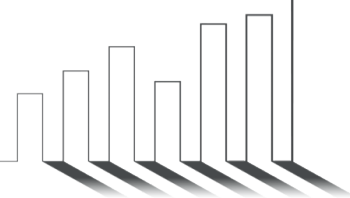


## Main findings of the 2017 private copying survey

- The survey investigated the total amount of private copying in Finland.
- Music and video material covered by legal private copying is copied by over a quarter of 15-79 year old Finns. The number of people making copies has decreased during the past few years.
- In 2017 the estimate of quantity of private copying is clearly lower than in the 2016 survey. Finns (15-79 years of age) made altogether 241-261 million files of legal private copies during the year. In the 2016 survey the corresponding estimate of private copying was 392-432 million copies.
- Mobile phone and computer are the most common devices into which music content is copied. The most common devices for copying video content are recordable set-top boxes and computers.
- The most common original sources for copying music are freely downloadable files from the internet (e.g. artists' own web pages) and streaming services (material saved in offline mode), as well as original CD discs. TV-broadcast is the most often used source of copied videos.
- The usage of streaming services for music and audio-visual content, online storage services for music and video files, as well as the usage of web TV has increased very clearly in the past few years.
- Traditional methods of listening to music and viewing video content are used alongside the new services.
- Copying of music files has an effect on the sales of audio recordings. More than half of those who had copied music would acquire the copied material by some other method, if the possibility of copying did not exist. Less than half of those who had copied music would use chargeable sources for acquiring the materials.
- Fewer than third of those who had copied video files would acquire the material by another method. Less than fifth of those who had copied video files would use chargeable sources for acquiring the materials, if the possibility of copying did not exist.
- Half of the Finns copy graphic material for private use. The most common used methods of copying are printing and photocopying.



As in previous years, **the main objective of the survey** was to determine the amount of private copying of music and video material in Finland. Similar information was recently gathered in 2016 by Taloustutkimus. The survey also gives a comprehensive picture of the use of entertainment electronics of the Finnish population, as well as their consumer-behavior regarding music and video content. The 2017 study also investigated the harm caused by copying of music and video material. In addition the private copying of graphic material was investigated.

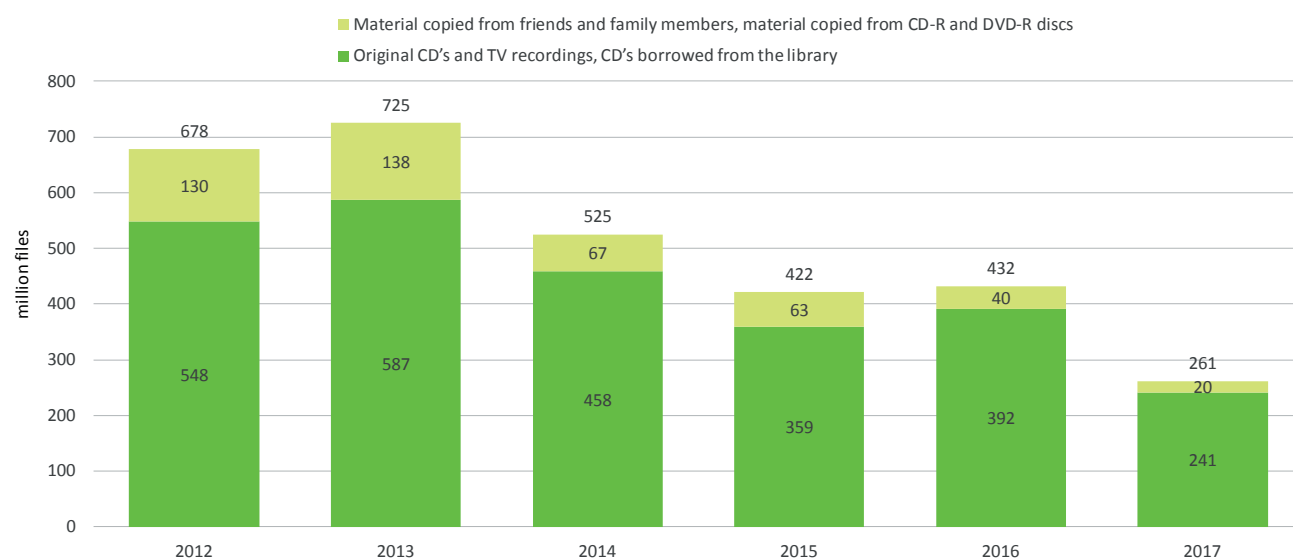
The results of the survey implemented by Taloustutkimus Oy are based on a broad sample representative of the population, over 3000 Finns between the ages 15-79 were interviewed face-to-face. Based on the survey, altogether 1.2 million Finns (margin of error is  $\pm 2.5$  %p. at confidence level of 95 %) copy music, movies and TV-programs for private use.

The total amount of annual private copying among the 15-79 year olds is approximately 241-261 million music and video files. These figures contain the private copying defined by the Copyright Act – thus for example self-made material, illegal downloading and copies which have been paid for through other means (e.g. iTunes) have been excluded.

The law also allows copying for friends and family members. On annual basis 20 million files of material are copied from friends and family members, or from CD-R and DVD-R discs. Because the origin of these files could not be clarified by the survey, the estimate of total amount of private copying is between 241 and 261 million copied files (picture 1 and table 1).

In the 2016 survey the estimate of amount of private copying was 392-432 million files (15-79 year olds). The estimate of total amount of private copying in 2017 is clearly lower than in 2016. The total amount of copying in private households (also including non-remunerated private copying) is approximately 551 million files per year (15-79 year olds).

### Private copying 2012-2017



Picture 1. Total amount of private copying in 2012 – 2017. Taloustutkimus 2017.

Music					
15-79 year olds					
Files (pcs)	2013	2014	2015	2016	2017
From original CD's	192 631 000	164 090 000	65 688 000	89 474 000	47 680 000
From CD-R, DVD-R, Blu-ray discs	11 912 000	23 187 000	10 459 000	26 683 000	8 030
From CD's borrowed from the library	12 355 000	10 936 000	7 429 000	6034 000	1 302 000
From friends/ family members	111 902 000	41 601 000	43 136 000	9 541 000	7 783 000
<b>Total (private copying)</b>	<b>328 800 000</b>	<b>239 814 000</b>	<b>126 712 000</b>	<b>131 732 000</b>	<b>64 795 000</b>

Table 1a. Music. Total amount of private copying by source in 2013-2017. Taloustutkimus 2017.

Video files					
15-79 year olds					
Files (pcs)	2013	2014	2015	2016	2017
Video files from TV	381 981 000	282 591 000	285 433 000	296 023 000	192 288 000
From friends/ family members	13 975 000	2 793 000	9 606 000	3 394 000	4 222 000
<b>Total (private copying)</b>	<b>395 956 000</b>	<b>285 384 000</b>	<b>295 039 000</b>	<b>299 417 000</b>	<b>196 510 000</b>

Table 1b. Video files. Total amount of private copying by source in 2013-2017. Taloustutkimus 2017.

**When copying music** the most common sources are freely downloadable files from the internet, e.g. artists' own webpages (26 %, margin of error  $\pm 3.6$  %p.), streaming services (23 %, margin of error  $\pm 3.6$  %p.) and original CD discs (23 %, margin of error  $\pm 3.3$  %p.). Video files are most often copied from TV (73 % of respondents, margin of error  $\pm 3.0$  %p.). The most common devices onto which music content is copied are still mobile phone and computer. Video files are most often saved onto a recordable set-top box.

According to the survey 3.8 million 15-79 year old Finns (margin of error  $\pm 1.1$  %) have a computer for their private use, almost 3.5 million (margin of error  $\pm 1.4$  %) have a mobile phone on which music files can be saved and approximately 3.3 million (margin of error  $\pm 1.4$  %) have a USB flash drive. There are slightly more users of tablet devices than last year, currently over 2.6 million Finns (margin of error  $\pm 1.8$  %) have such a device. The number of users of separate MP3-players or iPods has decreased slightly; these devices are used by 1.2 million Finns (margin of error  $\pm 1.7$  %). Last year there were still 1.4 million users of these devices.

Music streaming service Spotify, or some corresponding service is used by over 1.8 million (margin of error  $\pm 1.7$  %) Finns (in 2016 there were fewer than 1.8 million users).

Internet cloud file storage services (like Dropbox, Google Drive, Apple iCloud, Microsoft Skydrive etc.) are already used by over 2.1 million (margin of error  $\pm 1.8$  %) Finns. In 2016 there were already over 1.8 million users. Netflix, HBO Nordic, Viaplay or some other monthly charged subscription streaming service is used already by over 1.7 million Finns (margin of error  $\pm 1.8$  %). In 2016 1.4 million Finns reported using monthly charged VOD services. Online storage services for TV programs, like Elisa Viihde, Sonera Viihde or similar, are used by over one million Finns.

The numbers regarding music and video services do not describe the number of customers of these services. The service can for example be used by the respondent, while it is subscribed to by another resident of the same household.

The survey also investigated the consumer behaviour of Finns regarding music and video material. Radio is still the overwhelmingly most popular source of listened music. Of the Finns who listen to music, 94 % listen to music from radio. Physical recordings and Youtube are the next most common ways of consuming music. Youtube is clearly more popular than physical recordings among the active listeners. Of the Finns 59 % listen to music from Youtube monthly, while physical recordings are listened to by 41%. Music is listened from Youtube monthly by 59 % of Finns, as physical recordings are listened to by 41 %. Of the users of Youtube and streaming services 77 % also listen to physical recordings. The share is the same as last year.

Live TV broadcasts are watched at least sometimes by 93 % of Finns. Internet TV broadcasts are watched by 71 % of Finns, watching them has increased from last year (in 2016 66 % told they do so). Material saved on recordable set-top boxes is watched by 42 % of 15-79 year old Finns. Of those who use Internet TV, online storage services and VOD streaming services (e.g. Netflix), 93 % also watch TV as live broadcasts.

A larger share of the users of these services still saves TV content on recordable set-top boxes, than Finns in general. Versatility of usage regarding equipment and services still remains visible in the results. The number of users for new devices and services is increasing, but more traditional methods of consuming music and video material are nevertheless used alongside the new devices and services.

Of those who had copied music, 60 % would have acquired the material in some other way, if the possibility of copying did not exist. Some chargeable service would have been used by 42 % of those who copied music. Every fifth (20 %) of those who copied music would have purchased it as a recording (e.g. CD disc), if the possibility of copying did not exist. Less than a fifth (16 %) would have listened to music from a chargeable streaming service (e.g. Spotify) and less than every tenth (6 %) would have purchased the music as an audio file. Free streaming service (e.g. Youtube) would have been used by 13 % of those who had copied music and 5 % of them would have borrowed the music from a friend or a library.

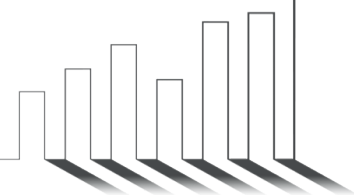
Of those who had saved video material, less than a third (30 %) would have acquired the material in some other way, if the possibility of copying did not exist. Some chargeable service would have been used by less than a fifth (16 %). Of those who had copied video files 7 % would have viewed the audiovisual content from a chargeable streaming service (e.g. Ruutu+, Netflix, Viaplay), 5 % would have bought the material as a recording (e.g. DVD disc) and 2 % would have rented the movie (e.g. Elisa Viihde). The material would have been viewed from a free streaming service (e.g. YLE Areena, Katsomo, Ruutu) by 11 % of those who had copied video material and 3 % of them would have borrowed it from a friend or library.

Those who had copied music files estimate, that they listen to a copied piece of music 49 times on average. Those who had copied audiovisual material estimate they view it an average of four times.

## What is the definition of private copying in the survey?

In this survey private copying means the copying of music and videos from original sources (original CD's, TV-broadcasts). The law also allows copying from friends and family members. Because the interviews are not capable of providing conclusive information about the origin of the music copied from friends and family members, the estimate of the total amount of copying is presented as an estimate between two figures, the lower end including copying from original sources only and the upper end a figure also including material copied from friends and family members, as well as music copied from CD-R, DVD-R and Blu-ray discs.

Licensed material bought online, material downloaded from illegal sources and automatic back-up copying has been demarcated outside private copying. The question setting of the survey also excludes self-made music, self-taped videos or other self-made video material, as well as the copying of music or video material for professional use.



## Copying of graphic material

Half (49 %) of the 15-79 year olds copied some graphic material at least sometimes during the year. Of those who had copied graphic material (book, newspaper article, picture, sheet music etc.) at least sometimes 41 % printed it, 24 % saved it, 18 % photocopied it and 14 % scanned it on the most recent occasion of copying.

The most recently photocopied or scanned material was most often a form, e.g. official form (16 %), sheet music of a composition (11 %), newspaper (11 %) or an invoice/bank statement/etc. (11 %). Less than a tenth (9 %) has most recently photocopied or scanned school books/nonfiction books.

The most recent material copied or printed for private use has in most cases been a photograph (16 %), recipe (15 %), a form, e.g. official form (12 %) or learning material (11 %).

The publisher of the most recently printed or saved graphic material has usually been a private person, e.g. the homepage or blog of a private person (19 %), some company (17 %), or Wikipedia, Facebook or other online community service (10 %).

## How the survey was conducted?

The survey was conducted by face-to-face interviews as part of the Taloustutkimus Omnibus consumer survey. The questions were included in three consecutive rounds of Omnibus and they were presented to altogether 3020 respondents. The target group comprised of 15-79 year old Finnish consumers, excluding Åland.

The sample was created through quota sampling, in which the determining quotas were the national distribution of age and

gender, as well as the county and municipality distribution. The sample was weighted to correspond with the target group. The weighted N-figures correspond to the Finnish 15-79 year old population in thousands (Official Statistics of Finland, 31st December 2016).

The interviews were conducted between 6th April and 31st May 2017. The interviewing work was conducted on different rounds by 38 – 41 interviewers trained by Taloustutkimus. In the first round interviews were conducted at 91 localities, in the second round at 95 localities and in the third round at 90 localities.

The output was done by using the T-test which tests whether each tabulated background variable differs from other respondents more than the amount of random variation at confidence level of 95%. The survey includes a calculated estimate on the total amount of files copied per year, using weighted coefficients to represent the population. The estimate has been calculated according to the number of copies made during the most recent occasion of copying by the respondent, and a coefficient to express the respondents copying frequency.

**The Copyright Act** states that everyone has the right to copy published works e.g. music, movies and TV programs for private use. The Act provides a remuneration for private copying, which the state pays to the authors, performers and producers for the copying of their works for private use.

Private copying and its prevalence are researched to enable determining the remuneration correctly.

**Taloustutkimus Oy** is a Finnish full-service market research company established in 1971. Taloustutkimus employs approximately 75 full-time market research professionals in Finland and about 300 interviewers around the country. In addition to the headquarters in Helsinki, there are regional offices in Tampere, Turku and Oulu. The company has foreign subsidiaries and affiliate companies in Russia and all the Baltic countries. Taloustutkimus is a member of the international GIA/WIN-network, which operates in 80 countries.

In all its research activities Taloustutkimus follows the research standards of the International Chamber of Commerce (ICC) and ESOMAR (the European Society for Opinion and Marketing Research). Taloustutkimus also uses the international market research industry standard ISO 20252, which has been certified by SGS Finland.

