

Perfect Pitch: Digital Innovations and Opportunities in Music

‘The music business is now widely recognised as leading the creative sector in redefining itself for the digital age’

Geoff Taylor Chief Executive of the BPI

The music industry has been in a state of flux in recent years as conventional business models have been deteriorating, and the traditional music industry seeks to change accordingly. This situation can be viewed as either a time of adversity or opportunity as new business models can be explored and music rights holders are open to new ways of thinking. For example, 85% of all music is owned by Universal, Sony/BMG, Warner and EMI, each of these companies are now active in securing new opportunities. It is in this way new music services such as Last FM, Lala, Pandora, and Spotify have been able to provide such a large directory of music.

Additionally, music download sales are on the increase exceeding £160m in 2008, with single-track downloads worth £96.4m and increasing by 45%. This accounts for around 20% of the UK music market and it is projected that the digital market as a whole could rise by about 50% year on year reaching 540m by 2012. Research company eMarketer projects that over £200m of these downloads will be on mobile devices. The rise in digital downloads is linked to the ease of digital purchase through the increasing number of download sites, itunes, amazon, tescodigital, HMV. Equally the multiplicity of platforms – both Fixed and Mobile – for consumers to purchase music is increasing on a regular basis.

‘Twenty to thirty per cent of MySpace US monthly traffic in 2007 was made up of music destination unique visitors.’

Michael Nash, Executive Vice President, Digital Strategy & Business Development, Warner Music

A 2009 study from Stockholm based brand communications agency Heartbeats International, entitled 'Sounds Like Branding', outlined the views of brand directors from 70 major brands and found that a massive 97% of them believe that music can strengthen their brand. Around 76% are actively using music in their marketing with a further 74% understanding that music is to become all the more important in the future.

With more music being consumed by more people than ever before in history, and with the traditional constraints of the record industry broken, brands now have the ability to stake a true claim on the hearts and minds of music fans. Not only that but another survey suggests that 69% of passionate music fans have already bought into the idea that brands will be the music industry's new revenue stream.

‘We have to help fans find music wherever they are at the moment they want it. If we can do that we will find ways to monetise it.’

Douglas Merrill, President of Digital Business at EMI Music

Due to the rapid improvement of the Internet infrastructure and new technologies flooding the consumer market the ability to develop music services that can sit across many platforms has become increasingly important. Digital media companies may hold the key to developing services that can monetise music content, as they understand new content forms, new technologies, and how people use them.

However anyone who has tried to get industry support or backing for a digital music service has traditionally come up against a brick wall based upon, bottom line and an inability to perceive added value. In the last 3 years there has been increased appreciation of digital music services from the music industry as consumers are using non-traditional means to seek out new artists and attach themselves to their content. This is at the heart of many new initiatives with artists, labels, and managers now keen to align themselves to successful digital products such as Tap Tap Revenge and Guitar Hero. Obviously Guitar Hero is a huge title but 5 years ago it would have seemed strange that the Beatles would have been aligned to such a product. Also there are some quite bizarre examples of artists digital partnerships that makes one feel that anything is possible. Snoop Dogg launching his own 'voice skin' for Tom Tom sat nav devices amongst the most odd. For \$12.95, you can have all the voice directions uttered by Snoop himself "C'mon man, let's get this thing cranked up!"

Therefore it is easy to perceive a change of attitude from this once closed off industry, and to understand how the most successful services are now starting to see considerable investment and industry alliance, as they are able to add value, longevity, and income. Apple's recent purchase of Lala the online music service that allows members to legally create online shareable playlists of their own uploaded music may well be the beginning of the procurement of the best online music services.

'Music consumers are looking for something more, something deeper and more meaningful. They have turned away from traditional gatekeepers in their droves looking instead to one another, to other fans in their tribe, their cell group, their digital enclaves for more information. Why? Well, because they are still looking for those trusted voices – someone to lead their lives, someone to make sense of the clutter.'

Giles Fitzgerald, Frukt Music

We all have a musical opinion and this is at the heart of defining a digital service that can meet the needs of the consumer, as we need little education of how this sector works just an understanding of what has and hasn't been done. Additionally this universal relationship with music means that the correct service can easily gather a large community as consumers are used to searching, connecting to, and purchasing music online or via mobile. As you would expect there is a lot activity in this space but the North West has an enviable musical heritage and many digital companies, whether in games, mobile or web development will have dealt with music and the industry at one level or another. The trick is in defining consumer, and industry, needs that haven't been met, or are not being serviced in the most creative, and intuitive way.

In regards to commercialisation all the now traditional digital business models apply, advertising & sponsorship, affiliation, subscription, and mobile app downloads. The opportunities may lie in music's ability to engage and build community. Therefore if like 'Songkick' has done for Live Music you can build and promote a great service then it can quickly gather momentum and a commercial model can be built around its success.

This is still a complicated space and this report is designed to present some of the key trends for digital start-ups and the companies beginning to receive notoriety and investment in order to help focus thinking for new digital concepts.

To illustrate how the industry view of digital has changed below is a sample chart based upon accumulated data from music tagging on social networks and streaming music sites. This is becoming the norm for how artists, managers, labels, and publishers track their activity for single release and pre-release.

Hype Machine	Big Champagne	Cumulative top 10
1 Ted Leo & The Pharmacists 2 Animal Collective 3 Grizzly Bear 4 Shout Out Louds 5 The xx	1 Jay Sean Down'f/Lil Wayne 2 Lady GaGa Paparazzi' 3 Jay-Z Run This Town' 4 Beyoncé Knowles 'Sweet Dreams' 5 Pitbull Hotel Room Service'	10 December
MySpace Indie	Elbows	
1 Oasis 2 Adele 3 Bring Me The Horizon 4 Imogen Heap 5 The Prodigy	1 Beach House 'Norway' 2 Ted Leo & The Pharmacists 'Even Heroes Have To Die' 3 Yeasayer 'Ambling Alp' 4 Shout Out Louds 'Walls' 5 Vampire Weekend 'Cousins'	
Yahoo! Buzz Chart	Last.fm	
1 Lady GaGa 2 Britney Spears 3 Michael Jackson 4 Beyoncé Knowles 5 Taylor Swift	1 Lady GaGa 'Bad Romance' 2 Lady GaGa 'Poker Face' 3 Muse 'Uprising' 4 Lady GaGa 'Paparazzi' 5 Kings of Leon 'Sex On Fire'	1 Lady GaGa - 'Bad Romance' 2 Lady GaGa - 'Poker Face' 3 Black Eyed Peas - 'Meet Me Halfway' 4 Ke\$ha 5 Lady GaGa 6 Black Eyed Peas - 'I Gotta Feeling' 7 Jay Sean 8 My Chemical Romance 9 Ian Erik 10 Jay-Z
MySpace Major	iLike	
1 Muse 2 Bullet For My Valentine 3 Lily Allen 4 Leona Lewis 5 M.I.A.	1 Lady GaGa 'Bad Romance' 2 Black Eyed Peas 'Meet Me Halfway' 3 Lady GaGa 'Paparazzi' 4 Owl City 'Fireflies' 5 Ke\$ha 'Tik Tok'	
Bebo	Shazam	
1 My Chemical Romance 2 Ian Erik 3 Samsung: Sound Matters 4 Basshunter 5 Lady GaGa	1 Ke\$ha 'Tik Tok' 2 Jason Derulo 'Whatcha Say' 3 Iyaz 'Replay' 4 Black Eyed Peas 'Meet Me Halfway' 5 Pixie Lott 'Cry Me Out'	
		These charts are compiled by monitoring the published daily user behaviour of all users of these different music environments. We're not tracking sales, but instead monitoring consumer engagement with music in other ways. The results are then aggregated on a weekly basis to provide the charts you see here.
		Charts: Million Media, Music Ally

Statistics from 2009 (source Music Ally)

Sales

Global collecting society royalties

	Royalties collected (US\$ bn)	% Increase y-o-y
2008	10.91	1.0
2009 (forecast)	10.92	0.1

30%

Estimated share received by authors in 2009

24.1%

Share received by authors in 2006

Source: Music & Copyright, November, 2009

Japan music sales - Q3 2009

year-on-year growth

Full-track mobile downloads	6%
Ringback tones	7%
Master ringtones	-12%
Overall digital sales volumes	-1%
Overall digital sales value	4%

Source: RIAJ November 2009

Social networking

Facebook

350m Users now on Facebook

Source: Facebook, December 2009

Gaming

Last.fm / Xbox 360

1m

New users signed up via the Xbox 360 to Last.fm in 10 days since launch

120m

Minutes of music have been streamed by Xbox 360 users.

Source: Last.fm, November 2009

Rock Band Store

1,000 songs

Are now available for download by over 390 bands,

60m

Downloads have been made

Source: MTV Games / Harmonix, November 2009

SingStar music game franchise

20m

Units now sold

Source: Sony, December 2009

Advertising

US online advertising market

\$5.5bn

Market value in Q3 2009

-5.4%

Decrease year-on-year

1.7%

Increase compared to Q2 2009

Source: Interactive Advertising Bureau and PricewaterhouseCoopers, November 2009

Online

Spotify

6m

Users across six countries

6.34m

Track catalogue

50,000

People a day are signing up

94 minutes

The average engagement time a day

Source: Spotify, November 30

US online video streaming

Service	Streams	Growth month-on-month
YouTube	10.5bn	0.01%
Hulu	855m	47%

Source: comScore, November 2009

Mobile

Smule's I Am T-Pain iPhone app

10.2m

Auto-Tunes recordings have been created

Source: Smule, November 2009

Predictions for 2010

	Number of apps by end of year
iPhone	300,000
Android	75,000

1bn

Mobile devices will access the internet next year

Source: IDC, December 2009

Traffic to Mininova

66%

Fall following the court ruling forcing the site to remove all links to copyrighted content

96%

Fall in daily downloads

Source: TorrentFreak, December 2009

Trends in Digital Music Start-ups

Following are some key trends identified amongst digital music related start-ups. All have gained notoriety and have some are winners at this years MidemNet Labs.

N.B. The MidemNet Lab is a competition, which chooses a spotlight 15 of the world's most promising digital music related start-ups.

Buzz Metrics

Buzz Metrics focus on the area of allowing bands, managers and labels to analyse more readily information from the web on who has been listening to, talking about and generally creating a buzz around a band's music. Services included:

- MusicMetric
MusicMetric launched a real-time analytics service, crawling the web to find mentions of an artist, and then compiling and archiving what fans (or non-fans) are saying about them. It tapped into the Silicon Valley buzz around real-time data mining, fuelled by Twitter and other sites.
www.musicmetric.com
- Next Big Sound
Next Big Sound is an analytics firm that harvests data from sites including MySpace, Last.fm, Twitter and iLike to provide labels with better insight into 'fan interactions'.
It recently raised \$1 million of seed funding for the service, and has tracked more than 500 million interactions since August.
www.nextbigsound.com
- Fanalytics
Fanalytics was a 'targeted music promotion system' developed by The Echo Nest, which aimed to help artists and labels track and analyse online buzz about their artists, whether on music blogs, social networks or traditional media.
<http://the.echonest.com/fanalytics>
- Band Metrics - 2010 Midemnet Lab winner
Band Metrics is a data analytics and decision support system for the music industry that provides comprehensive quantitative and qualitative analytics with in-depth geographical reporting on social, radio and fan segmentation.
www.bandmetrics.com

Live music

While the decline in recorded music continues, live music has continued to perform comparatively well. Alongside the likes of Songkick, other companies attempted to derive value from the live music experience:

- Songkick (2007) - 2010 Midemnet Lab winner

Songkick allows you to organize and track your favourite bands and track concerts and dates. Get instant tour dates from your music library.

<http://www.songkick.com/>

- Viagogo

Viagogo is an online ticket exchange that allows people to buy and sell live event tickets in a safe and guaranteed way.

<http://www.viagogo.co.uk>

- ArtistRise

ArtistRise is a social network that aimed to bring together artists, promoters, venues and fans – focused around live gigs. The idea was to provide bands with another way to book gigs, including at off-the-beaten-track venues.

<http://www.artistrise.com>

- CrowdSurge (2008)

CrowdSurge is an online independent ticketing company started up by a group of like-minded music fans in 2008. CrowdSurge helps artists, venues and promoters that they work with, giving them the tools and the financial support they need to sell more tickets and help their businesses grow.

<http://www.crowdsurge.com>

- Livekick

Livekick was a site focused on helping music fans discover gigs near them, tracking more than 75,000 concerts at 45,000 US venues. It involves importing people's iTunes libraries and music site profiles, and then crawling ticket sites to see when bands they like are playing – notifying them via Twitter.

<http://www.livekick.com>

Remixing tools

This has become a particularly competitive area of late with a number of tools encouraging users to interact with musical content to create their own versions of their favourite songs. Including:

- Flypt

Flypt is an iPhone application that let fans remix songs by their favourite artists (well, if their favourite artists were Lady Gaga, Kanye West, Rihanna and Soulja Boy, among others). Once reswizzled, tracks could be shared online – although each song was bought separately in-app.

www.iflypt.com

- MXP4

MXP4 offers remixing tools and applications for musicians and record labels to allow fans to interact and create new versions of their music.

www.mxp4.com

- Myna - 2010 Midemnet Lab winner

Aviary/Myna: Myna, the new audio editor by Aviary, is a free online artists' tool. This creative suite allows users to create, arrange and remix music tracks and audio clips, composed from Aviary's library of 3,000 loops and beats and/or user-recorded tracks. They are currently working with artists, like Major Lazer, to run remix contests, allowing musicians to engage with their fans on a creative level.

www.aviary.com/tools/myna

- GoMix - 2010 Midemnet Lab winner

GoMix is an interactive music format that lets users create personalised remixes of major artist's songs. Distributed via social networks and digital album bundles, GoMix brings labels new revenue and promotional opportunities through advertising and digital retail products. In 2009 GoMix has been adopted by a succession of major artists and advertisers. 2010 will see very significant evolution, adding virtual goods, a mobile platform and a game changing User Generated Content approach.

www.gomix.com

Cloud storage

It seems everyone from Google to Apple is looking at offering cloud-based services these days. Some of the smaller companies launching new services last year were:

- Psonar

Psonar is another startup that's talked publicly this year, but is set to make its splash in 2010. It's a cloud-based music service that lets people upload their collections, then listen to them on every device. Playlist sharing is built in, as are Amazon MP3 store links. 12 hours streaming a week is free, before users are invited to upgrade to the £4-a-month premium version.

www.psonar.com

- Mixcloud

Mixcloud have an interesting view on the future of radio and are innovating to disrupt the traditional ways people discover and interact with the medium. They describe the concept as "Cloud Radio" and the content as "Cloudcasts", which are stored in hard-drives in the sky - the "cloud" - and accessible on-demand, anywhere.

<http://www.mixcloud.com/>

- Tunesbag

Tunesbag was another cloudstreaming service – a PC desktop application that let users upload their music collections then stream them from any other computer. It also included buy links to Amazon MP3 and the iTunes Store.

www.tunesbag.com

Free ad funded download music services

Some insiders consider that ad-funded downloads are dead after the demise of the largest service of this type SpiralFrog and the aborted launch of Qtrax. But three new kids on the block appeared in 2009:

- **Guvera**
Guvera started gathering buzz towards the end of this year – the company plans to launch next February by offering music, film and TV downloads for free, but paid for by brands who'll sign up to target its userbase. UMG and EMI have already signed up.
www.guveralimited.com
- **FreeAllMusic**
FreeAllMusic was also riding the free music wave, announcing plans to offer free downloads to users if they watched one 15-30 second video before downloading. The model certainly didn't work well, though, for SpiralFrog, which croaked its last this year.
www.freeallmusic.com
- **Beezik**
Beezik is a French ad-funded download service with deals from Universal and EMI and some independents offering the same model of free downloads in return for users having to watch adverts.
www.beezik.com

Band management tools

Alongside tools allowing musicians and managers to measure buzz, there have also been a number of companies looking to provide tools for the bands to organise themselves.

- **BandCentral** - 2010 Midemnet Lab winner
BandCentral is revolutionising band management for a new music industry by helping bands to manage themselves online. BandCentral gives bands their very own online 'Band HUB' with all the tools they need to communicate with each other, store files and music, merchandise, manage gigs, money, fans and contacts, and everything else associated with their band in one central, secure and instantly accessible place.
www.bandcentral.com
- **Sentric Music**
Sentric Music helps unsigned bands collect PRS publishing royalties, sync their music to TV adverts, get digital distribution via iTunes and more.
www.sentricmusic.com
- **Bandize**
Bandize was a b2b service for artists and managers, gathering workflow stuff like gigging, accounts, merchandise inventory tracking and contacts into an online interface.
www.bandize.com

Adding value around the music or service (mashups & open APIs)

As the industry and companies seek to create and find value around the use of music rather than the sale of music so a number of companies have sprung up which seek to derive value from ancillary products such as lyrics (Tunewiki), sheet music (Digiclef) or as add-ons to other existing services:

- TuneWiki - 2010 Midemnet Lab winner

TuneWiki is the internationally award-winning social media music player with the largest legally-licensed lyrics database in the world. TuneWiki is revolutionizing the mobile music experience by combining subtitled lyrics with music and music videos, lyrics translations into over 40 languages, real-time mapping, geographical charting and social networking. Our lyrics centric mobile games create new music monetisation opportunities to music owners.

www.tunewiki.com

- DigiClef - 2010 Midemnet Lab winner

DigiClef is a brand new way of retailing sheet music via Smartphones. Our mobile apps display legal professional quality tabs with touch sensitive controls that allow musicians to adjust the tempo of the music easily. DigiClef unlocks the value held in sheet musical arrangements, packages it in state of-the-art technology, and then delivers it directly to musicians on their iPhones.

www.digiclef.com

- Dora

Dora is an intriguing mash-up of Pandora, Twitter and Bit.ly, letting people sign into the Pandora online radio service to listen to music, then tweet about tracks complete with shortened links to the songs.

www.dora.fm

- FileTwt

FileTwt is one of the many music/Twitter mash-ups, in this case allowing any Twitter user to share files of up to 20MB with their followers or individual contacts. Perfect for

Artists wanting to quickly share a new track, but also for fans to share copyrighted material.

www.filetwt.com

- Setlist

Setlist.fm was, as the name implies, related to gigging. Specifically, it let fans upload and share details of setlists from gigs, with the info being collated Wikipedia-style to provide an archive of who played what, when. Setlists could then be embedded elsewhere on the web.

www.setlist.fm

Music Discovery

Music recommendations are a little bit hit and miss. If you like the Britney Spears song 'Hit Me Baby One More Time' you might like 'The Congressional Report on Pre-War Intelligence for the Iraqi War'. If you've spent anytime

trying to find music online you've probably encountered music recommendations like this. Here are some of the services looking for new ways to discover music:

- **Hypem**
Every day, thousands of people around the world write about music they love, Hype Machine keeps track of what music bloggers write about. They handpick a set of music blogs and then present what they discuss for easy analysis, consumption and discovery.
<http://hypem.com/>
- **Musicover**
Musicover is an interactive and customised webradio service. Listeners rate songs, resulting in a personalised programme. Reviewers have commented that unlike services that are governed by the user's choice of artist or genre, this method results in more discovery of artists to which the user might not otherwise have been exposed.
<http://www.musicover.com/>

Gaming

The industry excitement around music games in 2008 waned slightly in 2009, as sales fell from the genre's peak. The Beatles: Rock Band and Guitar Hero 5 sold well, however DJ Hero delivered underwhelming early sales. Franchises like Rock Band made the jump to iPhone and handheld—offering downloadable content in both cases. There is still a strong case for band and game partnership and if done correctly consumers will pay. Best examples here are:

- **Tapulous**
Tapulous develop music mobile games for iPhone and have struck deals for artist-branded games on that platform, including Lady GaGa, Kings of Leon
<http://tapulous.com/>
- **Smule I Am T-Pain**
I Am T-Pain sold tens of thousands of copies a day. It lets fans sing along with a selection of T-Pain songs while having their vocals Auto-Tuned on the fly. It also has good sharing features, used in-app payments to buy and download new tracks for use in the game, and recently added the ability to sing over any song in your iPhone music library
<http://iamtpain.smule.com/>

Other names of interest:

- **Vevo**
Vevo.com is a new music video service created by Universal Music, Sony Music and Abu Dhabi Media Co. The site is powered by YouTube (which is in turn owned by Google) and provides music videos from Universal Music, Sony Music and EMI Music. Their slogan is Music Evolution Revolution! At

the beginning of 2010 Vevo ranked as the number one high quality online video service in the US and its intentions are to attract big advertisers in order to get additional revenue for You Tube, Universal and the other major music publishers involved in the deal. Many industry insiders see Vevo as the new MTV.

www.vevo.com

<http://www.youtube.com/user/VEVO10>

- Shazam

Since starting out in 2002 Shazam has become the world's leading mobile music discovery provider - embedded in tens of millions of handsets worldwide - enabling consumers to experience and share music with others across mobile devices and the internet. With over 50 million customers using Shazam and live in more than 150 countries, Shazam has become a global phenomenon.

<http://www.shazam.com>

- Blip

Share music with anyone for free. Create your own free Internet radio station. Find and listen to new music recommended by real people. "Props" are the currency used for earning and showing respect among Blip.fm DJ's. Everyone starts out with 10 credits when they sign up. If you appreciate a particular DJ, you show them by giving them props.

<http://blip.fm/>

- Lala

Lala.com is an online music store created by Silicon Valley entrepreneur Bill Nguyen. The service allows members to legally create online shareable "playlists" of their own uploaded music which can play full length songs for other registered Lala members, purchase MP3s, stream music on a one-time basis or as inexpensively purchased "web songs," buy new CDs from the Lala store, leave blurbs on other members' pages, and participate in the community forums. Apple, Inc. acquired Lala on December 4, 2009.

www.lala.com

The digital decade

A decade after Napster, no-one disagrees that digital is the future (and indeed the present) of the music business. As this timeline shows, the past 10 years have seen massive changes in the music industry, most of which have been triggered by the rapid development of online and mobile music technology.

2000

- April Metallica files suit against Napster
- May Napster releases a new version of its software capable of distributing secure Windows Media files
- June The RIAA asks for a preliminary injunction against Napster
- Peter Gabriel-backed distributor OD2 opens its first digital music stores for HMV and Tower Records
- July Sirius launches the first US music satellite into space

2001

- March The dot com crash hits, with Musicunsigned, Besonic, Music3W, Audiosoft, Net4Music and Brainspark laying off staff or closing offices
- April RealNetworks becomes a partner in MusicNet alongside EMI, BMG and Warner
- Musicbank closes after negotiating crippling licensing

August Universal launches Bluematter, selling digital tracks for \$1.99; they can't be played on any portable player, burned to CD or transferred to other computers

Marillion raise £100,000 from 30,000 fans to underwrite the cost of album recording

September P2P application KaZaA launches

December US Copyright Office rules that labels are entitled to royalties when terrestrial radio stations simulcast their output over the internet

Music locker service Musicbank secures licences from all five major labels

fees from the majors

Professor Edward Felten and his students successfully hack the SDMI copy-protection standard

May Vivendi Universal acquires MP3.com for \$372m in cash and stock

July AIM and Impala sign a deal with Napster worth around £8m, allowing indie labels to sign up for a legal Napster

October EMI becomes first major to license both to MusicNet and Pressplay

RIAA and MPAA take legal action against the FastTrack network, owner of KaZaA and Morpheus

Apple launches the iPod

November BMG forced to set up a helpline after Natalie Imbruglia fans complain that copy-protection is stopping them playing her latest album

2002

- January Music Ally takes a sneak peak at the first licensed version of

Napster, never to launch to the public, which makes available tracks in the .nap format

KaZaA stops distribution of its application as it fights lawsuits in the US and the Netherlands

Jupiter predicts that the online music market will be worth \$5.5bn by 2006, with \$1bn from subscriptions and \$600m from single downloads

March Dataplay, a new physical music format, aims to release 350 titles by the end of the year

April KaZaA is now owned by Sharman Networks, registered in the South Pacific Island of Vanuatu

May Napster enters bankruptcy proceedings

October OD2 launches Digital Download Day

Dataplay files for bankruptcy

November Roxio buys Napster's assets

2003

March Warner sells Madonna's 'American Life' as an unprotected MP3

April We review Audioscrobbler, later to become Last.fm

EMI announces that 140,000 tracks from 3,000 artists will be sold online

RealNetworks buys Listen.com, makers of the Rhapsody subscription service

May Sony and Universal sell Pressplay to Roxio

July RIAA takes legal action against individual file-sharers

August Last.fm launches

The BPI's Peter Jamieson predicts that within five years, downloads could account for 60% of the UK chart

October eMusic sold to Dimensional Associates

iTunes Music Store launches for Windows

November Sony and BMG merge

MP3.com sold to CNet

December Apple announces sales of 25m downloads sold so far

2004

January Shawn Fanning launches Snocap as a P2P licensing and content registration company

March T-Mobile in the UK offers the first European ringback tone service

Starbucks partners with HP to offer in-store CD burning

May Sony Connect digital music store launches

Napster 2.0 launches in UK

June Over 500,000 legal digital tracks sold between January and June 2004 according to the BPI

Apple launches throughout Europe

July Loudeye buys OD2

Universal announces a new "pocket CD" format featuring ringtones as well as music tracks

BMG in Germany announces a three-tier CD pricing system

- with low-end packaging, standard packaging and deluxe packaging

September eMusic re-launches

REM offer a pre-release album stream on MySpace

October British labels commence legal action against individual file-sharers

November Tesco launches Tescodownloads.com

December Legal action against KaZaA begins in Australia

2005

January Apple launches the iPod Shuffle

Official Charts Company announces that all legal downloads combined outsell physical singles

February Napster To Go, featuring the Windows Janus portability technology, launches in the UK

March Universal sends out cease and desist notices to mainstream music video sites who refuse to pay licensing fees

April Combined physical and download chart launches in UK

May Yahoo! launches Music Unlimited subscription service, undercutting Napster and Rhapsody by selling packages as low as \$4.99 per month

July Music Ally's consumer research division The Leading Question reveals that file-sharers spend four-and-a-half times more on legal digital music than other music fans

September Both Virgin and HMV launch their own new online music subscription services

December MTV announces launch of subscription service Urge

YouTube launches

2006

January Google launches its own video site

February UK cross-parliament group investigates DRM

May Mobile operator 3 announces that 1m full-tracks or videos were downloaded in April alone

July	Microsoft launches Zune digital media device
	Sony Ericsson reveals that it has sold 10m Walkman phones in the past year
August	Nokia buys Loudeye
	Major labels launch suit against file-sharing network LimeWire
September	SpiralFrog announces an ad-supported download service with licences from Universal
October	YouTube sells to Google for \$1.65bn in stock

2007

January	Apple announces the iPhone
	Virgin Digital closes
	Norway launches a case designed to force Apple to make its service interactive
April	EMI becomes first major to release significant quantities of catalogue without DRM
	Apple announces 100m iPod sales
May	CBS buys Last.fm

June	Sony announces plan to close Connect within two months
July	Apple sells 525,000 iPhones in its opening weekend
	Microsoft announces sales of 1m Zune devices so far
August	Private equity group Terra Firma buys EMI
	SpiralFrog launches in beta
	Universal announces that it will sell thousands of DRM-free tracks through retailers other than iTunes
	MTV shuts Urge and teams up with Rhapsody
September	Apple announces iPod Touch
October	Amazon launches its MP3 store
	HMV Unlimited closes
	RIAA prevails against Jammie Thomas in first file-sharing jury trial
	Radiohead launch pay-what-you-like album scheme for In Rainbows
November	Facebook valued at \$15bn after Microsoft takes 1.6% stake for \$240m

December	Nokia announces Comes With Music service
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2008

January	Sony and Warner drop DRM
	Apple found guilty of price rigging by European Commission
	Pandora closes its UK operation
	HMV announces new £5.99 monthly streaming-only service
	Last.fm announces free on-demand licensed streaming
March	NPD Group states that iTunes is now the second largest music retailer in the US
	AOL buys Bebo for \$850m
	MySpace Music announced with licenses from Warner, Universal and Sony BMG
April	Europe votes against 'three-strikes' anti-piracy legislation
May	Napster goes DRM-free on à la carte downloads
June	France hopes to take 'three-strikes' legislation to Europe

2009