

**SURVEY SHOWS THAT DESPITE THE USE OF MP3  
TECHNOLOGY BEING WIDESPREAD AMONG INTERNET-  
ENABLED CANADIANS, CD BUYING BEHAVIOUR  
REMAINS STRONG**

*39 percent of on-line Canadian households have downloaded MP3 files in the last six months, but 72 percent of those who will continue to do so, say it will have no impact on the number of CDs they plan to purchase*



**Public Release Date: Friday, February 18, 2000 - 1:00 a.m. (EST)**

*Angus Reid is one of North America's largest market and opinion research companies, serving over 1,200 clients via its 11 offices and with annual research sales of \$65 million. Established in 1979 by Dr. Angus Reid, the company undertakes global research on behalf of private, public and not for profit organizations in over 50 countries, and is the international media agency of record for The Economist and CNN International.*

*For copies of other news releases, please visit [http://www.angusreid.com/media/content/pre\\_rel.cfm](http://www.angusreid.com/media/content/pre_rel.cfm)*

---

© Angus Reid Group, Inc.

A Designated **FAST COMPANY** by **FAST COMPANY** Magazine

**New York • St. Louis • Minneapolis • San Francisco • London (UK)  
Vancouver • Calgary • Winnipeg • Toronto • Ottawa • Montreal**

## **SURVEY SHOWS THAT DESPITE THE USE OF MP3 TECHNOLOGY BEING WIDESPREAD AMONG INTERNET-ENABLED CANADIANS, CD BUYING BEHAVIOUR REMAINS STRONG**

***39 percent of on-line Canadian households have downloaded MP3 files in the last six months, but 72 percent of those who will continue to do so, say it will have no impact on the number of CDs they plan to purchase***

According to the results of an Angus Reid Group on-line survey conducted among 1,018 web users in January, the use of MP3 technology is widespread among Canadian Internet users. The survey found that 74 percent have heard of the technology and, of those aware, 53 percent say they, or someone else in their household, have downloaded MP3 files in the past six months. This translates into 39 percent of on-line Canadian households. Awareness of MP3 has increased significantly since last July when awareness was 40 percent and usage was only 25 percent.

“This is a remarkable figure, considering how new MP3 technology is,” said Steve Mossop, Senior Vice President, Angus Reid Group. “Clearly this technology will have a significant impact on the recording industry. The question is whether the industry is ready to embrace this technology or continue to fight it.”

- Young Canadians (18 to 24 years old) are most likely to be aware of MP3 (100%) and have downloaded MP3 files (67%) in the past six months. The same is true for males (58%) and experienced Internet users (63%).

---

© Angus Reid Group, Inc.

**A Designated  by  Magazine**

**New York • St. Louis • Minneapolis • San Francisco • London (UK)  
Vancouver • Calgary • Winnipeg • Toronto • Ottawa • Montreal**

- Despite the high prevalence of downloading MP3 files from the Internet, the new technology's impact on CD sales in Canada is questionable. The majority of those who plan to continue downloading MP3 files say their practice of doing so will have no impact on the number of CDs they buy (72%). The proportion that indicates they will buy less because of this technology (13%) is slightly lower than the proportion that says they will buy more (16%).
- While downloading MP3 files from the Internet is common practice, in the past six months only 7 percent of Canadians with Internet access have uploaded MP3 files to the Internet to share with others.

“Internet users who are downloading MP3 files are getting an opportunity to hear material from artists they have never heard of before, and they are going out and buying their CDs,” said Mr. Mossop. “To this point, relatively few appear to be infringing on copyright laws by uploading music to their friends.”

The results of this research come at an interesting time in the recording industry. Recently, Nua (An Internet consulting company) stated that “There were over one billion music downloads in 1999, and MP3 replaced sex as the most searched for query on the Internet”. The Recording Industry Association of America (RIAA) is currently suing MP3.com, an on-line music service provider, and Napster, which makes personal MP3 collections available for download by other users who are logged on at the same time.

- The practice of downloading MP3 files is fairly frequent—about one in three (34%) Canadians who download MP3 files do so at least once a week. One in four (26%) download MP3 files a couple of times a month.
- On-line Canadians have clearly been impressed with the technology as over four in five (83%) Canadians who have downloaded MP3 files say they will continue to do so.

Mr. Mossop also indicated “These early indicators suggest that MP3 and related technologies will have a substantial impact on the industry in the near future based on a number of factors. This includes increased awareness and experimentation with the technology, improved selection of recording artists, Canadians’ increasing connectivity to high speed and the lowering of the prices of MP3 players.”

*This Angus Reid Group study is based on 1,018 web-users from the Group’s Canadian Internet Panel. Panelists are chosen through random telephone surveys conducted on an ongoing basis across Canada. In all, just over 2,000 Internet panelists were invited to the Angus Reid Group website via e-mail to participate in this study between January 20 and 25, 2000, resulting in a response rate of 48 percent.*

*These data are statistically weighted to reflect the population proportions of regular on-line users by length of access to the Internet, regional distribution, as well as demographics such as gender and income. Our panelists represent approximately 7.3 million regular Canadian adult Internet users (there are a total of 12.9 million adults who have Internet access—not everyone can be classified as a regular user).*

# ANGUS REID

W O R L D W I D E

*With a national sample of 1,018, one can say with 95 percent certainty that the overall results are within  $\pm 3.1$  percentage points of what they would have been had the entire population of Canada's regular on-line users been surveyed. The margin of error will be larger for sub-groupings of the survey population.*

**-30-**

***For more information on this news release, please contact:***

***Steve Mossop  
Senior Vice President  
Angus Reid Group Inc.  
(604) 257-3200***

***For full tabular results, please visit our website at [www.angusreid.com](http://www.angusreid.com). News Releases are available at [http://www.angusreid.com/media/content/PRE\\_REL.cfm](http://www.angusreid.com/media/content/PRE_REL.cfm)***

---

© Angus Reid Group, Inc.

***A Designated  by  Magazine***

***New York • St. Louis • Minneapolis • San Francisco • London (UK)  
Vancouver • Calgary • Winnipeg • Toronto • Ottawa • Montreal***