



Digital Music Futures 2007-2011



KEY FEATURES OF THIS NEW MARKET REPORT:

- Understand the changing dynamics of the music retail industry
- Analyse the shift from physical CD sales to digital downloads
- Examine the rising force in MP3-enabled mobile phones
- Understand the likely outcome of the upcoming 'Clash of the Titans'
- Study market share and competitive positioning among major players such as Apple, Warner Music, Microsoft, Verizon, Universal, Sony BMG, Nokia, Vodafone, Motorola, Sony Ericsson and many more
- Analyse the relationships between these players and how markets might develop to a win-win situation for all
- Look at consumer behaviour and consider possible future scenarios

ESSENTIAL
NEW
MARKET STUDY

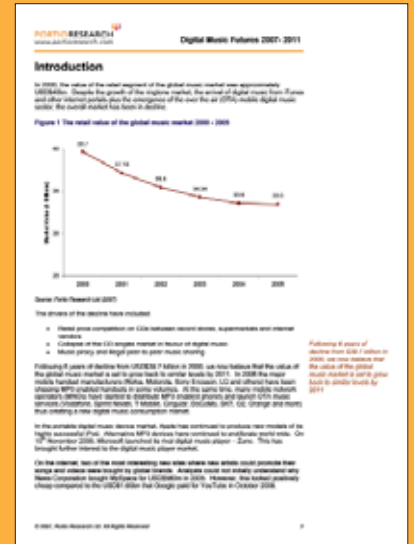
Digital Music Futures 2007-2011

Following six years of decline from a high of USD\$39.7 billion in 2000 to just USD\$32.1 billion in 2006, we believe that the value of the global music market is set to reverse and grow again back to USD\$38.8 by 2011. In 2006 the major mobile handset manufacturers (Nokia, Motorola, Sony Ericsson, LG and others) have been shipping MP3 enabled handsets in some volumes. At the same time, many mobile network operators (MNOs) have started to distribute MP3 enabled phones and launch OTA (over-the-air) music download services (Vodafone, Sprint Nextel, T-Mobile, Cingular, DoCoMo, SKT, O2, Orange and many more) thus creating a new digital music consumption market.

In the portable digital music device market, Apple has continued to produce new models of its highly successful iPod, and while the iPod leads the market, alternative MP3 players have continued to proliferate world wide. In November 2006, Microsoft launched its rival digital music player – Zune. Sales so far have not been outstanding, but this signifies a major move by a very major player, and this has brought further interest to the digital music player market.

On the Internet, the growth of social networking sites has been astronomical, and two of the most interesting new sites where new artists could promote their songs and videos were bought by global brands. Analysts could not initially understand why News Corporation bought MySpace for USD\$560m in 2005. However, this looked positively cheap compared to the USD\$1.65bn that Google paid for YouTube in October 2006

Almost every major development in the global music industry in recent years has been with digital music. As many big brands have entered the market with significant technical experience and substantial marketing budgets, we see the next few years as the 'Clash of the Titans'. As these huge brand names - music companies, consumer electronics manufacturers, mobile network operators, mobile handset vendors and of course all manner of advertisers - meet and compete in this growing market, this report looks at how these players are positioned to build themselves presence in the digital music market over the next five years. No doubt there will be winners and losers in this battle, but the overall effect of the interest of so many major global corporations will be renewed market growth. This report forecasts the expansion of the digital music market between 2007-2011.



Region	Market Value (USD\$ Billion)	Growth Rate (%)
North America	12.5	5.2
Europe	10.8	4.8
Asia	8.7	6.1
Latin America	6.3	3.9
Middle East & Africa	4.2	2.5
Oceania	2.1	1.8

You can read all about this and much more in this in-depth new 157-page market study



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- Record Labels
- Physical Retail Music Sales
- Digital Retail Music
 - Internet
 - Mobile 'Over-the-Air' Music Download Providers
 - Peer-to-Peer Digital Music
 - Illegal Music sharing (e.g. Using Limewire)

DIGITAL MUSIC PRICING

- Internet Music Pricing
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- SK Telecom
- KDDI
- Verizon
- Sprint Nextel
- Cingular
- 3
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- Real
- Yahoo! Music
- Future of Music Portals

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- Opportunities for Specialist music shops
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- What is the future for Amazon and the other on-line sellers?
- The future for retailers in the digital music age

Mobile Handset Vendors

- Introduction
- Key Players in the Market
- The Battle of Brands
- Who Will Win?

MP3 Player Manufacturers

- Apple iPod
- Microsoft Zune
- Other Brands
- The Battle for MP3 Device Supremacy and the Future of the MP3 Player

INDUSTRY ISSUES

The music market will grow again driven by brand, device and promotional spend
Don't be greedy

Music Piracy

The future role and impact of advertising and other ways of subsidising consumer music

Device substitution or proliferation

Music and Transport - Just a place to listen? Or a place to buy too?

The threat to branded digital music from YouTube, MySpace and other user generated music (and content)

Mergers and Acquisitions

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Glossary

Companies mentioned in this report

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