



Broadband Internet Dominates and Wireless Internet Growth Explodes

More users access the Internet through high-speed from any device or location than dial-up connection, while wireless Internet grew a whopping 145% year-over-year, the *Face of the Web* study from Ipsos-Insight reveals

February 18, 2004, New York, NY – Dial-up access has been the single most prevalent Internet connection worldwide. Today, however, high-speed connections have taken the lead as the primary vehicle for connection for half of the global Internet population, according to *The Face of the Web*, the annual study of Internet trends by Ipsos-Insight, the global survey-based marketing research firm, which has been tracking Internet developments around the world since 1999. The latest findings — based on interviews in thirteen key global markets with more than 7,100 adults, including 3,250 active Internet users — show tremendous pent-up demand for greater digital content and data exchange, a trend that is shaking up the entertainment, technology and communication industries.

Though dial-up access is widely used (39%) as the primary connection type, half of the Internet users already surf at high-speed (see chart). Spurring this growth are South Korea, Japan, Germany, Canada and Urban China, where almost three out of four people use some form of broadband connection to go online. In the U.S., broadband is catching up with 47% logging on through some form of high-speed connection, the study shows.

“Yet, Internet users are not stuck to tethers anymore,” said the study’s co-author and Senior VP of Ipsos-Insight, Brian Cruikshank, “As users grow accustomed to integrating the online medium in their everyday lives, they are also increasingly demanding access to it from any place, at any time without wired connections.”

Last year wireless Internet found its place in more laps and hands, with double and, in many countries, triple digit growth since 2002. Overall, wireless Internet grew by a substantial 145% last year, representing close to 80 million unique triers and users. Japan leads in the proportion of those who have ever gone online with a wireless connection, with almost half of its adult population accessing the Internet through a wireless device. In the U.S, wireless Internet experienced the largest growth, with nearly one in three adults report having used it. Wireless connectivity trial through various devices now represents 40% of the total Internet population in the 13 countries surveyed by Ipsos-Insight.

What is driving this trend?

The explosion of portable and wireless devices, from laptops to cell phones and everything in between. “In Leading Edge countries, one in five households already own a laptop that supplements a desktop PC. In countries like Japan, that number is twice as high,” said Cruikshank. And if that doesn’t appease the appetite of wireless dreamers, nearly one in four households in Japan today owns a laptop as their primary and only computer.

Could the hot spots offered by the McDonalds, Starbucks and Panera Bread Co.s be contributing toward this growth? “Perhaps, yet these companies are merely catering to the growing demand for wireless Internet users who may stop-by to have a beverage or a meal and want to conduct their online activities,” remarked Cruikshank, “No doubt, as Wi-Fi technology and hot spots become more prevalent, the use of laptops to connect to the Internet in an untethered fashion will continue to increase dramatically.”

The wireless Internet train, however, keeps getting bigger and doesn’t stop at laptops. “Look at the explosion in mobile phone ownership, which grew by 30% globally – five times the growth experienced in PCs, during 2003,” added Neil Modi, co-author and an expert in technology practice for Ipsos-Insight. “A mobile phone in every hand may soon be realized with lowering cost and increasing accessibility. Already, six in ten households in Leading Edge and Advancing economies own a PCS phone, while the numbers are even higher in many Western European and East Asian markets.”



According to Modi, mobile phone ownership is an important indicator for wireless Internet growth. "Because, as mobile phone penetration continues to increase, Internet enabled handsets will become commonplace. Mobile phones are inexpensive, portable, driven by displays and keys, and are increasingly providing the ability to exchange both voice and data. As people get used to online services and mobile communication, they may soon want to be able to do these activities through a single voice and data device such as a cellular phone while on the go," said Modi.

This is not to say that the wireless Internet will completely take over the colossal network of cable, DSL, and fiber optic wires set up by networking companies around the globe. "There are still limitations to what wireless connectivity can do when compared to wired Internet connections, such as lower bandwidth, security and device capacity," Modi commented.

For these reasons, a mere 4% of the global Internet population last year used a wireless connection as their primary connection point. Yet, a significant 17% of the Internet population used wireless Internet in some capacity. The researchers concluded, "Essentially, the growth of wireless technology will always be associated with 'convenience' and 'flexibility', and will in the short-to-medium term continue to supplement wired connectivity in performing both personal and work related mobile tasks."

In 13 key global markets, *The Face of the Web 2003* study also examined:

- Equipment and technologies used to access the Internet, as they relate to future home networking possibilities
- Both wired and wireless activities performed
- Types of connectivity (i.e., broadband cable, DSL, dial-up modem, etc.) and trends in emerging technologies such as Wi-Fi
- Extent of wireless Internet connectivity, types of wireless devices in use, and intentions for adopting Internet-enabled wireless Internet technologies
- Internet awareness, trial, and usage
- Barriers to Internet usage, future plans to go online and implications of Internet growth.

Methodology

The Face of the Web 2003 study was conducted in October 2003 among a random sample of approximately 7,100 adults in urban Brazil, Canada, urban China, France, Germany, urban India, Japan, urban Mexico, urban Russia, South Korea, South Africa, the U.K., and the U.S. The results of the survey were published in a 135-slide report by Ipsos-Insight in December 2003.

To read more about *The Face of the Web 2003* and to access future press releases, please visit our news center at www.ipsos-na.com/news.

For more information on *The Face of the Web 2003* study, please contact:

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