

**FACE OF THE WEB STUDY PEGS GLOBAL
INTERNET POPULATION AT MORE THAN
300 MILLION**

**WIRELESS DEVICES, NOT PCs, CRITICAL TO
NEXT GENERATION GROWTH**

***Study shows digital divide about easy and affordable access not
language or literacy***

Vancouver, B.C., March 22, 2000 – Global Internet usage is well on its way to reaching 1 billion* users by 2005, with over 300 million people already logged on and as many as 150 million more people planning to do so this year. These results from The Face of The Web, a new study from the Angus Reid Group, a leading global market and social research company.

There were an estimated 40 million Internet users worldwide in 1996. The most recent estimates suggest global Internet usage has reached 275 million users. But, the combined 450 million current and potential user figure from the Angus Reid study — based on a study sample of 28,374 internet users and consumers conducted by telephone or face to face using conventional research techniques and full random sampling in 34 countries — is the first to acknowledge that the Internet's reach is wider than imagined and its growth faster than expected. But the \$1 million study also shows that Internet usage remains highly concentrated in a few countries, shows signs of slowing in several others and that hundreds of millions of citizens have no immediate intention of going online.

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In fact, four in ten survey respondents — representing about 340 million people worldwide, or the equivalent of the population of the United States — were aware of the Internet but had ***no*** intention of using it in the next 12 months, with the majority citing a lack of interest, knowledge and relevance to their lives. These are some of the top-line findings from **The Face of the Web**, the most comprehensive study ever of global Internet usage.

“We’re inching closer to that magic number of 1 billion Internet users by 2005,” says Dr. Angus Reid, Chairman and CEO of the Angus Reid Group. “But the Web has much more ground to make up before it can claim to be a truly worldwide medium on the scale of television.

“Even in many developed countries, one-third of adults have not tried the Internet. There is substantial room for growth in every country we studied. The key to reaching mass appeal will be to move fence sitters — people who know about the Internet but for some reason simply haven’t logged on yet — into true believers and users. And wireless is the way to go.”

Country Analysis: Leaders and Laggards

- The **U.S.** ranks first on most of the categories measured by the Angus Reid Group: greatest estimated home PC ownership (107 million), most total Internet users (108 million), highest Internet trial (69%), highest Internet knowledge (60% say they know “a fair amount” about the Internet) and highest Internet usage (59%). Equally impressive, the U.S. will generate the greatest number of future users with an estimated 33 million new users expected to log on this year.
- Despite the sheer volume of Internet users, the U.S. now represents only 39 percent of Internet usage worldwide.

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- **Canada:** The much smaller U.S. neighbor ranks second in many categories including: Internet trial (second at 64%), usage (second at 56%), knowledge (second with 54% who say they know a “fair amount”) and home PC penetration (tied for second). Canada, along with the U.S., Sweden, the Netherlands, Finland, Switzerland and Australia, is considered a “leading edge” country.
- **Europe:** In terms of sheer numbers, Germany ranks third (with 18 million users) and the U.K. fourth (14 million), but the real story is the startling contrast between “leading edge” countries to the north (Finland, Sweden and the Netherlands), and their neighbors to the south and east. Results from both Eastern and Southern Europe show that PC penetration and Internet usage seems to have stalled; as well, these countries have the largest proportions of adults who claim to have no interest of going online.
- **Asia:** Hong Kong (35%), Japan (33%) and Singapore(33%) made it into the Top Ten in terms of percent of the population using the Internet. And given Japan’s edge in developing wireless access options and wireless broadband, the country is sure to add millions of new users to its already 32 million existing users, second only to the U.S.

(Note: Select usage charts for 34 countries available at

http://www.angusreid.com/MEDIA/CONTENT/displaypr.cfm?id_to_view=1001)

Anytime, Anywhere Access Key To Future Growth

The benchmark study confirms the strong link between initial trial and on-going Internet usage. “This is no passing fad. Once you’re hooked, adoption rates go through the roof. But now that the Web has achieved critical mass, the key to future growth involves breaking down barriers to access,” Reid says.

“Many people can't afford the relatively large initial cost of owning a home computer — which is how most people access the Net today — and which is likely to be the main drag on Internet growth,” he adds.

“Over all the countries in our sample, home Internet access trails behind almost every other household consumer electronic device in terms of ownership and usage. While 97% of respondents have a TV, 48% have a cellular telephone, 42% have home computers and only 20% have home Internet access,” Reid says.

Reid believes for some, making home access cheaper and easier — through TV-top boxes and game consoles — will be the answer. But the real promise of Internet growth lies with wireless Internet devices.

“There is a tendency to assume the ‘North American’ model of web access from a home PC is the only way the Web will continue to develop. The ‘Euro-Asian’ model of wireless web access on cell phones and palmtops and public access to the Web in cafes and kiosks must play a greater role,” Reid adds.

“For the Internet to reach the 1 billion user mark, second-generation wireless technology needs to achieve mass appeal. So if there’s any kind of digital divide, it’s more about creating universal access with cheaper and easier technologies than concerns about language and literacy.”

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Methodology

The Face of the Web is the most comprehensive international study of consumers and the Internet ever done, based on a total of 28,374 interviews with Internet users in 30 countries and general consumers in 34 countries.

These findings are just the tip of the iceberg from the most extensive data set ever collected on the use and emergence of the Internet around the world. The Angus Reid Group completed this first edition of The Face of the Web study in November and December 1999 and in January 2000. The \$1 million study consists of two distinct surveys — the Prevalence Survey and an Internet Users' Survey. The first component was fielded entirely in November and December 1999 and consisted of a general population survey in 34 markets. The Prevalence questionnaire was fielded on the Angus Reid World Poll, a global omnibus survey. The Users' survey was fielded simultaneously but was conducted entirely independently of the first. It surveyed Internet Users only, defined as any adult (18+) who had used the Internet from any location and for any reason in the past month. The Users' survey was conducted in 30 different markets. A total of 21,298 interviews were conducted for the Prevalence Survey, while 7,076 interviews were conducted for the Users' Survey.

***Note: Several industry analysts have predicted the Internet will reach 1 billion users by 2005. This forecast is not made in The Face of The Web.**

About Angus Reid

Established in 1979, the Angus Reid Group is among the world's leading research companies, providing a full array of marketing and social research services to the private and public sectors. Founded by Dr. Angus Reid, the Angus Reid Group has conducted extensive research in 80 countries and in 40 languages and serves 1,200 clients around the world through 11 offices and 300-full-time and 800 part-time staff. For more information visit www.angusreid.com

For more information on this media release, please contact:

***Dan Maceluch
Vice President
Angus Reid
(416) 324-2900***

dan.maceluch@angusreid.com

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***For more information about The Face of the Web, please contact Chris Adams,
Vice-president of global research, at 1-888-210-7425 or info@angusreid.com
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