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## FILESHARING AND CD BURNERS PROLIFERATE

### AN ESTIMATED ONE-FIFTH OF AMERICANS—ABOUT 40 MILLION PEOPLE— HAVE DOWNLOADED DIGITAL MUSIC FROM FILE-SHARING SERVICES

As many as 25% of Americans own PC-based CD Burners –  
Ipsos-Reid study

**Minneapolis, June 12, 2002**—While debate intensifies within the music industry over the degree of impact that peer-to-peer file sharing and CD burning has had on the global downturn in music sale new findings from international research firm Ipsos-Reid show that an estimated one-fifth (19%) of the American population aged 12 and over have downloaded music or MP3 files from an online file-sharing service (such as Morpheus, Napster, or Audio Galaxy). This translates into over 40 million users within the current U.S. population (accordingly to 2000 U.S. Census figures).

This number is nearly equal to the proportion of Americans who indicated they had downloaded a music or MP3 from any website in December of 2001 (23% of Americans aged 12 and over), according to new data from the company's quarterly study, *TEMPO: Keeping Pace with Online Music Distribution*.

Not surprisingly, young Americans are leading the file-sharing phenomenon, as approximately two-fifths of 12–24-year-olds have downloaded music or MP3 files from an online file-sharing service (41% of 12–17 year-olds, and 45% in the 18–24 age group). And contrary to the widely-held belief that file-sharing is an activity primarily undertaken by cash-strapped high-school and college students, post-collegiate adults also report sampling this often technologically-cumbersome activity, with 26% of those between the ages of 25–34, and 14% of those aged 35 to 54 reporting having downloaded music or MP3 files from an online file-sharing service.

In addition, American males are significantly more likely than their female counterparts to have engaged in online file-sharing nationwide, as one-quarter (25%) of U.S. men over the ages of 12 report having engaged in this activity, compared to only 14% of American women.

“With all of the recent media attention surrounding online file-sharing, it was interesting to finally get a current representative view of what is really going on among the general U.S. population with regard to this activity,” said Matt Kleinschmit, senior research manager for Ipsos-Reid and the *TEMPO* research program. “And clearly, there is a sizable portion of the population that has indeed obtained music through an online file-sharing service, especially in the younger demographic groups. What is most interesting, however, is that those in older demographic groups also report using these services, and these demographic groups typically include individuals with disposable income that are often highly prized by advertisers.”

Another nemesis of the music industry is the proliferation of Recordable Compact Discs (CD-R's) and CD-Burners. The most recent wave of *TEMPO* also found that nearly one-quarter (24%) of Americans ages 12 and older own a PC-based Compact Disc Recorder/ Burner. This proportion doubles when asking U.S. file-sharers, as 53% of Americans aged 12 and older who



have downloaded a music or MP3 file from an online file-sharing service report owning this increasingly common PC peripheral.

“As PC manufacturers are more and more vocal in promoting music-focused PC packages bundling CD-R drives, soundcards, and speakers together with consumer-friendly software interfaces, Americans are clearly beginning to recognize the inherent music capabilities today’s PCs offer,” continued Kleinschmit. “While the goal of this wave of *TEMPO* was not to draw a link between file-sharing, CD-Burners, and the slump in music sales, we can see that American music enthusiasts are becoming increasingly acquainted with the flexibility that digital music allows, and as a result, may be more apt to venture beyond the traditional channels of music distribution as a part of their audio behaviors.”

### **Related Data Suggests Downloaders Still Buying Music Through Traditional Channels**

Indeed, research released earlier this year by Ipsos-Reid and other research firms shows that downloaders do not stop buying prerecorded compact discs when they discover downloading. In fact, Ipsos-Reid found that 81% of downloaders report their CD purchases have stayed the same or even increased since they initially began downloading music from the Internet.

In addition, downloaders appear to have a voracious appetite for online music-related information, as over eight in ten (84%) report also using the Internet for more than just downloading, such as listening to song clips, reading about lyrics and tour information, and researching bands prior to actually purchasing their CD. And nearly half (47%) of these individuals indicate that they have subsequently purchased a particular CD from a band or artist solely because of something they first read or listened to on the Internet.

Further, nearly one-third (29%) of American downloaders indicate that their typically preferred genre of music has changed since the inception of their downloading behaviors, and one-fifth (21%) of downloaders ages 12 and over report that their radio listening activities have also changed since they began downloading (see accompanying charts). This suggests that current music downloaders can be influenced by their online music activities, and may subsequently adjust offline listening and purchase behaviors as a result. Related data can be found at Ipsos-Reid’s [Digital Music](#) page.

### **Methodology**

Data on music downloading behaviors was gathered from *TEMPO 2002: Keeping Pace with Online Music Distribution*, a quarterly Ipsos-Reid shared-cost research study examining the ongoing influence and effects of digital music around the world.

Data for this release was collected between April 25 and May 1, 2002 via a nationally representative U.S. sample of 1,113 respondents aged 12 and over. With a total sample size of 1,112, one can say with 95% certainty that the results are accurate to within +/- 2.94. To learn more about the methodology of TEMPO 2002, please visit [www.ipsos-reid.com/tempo.cfm](http://www.ipsos-reid.com/tempo.cfm)

In addition, past contextual data was pulled from *TEMPO 2001*. These data were gathered last November and December from 834 Music Downloaders ages 12 and over across the U.S. via the Ipsos-Reid I-Say U.S. Internet Panel. With a total sample size of 834, one can say with 95% certainty that the results are accurate to within +/- 3.39%.



## **About Ipsos-Reid**

Ipsos-Reid has been tracking public opinion and consumer behavior around the world for more than 20 years and has become a leading provider of global public opinion and market research to private, public, and not-for-profit organizations in over 50 countries. With more than 1,300 staff in 11 cities, Ipsos-Reid offers clients a full line of custom, syndicated, omnibus, and online research products and services. It is best known for its line of *Express* opinion polls, the *World Monitor* civic and consumer trends journal, and *The Face of the Web*, the most comprehensive study of global Internet usage and trends. It is a member of Paris-based Ipsos Group, ranked among the Top 10 research groups in the world.

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