



# IFPI DIGITAL MUSIC REPORT 2008

## ***QUOTES ON ISP COOPERATION***

"The internet must not become a high-tech Wild West, a lawless zone where outlaws can pillage works with abandon or, worse, trade in them in total impunity."

***Nicolas Sarkozy, President of France***

"I think the failure of ISPs to engage in the fight against piracy, to date, has been the single biggest failure in the digital music market."

***Paul McGuinness, manager, U2***

"The fact is that in a commercial culture that doesn't protect intellectual property, today's violator is tomorrow's victim. There are no long-term winners from growing intellectual property theft."

***Peter Mandelson, EU Trade Commissioner***

"Piracy has been able to flourish in an unregulated environment, with unauthorized content circulating abundantly on networks. Governments now need to wake up, follow the leadership of the French President, properly protect the creative work of artists and address copyright infringement. ISPs have a unique role to play in the fight against intellectual property theft. Working in partnership with creators, government and consumers, ISPs can help provide valuable solutions to piracy while at the same time spurring the digital future. The future of the creative industries depends on it."

***Jean-Francois Cecillon, President, EMI Music International Labels***

"It's absolutely vital that ISPs are responsible partners with copyright owners and help to ensure their rights are protected. Mass copyright infringement is harmful to the creative community, content companies and retailers, and that should be a grave concern to ISPs, for whom music and music services create immense value. Anyone who wants to preserve the rich and diverse flow of music that we enjoy today should be committed to doing all they can to ensure artists and composers are compensated for their work."

***Patrick Vien, Chairman and CEO, Warner Music International***

“A turning tide of opinion is one thing – a concrete programme of action is another. There is only one acceptable moment for ISPs to start taking responsibility for protecting content – and that moment is now. After years of prevarication in the discussion, the French government’s decision to seize the day is deeply refreshing. It shows an urgency of approach that is badly needed in every market where music is today being massively devalued by piracy.”

***John Kennedy, Chairman and CEO, IFPI***

“Copyright law protects all copyright holders, big or small. It’s a corner stone of modern civilised society. People should stop attacking it - it's there for the protection of all of us, writers, producers, musicians, playwrights etc. big and small.”

***Anthony Hall, Pure Mint Recordings, UK independent label***

"ISPs are the gatekeepers of the internet - they have the technical means and the moral responsibility to play an important role in protecting copyrighted content on their networks and to ensure that performers receive fair remuneration for the sale and use of their work on those networks."

***John F. Smith, President, International Federation of Musicians (FIM)***

Music has gained many new fans across the world due to the internet but the internet has also created a culture of music without reward. Our challenge now is to work with Government, ISP’s and other suppliers of content to ensure that everyone wins – the fans, the artists and the companies who invest in music.”

***Alison Wenham, President, Worldwide Independent Network (WIN)***

As the new home of music ISPs need to join the fight to protect the creative industries, from which they profit. ISPs have it in their power to prevent widespread unauthorised downloading. Withdrawing access to the ISP for these users would be the single biggest tool in creating a vibrant and legitimate online music market.

***Kim Bayley, Director, GERA, Representing entertainment retailers worldwide***

“ISPs are a major beneficiary of music – and they must therefore ensure that the creators of music are given their due. A business model which is built on mass copyright infringement is a business model without a future. We invite ISPs to assume their responsibilities and to work with the creative industries to achieve truly sustainable business models. By working together, we can ensure that a thriving digital world is a tangible reality rather than a mere dream.”

***Eric Baptiste, Director General, CISAC (International Confederation of Societies of Authors and Composers)***

"Illegal peer-to-peer filesharing has been a tool to accelerate and finance the roll out of broadband in Europe, and it has had a debilitating effect on the cultural industries. By failing to protect the interests of creators, public authorities and legitimate digital delivery, operators are putting at risk the economy of culture and creative industries".

***Kim Magnusson, Chairman EFCA Representing European Film Companies, and General Manager of film production at Nordisk Film***

"Protecting intellectual property rights is essential to the health of the economy. We at the MPA have been working with Internet service providers on this issue both in the U.S. and abroad. The future is bright and holds boundless opportunities for consumers the world over, but we must all work together to make that promise a reality."

**Dan Glickman, Chairman and CEO, the Motion Picture Association.**

## ***QUOTES FROM DIGITAL MUSIC REPORT 2008***

"The record business is turning into a true music entertainment business. We are breaking away from the single product format to a vast range of different and complementary products, all centred around the release of an artist."

***Thomas Hesse, President, Global Digital Business, SonyBMG Music Entertainment***

"Digital technology has shifted power to consumers, and music marketing must evolve from 'push' to 'pull'. Our focus is to embrace this power and become completely consumer focused. By listening to and responding to our consumers and to our artists we aim to unlock the incredible potential for music in the digital environment."

***Mark Hodgkinson, Executive Vice President of Global Marketing, EMI Music***

"The mobile platform is an enormous part of the future of the music business. And I believe that music is crucial to the future of the mobile industry. People want a more interesting form of mobile music content. Any player in the mobile value chain who thinks they can provide less than a great experience for consumers and remain competitive is fooling themselves."

***Edgar Bronfman Jr, Chairman, Warner Music Group***

"Whenever we release a premium download as well as a basic album bundle, it's usually the higher value product that sells the most, especially within the first couple of months. The fact that fans choose the expanded version, at an enhanced price point, demonstrates how much they value that additional content and the deeper connection with the artist it offers."

***Eric Daugan, Vice President, Digital Business, Warner Music International***

"Nokia's entry into the music download market is part of a strategic move to develop a strong stand-alone services business."

***Richard Sandford, Regional Manager, Nokia Music UK & Ireland***

"The volumes we are reaching are mirroring the heyday of single CD sales in the late 80s. The singles business is alive and well in Japan."

***Rob Wells, Senior Vice President Digital, Universal Music Group International***

"The music industry is way ahead of other media, broadcast and online companies in getting our content out there – yet ironically we are behind when it comes to getting paid for it".

***Simon Gunning, Senior Vice-President of Digital, EMI UK and Ireland***

"Artists want someone to love their group, create opportunities for them and give them a cheque so that they can stop being part-time waiters and start doing their music full-time."

***Max Hole, Executive Vice President, UMG International***

"The only bad thing about MySpace is that there are 100,000 bands and no filtering. I try to find the bands I might like but often I just get tired of looking"

***15 year old student, IFPI focus group research, July 2007***

"I want to know that I am buying into a major artist with real depth and you can't find that out just by looking at them on the internet and seeing how many friends they have on MySpace."

***Mike Smith, Managing Director of Columbia Records***

"A record company has always been there to be the venture capital of a band's career, to discover the talent and to finance that career. I don't think that will change in the future."

***Ludwig Werner, Chairman, Bonnier Amigo, Swedish independent record company***

"I like the fact that you pay a set fee for all the music you want with Napster, but I can't use it with my iPod."

***20 year old student, IFPI focus group research, July 2007***

“MusicStation is the first mass-market and easy to use unlimited mobile music download service, with a great choice of repertoire for a very reasonable cost – that’s the holy trinity of making subscription services work.”

***Rob Lewis, Chief Executive of Omnifone***

“The record industry used to be focused on the record and all the rest was promotions. Now it’s a more balanced business where you have records, TV shows, merchandise, touring revenues and so on.”

***Jean-Bernard Lévy, Vivendi Chief Executive***

“A major pre-release leak can mean the difference between an album being a top-ten hit or an also ran. Producers today know that if they don’t take the right steps at the right time to protect their releases, then the internet is going to be literally swamped with illegal copies of their new release”.

***Jeremy Banks, head of IFPI’s internet anti-piracy team.***