

Beyond Surfing: E-commerce and Banking Surge

Consumers embrace downloading digital music and pictures, too, Ipsos study shows

New York, NY, February 13, 2003 – The Internet continues to become more ingrained in people's everyday lives around the world, according to *The Face of the Web*, an annual study of Internet trends by Ipsos, the global marketing research firm.

In 2002, over half (54%) of the total population in the 12 countries indicated that they had, at some time, used the Internet. This represents a significant increase since the study was last conducted in 2000. (For country comparisons, also see: http://www.ipsos-reid.com/media/dsp_displaypr_us.cfm?id_to_view=1690).

As more people use the Internet, the frequency of trying specific activities has also increased. In particular, those respondents who have used the Internet in the past 30 days were very likely to be using it more robustly.

"The Internet has become a medium for more than just surfing for information," said Brian Cruikshank, an author of the study and leader of the company's U.S. technology practice. "Increasingly, it is becoming part of our daily lives."

Ipsos-Reid, a U.S.-based division of Ipsos, has been tracking Internet activities awareness and usage since 1999. The latest findings are based on interviews with more than 6,600 adults, including 2,900 active Internet users in 12 countries.

Among the key findings (comparisons with previous studies, where applicable):

- Globally, 68% of Internet users report having sent or received pictures or videos;

- Nearly two-thirds (62%) of Internet users have purchased a product or service online, up dramatically from 36% of respondents in 2000.
- 44% report having downloaded a music file;
- 38% played a video game online;
- 37% conducted an online financial transaction;
- And 24% burned a CD of digital music files downloaded off the Internet.

“The number of Internet users who are buying products and services online continues to grow,” Cruikshank said. “This bodes well for established online retailers who have improved their service and distribution. Two markets in particular stand out: the U.S., where 77% of Internet users have bought a product or service online, and the United Kingdom, where 68% have purchased online.”

ONLINE BANKING NEARLY DOUBLES

Online banking has also experienced a dramatic increase between 2000 and 2002, almost doubling to 37% from 20%. Online banking is most prevalent in Canada, the U.K., Germany and the U.S., where more than 40% of Internet users had banked online.

The percentage of Internet users downloading music files online increased to 44% in 2002, up from 35% in 1999. The largest increases in music downloading occurred in China, Russia, Mexico and Brazil.

A new category in 2002 was sending or receiving a picture or video online. More than two-thirds (68%) of Internet users said they had done so last year.

“With the introduction of wireless phones with picture/video capabilities and the increasing popularity of digital still cameras, this online activity is poised for continued growth in the upcoming year,” Cruikshank said.

Well over half of all Internet users in every country said they had sent/received pictures/video. More than three-quarters (76%) of American and Canadian Internet users said they had done so. Large numbers of Internet users in the less developed nations of China (74%) and Russia (73%) also had done so.

Playing online video games increased modestly from 2000 to 2002 -- from 31% to 37%. Online video games are much more popular among Asian Internet users, with 59% of South Koreans and 58% of Chinese respondents reporting that they had played an online video game.

“As a commercial venture, the Internet has experienced its share of growing pains,” Cruikshank noted. “But clearly Internet users have become and continue to become more comfortable making purchases and banking online—not simply communicating.”

Also contributing to this growth are lower personal computer and Internet access costs, Internet-enabled devices and Internet Cafes in developing markets.

About Ipsos in North America

With more than 3,000 professionals and field staff in North America, Ipsos offers a full suite of research services, guided by industry experts and bolstered by advanced analytics and methodologies in advertising, marketing, public opinion and customer satisfaction research, as well as forecasting and modeling. In the U.S., member companies in the U.S. include Ipsos-NPD and Ipsos-Reid, for marketing research, Ipsos-ASI, the advertising research company, Ipsos Public Affairs, and Ipsos-Novaction and Ipsos-Vantis, specialists in forecasting, modeling and consulting.



About Ipsos-Reid

Ipsos-Reid has been tracking public opinion and consumer behavior around the world for more than 20 years and has become a leading provider of global public opinion and marketing research to private, public and not-for-profit organizations in over 50 countries. With offices in 11 cities, Ipsos-Reid offers clients a full line of custom, syndicated, omnibus, and online research products and services. It is perhaps best known for its line of Express opinion polls, the World Monitor online reporting service of global consumer trends, and *The Face of the Web*, an exceptionally comprehensive study of global Internet usage and trends. Ipsos-Reid is a member of Paris-based Ipsos Group, the third largest survey-based market research firm in the world.

Methodology

These international survey research data were collected via Ipsos's Global Express, a quarterly international omnibus survey. Fieldwork was conducted in May and June, 2002. Data are based on individual surveys taken with a random sampling of adults (18+) across 12 national markets. The target sample size in each country was 500, except for the United States where 1,000 interviews were conducted. Within each country, the survey results can be said to be within ± 4.38 percentage points of what they would have been had the entire adult population been surveyed; ± 3.1 percentage points for the 1,000 sample in the United States. In 7 of these 12 surveyed countries, the samples provide national coverage. In most of these sample countries the data were collected via randomized telephone interviewing, the exceptions being Brazil, China, India, Mexico, and Russia where in-person door-to-door interviewing occurred.

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