



Awareness of Mobile Music Options Strong Among Americans

Ipsos: Seventy Percent Of American Mobile Phone Owners Are Aware Of Full Song Mobile Downloading - But Only One-In-Twenty Have Yet Done So

Recent Findings From The Ongoing *TEMPO* Digital Music Tracking Study Reveal Mobile Music Consumption Poised For Growth

November 29, 2006, New York, NY — Amid continued growth in portable MP3 player ownership and steady sales of PC-based individual song downloads, recently launched mobile music services offered by many of the major wireless carriers have given American music consumers yet another acquisition option to consider. Recent research released by global market research organization Ipsos in the quarterly digital music tracking program TEMPO reveal that while the mobile music category is still in its infancy, Americans are experimenting with this method of music acquisition in increasing numbers.

Recent findings include:

- Four percent of American mobile phone owners aged 12 and older have downloaded full digital music songs over-the-air in the past 30 days, doubling proportions seen in 2005.
- Males are twice as likely as females to have ever downloaded full songs (6% versus 3%). Teens are the most likely to have ever done so (11%), with younger adults 18 to 34 being the next most likely (8% among 18 to 24 year olds and 7% among those 25 to 34).
- Perhaps reflecting untapped opportunity associated with over-the-air music downloading, seventy-one percent of American mobile phone owners are aware of mobile/wireless phones that would allow them to download and play entire songs rather than just ringtones.
- 14% of American Mobile Phone Owners report that they have a mobile phone with full-song download and playback capability.
- When drilling down among mobile phone owners who have also downloaded digital music to their computers, the number of people with mobile music phones rises to one-third, and the number who have ever downloaded full songs more than doubles - to 10%.
- On average, these over-the-Air (OTA) mobile music downloaders have approximately six tracks stored on their mobile phones, which is similar to the number of ringtones stored.
- Among those with mobile phones, 27% have downloaded ringtones and 9% have done so in the past 30 days, returning to levels experienced in early 2005 after declines in recent quarters. Five percent have downloaded ringbacks – 3% in the past 30 days. This is a slight increase over recent quarters.
- When considering overall spending on mobile music, including ringtones, full songs and ringbacks, the average mobile music downloader spent roughly \$7.00 in the past month. Younger over-the-Air (OTA) mobile music downloaders are likely to have spent more than older downloaders.

"In recent months we have witnessed the high profile launch of many mobile music services, and these findings suggest that Americans are indeed aware of these new services and have also begun to experiment with them - particularly teens and young adults," says Matt Kleinschmit, Vice President for Ipsos Insight and author of the TEMPO study. "This is encouraging as these groups have traditionally shied away from fee-based digital music behaviors, and thus mobile acquisition may represent a key opportunity for bringing these music enthusiasts back into the realm of the legitimate digital music marketplace."



Digital video downloading also emerging as over-the-air content option

The growing popularity of digital video consumption; particularly that of user-supplied video clips and music videos has lead not only to a new PC-based digital market, but to a number of new over-the-air developments as well. In addition to current video download services offered by the major wireless carriers, pending deals could potentially link mobile phone handsets with video recording and playback capabilities directly to the popular YouTube video clip community - allowing users to download video clips and fully-licensed music videos directly to their mobile phones as well as upload content they may have recorded as well. Similar to mobile music, recent TEMPO research shows that mobile phone-based video downloading is still an emerging activity for many Americans as well:

- Three percent of American mobile phone owners have ever downloaded music videos to their mobile phone, and 2% have ever downloaded short video clips.
- Eighteen to 24 year olds are the most likely to have downloaded music videos (9%) and video clips (6%), with approximately twice as many doing so as teens and considerably more than those Americans ages 25 and older. Males are slightly more likely than females to have ever downloaded digital video content to a mobile phone.

'While mobile video services are still in their infancy, similar to mobile music this category is in many respects also poised for strong growth', continued Kleinschmit. "In both cases the key components of the consumer experience are impulse consumption and instant gratification. With music, over-the-air downloading is yet another digital innovation that will work to counter-balance losses created by shifts in consumer purchasing due to the ability to acquire music 'song-by-song' rather than via a traditional album purchase. With video, the possibilities for on-the-go access to important or entertaining content and emerging user-generated recordings are just emerging and truly intriguing. The promising common element to both is that they provide vast new opportunities for monetizing impulsive consumption across a wide range of multimedia content via an established wireless carrier billing relationship."

Methodology

Data on music downloading behaviors was gathered from *TEMPO: Keeping Pace with Digital Music Behavior*, a quarterly shared-cost research study by Ipsos Insight examining the ongoing influence and effects of digital music in the US.

Data for general population statistics included with this release were collected between June 23 and July 3, 2006, via a nationally representative US sample of 1,143 respondents aged 12 and over. With a total sample size of 1,143, one can say with 95% certainty that the results are accurate to within +/- 2.90%.

Additional in-depth data on music downloaders were collected between August 21 and 30, 2006, via a representative sample of 1,501 US Downloaders aged 12 and over. With a total sample size of 1,517, one can say with 95% certainty that the results are accurate to within +/- 2.53%. To learn more about the methodology of TEMPO, please visit www.ipsos-insight.com/tempo.cfm

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