



## Wireless Internet Access Climbs Nearly 30% In 2004

More Than Two Out Of Five Users Globally Have Accessed The Internet Via A Wireless Connection, With More Using Mobile Phones To Connect, *The Face Of The Web* Study From Ipsos-Insight Reveals

**March 17, 2005, New York, NY** – True to 2003 wireless projections from *The Face of the Web* study, the number of wireless Internet users in 2004 grew by 29%. The latest findings — based on interviews in 12 key global markets with 6,544 adults, including 3,304 active Internet users — show that an estimated 171 million people, or 44% of Internet users in the measured markets, have accessed the Internet wirelessly.

Japan and the Advancing markets saw the largest year-over-year growth among adults who used the Internet via a wireless connection. However, wireless population growth was largely driven by the two biggest Internet markets, the U.S. and Japan, fuelling 69% of user increase and adding an estimated 15 million and 11.6 million new wireless Internet users, respectively. Wireless Internet also gained some popularity in Western Europe, South Korea, and Urban China.

### Wireless Connections: Beyond the Laptop

Consequently, and challenging popular thinking, it isn't the growth in laptop and Wi-Fi usage that is leading wireless Internet take-up. The number of adults who used a laptop for connecting to the Internet wirelessly was smaller compared to those who used a device like a mobile phone. In Japan, for instance, where wireless Internet, laptop, and mobile phone prevalence is highest, twice as many adults (59%) have accessed the Internet through a mobile device such as a mobile phone than have used a wireless laptop connection (28%). Similarly, outside of North America, Germany, and Urban Mexico, mobile devices like mobile phones are propelling wireless Internet use.

Proof of the trend toward data-driven applications via devices such as a mobile phone can be found in the kinds of features that mobile phones have. In the 12 markets analyzed, close to half of the mobile phone handsets have email or Internet browsing capability. Mobile phones have reached a turning point, evolving from primarily a voice communication device to a popular multimedia tool emphasizing data applications. Similarly, SMS may have been the growth vehicle for non-voice applications on a mobile phone in recent years. However, Internet-based applications are the wave of the future as evidenced by activities that have taken place on at least one mobile device in the household:

- One in three mobile phone households (estimated 175 million) has exchanged email via the mobile phone
- One in four (estimated 124 million) has browsed the Internet
- One in four (estimated 123 million) has exchanged digital image/video
- One in five has conducted Instant Messaging
- One in five has played a video game

### Wireless Multi-media on the Rise

With the exception of SMS and ring tone download activity, the year 2004 saw a year-over-year increase in wireless activities across the board. Email usage grew by 21%, though exchanging video and pictures and

browsing the Internet saw more than double that growth, pointing toward the tipping over of this traditionally audio or text based instrument to a multimedia engagement gizmo. Mobile commerce, while still a nascent activity, saw the biggest lift—prevalence of wireless online purchasers grew by 100% and wireless online bankers grew by 60% (year-over-year prevalence growth in these activities was highest).

Said Brian Cruikshank, Senior VP of Ipsos-Insight and co-author of the study: “These developments are indicative of an early adoption of multimedia and transaction-based activity through a mobile device. As smart-card technology handsets are introduced in many markets, transaction-based activity will be yet another frontier driving data connectivity and ARPU in the next three-to-five years.”

The next phase of data use on a mobile device will be dependent on the value placed in mobile data activity, the disposable income available for these activities, and the resulting cannibalization of other data-centric activities in the household. According to Ipsos, 2005 will be a spring board year for the wireless Internet via a mobile phone, as 3G service offers start to reach more markets and the price of the service and 3G mobile phone subsidies present an opportunity for adoption of these services among the broader populations in many markets.

The mobile phone’s power in shaping the wireless Internet evolution can be demonstrated by the number of Internet-user households that own a mobile handset - currently, the majority (88%). The study found that Internet users are likely to have greater data driven functionality on their mobile handset than non-Internet users, validating the growing need and desire for a complement to wired Internet access while on the go.

Moreover, the mobile phone’s strength in leading the wireless Internet comes from its sheer prevalence in both developed and lesser-developed markets around the world, growing at a rapid pace and now far surpassing the installed base for PCs and landline phones. Household ownership of mobile phones has already reached critical mass in Leading Edge markets like Japan and South Korea, and is growing by leaps and bounds in low prevalence and high population markets of Urban Russia and Urban India. Add to this picture, multiple phone ownership. Gone are the days of a single shared mobile phone within a household; two-thirds of the households surveyed in the Ipsos study own two or more mobile phones, Cruikshank added.

“The mobile phone is the most prevalent global device. The continued adoption of the Internet and the recent launch of advanced mobile networks will no doubt lead to a greater number of people connecting to the Internet through a mobile phone. In fact, we feel that wireless Internet connection via a mobile phone may indeed become the predominant and, perhaps, only point of connection for many in the developing parts of the world, akin to the technology jump from wired to wireless voice communication,” said Cruikshank.

*Note: Population estimates are based to the covered sample in the 12 markets analyzed.*

## **Methodology**

*The Face of the Web 2004* study was conducted in October 2004 among a random sample of 6,544 adults in urban Brazil, Canada, urban China, France, Germany, urban India, Japan, urban Mexico, urban Russia, South Korea, the U.K., and the U.S. The results of the survey were released to subscribers in January 2005.

*The Face of the Web 2004* study also examined:

- Household technologies owned and used, as they relate to wireless communication, Internet access and future home networking possibilities
- Both wired and wireless activities performed
- Types of connectivity used (i.e., broadband cable, DSL, dial-up modem, wireless etc.) and trends in emerging technologies such as Wi-Fi and other data driven wireless applications
- Extent of wireless Internet connectivity, types of wireless devices in use, and intentions for adoption
- Global Internet awareness, trial and usage within twelve key markets around the world
- Barriers to Internet usage, future plans to go online and implications of Internet growth

To learn more about *The Face of the Web 2004*, please visit:

<http://www.ipsos-insight.com/industryfocus/techandcomm/FOW.aspx>

**For information on purchasing *The Face of the Web 2004* study, please contact:**

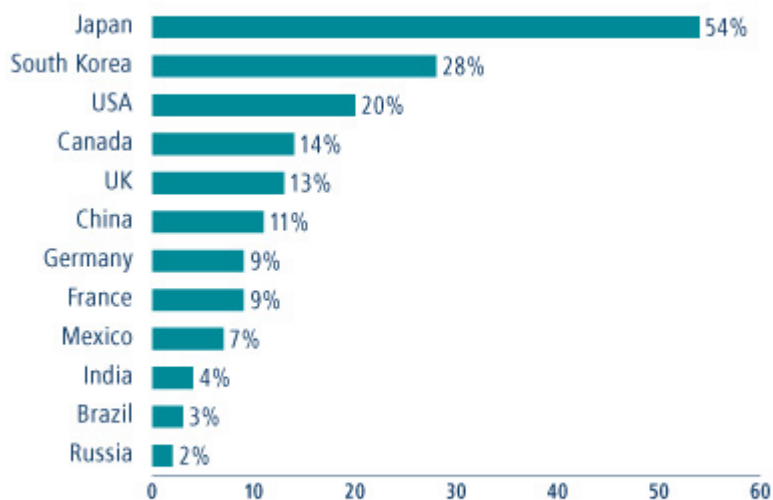
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**2004: Wireless Internet Access via a Wireless Mobile Device**  
e.g., a Mobile Phone/PDA – Past 30 Days

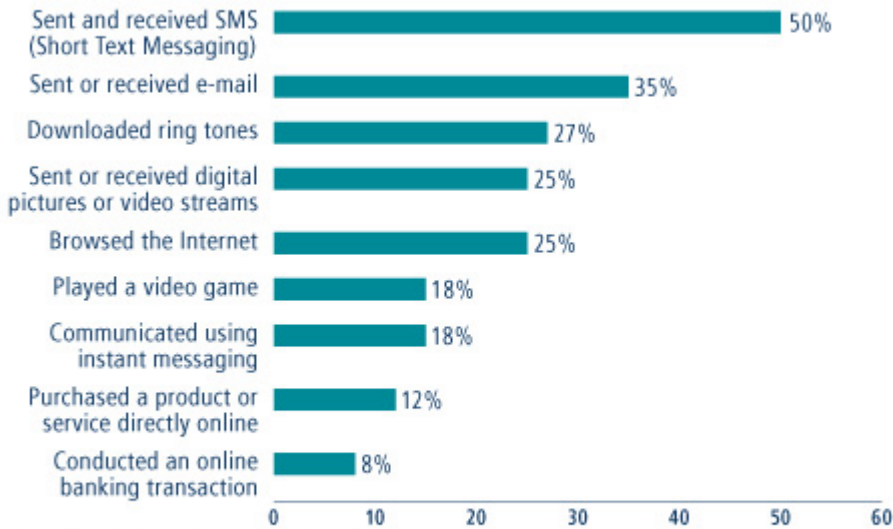


Base: All Respondents (General Adult Population)

Source: Ipsos-Insight, *The Face of the Web 2004*, survey of 6,544 adults in 12 global markets, October 2004




## 2004: Wireless Internet Activities – Ever Done (All Activities Not Listed)



Base: Households owning a mobile phone/PDA

Source: Ipsos-Insight, *The Face of the Web 2004*, survey of 6,544 adults in 12 global markets, October 2004

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