

DRM-Enabled Online Content Services
in Europe and the USA
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1 *Executive Summary*

This study provides an overview of online content services that are protected by digital rights management (DRM) software and are available in Europe and in the United States. DRM technology provides copy protection against piracy and allow for usage rules that vary by service and consumers' needs. The scope of the study includes online music services and ringtones.

The main findings of the study can be summarised as follow:

- The online music market is growing exponentially. The total size of the online music market in the U.S., Western Europe and New Member States is expected to reach about €1.86bn in 2008, compared with approximately €235m in 2004¹. Despite a larger population in Europe, the leading market for online music services is still the United States.
- In 2004, the U.S. market for online music was approximately eight times larger than that of Western Europe (€207m vs. €27m).
- The price of track downloads is more or less homogeneous across all markets (though Denmark appears to be an exception see section 2.2.11).
- The total size of the ringtones market in the U.S., Western Europe and the New Member States is expected to reach about €2.5bn (Source:Informa) in 2008, compared with approximately €1.2bn (Source:Informa) in 2004.
- Unlike online music services, there is a marked difference between the development of the ringtone market in Europe and the U.S.; while the U.S. currently trails Europe it is expected to catch up by 2008.

¹ The figures provided by Informa Media were provided in U.S. Dollars (\$). All the figures have been converted to Euros (€) using an exchange rate of 0.79675.

2 Online Music Marketplace Overview

2.1 General Overview

The online music market is growing quickly. The largest market is currently the U.S., with an expected value of almost €1.27bn by 2008, compared with €207.0m in 2004. In contrast, online music revenues in Western Europe are expected to reach €559.1m by 2008 compared with €27.2m in 2004. The UK is and will remain the largest online music market. The market in the 10 New Member States of the European Union is set to grow from only €0.6m in 2004 to €35.8m in 2008, with Poland leading the way. The smaller market size in the New Member States is partially explained by low broadband penetration and high rates of music piracy. In addition, the New Member States have, collectively, a comparatively small population.

Table 1: Online Music Market, Western Europe

Western Europe	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.1	0.2	0.5	1.5	23.4	89.1	169.2	277.5	426.2
Subscription (€ mil.)	0.0	0.0	0.1	1.0	3.8	17.3	46.7	87.5	132.9
Total (€ mil.)	0.1	0.2	0.5	2.5	27.2	106.4	215.9	365.1	559.1

Source: Informa Media, 2005

Table 2: Online Music Market, New Member States

New Member States	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.0	0.0	0.0	0.0	0.6	1.8	8.2	17.1	31.9
Subscription (€ mil.)	0.0	0.0	0.0	0.0	0.0	0.0	0.2	1.9	3.8
Total (€ mil.)	0.0	0.0	0.0	0.0	0.6	1.8	8.4	19.0	35.8

Source: Informa Media, 2005

Table 3: Online Music Market, USA

U.S.	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.2	0.4	0.8	28.8	155.9	374.1	518.5	663.2	787.8
Subscription (€ mil.)	0.3	0.7	1.7	15.0	51.1	124.2	229.8	349.2	478.2
Total (€ mil.)	0.4	1.1	2.5	43.8	207.0	498.3	748.3	1,012.4	1,266.0

Source: Informa Media, 2005

General comments:

- Apple is currently the clear leader in the online music service market in both Western Europe and the USA. The company's iTunes music store provides the most comprehensive catalogue of all services and benefits from a uniform rights deal. However, several online music services based on Microsoft Windows Media technology are starting to become fierce competitors of Apple in terms of market share, price, interoperability and catalogue size.
- The "white label" business model, which was more or less initiated by OD2 in Europe (and before that in the U.S. by Liquid Audio, whose patents were purchased by Microsoft), is gaining popularity in the U.S. For example, MusicNet is now licensing its technology and content to a wide range of large online music services including FYE Download Zone, Virgin Digital and Yahoo Music.
- In terms of white label services, OD2 dominates the European DRM-enabled offerings with the highest number of sites including MSN, MTV, and many other retailer and ISP partners, e.g. Tiscali and Wanadoo.
- In terms of technology, the Windows Media Audio (WMA) DRM dominates in terms of number of sites, but this superiority in numbers of sites is not necessarily reflected in market share for OD2 or WMA, as iTunes and Sony Connect are also present in most markets.
- There are some interesting smaller DRM and infrastructure players, such as SecuryCast Oy, which provides the DRM solution to 3 Finnish sites, and Payvision (which uses Microsoft DRM), which sits behind the FreeRecordShop, VanLeest and Fame stores in the Netherlands, and others. In Germany, the MusicLoad platform (developed by T-Online) provides white label services to a wide range of German online music retailers.
- In Europe, with the exception of the UK, pricing is fairly uniform within and even across markets - mainly €0.01 for a stream, €0.99 for a track and €9.99 for an album.

Some sites do charge more for new tracks/albums than back catalogue and others have varying prices for albums. Some sites offer discounts for buying packages of credits, bringing per track costs down to around €0.75–0.89. In the UK, the price ranges from €1.18 (£0.79) for iTunes to €1.48 (£0.99) for some other services, with albums ranging from €11.92 (£7.99) to much higher prices, often equivalent to physical CD prices.

- By comparison, in the U.S. most track downloads cost €0.79 (\$0.99) each or €7.96 (\$9.99) for an album.
- Some monthly subscription deals are on offer from portal providers and these usually allow continued use of the downloaded music as long as the subscription continues (e.g. KPN Planet Internet Netherlands, Los40 Spain). This is designed as an anti-churn device. They also have alternative streaming options, usually giving a certain number of streams across the catalogue, but in a couple of cases, this choice applies to a subset of the catalogue.
- In some cases, three tiers of purchase are possible – stream, download, and download plus. Downloads sit on the PC but are usable only as long as subscription to the service lasts; download plus allows burning to CD.
- The subscription based model is gaining strong momentum in the U.S. Most services offering such a feature use the Microsoft Janus (WMA 10) DRM technology, which allows subscription content to be stored on a computer and transferred to compatible portable and home networking devices. The tracks are accessible as long as the user subscribes to the service. An interesting model is Yahoo Unlimited. The service costs €5.57 (\$6.99) a month and allows users to download an unlimited amount of tracks (from a catalogue of more than 1m tracks) to their computer. The tracks can also be transferred to portable devices. Each track can be burnt to a CD for a one off payment of €0.63 (\$0.79) per track. Napster offers a similar service, NapsterToGo, which is currently available in the U.S. and the UK.

2.2 Country by Country Analysis

2.2.1 UK

The UK is the largest online music market in Europe in terms of revenue. The UK has a vast selection of online music services, including Napster and iTunes. U.S. online retailers and white labels tend to use the UK as a launchpad for entering the European market. This is exemplified by white label MusicNet, which will provide all the infrastructure and content for upcoming online music service from HMV (a major high street music retailer).

Currently, apart from iTunes, Napster and Sony Connect, most online music services use the infrastructure and content provided by white labels such as OD2 (MyCokeMusic, MSN Music etc.), Wippit (EasyMusic, LootTunes) and 7Digital (MetroTunes).

The pricing of content is about the same between services with an average price of £0.99 per downloaded track. Most services allow users to burn the purchased tracks onto a CD and transfer them to portable devices.

The DRM technologies used are predominantly Microsoft Windows Media DRM and Apple's AAC format with Fairplay DRM, on the basis that iTunes is the clear market leader in all territories where it operates.

Table 4: Online Music Market, UK

UK	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.0	0.1	0.1	0.7	11.1	39.0	68.4	101.6	148.6
Subscription (€ mil.)	0.0	0.0	0.0	0.4	1.7	7.8	19.3	33.0	45.9
Total (€ mil.)	0.0	0.1	0.2	1.1	12.8	46.8	87.7	134.6	194.5

Source: Informa Media, 2005

Table 5: Online Music Services Matrix, UK

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Bignoisemusic.com (OD2)	Pay per download/Streaming	350,000 tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From £0.75 per track and £7.99 per album. £0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
CD Wow! Wow Tunes (OD2)	Pay per download/Streaming	400,000 tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From £0.80 per track and £6.40 per album. £0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
easyMusic.com (Wippit)	Pay per download	60,000 tracks Major labels and Indies	MP3/WMA 9	Burn tracks to CDs and copy to compatible portable music players.	From £0.29 per track.	Email support.
GWR/HeartBuyItBurnIt.com (OD2)	Pay per download/Streaming	250,000 tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs	From £0.75 per track. £0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
iTunes	Pay per download	1.2m tracks	Apple Fairplay DRM/AAC	Transfer to unlimited Apple iPods / CD burning / Up to five computers can be authorised to play purchased music	£0.79 per track.	Customer is responsible for backing up purchased music. Apple requires users to purchase the music again if the data is lost. Email Support.
London Music Network	Free Music streaming	Catalogue varies as it showcases artists	WMA 9	Streaming only	N/A	Email support.
LootTunes (Wippit)	Pay per download	60,000 tracks	MP3/WMA 9	Burn tracks to CDs and copy to compatible portable music players.	From £0.29 per track.	Email support.

DRM Enabled Online Content Services in Europe and the USA

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Mean Fiddler	Pay per download	Major labels and Indies (Recordings of concert performances only)	WMA 9	3 CDs may be burnt, and files can be transferred to a compatible digital audio player 3 times.	Between £0.99 and £1.50 per track.	Email support.
Metro Tunes (7 Digital)	Pay per download	Major labels and Indies	WMA 9	Burn to CD, and files can be transferred to portable devices.	£0.99 per track.	Email support.
Ministry of Sound (OD2)	Pay per download/Streaming	Ministry of Sound content. About 200,000 tracks	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	No information	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
MSN Music (OD2)	Pay per download/Streaming	Majors and Indies 400,000 tracks	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From £0.69 per track. £0.01 per streamed track.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Mycoke.com (OD2)	Pay per download/Streaming	Majors and Indies 500,000 tracks	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From £0.80 per track and from £6.40 per album. £0.01 per streamed track.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Napster	Pay per download/Subscription	1.0m tracks	WMA 10	Transfer to compatible Windows Media 10 portable devices through the NapsterToGo service/ CD Burning.	£0.79 per track. NapsterToGo service £14.95 a month	Email support.

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
NTL/SonicSelector (OD2)	Pay per download/Streaming	Majors and Indies 200,000 tracks	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From £0.69 per track. £0.01 per streamed track.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
PackardBell UK (OD2)	Pay per download/Streaming	350,000 tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From £0.60 per track. £0.01 per streamed track.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Sony Connect UK	Pay per download	650,00 tracks Major labels and some Indies.	ATRAC3Plus	Transfer to compatible ATRAC3Plus portable music players and Sony PSP Games console/CD Burning.	£0.99 per track and from £7.99 per album.	In the event music tracks are lost; they can be re-downloaded by the user for free.
StreetsOnline (Entertainment UK; DX3)	Pay per download	150,000 tracks From EMI and some Indies	WMA 9	Burn to CD, and files can be transferred to portable devices.	From £0.99 per track and from £6.99 per album.	Email support.
Tesco	Pay per download	400,000 tracks	WMA 9	CD Burning/ Transfer to compatible portable devices.	£0.79 per track.	Users can 'Re-download' the songs bought from site in case of data loss. Email Support.
Tiscali Music Shop (OD2)	Pay per download/Streaming	250,000 tracks	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From £0.69 per track. £0.01 per streamed track.	Purchased tracks can be recovered if lost. There are three licences allowed per account.
Wanadoo Music Club (OD2)	Pay per download/Streaming	400,000 tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From £0.69 per track. Unlimited streaming for	Purchased tracks can be recovered if lost. There are three licences allowed per account.

DRM Enabled Online Content Services in Europe and the USA

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Wippit	Pay per download	60,000 tracks	MP3/WMA 9	portable music players. CD Burning/ Transfer to compatible Windows Media 9 portable devices.	£4.99 a month. £0.99 per track	Email support.

2.2.2 Germany

Germany is the second largest online music market in Europe in terms of revenues. Germany has quite a large selection of online music services with a good local repertoire.

The market is shared between the German version of iTunes and other players, including Sony Connect. Three white labels, OD2, 27/4 Music and MusicLoad (a subsidiary of T-Online) provide technology and content to several storefronts.

The pricing of content is pretty homogeneous with an average price of €0.99 per downloaded track. Most services allow users to burn songs onto CDs and transfer them to compatible portable devices.

The underlying DRM technologies used are predominantly Microsoft Windows Media DRM and Apple's AAC format with Fairplay DRM, on the basis that iTunes is the clear market leader in all territories where it operates.

Table 6: Online Music Market, Germany

Germany	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.0	0.0	0.1	0.3	4.2	17.6	35.4	60.9	95.3
Subscription (€ mil.)	0.0	0.0	0.0	0.3	0.9	4.3	12.1	22.8	31.0
Total (€ mil.)	0.0	0.0	0.1	0.5	5.1	22.0	47.5	83.7	126.3

Source: Informa Media, 2005

Table 7: Online Music Services Matrix, Germany

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
AOL Music Downloads	Pay per download	100,000 tracks	WMA 9	Purchased tracks can be burned to CD and copied to portable music devices	From €0.99 per track.	In the event music tracks are lost; they can be downloaded by the user. Email support.
Conrad.de (OD2)	Pay per download/ Streaming	400,000 tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players. Transfer to unlimited Apple iPods/ CD burning/ Up to five computers can be authorised to play purchased music	From €0.99 per track. €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
iTunes Germany	Pay per download	1.3m tracks	Apple Fairplay DRM/AAC		€0.99 per track.	Customer is responsible for backing up purchased music. Apple requires users to purchase the music again if the data is lost. Email Support.
Karstadt (OD2)	Pay per download/ Streaming	200,000 tracks Major labels	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.75 per track. €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Kontor (OD2)	Pay per download	Warner/EMI/Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €1.39 per track.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Magix Music Shop (24/7)	Pay per download	450,000 tracks Major labels and Indies	WMA 9/MP3	Transfer to compatible Windows Media Compatible portable players. CD Burning	From €1.19 per track.	In the event music tracks are lost; they can be re-downloaded by the user for free. Email support.
MediaMarkt (Hotvision.de)/ (24/7)	Pay per download	215,000 Tracks	WMA 9/MP3	Transfer to compatible Windows Media Compatible portable players. CD Burning	From €0.99 per track.	In the event music tracks are lost; they can be re-downloaded by the user for free. Email support.

DRM Enabled Online Content Services in Europe and the USA

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
MSN Music Club Germany (OD2)	Pay per download/ Streaming	Majors/400,000	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per track, €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
MTV Digital Downloads Germany (OD2)	Pay per download	350,000 Tracks Majors and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per track.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
MusicLoad (T-Online infrastructure)	Pay per download	450,000 tracks	WMA 9	Purchased tracks can be burned to CD (10 times) and copied to portable music devices	From €0.99 to €1.59 for a single track or €9.95 for an album.	Customers are responsible for backing up their own data. Email support.
Packard Bell Germany (OD2)	Pay per download/ Streaming	350,000 Tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per track, €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
RTL.de (MusicLoad)	Pay per download	450,000 tracks	WMA 9	Purchased tracks can be burned to CD (10 times) and copied to portable music devices	From €0.99 to €1.59 for a single track or €9.95 for an album.	Customers are responsible for backing up their own data. Email support.
Sony Connect Germany	Pay per download	650,00 tracks Majors labels and some Indies.	ATRAC3Plus	Transfer to compatible ATRAC3Plus portable music players and Sony PSP Games console/ CD Burning.	From €0.99 per track.	In the event music tracks are lost, they can be re-downloaded by the user for free. Email support.
Tiscali Germany (OD2)	Pay per download/ Streaming	350,000 Tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	€0.99 per track, €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.

DRM Enabled Online Content Services in Europe and the USA

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
WOM Download (MusicLoad)	Pay per download	450,000 tracks	WMA 9	Purchased tracks can be burned to CD (10 times) and copied to portable music devices	From €0.99 to €1.59 for a single track or €9.95 for an album.	Customers are responsible for backing up their own data. Email support.

2.2.3 France

France is the third largest European online music market in terms of revenues. French users have access to the national services of several multinational online music services including iTunes and Sony Connect. There are also a number of specifically French services such as Fnac and Virgin, both of which have developed their own infrastructure and don't use white labels. Most of the remaining services on the list are based on OD2's system. Storefronts using OD2 technology include M6 Music and MSN Music France.

The pricing of content is about the same across the service offering with an average of €0.99 per track.

The DRM technologies used are predominantly Windows Media DRM and Apple's AAC format with Fairplay DRM, on the basis that iTunes is the clear market leader in all territories where it operates.

Table 8: Online Music Market, France

France	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.0	0.0	0.0	0.1	2.2	8.5	18.0	32.6	51.9
Subscription (€ mil.)	0.0	0.0	0.0	0.1	0.4	1.6	4.6	9.3	15.7
Total (€ mil.)	0.0	0.0	0.1	0.2	2.5	10.1	22.6	41.9	67.7

Source: Informa Media, 2005

Table 9: Online Music Services Matrix, France

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Alapage.com (OD2)	Pay per download/Streaming	370,000 tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per download. €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
CoraMusic (OD2)	Pay per download/Streaming	400,000 tracks Major labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per download. €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
E-Compil	Pay per download	Universal Music and Indies	WMA 9	Transfer to compatible Windows Media Compatible portable players. CD Burning	From €0.77 per track.	Technical support can be contacted if data has been lost. Email support.
Fnac	Pay per download	500,000 tracks	WMA 9	Transfer to compatible Windows Media Compatible portable players. CD Burning	€0.99 per track downloaded.	If the licence and the files are lost or corrupted, the portal's technical support service can assist customers. Email support.
iTunes France	Pay per download	1.2m tracks. Major Labels and Indies	Apple Fairplay DRM/AAC	Transfer to unlimited Apple iPods/ CD burning; Up to five computers can be authorised to play purchased music	€0.99 per track.	Customer is responsible for backing up purchased music. Apple requires users to purchase the music again if the data is lost. Email Support.
M6 Music (OD2)	Pay per download/Streaming	350,000 tracks. Major Labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per download. €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
MSN Music Club France (OD2)	Pay per download/Streaming	400,000 tracks. Major Labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per download. €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.

MTV Digital Downloads France (OD2)	Pay per download/Streaming	350,000 tracks. Major Labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.80 per download. €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
NC Numericable (OD2)	Pay per download	No Information	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	No Information	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Packard Bell MusicStation (OD2)	Pay per download/Streaming	350,000 tracks. Major Labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.75 per download. €0.01 per stream	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Sony Connect France	Pay per download	650,000 tracks Major labels and some Indies	ATRAC3Plus	Transfer to compatible ATRAC3Plus portable music players and Sony PSP Games console/ CD Burning.	From €0.99 per track.	In the event music tracks are lost, they can be re-downloaded by the user for free. Email support.
Tiscali France (OD2)	Pay per download/Streaming	400,000 tracks. Major Labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per download. €0.01 per stream	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Virgin Megastore France (Lagardere Media)	Pay per download	600,000 Tracks Major labels and Indies	WMA 9	Transfer to compatible Windows Media Compatible portable players. CD Burning	From €0.99 per track.	In the event music tracks are lost; they can be re-downloaded by the user for free. Email support.
Wanadoo France (OD2)	Pay per download/Streaming	No Information	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per download. €0.01 per stream	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.

2.2.4 Belgium

Belgium is one of the smallest online music markets in Europe. This is mainly due to population size and the relatively small number of users. Belgian users do, however, have access to the some main online music services in other countries, such as the French iTunes.

Apart from iTunes, most online music services are backed by OD2's infrastructure (Belgacom, MSN Music Club and Tiscali). Only one service, FreeRecordShop, uses a system developed by PayVision (incorporating Microsoft DRM), which is also used in other Benelux countries.

The pricing of content averages €0.99 per download.

Table 10: Online Music Market, Belgium

Belgium	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.0	0.0	0.0	0.0	0.6	1.8	3.2	4.7	7.7
Subscription (€ mil.)	0.0	0.0	0.0	0.0	0.1	0.3	0.8	1.7	2.9
Total (€ mil.)	0.0	0.0	0.0	0.0	0.6	2.1	4.0	6.4	10.5

Source: Informa Media, 2005

Table 11: Online Music Services Matrix, Belgium

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Belgacom (OD2)	Pay per download/Streaming	250,000 tracks	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	No Information	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Free Record Shop Belgium (PayVision Holdings B.V)	Pay per download	400,000 tracks	WMA 9	Transfer to compatible Windows Media Compatible portable players. CD Burning	€0.99 per track.	Email support.
iTunes Belgium	Pay per download	1.0m tracks Major labels and Indies	Apple Fairplay DRM/AAC	Transfer to unlimited Apple iPods/ CD burning/ Up to five computers can be authorised to play purchased music	€0.99 per track.	Customer is responsible for backing up purchased music. Apple requires users to purchase the music again if the data is lost. Email Support.
MSN Music Club Belgium (OD2)	Pay per download/ Streaming	400,000 tracks	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per track. €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Tiscali Belgium (OD2)	Pay per download/ Streaming	400,000 tracks	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €0.99 per track. €0.01 per stream.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.

2.2.5 Greece

Greece is one of the smallest online music markets in Europe. This is mainly due to a lower than average technology and broadband penetration.

Before the launch of Apple iTunes in Greece, the online music market was practically non-existent. There are now two services in Greece: iTunes and mpGreek. The latter provides a service concentrating on local repertoire. The service was designed to promote legal downloads of Greek music in Greece and abroad.

The pricing of content is €0.99 per download on iTunes and from €1.11 per song downloaded of mpGreek.

Table 12: Online Music Market, Greece

Greece	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.0	0.0	0.0	0.0	0.1	0.3	0.9	1.9	3.8
Subscription (€ mil.)	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.5	1.0
Total (€ mil.)	0.0	0.0	0.0	0.0	0.1	0.3	1.0	2.3	4.8

Source: Informa Media, 2005

Table 13: Online Music Services Matrix, Greece

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
iTunes Greece	Pay per download	1 m tracks. Major Labels and Indies	Apple Fairplay DRM/AAC	Transfer to unlimited Apple iPods/ CD burning/ Up to five computers can be authorised to play purchased music	€0.99 per track	Customer is responsible for backing up purchased music. Apple requires users to purchase the music again if the data is lost. Email Support.
mpCreek	Pay per download	More than 15,000 tracks Mostly national repertoire	WMA 9	Transfer to compatible Windows Media Compatible portable players. CD Burning	€1.11 per track. Individual track prices go down if several tracks are purchased simultaneously	Customer is responsible for backing up purchased music. Technical support can be contacted in case of data loss. Email support.

2.2.6 Ireland

The Irish online music market is growing quickly. Ireland has a good selection of online music services, including iTunes, Sony Connect and several services powered by OD2.

The price of content is more or less identical between services, with the exception of myCokeMusic, where tracks are slightly more expensive.

All services includes local Irish music repertoire.

The DRM technologies used include, Apple's AAC with Fairplay DRM and Microsoft Windows Media DRM.

Table 14: Online Music Market, Ireland

Ireland	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.0	0.0	0.0	0.0	0.1	0.3	0.9	1.6	2.6
Subscription (€ mil.)	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.4	0.7
Total (€ mil.)	0.0	0.0	0.0	0.0	0.1	0.4	1.1	2.0	3.3

Source: Informa Media, 2005

Table 15: Online Music Services Matrix, Ireland

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
eircom (OD2)	Pay per download/Streaming	400,000 tracks. Major Labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players. Transfer to unlimited Apple iPods/ CD burning/ Up to five computers can be authorised to play purchased music	From €1.00 per track/€0.01 per stream	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
iTunes	Pay per download	1.2m tracks	Apple Fairplay DRM/AAC		€0.99 per track	Customer is responsible for backing up purchased music. Apple requires users to purchase the music again if the data is lost. Email Support.
MyCokeMusic (OD2)	Pay per download/Streaming	500,000 tracks. Major Labels and Indies	WMA 9	Burn purchased tracks to CDs (for most of them) and copy to compatible portable music players.	From €1.29 per track/€0.01 per stream	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Sony Connect Ireland	Pay per download	650,000 tracks Major labels and some Indies.	ATRAC3Plus	Transfer to compatible ATRAC3Plus portable music players and Sony PSP Games console/ CD Burning.	From €0.99 per track.	In the event music tracks are lost: they can be re-downloaded by the user for free. Email support.
Wippit	Pay per download	60,000 tracks	WMA 9/MP3	CD Burning/ Transfer to compatible Windows Media 9 portable devices.	From €1.19 per track for DRM protected downloads.	Email support.

2.2.7 Netherlands

For a small country the Netherlands is a crowded market, with sixteen players offering protected content.

Seven are partnered with OD2: MSN, MTV, Chello, KPN, Download NL, Tiscali and Wanadoo. Three use Payvision - Fame, FreeRecordShop and VanLeest. Sony Connect and iTunes are also present. One player, Yeahronimo, is part of a satellite distribution company. It claims 380,000 registered music download customers.

All except Sony Connect and iTunes use WMA. Pricing is generally €0.99/track and €9.99/album, but Radio 538 charges €1.50/track and €12/album.

Music Week reported (25.5.05) that Loudeye (the U.S. owner of OD2) has reached agreement with Planet Internet (which it already supplies) to create a package offering free music for a year to ADSL subscribers.

Table 16: Online music market, Netherlands

Netherlands	2000	2001	2002	2003	2004	2005	2006	2007	2008
Downloads (€ mil.)	0.0	0.0	0.0	0.0	0.9	3.4	6.0	10.1	15.8
Subscription (€ mil.)	0.0	0.0	0.0	0.0	0.1	0.5	1.5	3.3	5.6
Total (€ mil.)	0.0	0.0	0.0	0.1	1.1	3.9	7.6	13.4	21.4

Source: Informa Media 2005

Table 17: Online Music Service Matrix, Netherlands

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Bijenkorf (retailer) OD2	pay per download	300,000 tracks Major labels	WMA 9	Can burn to CD but only 3 times per track, and copy 3 times to a portable player (and a security backup copy to PC).	€1.29/track; €11.99/album	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Chello Musiczone (OD2) Broadband ISP	pay per download	400,000 tracks	WMA 9	Can burn to CD but only 3 times per track, and copy 3 times to a portable player (and a security backup copy to PC).	Stream 1 credit, download 99 credits. Each credit costs from €0.75 to €0.99 depending on the package size purchased: 8000 credits costs €60 equals 80 tracks; 500 credits costs €5 equals 5 tracks. Also 1800 available (€0.82 per track)	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Download NL (OD2)	pay per download	300,000 tracks Major labels and Indies	WMA 9	Can burn to CD but only 3 times per track, and copy 3 times to a portable player (and a security backup copy to PC).	€1.29-€1.40/track; €11.99-14.99/album	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Fame (music retailer) Payviston	pay per download	400,000 tracks Major labels and Indies	WMA, using Payviston DRM module	Each track shows rights eg, copy to 1 computer; transfers to 3 music players; 3 burns to CD per track or 5 music players, 7 burns to CD.	€0.99/track; €9.99/album (varies)	Very good visual display of rights using icons of PC, music player, CD etc. Generally privileges CD sales over downloads

DRM Enabled Online Content Services in Europe and the USA

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Free Record Shop Netherlands (Payvision)	pay per download, ads	400,000+ tracks Major labels and Indies	WMA, using Payvision DRM module	Each track shows rights eg. copy to 1 computer; transfers to 3 music players; 3 burns to CD per track or 5 music players, 7 burns to CD.	€0.99/track; €9.99/album (varies)	Very good visual display of rights using icons of PC, music player, CD etc. Generally privileges CD sales over downloads
iTunes	pay per download, drives iPod sales	1m tracks	Apple Fairplay DRM/AAC	Transfer to unlimited Apple iPods/ CD burning/ Up to five computers can be authorised to play purchased music	€0.99/track; €9.99/album (varies)	Customer is responsible for backing up purchased music. Apple requires users to purchase the music again if the data is lost. Email Support.
MSN Music (OD2)	pay per download	600,000 tracks Major labels and Indies	WMA 9	All music comes with a licence so it may only be played on the computer on which it was downloaded. In many cases the track can be copied to CD and personal music players.	€0.99/track; €9.99/album (varies). Prepay packages available: €29.99 33 tracks or 3,299 streams; €59.99 75 tracks or 7,499 streams	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
MTV Digital Downloads (OD2)	pay per download	250,000 tracks	WMA 9	All music comes with a licence so it may only be played on the computer on which it was downloaded. In many cases the track can be copied to CD and personal music players.	€0.99/track; €9.99/album (varies)	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.

DRM Enabled Online Content Services in Europe and the USA

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Music Stream (KPN Planet Internet broadband) OD2	pay per stream and download	400,000 tracks	WMA 9	Download Plus allows 3 copies per track to be burned to CD or music player	Offers three options: stream, download (will play on one computer as long as you are registered but can't be copied to CD or music player and download plus (can be burned to CD or transferred to music player in acc with licence). Packages of credits can be bought which bring discounts - 4.99 buys 500 credits (value 5), 9.99 buys 1050 credits (value 10.50), 19.99 buys 2200 credits (value 22). 1 stream costs 1 credit; 1 download costs 10 credits; 1 download plus costs 99 credits.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.

DRM Enabled Online Content Services in Europe and the USA

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Planet Internet (OD2)	pay per stream and download	400,000 tracks	WMA 9	Download Plus allows 3 copies per track to be burned to CD or music player	Offers three options: stream, download (will play on one computer as long as you are registered but can't be copied to CD or music player and download plus (can be burned to CD or transferred to music player in acc with licence). Packages of credits can be bought which bring discounts - 4.99 buys 500 credits (value 5), 9.99 buys 1050 credits (value 10.50), 19.99 buys 2200 credits (value 22). 1 stream costs 1 credit; 1 download costs 10 credits; 1 download plus costs 99 credits.	Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Radio 538	Pay per download	No information	WMA 9	Plays indefinitely on PC where licence is downloaded and can be burned to CD	€1.50/track €11/album	No comprehensive terms and conditions or help file visible; email address for further information
Sony Connect Netherlands	pay per download of tracks and Sony hardware (Walkmans etc)	650,000 tracks Major labels, some Indies	ATRAC3Plus	Transfer to compatible ATRAC3 Plus portable music players and Sony PSP Games console/ CD Burning.	€0.99/track; variable albums €9.99-€14.99	In the event music tracks are lost; they can be re-downloaded by the user for free

DRM Enabled Online Content Services in Europe and the USA

Service name	Business model	Available repertoire	DRM used	Usage rules	Pricing	Service support
Tiscali Netherlands (OD2)	Pay per stream/download	205,000 tracks	WMA 9	Can burn to CD but only 3 times per track, and copy 3 times to a portable player (and a security backup copy to PC).		Good display of rights information by clicking from each track listing. Purchased tracks can be recovered if lost. There are three licences allowed per account. Email support.
Van Leest (Payvision)	Pay per download	400,000 tracks Major labels and Indies	WMA, using Payvision DRM module	Rights information displayed in a panel next to the track (same as Fame and Free Music Shop). Help file explains that usage of each file is governed by the licence but in any case no file can be transferred to another PC without paying again.	€0.99/track, €9.99-14.99/album	site is quite good with extensive help. But users are told that if they lose a file they must pay again.