar functionalities. The data and services these companies provide could be integrated into the distribution methodology, much as third party data is currently employed by SOCAN to help calculate distributions for performance royalties.

The license fee would not be a tax. Internet users who self declare not to share music could “opt out”. By making sure that each Internet user is given the choice to pay a license fee or undertake not to music file share, there would be virtually no “innocent” users left. As the results of the accompanying CROP/SAC study indicate, some 69% of those who currently music file share are willing to pay a monthly license fee to do so. Thus, the proposed model could well lead to a significant reduction in “piracy”, and dramatically reduce monitoring, and legal measures and costs associated with current anti-infringement measures. A monetized music sharing business would, like most legitimate businesses, face an environment where theft cannot be entirely eliminated, but where the problem is manageable. And as importantly, those who want to privately share music on a noncommercial basis would finally have a legal path do so, and without having to alter the methods or technologies they currently prefer.

As is the case with consumers, the system would not be compulsory for rights holders. In keeping with international copyright treaties, composers, publishers, performers and record companies could opt out of the system and of any distribution of collected royalties. For rights holders who opt out, the situation vis-a-vis music file sharing would remain exactly as it is now. In other words, they would receive no compensation. It is important to note however, that this is exactly the situation that exists in regard to existing collectives such as SOCAN. Experience shows that once distributions are being made, creators and rights holders, with few exceptions, opt in.

We anticipate that once fully authorized and monetized, music file sharing will encourage the development of value added services and a variety of new software clients to facilitate, refine and build on the “sharing” experience. By way of example, if an individual consumer allowed Song-Share.ca to monitor which artists that individual most often shared, those artists and/or the record labels involved could be made aware of this, and enhanced social networking, marketing and promotional opportunities could be offered and developed.

There is nothing precluding Song-Share.ca from participating in, partnering with, and benefiting from this type of innovation. In addition, Song-Share.ca, and the music creators and rights holders it represents, would almost certainly benefit from the development of a proprietary music sharing application. Although the development of such an application is not a prerequisite for the model, it is seen as a likely component going forward.

5. The CROP/S.A.C. Survey of Canadians: A Summary

In order to understand the model's chances of success in Canada, it is crucial to obtain information about Canadians' behaviours, their attitudes and opinions in terms of music consumption; how they listen to music; how they acquire songs and albums; what their internet music downloading and music file sharing habits are; and their knowledge of copyright laws.

To this end, a survey of French and English Canadians was commissioned by the Songwriters Association of Canada and conducted by the Montreal firm CROP in March of 2011. A total of 1064 questionnaires were completed online. Only Canadians fifteen years of age or older were eligible to take part. The results were weighted to reflect the distribution of the Canadian population according to gender, age and region (39% of respondents were from Ontario). The survey accompanies this report.

The final survey is broken into several sections that include "Time Spent Listening to Music", "Products and Services Used to Listen to Music", "Songs and CDs", "Music Consumption Behaviour", "Free Music File Sharing", "Reasons for Music File Sharing", "Entertainment and Music Consumption Expenses", "Knowledge About Legal and Illegal Activities" and "Licensed Music File Sharing".

The results of the CROP/S.A.C. survey and report will be shared with Canadian music industry groups (music creators, music publishers, recording artists and recording companies), as well as ISPs and music industry groups around the world.

Key Findings of the CROP/S.A.C. Study:

- 69% of Canadians who music file share would be willing to pay an additional fee on their internet plan to have licensed access to peer-to-peer networks and other digital music file sharing technologies.
- 72% of households with teenagers were willing to pay an additional license fee on their internet plan in order for the household to music file share.
- Canadians listen to music regularly (between 2-4 hours per day).
- Young Canadians listen to music on devices such as computers, mp3 players, etc.

- Canadians have an average of 1300+ songs on their devices, with approximately 34% of these songs paid for through legitimate services. The rest they obtained through unpaid music file sharing.
- 40% of Canadians surveyed music file share for free. As many as 71% between the ages of 15-19 music file share. An average of over 25 songs per month are downloaded by way of music file sharing.
- 64% of respondents say they music file share “to get songs for free”, and the second most common reason is to “try before buying” (over 60%).
- The majority of young Canadians feel that the activity of music file sharing and ripping CDs is legal.
- The amount Canadians are most willing to pay monthly for this is \$5.
- 93% of those surveyed would like the songwriters/musicians to benefit from this additional fee.

6. Revenue Projections Based on the CROP/S.A.C. Survey

Since the model presented in this report is intended to fairly remunerate music creators and rights holders for the use of their work, some idea of the revenues the model would generate is crucial, both in order to ensure that the business is viable, and also to interest stakeholders in supporting it. The information collected by the CROP/S.A.C. survey is the basis for the following revenue projections.

Data collected by the CROP/S.A.C. survey shows that consumers are most comfortable with \$5.00 per month as the amount of a monthly license fee to share music. Given that 69% of those who music file share, and 72% of households with teenagers indicate support for a monthly license fee according the survey, we believe it reasonable to postulate that 25% of Canada’s 27 million internet users would opt to pay this monthly license fee, thereby creating a pool of \$405 million dollars annually.

(For reference, SOCAN currently collects in the neighbourhood of \$250 million annually ⁵ in Canada for the performance of music on radio, television, live venues etc.)

7. Ownership, Administration and Structure

The S.A.C. proposes that a new company (Song-Share.ca for purposes of this paper) would be formed to oversee the licensing process. Song-Share.ca would be owned by the music creators of Canada, both artists and songwriters, as well as Canadian based rights holders, much as SOCAN is owned by songwriters and composers, and music publishers. A board of 12 directors would be elected in the following proportion: 3 directors each from the songwriting, artist, music publishing and record label constituencies.

Prior to initiating collection and distribution of royalties, Song-Share.ca would work with rights holders and the Copyright Board of Canada to finalize the division of revenues between rights holder groups. The process could well follow the path of the private copying levy, where the Copyright Board of Canada played a key role in determining the way in which revenues are divided by The Canadian Private Copying Collective (CPCC), which is the administrating body in that particular case.

Once that determination is made, the respective shares of net revenues would be transferred to existing collectives for distribution to their respective members. By way of example, the share of the pool that was determined to remunerate music publishers and songwriters for mechanical rights would go to the Canadian Musical Reproduction Rights Agency (CMRRA)/ Société du droit de reproduction des auteurs, compositeurs et éditeurs au Canada (SODRAC) ⁶ while that portion allocated to remunerate the rights embodied in the sound recording would be forwarded to Re:Sound for distribution to record labels and recording artists.

Special note: Some aspects in the business plan were not within the scope of this report. Discussions surrounding product and marketing strategy, as well as technical considerations are currently taking place. The S.A.C. is working with Professor Steve Pulver of the Schulich School of Business at York University in this regard.

8. Benefits of the Model for Various Stakeholders

For Consumers

For a reasonable monthly fee, consumers would have access to the world's repertoire of music, and could obtain thousands of songs in any given time period. By way of comparison, the possible \$5.00 monthly fee spent at iTunes would purchase 5 songs. A monetized file sharing model clearly offers consumers a tremendous value proposition.

Also, as mentioned earlier, no music downloading behaviour modification is necessary on the part of consumers. For those millions of people who music file share, their current method of acquiring music will continue exactly as it is now.

For Music Creators

Once monetized, music file sharing technologies offer a world-wide distribution system for creators at every level of accomplishment and every musical genre.

For the aspiring, niche genres, ethnic and aboriginal creators it provides an opportunity to develop a global audience, while for established creators this model offers an unprecedented global marketing and distribution tool. In all cases creators will be remunerated for this massive use of their works. Moreover, music creators do not want an adversarial relationship with those we call our audience and fans. The adoption of

this model would allow the promise of the internet to be realized for consumers and creators alike, in a balanced and fair way.

For Rights Holders

Record labels and music publishers would realize a significant new revenue stream. In addition, given the enormous volume of new music available, their expertise in artist development, marketing and promotion will be critical to the careers of emerging performers and songwriters, as well as maintaining the continuing success of established artists and songwriters.

For Internet Service Providers

As previously mentioned, ISPs would benefit from participation in collecting revenue. Once music file sharing is an authorized activity, ISPs would be able to dramatically reduce bandwidth costs by caching the most frequently shared songs on their own proprietary servers. In addition, they may develop and participate in new synergies, such as cross promotion of live performances and other value added services. Finally, while “safe harbour” laws may continue to protect ISPs from litigation, working with creators and rights holders to monetize music file sharing would address moral and ethical concerns, and reduce the threat of further legal challenges.

9. Industry Consultation

The S.A.C. has engaged in consultation and dialogue, and actively sought input from within Canada and internationally since the inception in 2006 of development of our model to monetize music file sharing. The list of the organizations and individuals that have been involved in this continuing conversation is long and includes not only key Canadian music industry organizations and individuals, but consumer advocates, international copyright experts, technical experts, economists, foreign music creator organizations and collectives, marketing and communications experts, multinational record labels, independent record labels, performing and mechanical rights societies, and major Internet Service Providers.

Please note that in some cases, major multinational and domestic stakeholders have asked that we not make public details of ongoing discussions. (A partial list of organizations and individuals who have been consulted, or we are currently in discussion with is provided at the end of this document.)

In addition to our efforts in Canada, representatives of the S.A.C. have been invited to speak on this model at universities, law firms, and conferences around the world. (A partial list of these is also provided at the end of this report.)

Through this process the model has changed and matured as the concerns, suggestions and questions raised by this extensive group have been addressed.

Given this broad and continuing consultation process, it is not possible to summarize the diversity of views we have encountered over the years of development and refinement of the model described herein. We can say however, that we are engaged in serious discussions with those in a position to move the model forward and hope to have a pilot project underway in Canada in a twelve to eighteen month timeframe.

10. Quotes Solicited from Canadian Experts

While any attempt to summarize the vast range of views we have solicited in developing the current model could not do justice to those varied perspectives, there is considerable support for the work the S.A.C. is doing in this area. Business leaders and music creators voice their support in the following quotes:

"I really found the study useful as it shed some new light on the public's attitudes towards initiatives that could result in the monetization of currently unlicensed access to musical works." Eric Baptiste CEO / Chef de la Direction – SOCAN (Toronto, ON)

"File sharing is great! The fact that so many people around the world are enjoying our songs is fantastic! That's why we wrote them. But we have a right to get paid, and "Songwriters" has a brilliantly simple, logical and user-friendly plan to achieve that." Bill Henderson singer / songwriter, Chilliwack, UHF (Salt Spring Island, BC)

"I support monetizing file sharing. It's the most logical and painless way that's been proposed to increase a music creator's revenue stream and enable us to keep making music." Carole Pope singer/ songwriter (New York, NY)

"Did you know that when radio first hit the mass population they tried to charge for it even though anyone who had a radio was already hearing music for free? Look how well that worked out! This is the essence of the S.A.C. proposal. It is so unbelievably refreshing to finally see an initiative that makes perfect sense." Greig Nori - Bunk Rock / UR Artist Network (Toronto, ON)

"...we could lead the way in Canada by going with the model that S.A.C. has proposed....it's a win, win, win. Consumers win, songwriters win, performers win" Randy Bachman, singer / songwriter - Guess Who, Bachman-Turner Overdrive - (Salt Spring Island, BC)

"The Songwriters Association of Canada / CROP study now shows what our intuition had led us to believe: there is real willingness to pay on the consumer side. The S.A.C. proposition to monetize the sharing of music by people, as a complement to commercial models, embodies a long awaited breakthrough⁷." Jean-Robert Bisailon, Iconoclaste webpromo (Montreal) and Co-President of SODEC Option-Culture Digital Marketing Table

". . . the only solution is always going to be a B2B model and a fair sharing of such proceeds" Terry McBride, Nettwerk Records (Vancouver, BC)

"It is time for we music creators and industry partners to acknowledge the new realities of how of the consumer (our fans) are enjoying our works. Like any successful business model, the S.A.C. B2B model to monetize file sharing addresses and acknowledges these realities. This is a great leap to the type of forward thinking that will allow music creators, copyright owners, distributors and any other partners to create a successful business relationship with our audience. The consumption of music has never been higher and the "S.A.C. Proposal" offers the consumer fair value for quality goods and services, the makings of a solid and successful business model."

Marvin Dolgay – Composer / songwriter - President - Screen Composers Guild of Canada / Vice Chair Canadian Copyright Coalition

11. Global Infrastructure

Ultimately the model we are currently developing in Canada would provide maximum benefit to Canadian music creators and domestically based rights holders if a global system were in place to monetize, collect and distribute revenues derived from the sharing of music around the world. Canada is after all a relatively small market and the music Canadians create is enjoyed in territories with much larger revenue potential, such as the US and Europe. Thanks to the existence of a global network of societies that already collect and distribute royalties, such as those generated by performing and mechanical rights for example, the infrastructure to license music file sharing on a global scale and make distributions to music creators and rights holders of almost any national origin is already in place.

While other territories may not enjoy the legal and regulatory benefits we in Canada have, initiating a system to monetize music file sharing in Canada may well serve to show the rest of the world that which has often been characterized as an almost insurmountable problem, can indeed be turned to the advantage of all.

12. Quotes Solicited from International Experts

"Attempts to shut down file sharing of music, which started after the demise of Napster 12 years ago, have failed. It is now time to recognize that music file sharing is different and should be monetized, not stopped, in way that allows songwriters, artists and producers to be fairly compensated for the music Canadians share and love by the millions each day." Daniel Gervais – Professor of Law, Co-Director Vanderbilt Intellectual Property Program - Vanderbilt University (Nashville)

"Around the globe it is quickly emerging that bundling digital music offerings into internet and mobile access models is the only way to start to monetize it. From TDC Denmark to Eircom to Google China to Turkcell, the idea of 'making legal what already is a default' and turning actual user behavior into new revenues is irresistible as it is a true win-win-win solution" Gerd Leonhard – International Music futurist (author "Music 2.0", Switzerland)

“...the real solution might yet be found in licensing rather than enforcement. If the music industry’s mindset can change from control to remuneration, and if the ISPs can get serious about facilitating a pay-for content philosophy (which brings with it a no-pay/no-access regime) it might be possible – at least for music, to adopt an open licensing approach to all music on the internet. Our new Policy and Business Development unit will be pursuing this idea as a strategic priority over coming months.”

Brett Cottle – Australian Performing Rights Association (APRA) CEO (Australia) (See Appendix D)

13. Conclusion

A monetized music file sharing system would give consumers access to the world’s entire catalogue of recorded music, and at the same time fairly compensate creators and rights holders.

In addition, by monetizing behaviour, the sharing of music, rather than any specific technology such as blank CDs or mp3 players, music creators and rights holders will lay the foundations for a business model that may continue for decades rather than attempting the almost impossible task of trying to monetize the ever shortening cycle of technological change.

A limited scale pilot project to test the assumptions of this model would greatly benefit the discussion, and would lay the foundation for a new reinvigorated music industry in Canada and around the world.

Appendix A: Organizations and Individuals Consulted (Partial List)

Note: The individual organization contacts listed were accurate at the time of consultation.

Canadian Music Industry Organizations, Stakeholders and Individuals

1. Music Canada (formerly Canadian Recording Industry Association (CRIA))
Graham Henderson, President
2. Canadian Music Publishers Association (CMPA)
Catharine Saxberg, Executive Director, Jodie Ferneyhough, President
3. Society of Composers, Authors, and Music Publishers of Canada (SOCAN)
Andre Lebel former CEO, Eric Baptiste CEO, Paul Spurgeon. Vice President
Legal Services, Christian Sarrazin, VP Industry Development and International
4. Canadian Musical Reproduction Rights Agency (CMRRA)
David Basskin, President and CEO
5. Société du droit de reproduction des auteurs, compositeurs et éditeurs au
Canada (SODRAC)
Alain Lauzon, General Manager
6. Société professionnelle des auteurs et des compositeurs du Québec (SPACQ)
Jean-Christian Cere, Director General, Mario Chenart, President
7. American Federation of Musicians Canada
Alan Willaert, Acting Executive Director
8. Screen Composers Guild of Canada (GCFC)
Marvin Dolgay, President, Paul Hoffert, Chair
9. Canadian Independent Music Association (CIMA) (formerly CIRPA)
Duncan McKie, President and CEO
10. Sony Music Entertainment Canada
Shane Carter, President, Andrew Lindsay, Business Development
11. University of Ottawa
Michael Geist, Canada Research Chair in Internet and E-commerce Law
Professor Jeremy de Beer, Associate Professor of Law
12. Simon Fraser University
Jean Hebert, School of Communication

13. Canadian Internet Policy and Public Interest Clinic (CIPPIC)
David Fewer, Director
14. Union Des Consommateurs
Anthony Hemond, Analyst, Policy and Regulatory Issues
15. Bell Canada
Suzanne Morin, Assistant General Counsel and Privacy Chief
16. Rogers Communications
Ken Thompson, Director
17. Telus Communications
Craig McTaggart, Director of Broadband Policy
18. Shaw Communications
Jay Kerr-Wilson, Fasken Martineau
19. The Copyright Board of Canada
Claude Majeau, Vice Chairman and CEO
20. York University
Steve Pulver, Schulich School of Business

US and Foreign Organizations and Individuals Consulted

Recording Industry Association of America (RIAA), USA
Cary Sherman, President

Nashville Songwriters Association International (NSAI), USA
Bart Herbison, Executive Director, Steve Bogart, President

American Society of Composers, Authors and Publishers (ASCAP), USA
Paul Williams, President and Chairman of the Board

Songwriters Guild of America, USA
Rick Carnes, President

The Future of Music Coalition, USA
Walter McDonough, Board of Directors

Onehouse LLC, Great Britain
Jim Griffin, Managing Director

Gerd Leonhard, Author at "Music2.0", Switzerland

US Congressman
Jim Cooper, Representing Tennessee's 5th District

University of Texas at Dallas, USA
Stan Liebowitz
Ashbel Smith, Professor of Economics

Sincere Management, Great Britain
Peter Jenner, Secretary General of the International Music Managers' Forum

Vanderbilt University Law School, USA
Daniel Gervais, Professor, Co-Director, Vanderbilt Intellectual Property Program

APRA, Australia
Brett Cotter, CEO, & Richard Davison, Head of Policy and Business Development

The Government of Australia, Australia
Peter Treyde, Principal Legal Officer

Appendix B: Canadian and Foreign University and Conference Presentations re: S.A.C. Model

The following is a partial list of Universities and conferences where the S.A.C. has been invited to present the monetization model in the last three years:

Digital Hollywood Conference, Santa Monica, CA, May 2009

Harris Institute, Toronto, May 2009

University of Ottawa, Ottawa, June 2009

University of Hong Kong, The Age of Digital Convergence Conference, June 2009

Transmission: Global Summit, Sep 2009

The Paris Accord Round 2, Institut national de l'histoire de l'art, October 2009

CES Conference, Las Vegas, Nevada, January 2010

Midem, Cannes, France, January, 2010

New Music Seminar, New York, February, 2010

Canadian Music Week, Toronto, ON, March 2010

Fanshawe College, London, ON, April 2010

Future of Music Policy Conference, Georgetown University, Washington, DC, October 2010

The New Zealand Center of International Law, Victoria University, Wellington, NZ
December 2010

The University of Melbourne Center for Media and Communications Law, Melbourne, AU, Dec 2010

World Copyright Summit, Brussels Belgium, June 2011

Appendix C: Australian Performing Rights Association (APRA) Newsletter: To The Point

The image is a newsletter cover for APRA. It features a photograph of a man with white hair, wearing a blue suit and a striped tie, standing in front of a modern building with glass windows. The title 'TO THE POINT' is written in large, white, bold letters across the center. On the left side, there is a large, stylized blue letter 'D' and an orange abstract shape. The background is a mix of blue and orange tones.

TO THE POINT

As we go to press, digital distribution of music and the problem of P2P traffic continues to loom large. By all accounts, sales of CDs and other physical product are down again year on year (by some estimates – as much as 25%) while increases in legitimate digital download sales will go nowhere near compensating songwriters, artists or their business partners for the losses to P2P (just try googling “freemp3”).

On the legal and regulatory front, we continue to await the full Federal Court decision in the iiNet appeal and we cautiously welcome the NZ Select Committee’s recommendation to embrace spot fines rather than disconnection for repeat infringers.

But the real solution might yet be found in licensing rather than enforcement. If the music industry’s mindset can change from control to remuneration, and if the ISPs can get serious about facilitating a pay-for-content philosophy (which brings with it a no-pay/no-access regime) it might be possible – at least for music, to adopt an open licensing approach to all music on the internet. Our new Policy and Business Development unit, under Richard Davison’s direction, will be pursuing this idea as a strategic priority over coming months.

Brett Cottle
APRA|AMCOS CEO

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5. "[SOCAN Announces 2010 Financial Results: Music Use Higher Year over](#) ." *SOCAN 2010 Results*. SOCAN, 04 05 2011. Web. 19 Sep 2011. <http://www.socan.ca/jsp/en/pub/news_events/SOCAN2010Results.jsp?printable=Y>.
6. Note: CMRRA and SODRAC collect mechanical rights revenues for rightsholders in Canada and around the world.
7. "[Mandat Vers une stratégie québécoise du numérique pour les industries culturelles](#) ." *SODEC - Accueil - Option Culture - Virage Numérique*. Gouvernement du Quebec, 2011. Web. 19 Sep 2011. <<http://www.sodec.gouv.qc.ca/fr/ocvn/route/1/1> >.

Appendix D: Study Commissioned by the S.A.C. in regard to Monetization of Music File Sharing

Appendix D: CROP/S.A.C Survey on Music Consumption Behavior

A photograph of a musician playing a guitar on stage, with a blue tint. The musician is wearing glasses and a dark shirt. The background shows stage equipment, including a microphone stand and a rack of audio equipment. The text is overlaid on the left side of the image.

SONGWRITERS ASSOCIATION OF CANADA
CANADIAN MUSIC CONSUMPTION
BEHAVIOURS RESEARCH
PRELIMINARY REPORT, MARCH 2011

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CROP

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Context and objectives

CONTEXT

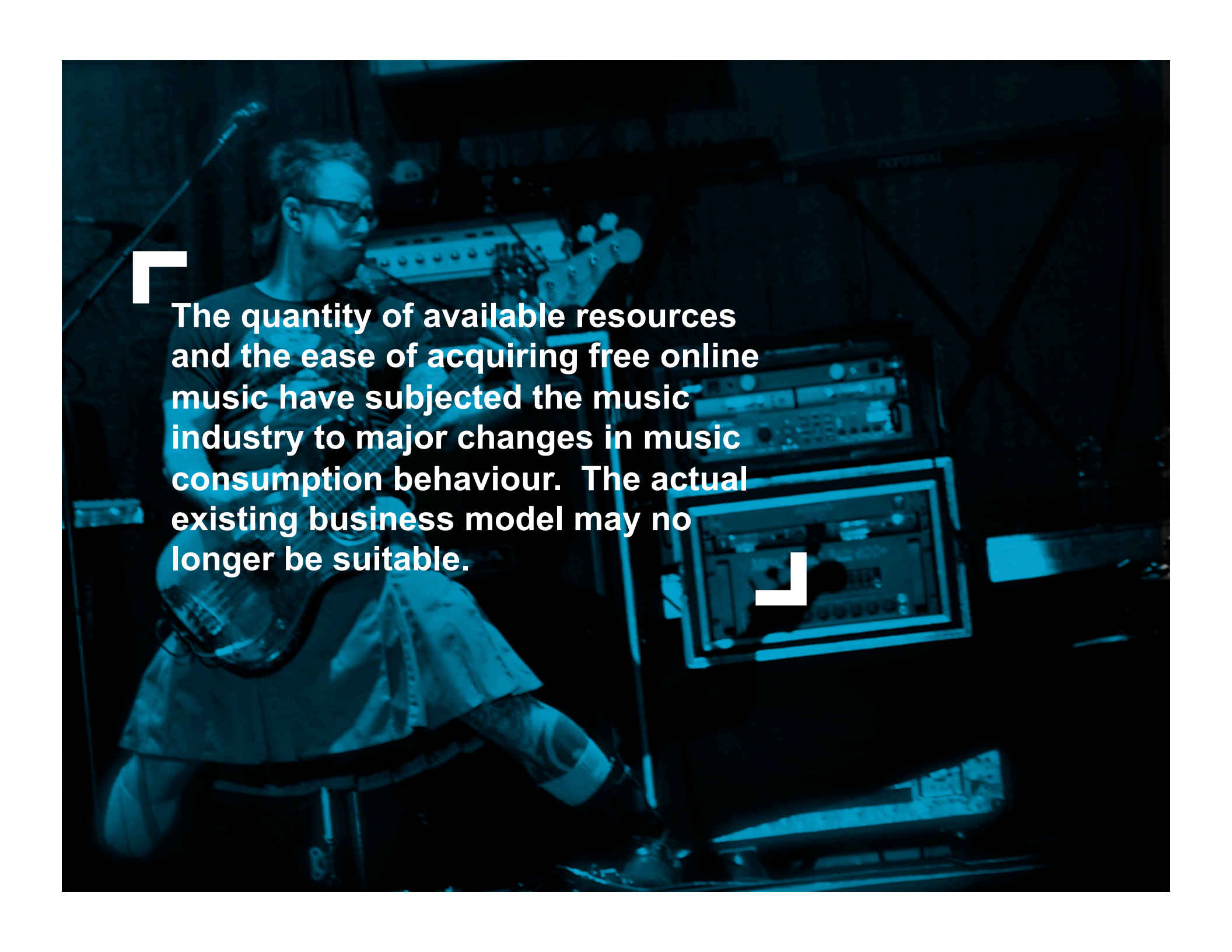
The Songwriters Association of Canada has developed a proposal to monetize music file-sharing activities in order to give consumers access to the world's entire catalogue of recorded music, while fairly remunerating creators and copyright-holders. For this purpose, they need to know about Canadians' behaviours, attitudes and opinions in terms of music consumption.

This report contains the results of a survey of Canadians aged 15 years and over about their music consumption habits.


OBJECTIVES

To create a portrait of Canadians' behaviours and opinions in terms of music consumption:

- Listening to music*
- Acquisition of songs/albums*
- Internet music downloading and file sharing*
- Knowledge of copyright laws*
- Agreement for the monetization of music file-sharing activities*

A photograph of a musician playing an electric guitar on stage, bathed in a blue light. The musician is wearing glasses and a dark t-shirt. In the background, there is a rack of audio equipment, including a mixer and amplifiers. The text is overlaid on the left side of the image, framed by white L-shaped brackets.

The quantity of available resources and the ease of acquiring free online music have subjected the music industry to major changes in music consumption behaviour. The actual existing business model may no longer be suitable.

A photograph of a musician playing an electric guitar on a stage. The image has a strong blue color cast. The musician is wearing glasses and a dark t-shirt. In the background, there is a microphone stand, a rack of audio equipment, and a computer monitor. The text is overlaid in the center of the image, framed by white L-shaped corner brackets.

Although the young generation have deeply ingrained attitudes regarding downloading and sharing of free music on the Internet, the majority of them seem to be very conscious of the consequences of these attitudes and would be willing to pay an additional amount on their Internet plan in order to have licensed access to peer-to-peer networks and other currently free online music file sharing technologies.



RESULTS

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Methodology

Data was collected online from March 3rd to 11th 2011 via web panel. A total of 1064 questionnaires were completed.

The results were weighted to reflect the distribution of the Canadian population aged 15 and over according to gender, age and region (source).

The colour codes in the charts serve to indicate significant statistical differences. **Red** indicates a result that is superior to that of the total respondents, while **blue** indicates a result that is inferior to the total.

MAXIMUM MARGIN OF ERROR	AGE GROUP							Those who	
	TOTAL	15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	
								YES	NO
n=	1064	187	187	181	145	140	224	512	547
	±3.01%	±7.19%	±7.19%	±7.30%	±8.17%	±8.31%	±6.56%	±4.34%	±4.19%

A photograph of a musician playing an electric guitar on stage, bathed in a blue monochrome light. The musician is wearing a dark t-shirt with a graphic and light-colored shorts. In the background, there is a rack of audio equipment, including amplifiers and a mixer. A microphone on a stand is visible to the left.

TIME SPENT LISTENING TO MUSIC

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Summary - Time spent listening to music

The majority of Canadians listen to music on a regular basis. On average, they listen to 2 hours of music per day with their full attention and 4 hours per day with music in the background.

The frequency and time spent listening to music decreases with age.

Time spent listening to music

(Sub-sample: all respondents, n= 1064)

Q1. Do you listen to music...

	AGE GROUP							Those who MUSIC FILE SHARE	
	TOTAL	15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1064	187	187	181	145	140	224	512	547
Regularly	71%	88%	90%	80%	75%	73%	53%	85%	63%
Occasionally	25%	10%	10%	17%	22%	21%	40%	13%	32%
Rarely	4%	1%	-	3%	3%	6%	5%	2%	5%
Never	-	1%	-	-	-	-	1%	-	-
Regularly / Occasionally	96%	98%	100%	97%	97%	94%	93%	98%	95%

* The colour codes in the charts serve to indicate significant statistical differences.

Red indicates a result that is superior to that of the total respondents, while **blue** indicates a result that is inferior to the total.

Young people under the age of 34 listen to music most often (regularly). In addition, we have observed that people who download music for free are also those who listen to music most often.

Number of hours per day spent listening to music

(Sub-sample: listen to music, n= 1059)

Q2. How much time per day do you spend listening to music? Please enter the amount of hours per day for each of the following:

AS THE MAIN FOCUS OF YOUR ATTENTION	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
5 hours or more	6%	12%	7%	7%	7%	7%	2%	9%	4%
3 hours to less than 5 hours	11%	18%	22%	10%	12%	8%	6%	15%	8%
1 hour to less than 3 hours	45%	54%	49%	49%	50%	47%	34%	52%	40%
Less than 1 hour	33%	15%	19%	30%	25%	28%	50%	22%	41%
Never	6%	1%	3%	4%	6%	9%	7%	2%	8%
Average (hours)	1 h 52	2 h 37	2 h 19	2 h 03	2 h 04	2 h	1 h 17	2 h 24	1 h 31

Young people between the ages of 15 and 19 were the Canadians who stated that they listen to the highest number of hours of music with their full attention (5 hours or more = 12%). On average they listen to 2 hours and 37 minutes of music in this manner.

Number of hours per day spent listening to music

(Sub-sample: listen to music, n= 1059)

Q2. How much time per day do you spend listening to music? Please enter the amount of hours per day for each of the following:

IN THE BACKGROUND	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
5 hours or more	28%	34%	33%	35%	31%	26%	19%	36%	22%
3 hours to less than 5 hours	19%	24%	24%	17%	17%	24%	15%	22%	16%
1 hour to less than 3 hours	38%	31%	35%	36%	36%	36%	43%	32%	42%
Less than 1 hour	12%	9%	7%	10%	10%	9%	17%	8%	14%
Never	4%	1%	-	2%	6%	5%	6%	2%	6%
Average	3 h 38	4 h 18	4 h 19	4 h 06	3 h 48	3 h 34	2 h 58	4 h 21	3 h 10

Among those who listen to music with partial attention (in the background), the average number of hours per day is 3 hours and 38 minutes. Canadians under the age of 24 are once again those who listen to the most music in this manner, as well as those who download and share free music on the Internet.

A photograph of a musician playing an electric guitar on a stage. The scene is dimly lit with a strong blue light. In the background, there is a rack of audio equipment, including a mixer and amplifiers. A microphone on a stand is positioned in front of the musician. The overall mood is energetic and focused.

PRODUCTS AND SERVICES USED TO ACCESS AND LISTEN TO MUSIC

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Summary - Products and services used to access and listen to music

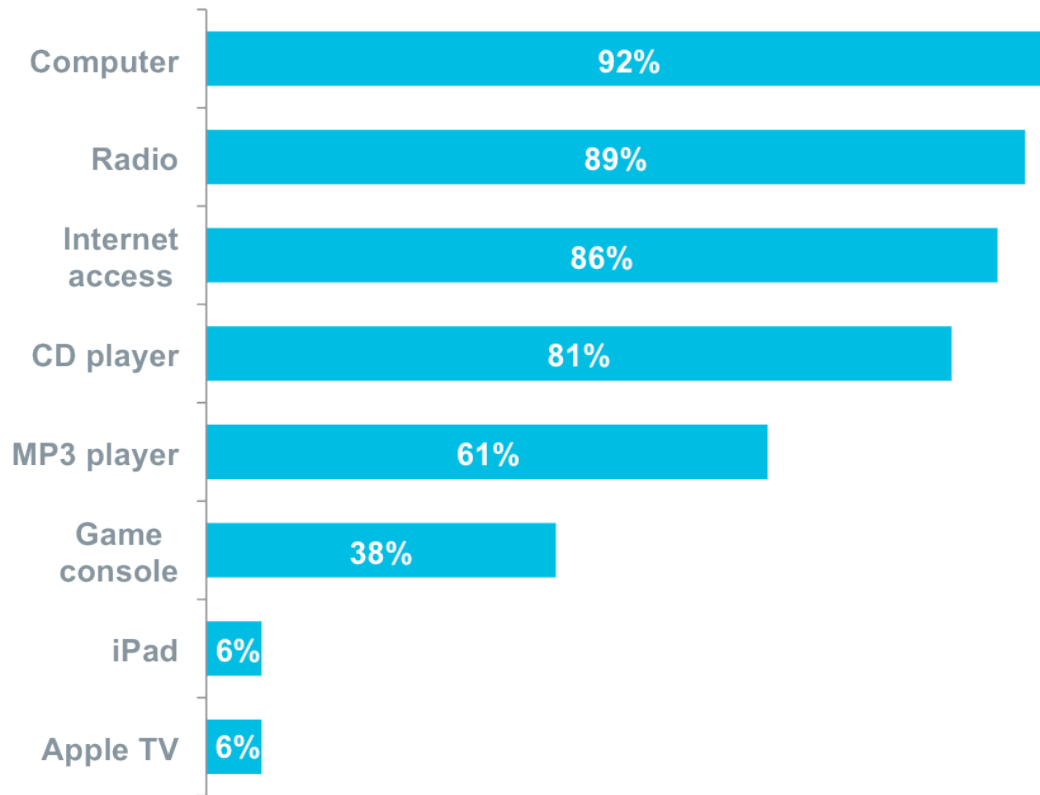
Most Canadians have access to several sources of music in their homes. Almost all of them have a computer, radio, CD player and access to the Internet at home. In addition, young people have further access to new methods of listening to their music; they are more likely to have an MP3 player (e.g. iPod) while the majority of older people still listen to music on a CD player.

Regarding which methods Canadians use most often, young people are more likely to listen to music on their computers or MP3 players (e.g. iPod) than on the radio as older Canadians do (35 years old and over).

Products and services available in household

(Sub-sample: all respondents, n= 1064)

Q3. Which of the following products and services do you have in your household? Check all that apply.



The majority of people have a computer (92%), a radio (89%), Internet access (86%) and a CD player (81%). As a result, they have easy access to music consumption.

Products and services available in household

(Sub-sample: all respondents, n= 1064)

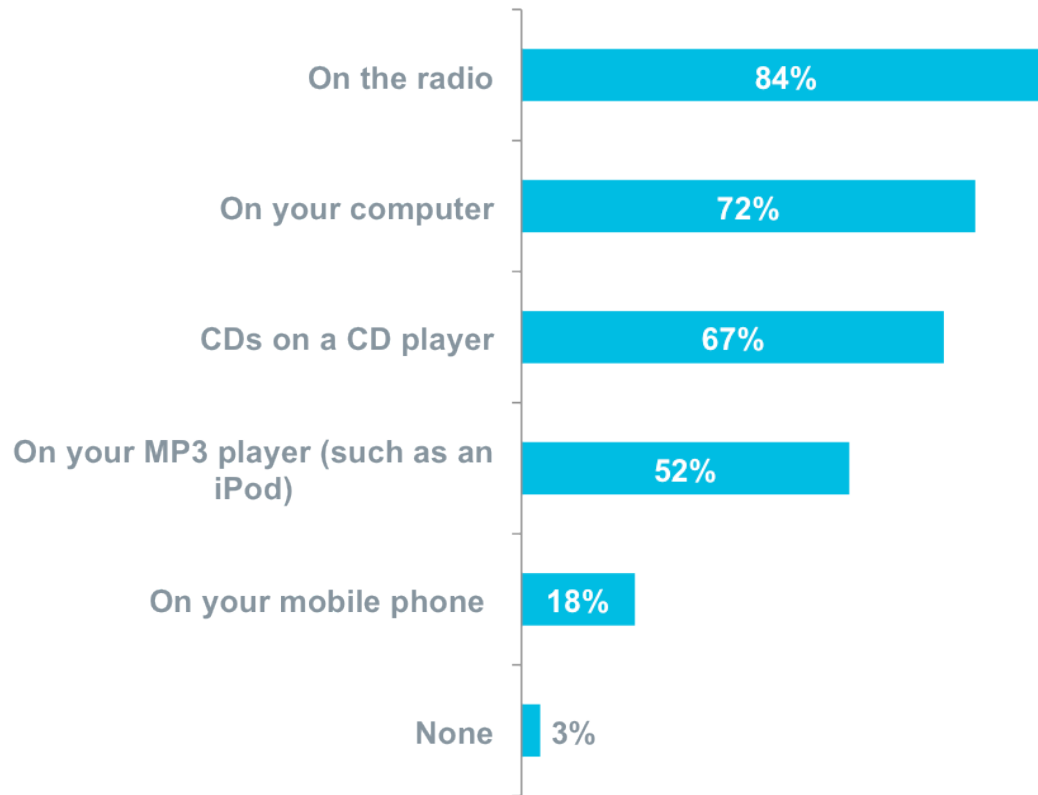
Q3. Which of the following products and services do you have in your household? Check all that apply.

	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	
								YES	NO
n=	1064	187	187	181	145	140	224	512	547
Computer	92%	91%	92%	92%	93%	87%	94%	94%	90%
Radio	89%	72%	75%	81%	90%	94%	97%	84%	92%
Internet access	86%	83%	84%	80%	91%	86%	89%	86%	86%
CD player	81%	63%	69%	71%	88%	89%	87%	77%	84%
MP3 player (e.g. iPod)	61%	88%	90%	75%	68%	57%	36%	76%	51%
Game console	38%	62%	54%	50%	52%	38%	16%	46%	34%
iPad (or other electronic tablet)	6%	9%	11%	8%	7%	3%	3%	8%	4%
Apple TV (or other TV – Internet interface)	6%	8%	9%	6%	9%	5%	3%	8%	5%

Methods used to listen to music

(Sub-sample: listen to music, n= 1059)

Q4. How frequently do you listen to music in the following ways? (Regularly / Occasionally)



The radio is the method most frequently used to listen to music, with 84% of Canadians stating that they listen to music on the radio regularly or occasionally. Young people tend to listen to the radio less often than older people.

Methods used to listen to music

(Sub-sample: listen to music, n= 1059)

Q4. How frequently do you listen to music in the following ways? (Regularly / Occasionally)

		AGE GROUP					
TOTAL		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +
1	On the radio	On your computer	On your computer	On your computer	On the radio	On the radio	On the radio
2	On your computer	On MP3 player	On MP3 player	On the radio	On your computer	CDs on a CD player	CDs on a CD player
3	CDs on a CD player	On the radio	On the radio	On MP3 player	CDs on a CD player	On your computer	On your computer

Among young people under age 34, the computer is the method used most often to listen to music, followed by MP3 players and the radio. However, among older Canadians, the radio is still the method used most often to listen to music, followed by CDs and the computer.

Methods used to listen to music

(Sub-sample: listen to music, n= 1059)

Q4. How frequently do you listen to music in the following ways?

								Those who	
								MUSIC FILE SHARE	
AGE GROUP									
ON THE RADIO	TOTAL	15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Regularly	54%	32%	42%	52%	62%	71%	50%	52%	55%
Occasionally	30%	38%	32%	30%	25%	22%	36%	30%	31%
Rarely	12%	21%	21%	15%	9%	3%	12%	14%	11%
Never	4%	10%	5%	3%	4%	4%	2%	4%	3%
Regularly / Occasionally	84%	70%	74%	82%	87%	93%	86%	82%	86%
ON YOUR COMPUTER									
Regularly	39%	65%	61%	48%	46%	28%	23%	53%	29%
Occasionally	34%	26%	30%	36%	33%	39%	33%	38%	31%
Rarely	17%	7%	6%	11%	16%	19%	25%	7%	23%
Never	11%	3%	3%	4%	5%	14%	20%	2%	16%
Regularly / Occasionally	72%	90%	91%	85%	79%	67%	56%	91%	60%

Methods used to listen to music

(Sub-sample: listen to music, n= 1059)

Q4. How frequently do you listen to music in the following ways?

METHOD	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	
								YES	NO
CDS ON A CD PLAYER	n= 1059	185	187	181	145	140	221	512	547
Regularly	24%	10%	16%	23%	28%	34%	22%	25%	23%
Occasionally	43%	36%	33%	41%	44%	37%	52%	42%	44%
Rarely	23%	32%	36%	23%	22%	20%	19%	21%	24%
Never	11%	21%	15%	14%	7%	9%	7%	12%	10%
Regularly / Occasionally	67%	47%	49%	63%	71%	70%	74%	67%	66%
ON YOUR MP3 PLAYER (SUCH AS AN IPOD)									
Regularly	31%	75%	58%	38%	36%	23%	9%	45%	21%
Occasionally	22%	15%	26%	32%	23%	24%	14%	28%	17%
Rarely	12%	7%	7%	14%	13%	14%	13%	9%	15%
Never	35%	3%	8%	17%	27%	39%	63%	18%	47%
Regularly / Occasionally	52%	90%	84%	69%	59%	47%	24%	73%	39%

Methods used to listen to music

(Sub-sample: listen to music, n= 1059)

Q4. How frequently do you listen to music in the following ways?

ON YOUR MOBILE PHONE	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	
	n=							YES	NO
Regularly	7%	20%	15%	11%	5%	6%	1%	11%	5%
Occasionally	11%	16%	14%	21%	19%	6%	2%	17%	7%
Rarely	15%	20%	28%	20%	17%	13%	7%	22%	10%
Never	67%	44%	43%	48%	59%	75%	89%	50%	78%
Regularly / Occasionally	18%	36%	29%	32%	24%	12%	4%	28%	12%

A photograph of a musician playing an electric guitar on stage. The image is heavily filtered with a blue color. The musician is wearing a dark t-shirt with a graphic and light-colored shorts. He is positioned in front of a microphone stand and a rack of audio equipment. The background shows a dark stage setting with some equipment visible.

SONGS AND CDs

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Summary – Songs and CDs

Canadians have a large quantity of songs on their computers or MP3 players, an average of 1384 songs per person. People between the ages of 20 and 24 have the most songs (2328 on average). Men seem to have more songs than women.

On average, people paid for 39% of their songs and the rest were file shared or copied. This proportion goes up with age; among 15 to 19 year olds only 32% paid for the songs they own whereas among people aged 55 and over the proportion goes up to 43%.

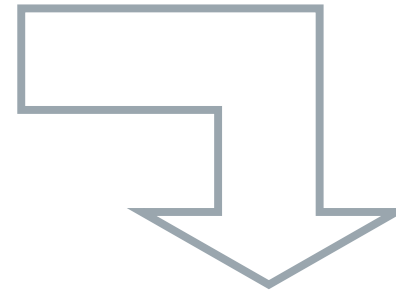
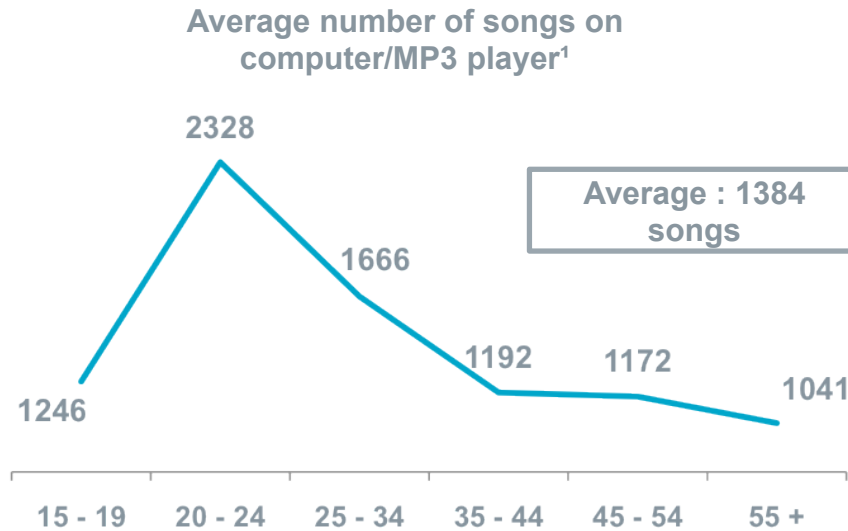
Regarding CDs, Canadians have an average of 163 CDs in their collections. Canadians between the ages of 35 and 44 years old and between 45 and 54 years old are those who have the most CDs. Once again, the proportion of CDs that were purchased goes up with age. Furthermore, we have observed that people are more likely to pay for CDs than for individual songs (Total % of CD paid for: 78%, Total % of songs paid for: 39%).

Quantity of songs on computer/MP3 player

(Sub-sample: listen to music, n= 1059)

¹Q5. Approximately how many songs (MP3s) do you have on your computer/MP3 player?

²Q6. What percentage of your songs...



PERCENTAGE OF SONGS ²	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Did you pay for...	39%	32%	33%	34%	42%	42%	43%	26%	48%
Did you not pay for...	61%	68%	67%	66%	58%	58%	57%	74%	52%

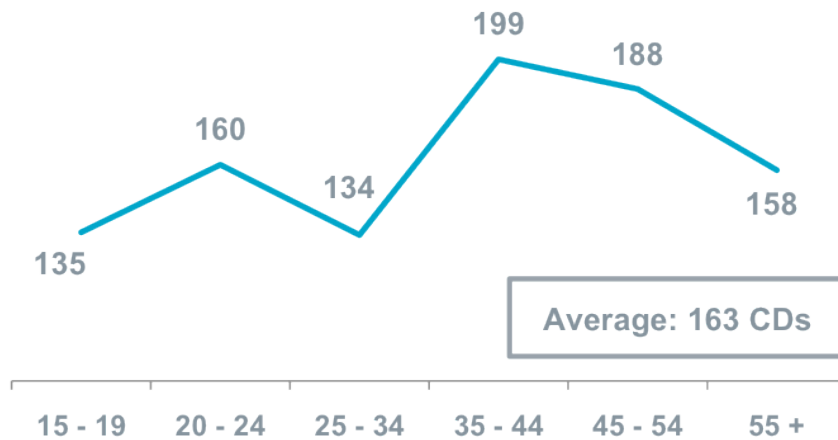
Quantity of CDs

(Sub-sample: listen to music, n= 1059)


¹Q7. How many music CDs do you have in total (including those purchased and those burned or ripped)?

²Q8. What percentage of your music CDs did you buy?

Average number of CDs¹



PERCENTAGE OF CDs ²	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Did you buy...	78%	64%	67%	74%	83%	82%	82%	68%	85%
Did you not pay for ...	22%	36%	33%	26%	17%	18%	18%	32%	15%

A photograph of a musician playing an electric guitar on stage, bathed in a blue monochrome light. The musician is wearing a dark t-shirt with a graphic and light-colored shorts. In the background, there is a rack of audio equipment, including amplifiers and a mixer. A microphone on a stand is visible to the left.

MUSIC CONSUMPTION BEHAVIOUR

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Summary - Music consumption behaviour

Even though buying CDs is the most popular way of acquiring music overall, the most popular habit among young Canadians is making copies. Most of the time, they copy CDs to import them onto their computers or MP3 players (e.g. iPod).

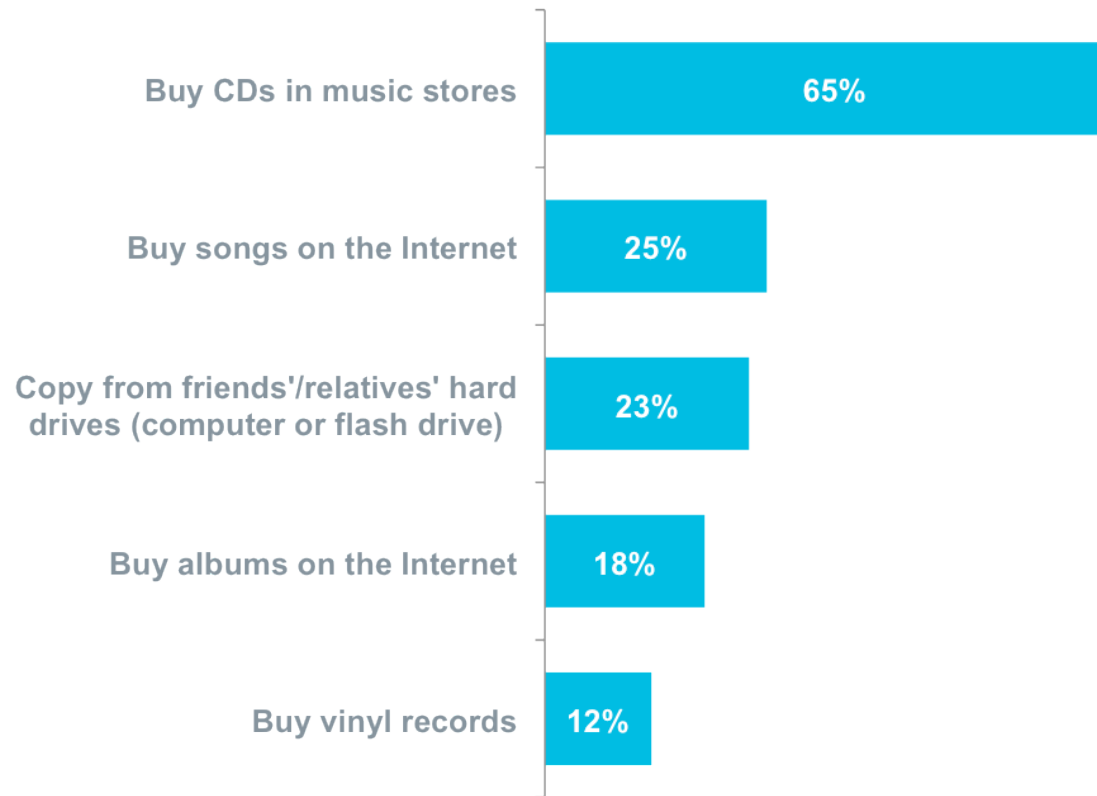
They also frequently make copies of their songs or CDs for friends/relatives, copy music from friends'/relatives' hard drives and let friends/relatives copy from their hard drives.



Music consumption behaviour - acquisition

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following? (regularly/occasionally) (1)



(1) The above chart illustrates non-internet types of copying

Music consumption behaviour - acquisition

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following?

Illustration of the top 3 methods of consumption for each age group

		AGE GROUP					
TOTAL		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +
1	Buy CDs in music stores	Buy CDs in music stores	Buy CDs in music stores	Buy CDs in music stores	Buy CDs in music stores	Buy CDs in music stores	Buy CDs in music stores
2	Buy songs on the Internet	Copy from friends'/relatives' hard drives (computer or flash drive)	Buy songs on the Internet	Buy songs on the Internet	Buy songs on the Internet	Buy songs on the Internet	Buy vinyl records
3	Copy from friends'/relatives' hard drives (computer or flash drive)	Buy songs on the Internet	Copy from friends'/relatives' hard drives (computer or flash drive)	Copy from friends'/relatives' hard drives (computer or flash drive)	Copy from friends'/relatives' hard drives (computer or flash drive)	Copy from friends'/relatives' hard drives (computer or flash drive)	Copy from friends'/relatives' hard drives (computer or flash drive)

Music consumption behaviour - acquisition

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following?

								Those who	
								MUSIC FILE SHARE	
AGE GROUP									
								YES	NO
BUY CDS IN MUSIC STORES	TOTAL	15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +		
n=	1059	185	187	181	145	140	221	512	547
Regularly	20%	15%	15%	20%	27%	24%	18%	21%	20%
Occasionally	45%	40%	38%	39%	38%	47%	53%	39%	49%
Rarely	25%	30%	37%	28%	28%	19%	22%	31%	22%
Never	10%	15%	11%	14%	7%	10%	7%	10%	10%
Regularly / Occasionally	65%	54%	53%	58%	65%	71%	71%	60%	69%
BUY SONGS ON THE INTERNET									
Regularly	8%	13%	17%	11%	11%	7%	2%	11%	6%
Occasionally	17%	23%	27%	24%	22%	16%	6%	24%	12%
Rarely	20%	23%	20%	29%	24%	17%	13%	25%	16%
Never	55%	40%	36%	37%	43%	59%	79%	39%	66%
Regularly / Occasionally	25%	37%	44%	34%	33%	23%	8%	35%	18%

Music consumption behaviour - acquisition

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following?

COPY FROM FRIENDS'/ RELATIVES' HARD DRIVES (COMPUTER OR FLASH DRIVE)	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Regularly	5%	12%	16%	11%	3%	2%	0%	11%	2%
Occasionally	18%	33%	25%	24%	22%	15%	8%	34%	7%
Rarely	23%	25%	29%	30%	27%	21%	17%	27%	21%
Never	53%	29%	30%	36%	48%	62%	74%	28%	70%
Regularly / Occasionally	23%	45%	41%	35%	25%	17%	9%	45%	9%

BUY ALBUMS ON THE INTERNET

Regularly	4%	6%	9%	8%	6%	1%	1%	6%	3%
Occasionally	14%	16%	23%	19%	15%	15%	6%	19%	10%
Rarely	21%	32%	25%	31%	23%	18%	12%	28%	16%
Never	61%	46%	43%	41%	56%	66%	82%	47%	71%
Regularly / Occasionally	18%	22%	32%	28%	21%	16%	7%	25%	13%

Music consumption behaviour - acquisition

(Sub-sample: listen to music, n= 1059)

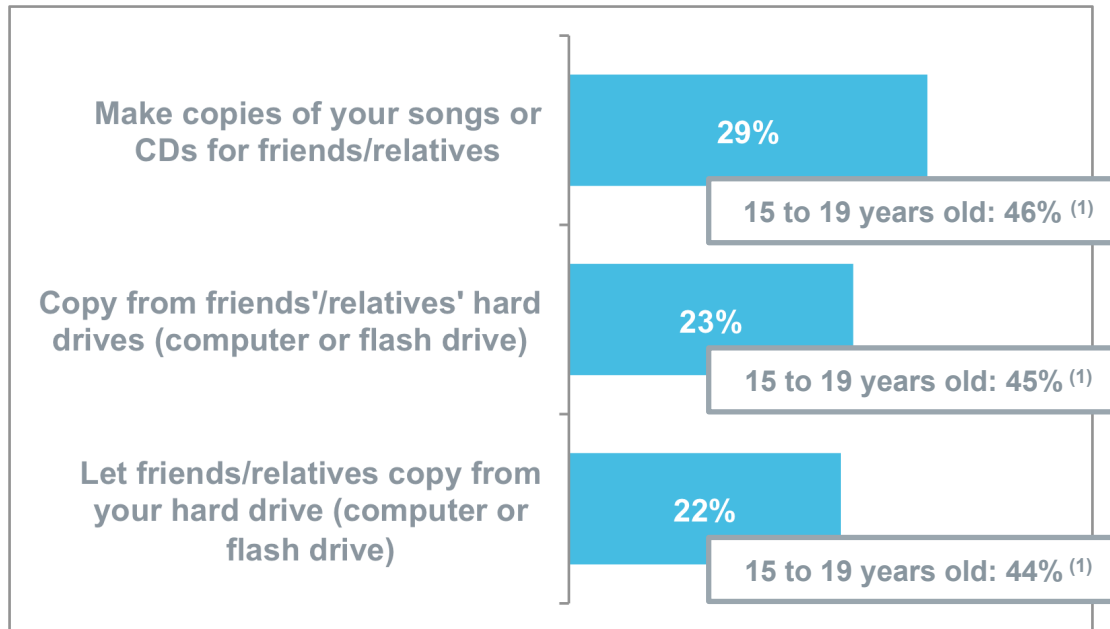
Q9. How frequently do you do the following?

								Those who	
								MUSIC FILE SHARE	
AGE GROUP									
BUY VINYL RECORDS	TOTAL	15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Regularly	2%	3%	2%	3%	3%	1%	2%	3%	2%
Occasionally	9%	7%	11%	13%	7%	8%	10%	12%	8%
Rarely	17%	14%	13%	12%	18%	21%	19%	17%	16%
Never	72%	76%	74%	72%	72%	70%	70%	67%	74%
Regularly / Occasionally	12%	10%	13%	16%	10%	9%	12%	15%	9%

Music consumption behaviour - copying

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following? (regularly/occasionally)



(1) Substantially exceeds the average of all other age groups

Music consumption behaviour - copying

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following? (regularly/occasionally)

Illustration of the top 3 methods of consumption for each age group

		AGE GROUP					
TOTAL		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +
1	Make copies of your songs or CDs for friends/relatives	Make copies of your songs or CDs for friends/relatives	Copy from friends'/relatives' hard drives (computer or flash drive)	Make copies of your songs or CDs for friends/relatives	Make copies of your songs or CDs for friends/relatives	Make copies of your songs or CDs for friends/relatives	Make copies of your songs or CDs for friends/relatives
2	Copy from friends'/relatives' hard drives (computer or flash drive)	Copy from friends'/relatives' hard drives (computer or flash drive)	Make copies of your songs or CDs for friends/relatives	Let friends/relatives copy from your hard drive (computer or flash drive)	Copy from friends'/relatives' hard drives (computer or flash drive)	Copy from friends'/relatives' hard drives (computer or flash drive)	Copy from friends'/relatives' hard drives (computer or flash drive)
3	Let friends/relatives copy from your hard drive (computer or flash drive)	Let friends/relatives copy from your hard drive (computer or flash drive)	Let friends/relatives copy from your hard drive (computer or flash drive)	Copy from friends'/relatives' hard drives (computer or flash drive)	Let friends/relatives copy from your hard drive (computer or flash drive)	Let friends/relatives copy from your hard drive (computer or flash drive)	Let friends/relatives copy from your hard drive (computer or flash drive)

Music consumption behaviour - copying

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following?

MAKE COPIES OF YOUR SONGS OR CDS FOR FRIENDS OR RELATIVES	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Regularly	6%	15%	11%	9%	5%	3%	2%	11%	2%
Occasionally	23%	31%	28%	31%	26%	16%	17%	39%	12%
Rarely	31%	21%	30%	35%	26%	34%	31%	27%	33%
Never	41%	33%	30%	26%	43%	47%	50%	23%	53%
Regularly / Occasionally	29%	46%	40%	40%	31%	19%	19%	50%	14%

COPY FROM FRIENDS'/RELATIVES' HARD DRIVES (COMPUTER OR FLASH DRIVE)

Regularly	5%	12%	16%	11%	3%	2%	0%	11%	2%
Occasionally	18%	33%	25%	24%	22%	15%	8%	34%	7%
Rarely	23%	25%	29%	30%	27%	21%	17%	27%	21%
Never	53%	29%	30%	36%	48%	62%	74%	28%	70%
Regularly / Occasionally	23%	45%	41%	35%	25%	17%	9%	45%	9%

Music consumption behaviour - copying

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following?

LET FRIENDS/RELATIVES COPY FROM YOUR HARD DRIVE (COMPUTER OR FLASH DRIVE)	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Regularly	5%	13%	14%	11%	5%	2%	0%	12%	1%
Occasionally	17%	31%	26%	25%	19%	13%	7%	30%	8%
Rarely	22%	25%	26%	27%	29%	16%	17%	27%	18%
Never	56%	31%	34%	37%	47%	69%	76%	31%	72%
Regularly / Occasionally	22%	44%	40%	36%	25%	16%	7%	42%	9%

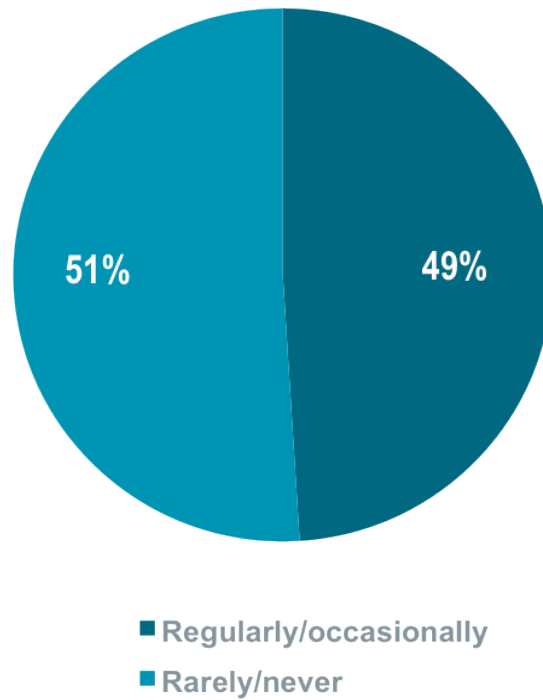
Copy CDs to computer or MP3 player

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following?

Illustrates personal use copies only

Make copies from your CDs to your computer or MP3 player for your own personal use



Music consumption behaviour

(Sub-sample: listen to music, n= 1059)

Q9. How frequently do you do the following?

MAKE COPIES FROM YOUR CDS TO YOUR COMPUTER OR MP3 PLAYER	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Regularly	21%	29%	31%	26%	22%	18%	15%	28%	17%
Occasionally	28%	35%	31%	32%	34%	27%	19%	38%	20%
Rarely	17%	12%	22%	21%	17%	15%	14%	18%	16%
Never	35%	24%	16%	21%	27%	40%	51%	17%	47%
Regularly / Occasionally	49%	64%	62%	58%	56%	45%	34%	66%	37%

A photograph of a musician playing an electric guitar on stage, bathed in a blue monochrome light. The musician is wearing a dark t-shirt with a graphic and a light-colored jacket. In the background, there is a rack of audio equipment, including a mixer and amplifiers. The text "FREE MUSIC FILE SHARING" is overlaid in white, bold, sans-serif font across the middle of the image.

FREE MUSIC FILE SHARING

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Summary – Digital music file sharing (downloading for free)

Less than half of Canadians (40%) say that they file shared music from the internet on a regular or occasional basis. This habit is strongly correlated with age: the percentage of people who music file share on the Internet ranges from 71% among 15-19 year olds to 19% among people 35 years old and over.

On average, Canadians who state that they music file share for free do so 7.4 times per month ⁽¹⁾. People between the ages of 24 to 34 are those who file shared music most often (9.9 times). The average number of songs file shared per month decreases significantly with age; overall, 25.8 songs were file shared per month and it was the youngest people (15 to 17 years old) who file shared the most (38.8 songs per month).

⁽¹⁾ Survey illustrates behavioural patterns and does not distinguish between music file sharing that is legitimate versus illegitimate.

Frequency of music downloading

(Sub-sample: listen to music, n= 1059)

Q10A. How often do you download music for free on the Internet (albums or songs) on music file sharing websites (e.g. peer-to-peer or P2P)?

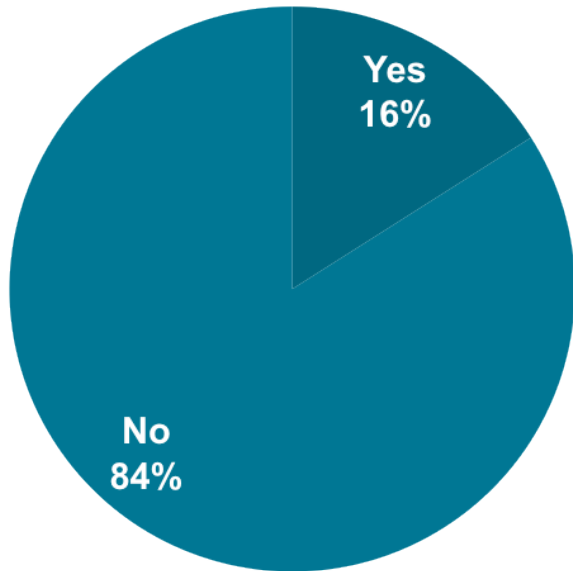
		AGE GROUP						
		TOTAL	15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +
	n=	1059	185	187	181	145	140	221
Regularly		13%	38%	30%	26%	7%	7%	1%
Occasionally		26%	34%	38%	32%	39%	17%	18%
Rarely		23%	16%	20%	23%	24%	28%	21%
Never		37%	12%	11%	19%	30%	48%	60%
Regularly / Occasionally		40%	71%	69%	58%	46%	24%	19%
Rarely / Never		60%	29%	31%	42%	54%	76%	81%

Downloading music for free

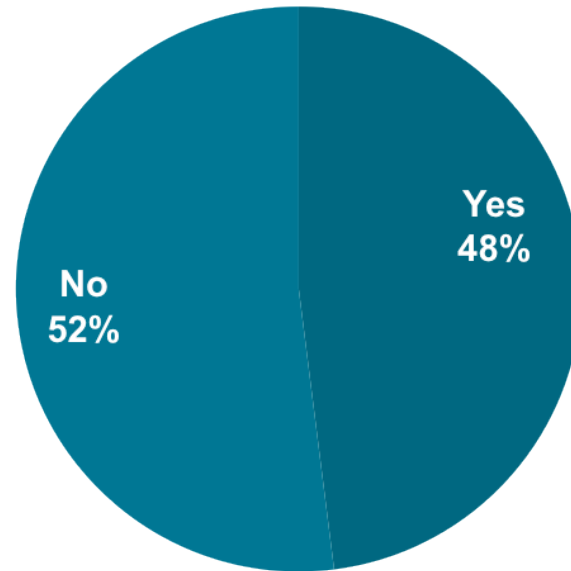
(Sub-sample: rarely or never download music for free , n= 552)

Q10B. Is there someone in your household (spouse, children, etc.) who downloads music from the Internet without paying, even occasionally? DHL. Download in household

Aware that someone in their household downloads music for free other than themselves
(n=552)



Percentage of households who download music
(Sub-sample: listen to music, n=1059)

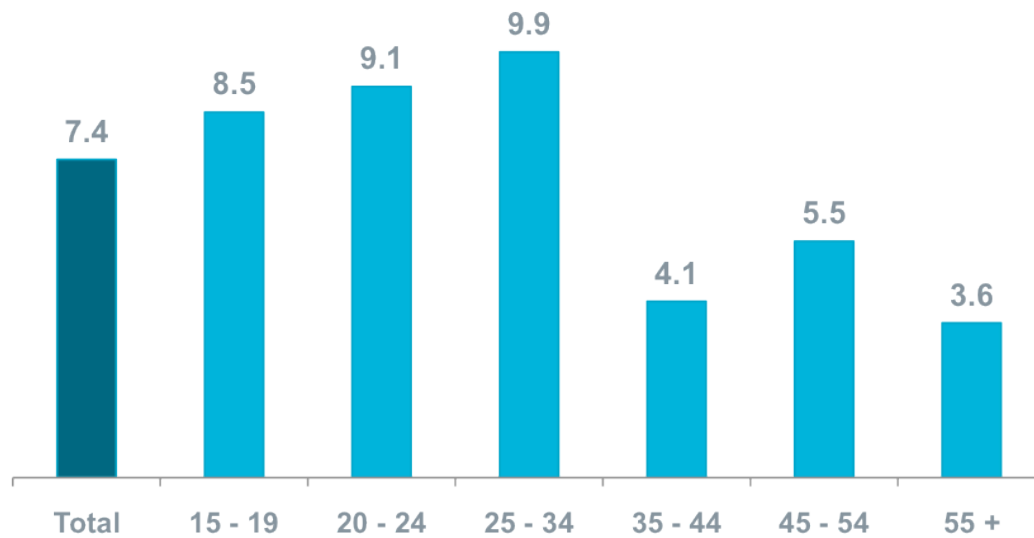


Number of downloads per month

(Sub-sample: download music for free occasionally or regularly, n= 512)

Q11. Approximately how many times a month do you download music from the Internet without paying?

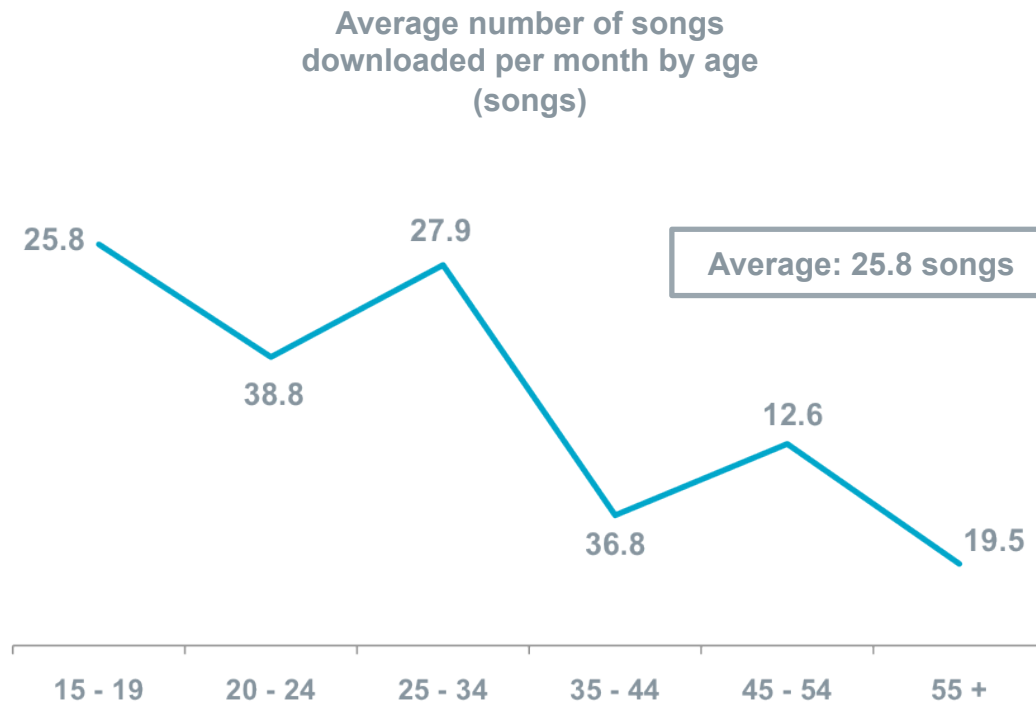
Average number of music downloads per month by age (times)



Average number of songs downloaded per month

(Sub-sample: download music for free occasionally or regularly, n= 512)

Q12. Approximately how many songs per month do you download from the Internet without paying?



A photograph of a musician playing an electric guitar on stage, bathed in a deep blue light. The musician is wearing a dark t-shirt with a graphic and light-colored shorts. In the background, there is a rack of audio equipment, including amplifiers and a mixer. The overall mood is energetic and focused.

REASONS FOR MUSIC FILE SHARING

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Summary – Reasons for music file sharing

The main reason people music file share for free from the Internet is “to get songs for free” (64%). The majority of young people 15 to 19 years old (79%) and 20 to 24 years old (76%) stated this reason. The second most common reason was “to try before buying”, which is much more likely among 20 to 24 year olds (61%) and 25 to 34 year olds (60%).

However, few people overall make their music available for online music file sharing (13%). Canadians who make their music files available online state that they do so mainly “to give in return to others” (52%).

Also, those who do not make their music files available online do so because of “viruses, security, risks” (65%) and only 37% of them don’t share their music files online because it is illegal.

Reasons for downloading music

(Sub-sample: download music for free occasionally or regularly, n= 512)

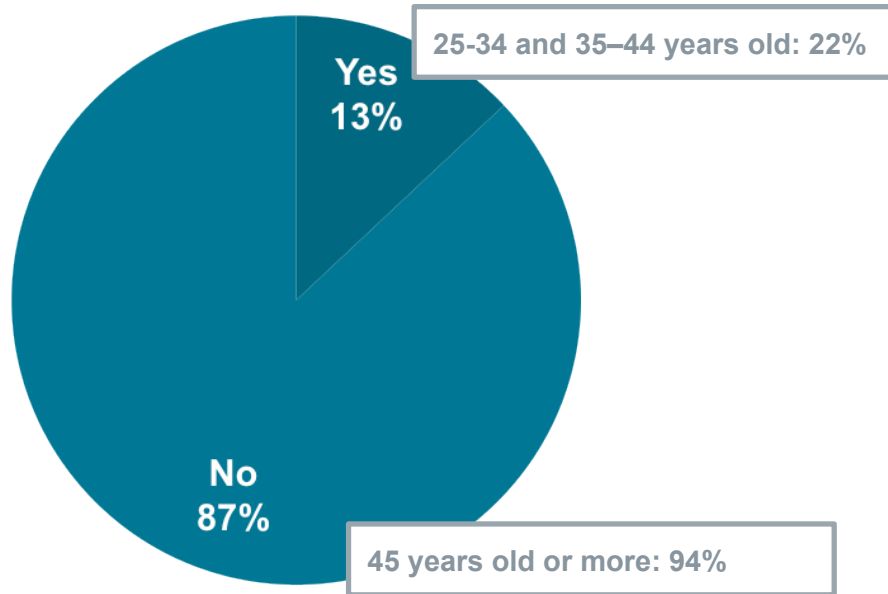
Q13. Why do you download from file sharing websites / or peer-to-peer (P2P) networks?

	TOTAL	AGE GROUP					
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +
n=	512	130	128	108	65	37	44
To get songs for free	64%	79%	76%	68%	52%	60%	49%
To try before buying	50%	48%	61%	60%	50%	37%	36%
To find rare material	43%	35%	41%	41%	48%	46%	46%
To get pre-release material	16%	21%	27%	22%	8%	8%	4%
Don't use Peer-to-Peer	2%	-	1%	1%	5%	-	2%
Other	2%	3%	-	1%	2%	3%	4%

Allowing music file sharing

(Sub-sample: listen to music, n= 1059)

Q14. Do you make songs AVAILABLE on your hard-drive (computer) for other users of file sharing websites or peer-to-peer (P2P) networks?



Reasons for allowing music file sharing

(Sub-sample: make songs available for file-sharing on hard-drive, n= 162)

Q15. Why do you make SONGS on your hard-drive (computer) available for FILE-SHARING?

	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	162	33	36	39	32	10	12	136	26
To give in return to others	52%	47%	47%	61%	42%	58%	51%	57%	26%
It allows and improves downloading	37%	45%	50%	54%	26%	13%	14%	43%	10%
To give access to music that I rate highly	35%	33%	22%	38%	30%	50%	40%	34%	39%
To promote a specific type of music	33%	43%	21%	44%	23%	43%	24%	34%	29%
Happens automatically when I access the site	32%	22%	46%	44%	24%	9%	31%	36%	12%
Music is too expensive, so I share	26%	29%	30%	33%	19%	28%	14%	28%	17%

Reasons for not sharing music files

(Sub-sample: does not makes songs available for file-sharing on hard-drive, n= 897)

Q16. Why don't you allow other users of file-sharing websites to access your computer for music? (more than 1%)

	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	897	152	151	142	113	130	209	376	521
Viruses, security, risks	65%	86%	86%	67%	64%	67%	54%	76%	59%
Illegal, risk of getting caught	37%	46%	53%	39%	43%	32%	31%	39%	36%
One should pay for access to music	25%	18%	21%	18%	29%	21%	33%	12%	32%
Lack of time	18%	25%	31%	21%	19%	17%	12%	24%	15%
No interest (unspecified) / Just don't do it	5%	-	1%	3%	3%	7%	9%	2%	7%
Don't know how to	2%	1%	1%	2%	1%	5%	2%	-	3%
Bandwidth use	2%	4%	1%	4%	2%	1%	1%	3%	2%
Don't have any music to share	2%	-	-	1%	3%	1%	4%	1%	3%

A photograph of a musician playing an electric guitar on stage, bathed in a deep blue light. The musician is wearing a dark t-shirt with a graphic and glasses. In the background, there is a rack of audio equipment, including a mixer and amplifiers. The overall mood is energetic and focused.

ENTERTAINMENT AND MUSIC CONSUMPTION EXPENSES

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Summary – Entertainment and music consumption expenses

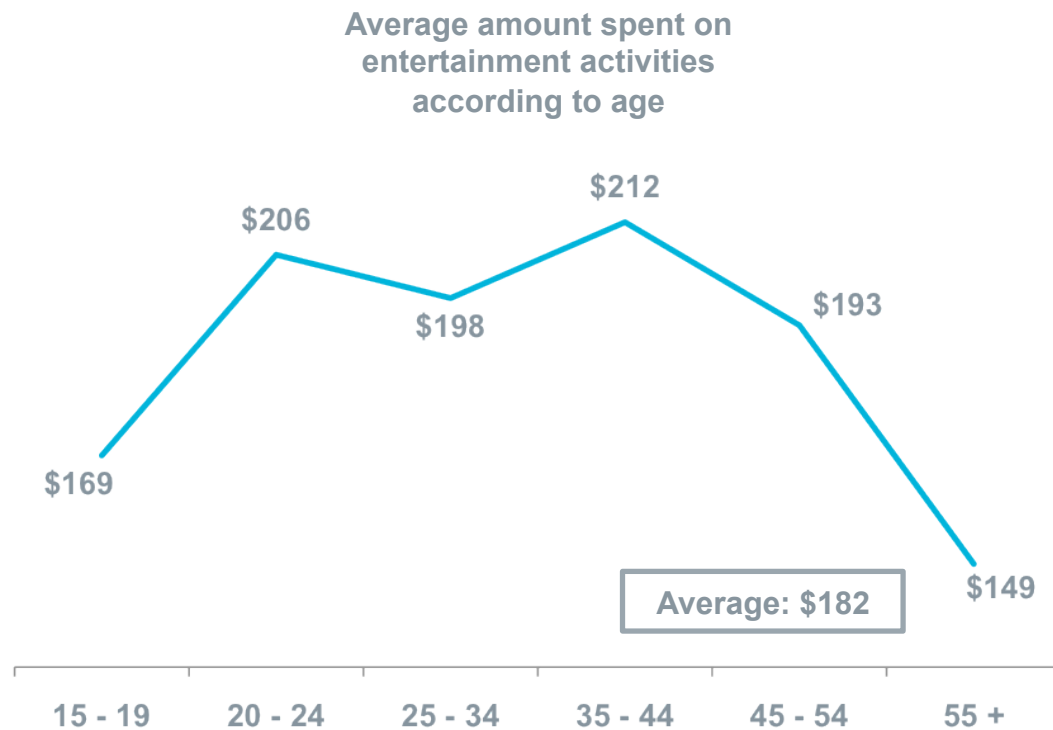
Canadians spend on average \$182 per month on entertainment activities..

Purchasing recorded music (CDs, downloads) constitutes the largest proportion of music-related expenses (67%). In terms of expenses related to concerts, 56% is spent on buying tickets and 19% is spent on food and beverages. Finally, regarding recorded music, Canadians spend the most on purchasing CDs or DVDs. However, we have observed that music downloading expenses are higher among young people.

Average amount spent on entertainment activities (\$)

(Sub-sample: listen to music, n= 1059)

Q17. On a monthly basis, approximately how much do you spend on the following?



Average amount spent on entertainment activities (\$)

(Sub-sample: listen to music, n= 1059)

Q17. On a monthly basis, approximately how much do you spend on the following?

	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
	n= 1059	185	187	181	145	140	221	512	547
Restaurants	\$81	\$47	\$84	\$82	\$89	\$86	\$81	\$82	\$80
Music (CDs, concerts etc.)	\$23	\$30	\$23	\$25	\$26	\$24	\$18	\$28	\$20
Sports activities	\$21	\$29	\$27	\$27	\$29	\$18	\$11	\$29	\$16
Movies	\$19	\$23	\$28	\$22	\$22	\$18	\$13	\$23	\$16
Other entertainment activities	\$39	\$41	\$44	\$42	\$46	\$47	\$26	\$44	\$35
Total	\$182	\$169	\$206	\$198	\$212	\$193	\$149	\$206	\$166

Proportion spent on purchasing music (%)

(Sub-sample: listen to music, n= 1059)

Q18. Regarding your music related expenses, what percentage do you spend on average on each of the following?

	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
	n= 1059	185	187	181	145	140	221	512	547
Recorded music (CDs, downloads)	67%	61%	63%	66%	71%	73%	66%	64%	69%
Concerts	22%	18%	23%	22%	18%	19%	25%	23%	21%
Other (music instruments, music lessons etc.)	11%	21%	14%	12%	12%	8%	9%	13%	10%

Proportion spent on concerts (%)

(Sub-sample: listen to music, n= 1059)

Q19. Regarding your concert related expenses, what percentage do you spend on average on each of the following?

	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
	n= 1059	185	187	181	145	140	221	512	547
Tickets	56%	46%	48%	56%	57%	58%	61%	51%	60%
Transportation	16%	17%	18%	14%	15%	18%	16%	16%	16%
Food and drinks	19%	23%	23%	20%	20%	17%	18%	22%	17%
Merchandise / souvenirs	8%	15%	11%	10%	9%	7%	5%	11%	6%

Proportion spent on recorded music (%)

(Sub-sample: listen to music, n= 1059)

Q20. Regarding your recorded music related expenses, what percentage do you spend on average on each of the following?

	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	
	n=							YES	NO
	1059	185	187	181	145	140	221	512	547
CDs, DVDs	63%	45%	47%	53%	58%	72%	75%	50%	72%
Paid Downloads	16%	27%	30%	23%	19%	14%	7%	24%	11%
Subscriptions to websites	3%	4%	3%	4%	3%	1%	2%	4%	2%
New vinyl records	2%	3%	2%	2%	1%	1%	2%	2%	1%
Secondhand vinyl records	2%	2%	2%	2%	2%	1%	3%	3%	2%
Secondhand CDs	8%	6%	6%	11%	9%	5%	7%	9%	7%
Other secondhand goods	6%	14%	10%	6%	8%	6%	4%	8%	5%

A photograph of a musician playing a guitar on stage, overlaid with a blue color filter. The musician is wearing a dark t-shirt with a graphic and light-colored shorts. In the background, there is a rack of audio equipment, including a mixer and amplifiers. The text "KNOWLEDGE ABOUT LEGAL AND ILLEGAL ACTIVITIES" is written in white, bold, uppercase letters across the center of the image, with a white horizontal line underneath it.

KNOWLEDGE ABOUT LEGAL AND ILLEGAL ACTIVITIES

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Having grown up with the Internet and music related technologies, young people have difficulty differentiating between legal and illegal activities when it comes to music consumption.



Summary – Knowledge about legal and illegal activities

Many people think that all file sharing and copying of CDs are legal activities. These false impressions are most prevalent among young people aged 15 to 19 years old, among whom we found the highest proportion of Canadians who think that all downloading, copying etc. are legal activities.

However, it is important to note that this youngest group of Canadians were educated by teachers about copyright laws and illegal piracy at school. The majority of them (68%) state that they learned about legal and illegal methods of music consumption at school.

Activities that Canadians believe are legal

(Sub-sample: listen to music, n= 1059)

Q21. When it comes to sharing and copying music, do you think the following activities are legal or illegal? (“legal”)

	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Downloading free music with artists' permission	83%	85%	79%	85%	81%	80%	84%	83%	83%
Copying your CDs to your computer or MP3 player	75%	78%	75%	79%	77%	71%	73%	79%	72%
Copying friends' CDs to your computer or MP3 player	40%	61%	47%	46%	41%	31%	34%	53%	31%
Letting a parent or a friend copy music from your computer	37%	54%	48%	47%	35%	31%	29%	51%	28%
Sending (via email) a music file (MP3) to a friend	37%	52%	51%	42%	39%	31%	29%	48%	30%
Copying a CD to a CDR and giving it to a friend	29%	39%	37%	38%	29%	23%	23%	38%	23%
Copying a public library CD to your computer or MP3 player	25%	35%	32%	28%	24%	19%	24%	34%	20%
Sending files by Bluetooth	23%	35%	37%	34%	20%	20%	12%	34%	16%
Uploading your music to social sites	23%	29%	33%	28%	22%	21%	16%	30%	18%
Burning a CD and selling it on eBay	8%	16%	10%	11%	3%	7%	7%	11%	6%
All illegal / Don't know	11%	8%	9%	11%	12%	12%	11%	11%	11%

Learned about copyright

(Sub-sample: listen to music and haven't answer "don't know" for all activities in Q21, n= 997)


Q22. Where did you learn about copyright, i.e. what is legal and what is not? Check all that apply.

	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE YES	NO
n=	997	174	179	165	133	133	213	478	519
Newspaper	42%	22%	31%	44%	35%	49%	48%	36%	46%
Friends and/or relatives	40%	49%	44%	42%	43%	39%	34%	45%	36%
At school by teachers	31%	64%	58%	41%	26%	22%	17%	40%	24%
Radio	28%	19%	28%	28%	25%	35%	29%	27%	29%
Music-related website	27%	31%	32%	32%	34%	28%	18%	36%	21%
Television	4%	3%	4%	3%	4%	6%	5%	4%	4%
General knowledge / Common sense	3%	2%	1%	1%	3%	2%	5%	2%	3%
Internet (Unspecified)	2%	2%	3%	1%	1%	3%	2%	2%	2%
I don't know anything about what is legal or not	2%	1%	1%	2%	1%	1%	2%	1%	2%
I'm a musician, photographer, artist	1%	-	-	-	1%	1%	2%	-	1%
Other (specify):	2%	1%	2%	-	2%	1%	3%	1%	2%
Don't know / Refusal	2%	1%	1%	1%	4%	1%	2%	2%	1%

A photograph of a musician playing an electric guitar on a stage. The entire image is filtered with a strong blue color. The musician is wearing a dark t-shirt with a graphic and light-colored shorts. In the background, there is a microphone stand, a guitar amplifier, and a rack of audio equipment. The text 'LICENSED MUSIC FILE SHARING' is overlaid in white, bold, sans-serif font across the middle of the image.

LICENSED MUSIC FILE SHARING

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A photograph of a musician performing on stage. The musician is wearing glasses and a dark t-shirt, playing an electric guitar. The stage is dimly lit with blue and purple lighting. In the background, there is a large monitor displaying a video feed of the performance, and a stack of amplifiers. The text is overlaid on the image in a white, sans-serif font.

Although young Canadians are confused about the legality of the ways in which they obtain music, the majority of them seem to be conscious of the consequences that downloading and sharing free music has on the music industry and would be willing to spend an additional amount to consume music in a responsible way.

Summary – Licensed music file sharing

Overall, the majority of Canadians would continue to buy CDs or vinyl records even if all music file sharing on the Internet became legal (70%). The main reasons are to “have physical hard copies” (65%) and to “support (their) favourite artists” (55%).

More than half of Canadians (59%) state that they would be willing to pay an additional fee on their Internet plan to have licensed access to peer-to-peer networks and other currently free online music file sharing technologies. 69% of Canadians who already share music online agreed with this idea.

The additional amount that Canadians are in favour of paying on their monthly Internet plan is around \$5 among all age groups (total: \$4.95). Finally, most people would like the songwriters/musicians to benefit from this additional fee (93%).

Intent to continue to buy CDs or vinyl records if access to all music file sharing was legal

(Sub-sample: listen to music, n= 1059)

Q23. If you had access to a LEGAL file sharing website or peer-to-peer (P2P) network that allowed you to download any music in the world, would you still buy CDs or vinyl records?

	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1059	185	187	181	145	140	221	512	547
Yes for sure	28%	19%	27%	23%	29%	34%	31%	26%	30%
Yes probably	41%	38%	33%	40%	43%	37%	47%	35%	45%
Probably not	23%	36%	29%	26%	19%	20%	18%	30%	18%
Definitely not	8%	7%	10%	11%	9%	8%	5%	9%	7%
Yes	70%	57%	60%	63%	72%	71%	78%	62%	75%
No	30%	43%	40%	37%	28%	29%	22%	38%	25%

Reasons for continuing to buy CDs or vinyl records

(Sub-sample: would still buy CDs, n= 627)

Q24. Why would you continue to buy CDs? (more than 1%)

	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	
								YES	NO
n=	627	95	102	98	88	90	154	274	353
To have physical hard copies	65%	66%	71%	76%	62%	63%	60%	68%	63%
To support your favourite artists	55%	65%	79%	61%	53%	52%	46%	59%	52%
For your collection	50%	47%	55%	50%	64%	59%	39%	53%	49%
Sound quality	37%	43%	35%	35%	43%	38%	35%	36%	38%
For the packaging	18%	25%	30%	30%	25%	17%	7%	30%	12%
Easy to use / Easy to use in the car / Portable	2%	-	-	3%	-	3%	3%	2%	3%

Fee added to monthly Internet access plan for access to music file sharing sites or networks (Sub-sample: all respondents, n= 1064)

Q25. Would you agree to pay a reasonable monthly fee (added to your Internet bill) if it allowed you and others in your household to legally use peer-to-peer networks and websites of your choice to download and share an unlimited amount of music?

	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1064	187	187	181	145	140	224	512	547
Totally agree	17%	22%	18%	22%	24%	17%	10%	24%	12%
Somewhat agree	41%	41%	43%	48%	36%	38%	42%	45%	39%
Somewhat disagree	16%	19%	20%	18%	16%	14%	12%	15%	16%
Totally disagree	26%	18%	18%	12%	24%	31%	36%	16%	32%
Agree	59%	63%	62%	69%	61%	55%	51%	69%	51%
Disagree	41%	37%	38%	31%	39%	45%	49%	31%	49%

Fee added to monthly Internet access plan for access to music file sharing sites or networks

(Sub-sample: all respondents, n= 1064)

Q25. Would you agree to pay a reasonable monthly fee (added to your Internet bill) if it allowed you and others in your household to legally use peer-to-peer networks and websites of your choice to download and share an unlimited amount of music?

	TOTAL	HOUSEHOLD			OCCUPATION					
		WITHOUT CHILDREN	WITH CHILDREN (TOTAL)	WITH TEENAGER (13+)	WORKING FULL-TIME	WORKING PART-TIME	UNEMPLOYED	STAYING AT HOME FULL-TIME	STUDENT	RETIRED
n=	1064	590	310	174	355	120	74	68	187	136
Totally agree	17%	15%	24%	21%	21%	20%	12%	13%	22%	11%
Somewhat agree	41%	40%	44%	51%	43%	52%	40%	40%	39%	35%
Somewhat disagree	16%	15%	17%	11%	16%	11%	19%	18%	20%	13%
Totally disagree	26%	30%	15%	17%	19%	17%	29%	29%	19%	42%
Agree	59%	55%	68%	72%	64%	72%	52%	53%	61%	46%
Disagree	41%	45%	32%	28%	36%	28%	48%	47%	39%	54%

Additional amount willing to pay (\$)

(Sub-sample: would agree to pay a reasonable monthly fee, n= 535)

Q25B. What would you consider to be a reasonable monthly fee on your Internet subscription for access to unlimited music downloads?

	AGE GROUP							Those who	
	TOTAL	15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	YES
n=	535	97	98	110	69	65	96	306	228
Average	\$4.95	\$5.35	\$5.18	\$4.90	\$4.57	\$5.14	\$4.85	\$4.88	\$5.02
\$3 per month	40%	37%	28%	40%	48%	38%	41%	40%	39%
\$5 per month	41%	40%	57%	45%	33%	42%	37%	40%	42%
\$10 per month	16%	22%	15%	14%	13%	19%	16%	19%	13%
Other	2%	1%	-	1%	7%	1%	5%	-	5%

Beneficiaries of additional fee

(Sub-sample: would agree to pay a reasonable monthly fee, n= 535)

Q26. In your opinion, who should receive those fees?

	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE YES	NO
n=	535	97	98	110	69	65	96	306	228
Songwriters/musicians	93%	89%	88%	86%	95%	96%	98%	93%	93%
Record companies	26%	29%	37%	33%	28%	27%	15%	30%	22%
Both	1%	1%	-	3%	3%	1%	-	1%	1%
Other	1%	2%	-	-	1%	2%	-	-	1%

A photograph of a musician playing an electric guitar on stage. The entire image has a strong blue color cast. The musician is wearing a dark t-shirt with a graphic and light-colored shorts. In the background, there is a rack of audio equipment, including a mixer and amplifiers. A microphone on a stand is visible to the left of the musician.

PROFILE OF RESPONDENTS

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Age

(Sub-sample: all respondents, n= 1064)

Q27. How old are you?

	TOTAL	Those who MUSIC FILE SHARE	
		YES	NO
n=	1064	512	547
15 to 19 years old	8%	15%	4%
20 to 24 years old	8%	14%	4%
25 to 34 years old	19%	28%	13%
35 to 44 years old	14%	16%	13%
45 to 54 years old	19%	12%	24%
55 years old or over	31%	15%	42%
Average	45 y/o	36 y/o	50 y/o

Current employment status and gender

(Sub-sample: all respondents, n= 1064)

¹Q28. Which of the following best describes your own present employment status? Are you:

²QB. You are...

CURRENT OCCUPATION STATUS ¹	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1064	187	187	181	145	140	224	512	547
Working full-time	36%	8%	28%	59%	58%	50%	12%	41%	32%
Working part-time	13%	13%	19%	14%	15%	10%	12%	15%	12%
Unemployed or looking for a job	9%	6%	8%	10%	12%	16%	3%	9%	9%
Staying at home full-time	8%	2%	7%	10%	14%	11%	5%	8%	9%
Student	11%	70%	37%	7%	2%	1%	-	18%	6%
Retired	23%	1%	1%	-	-	11%	68%	10%	32%

GENDER²

Male	49%	59%	44%	48%	52%	50%	47%	53%	47%
Female	51%	41%	56%	52%	48%	50%	53%	47%	53%

Region

(Sub-sample: all respondents, n= 1064)

QC. In which province/region do you live?

	TOTAL	AGE GROUP						Those who MUSIC FILE SHARE	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	YES	NO
n=	1064	187	187	181	145	140	224	512	547
Maritimes	7%	11%	3%	4%	10%	7%	8%	10%	5%
Quebec	24%	23%	20%	19%	29%	24%	25%	21%	25%
Ontario	39%	34%	44%	42%	36%	39%	38%	39%	39%
Prairies	17%	17%	21%	22%	13%	17%	15%	15%	19%
BC	13%	16%	11%	14%	12%	13%	14%	14%	13%

Number of people per household

(Sub-sample: all respondents, n= 1064)

P1. In total, how many people live in your household on a permanent basis, including yourself and any children or teenagers?

	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	
	n=							YES	NO
1	1064	187	187	181	145	140	224	512	547
	22%	11%	16%	16%	19%	23%	32%	16%	27%
2	38%	10%	34%	27%	27%	41%	55%	31%	42%
3	17%	24%	18%	26%	21%	16%	9%	21%	15%
4	15%	33%	21%	18%	22%	16%	2%	22%	10%
5 or more	9%	24%	12%	12%	11%	3%	1%	9%	6%
Average	2,52	3,59	2,84	2,85	2,81	2,41	1,88	2,83	2,32

Number of children per household

(Sub-sample: at least 2 persons in household, n= 859)

P2. How many children and teenagers (under 18) live in your household on a permanent basis?
number of children among respondents who have children permanently living in their household.

**Average

	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	
	n=							YES	NO
	859	169	159	152	119	104	156	442	413
None	63%	29%	67%	44%	37%	73%	96%	54%	70%
1	20%	36%	23%	29%	29%	16%	4%	25%	16%
2	12%	25%	5%	20%	25%	8%	-	17%	9%
3	3%	7%	2%	5%	8%	1%	-	3%	3%
4 or more	1%	3%	2%	2%	1%	3%	-	1%	2%
Average**	1,67	1,67	1,56	1,68	1,7	1,81	1	1,61	1,75

Household

(Sub-sample: all respondents, n= 1064)

P2. How many children and teenagers (under 18) live in your household on a permanent basis?

P3. Please indicate the age of each child or teenager (under 18) living in your household on a permanent basis, beginning with the oldest child:

**

	TOTAL	AGE GROUP						Those who	
		15 - 19	20 - 24	25 - 34	35 - 44	45 - 54	55 +	MUSIC FILE SHARE	
								YES	NO
n=	1064	187	187	181	145	140	224	512	547
Household without children	72%	37%	72%	53%	49%	79%	97%	61%	78%
Household with children (Total)	28%	63%	28%	47%	51%	21%	3%	39%	22%
Household with teenagers (13+)	14%	56%	16%	8%	22%	14%	2%	19%	10%

A photograph of a musician playing an electric guitar on stage, bathed in a blue monochrome light. The musician is wearing a dark t-shirt with a graphic and light-colored shorts. In the background, there is a rack of audio equipment, including a mixer and amplifiers. A microphone stand is visible on the left. The overall mood is energetic and focused.

APPENDIX

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550, RUE SHERBROOKE OUEST

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BUREAU 900 – TOUR EST

T 514 849-8086

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A musician with glasses and a floral t-shirt is playing a guitar on stage. The scene is bathed in a blue light. In the background, there is a rack of audio equipment and a microphone stand.

THANK YOU!

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