Demand For "anytime, anywhere" Internet Access Drives Continued Surge In Notebook PC Ownership Around The World

The Popularity Of Notebook PCs Will Help Close The Digital Divide Between Society's Technological Haves And Have-Nots, Says Ipsos Insight Study *The Face of the Web*

New York, NY, July 17, 2006 – Growing availability to low cost, high-speed and often wireless Internet service appears to be propelling laptop and notebook sales around the world, helping close the so-called "digital divide" between technology's haves and have-nots, say researchers from Ipsos Insight in their annual *The Face of The Web* study of global Internet trends.

Global notebook PC ownership grew a healthy eight percentage points in 2005, while desktop PC ownership growth stagnated around the world for the first time. At the end of 2005, 34% of households globally owned a notebook or tablet PC compared with 20% in 2003. Meanwhile, global desktop PC ownership remained unchanged between 2004 and 2005 at 60%, and may be signaling a "changing of the guard" in the PC category overall.

Given the surge in ownership, it is becoming increasingly clear that notebook PCs will become a driving change agent in consumers' PC usage and Internet behavior, particularly in more developed global markets with greater access to wireless networks in the home and in public places.

"The continued popularity of notebook PCs, coupled with growing public access, means that a wireless Internet world is rapidly approaching reality, particularly in North America. Widespread wireless Internet will revolutionize consumption models for many different industry sectors - decisions like where to eat lunch, where to shop, where to entertain ourselves," said Brian Cruikshank, Senior Vice President & Managing Director of Ipsos Insight's Technology & Communications practice.

"Many consumers around the world already own a desktop PC and are now acquiring their first notebook PCs, which are built to handle a whole new generation of applications, devices and content. The technologies that support mobile notebook usage are poised for very strong growth in the future as consumers begin to learn how to utilize these new wireless platforms along with their existing desktops."

No Place Like Home

Despite the sharp rise in notebook PC ownership, Internet access from outside the home remains a niche activity globally, as the home continues to be Internet Users preeminent point of access; of people who used the Internet in the past 30 days, nearly nine in 10 access the Internet from their homes, outpacing the workplace (50%) by an almost two-to-one margin, and nearly 10 times the prevalence of typical 'wireless' destinations such as bars or cafés. However, nearly twice as many Internet users claimed to have accessed the Internet from a bar, café, restaurant or airport in 2005 (9%) vs. 2004 (5%), hinting that the growing expectation for 'anytime, anywhere' access may soon become a reality for Internet users around the world.

The 'anytime, anywhere' paradigm is becoming a reality much faster in North America than any other part of the world, as roughly one-third of adults in North America have accessed the Internet wirelessly using a notebook PC in the past 30 days. This is likely fueled by a growing number of in-home WLANs, the launch of WWANs by wireless service providers, public Wi-Fi hot spots and the continued build-out of municipal wireless networks available to the public.

Interestingly, Japanese wireless Internet usage from a PC pales in comparison to the prevalence of wired Internet usage, despite the fact Japan has one of the highest rates of notebook PC ownership (62%) in the world. As mentioned in a

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previous research release from *The Face of the Web*, this may be symptomatic of this region's advanced use of the mobile phone as the predominate platform for wireless Internet access.

Most Use, Expect High-Speed Access

Still, tethered high-speed access remains the most common way Internet users jump online. Today, nearly three in four Internet Users globally surf via a high-speed connection, while the prevalence of high-speed connections as a primary access technology for users rose five percentage points in 2005 (67%) vs. 2004 (62%). Perhaps more notably, dependence on dial-up access declined sharply 2005, and was unseated by DSL as the most commonly used access technology around the world.

Among high-speed access technologies, DSL and Cable remain the most common forms of high-speed connections globally, though Cable access eclipses DSL access in only one part of the world – North America. Within dial-up dominant markets, Internet access via wireless service has made significant gains, while prevalence of this access technology among Internet users in these markets actually surpasses that of other more developed markets.

Concluded Cruikshank: "We have seen demand for high-speed Internet grow to where there is now an anytime, anyplace expectation for access to information. Consumers without a high-speed connection at home are motivated to utilize hot spots and other forms of public access to get online as they become more available, which in turn, promises a greater opportunity for the delivery of rich content and digital services to under-developed Internet markets around the world."

Methodology

The Face of the Web 2005 study was conducted in November and December 2005 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 Face of the Web 2005 study examined:

- **Global Internet Usage** – Internet usage and trial through wired and wireless access, frequency of usage, and a 'Diffusion Spectrum' to help project future trends.

- **Internet Access & Connectivity** – Household PC ownership (laptop and desktop), primary and secondary usage from various locations, primary and secondary access technology (dial-up versus DSL versus cable versus Wi-Fi).

- **Wired Internet Activities** – A range of conventional and emerging online activities, such as streaming videos, downloading movies, sharing music files, making online phone calls, banking online, etc.

- **Wireless Internet Activities** – Prevalence of household cell phone ownership and primary usage, wireless Internet usage and activities, (e.g., email, SMS, digital images, video games, ring tones, etc.).

- **Household Technology Inventory** – Consumer technology and service penetration at the household level (e.g., MP3 players, digital cameras, PDAs, game consoles, GPS navigation, etc.).

- **Internet Growth** – Growth projections using trend data, usage intent, and Ipsos' proprietary algorithm to derive estimates for future projections in wireless and wired Internet growth.

To learn more about *The Face of the Web 2005*, please visit:
www.ipsosinsight.com/industryfocus/techandcomm/FOW.aspx

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