

Canadian Teens Avid Music Downloaders And Online Gamers

One-In-Ten Say They Download Music Or Play Online Games "Every Day".

December 14, 2004, Vancouver, BC — A recent Ipsos-Reid survey of Canadian Internet using teenagers between 12 and 17 finds that Canadian teens are aggressive music downloaders and online gamers, with many teenagers downloading music and playing games online at least a few times per week.

Ipsos-Reid's <u>Canadian Inter@ctive Reid Report</u> took a detailed look at the online activities of teens 12-17 years of age and examined how they were using the Internet for things such as downloading music, education, shopping, playing games, and to get in touch with others. Based on a list of 18 online activities asked, downloading music (29% do so at least a few times per week, 53% do so at least a few times a month) and playing games online against friends and family (28% do so at least a few times per week, 46% do so at least a few times a month) trails only sending and receiving email (73% do so at least a few times per week), using instant messaging (70% do so at least a few times per week), and researching school projects or assignments (45% do so at least a few times per week) in online activity frequency.

Only one-in-three Canadian teens indicate they have never downloaded music files, compared to 60% of US teens who have never downloaded music files.

A closer look at music downloading finds that teenagers who download music are twice as likely as adult downloaders to be downloading music files a few times a month (53% vs. 24%). Additionally, teen downloaders are downloading an average of 15 songs per month from peer-to-peer networks, compared to 12 songs per month downloaded by adults.

"Our research with Canadian adults indicates that many have decreased their music downloading activities," says Chris Ferneyhough, Vice President of Ipsos-Reid. "However, it looks like teenagers are picking up the slack. These teens have come of age during the peer-to-peer phenomenon so convincing them not to download free music is likely going to be a difficult task for the recording industry".

Teens are much more likely to be downloading from peer-to-peer networks (95% of teen downloaders say they have downloaded a music file from a peer-to-peer service) than fee-based services (10%). Three-in-four downloading teens say that if they wanted to listen to a new song

Ipsos Reid

that they didn't have, they would download it from a peer-to-peer service, versus only 20% who would pay for it.

"It will be interesting to track the impact of the Canadian iTunes music store on peer-to-peer music downloading among teens," said Ferneyhough. "iTunes is the brand driving legitimate music downloading in the US and they have proven that there is a big market for fee-based downloading, even among teens. However, given the lack of legal ramifications with peer-to-peer music downloading at this stage in Canada, iTunes has to compete with free which is never an easy task."

Among teens who don't download music, 42% indicate that there parents won't allow it, making it the most common reason. Reasons mentioned by fewer respondents include "don't feel it is right" (19%), and "worried that I will download a virus" (17%).

A closer look at online gaming finds that many teens are playing online games against people they don't know, in addition to playing online games against friends and family. While 46% play online games against friends and family a few times per month, 38% say they play games online against people they don't know. The typical teen online gamer indicates that they spend just over 6 hours per week playing games online.

"The fact that the first weekend sales of Halo 2 eclipsed that of any major motion picture shows just how mainstream video games and online gaming have become," said Ferneyhough. "While our research with teens shows that online socializing is the most popular activity among that demographic, online entertainment via music downloading and online gaming is also eating up a significant chunk of their time spent online."

For more information on this news release, please contact:

Chris Ferneyhough

Vice-President Ipsos-Reid Corporation Calgary, AB 403.237.0066

Ipsos Reid

The <u>Canadian Inter@ctive Reid Report</u> is the largest, most comprehensive, and authoritative source of its kind about quarterly Internet trends in Canada. The results are based on 1,226 online Interviews with teen Web users from Ipsos-Reid's Canadian Internet Panel. Panelists are chosen through random telephone surveys conducted on an ongoing basis across Canada. Interviews were completed between October 7 and October 12, 2004. These data are statistically weighted to reflect the population proportions of regular online users by online expertise and regional distribution. Our panelists represent approximately 14.4 million Canadian adult Internet users who are online for one hour a week or more (there are a total of 17.9 million adults who have Internet access).

With a national sample of 1,226 teens, one can say with 95% certainty that the overall results are within a maximum of ±2.8 percentage points of what they would have been had the entire population of Canada's online teens been surveyed. The margin of error will be larger for subgroupings of the survey population.

Ipsos-Reid

Ipsos-Reid is Canada's market intelligence leader and the country's leading provider of public opinion research. With operations in eight cities, Ipsos-Reid employs more than 300 researcher professionals and support staff in Canada. The company has the biggest network of telephone call centres in Canada, as well as the largest pre-recruited household and on-line panels. Ipsos-Reid's Canadian marketing research and public affairs practices are staffed with seasoned research consultants with extensive industry-specific backgrounds, offering the premier suite of research vehicles in Canada—including the Ipsos Trend Report, the leading source of public opinion in the country—all of which provide clients with actionable and relevant information. Ipsos-Reid is an Ipsos company, a leading global survey-based market research group.

To learn more, visit: www.ipsos.ca

Ipsos

Ipsos is a leading global survey-based market research company, owned and managed by research professionals. Ipsos helps interpret, simulate, and anticipate the needs and reactions of consumers, customers, and citizens around the world.

Member companies assess market potential and interpret market trends. They develop and build brands. They help clients build long-term relationships with their customers. They test advertising and study audience responses to various media. They measure public opinion around the globe.

Ipsos member companies offer expertise in advertising, customer loyalty, marketing, media, and public affairs research, as well as forecasting and modeling and consulting. Ipsos has a full line of

<u>Ipsos</u> <u>Ipsos</u> <u>Reid</u>

custom, syndicated, omnibus, panel, and online research products and services, guided by industry experts and bolstered by advanced analytics and methodologies. The company was founded in 1975 and has been publicly traded since 1999. In 2003, Ipsos generated global revenues of \$644.2 million U.S.

Visit <u>www.ipsos.com</u> to learn more about Ipsos offerings and capabilities.