



Online Video And Social Networking Websites Set To Drive The Evolution Of Tomorrow's Digital Lifestyle Globally

Online Video Activities Are Outpacing The Growth In Popularity Of Other Digital Media, While Social Networking Is Quickly Becoming The Dominant Online Behavior Globally According To Ipsos Insight's Latest The Face Of The Web Study

New York, NY, July 5, 2007 — The evolution of Internet users' digital media and online habits appears to be transitioning to the digital video age, according to the most recent findings from *The Face of the Web*, Ipsos Insight's annual study of Internet and Technology trends. Over the past few years, the growth of digital music behaviors – particularly downloading music files online and burning CD-Rs – introduced millions of Internet users globally to the virtues of the digital medium, blazing a path for other entertainment media to follow. At the end of 2006, it appears that online video activities seemingly have taken over the torch as *the* driving force in the next stage of digital media's growth, having a profound impact on the way consumers access and view video content around the world.

Indeed, participation in online video activities is climbing quickly in many developed markets of the world. Growth in these behaviors was most prevalent within the U.S., where today well over one-third of recent Internet users (36%) have watched a TV show or other video stream online, compared to 28% at the end of 2005, while three-quarters of these adults have done so in the past 30 days. Brian Cruikshank, Executive Vice President & Managing Director of Ipsos Insight's Technology & Communications practice, explains how consumer appetite for video content has accelerated the adoption of online video behaviors, "In markets such as the U.S., where homes are saturated with televisions and DVD players, video content is a predominant part of consumers' daily lives. Increasing penetration of broadband access and PC ownership globally signals that the PC will begin to really assert itself as a 'second screen' within the household."

Social Networking A Predominant Activity For Most Global Internet Users

Perhaps even more impressive than the trending witnessed in digital video behaviors globally, is the growing phenomenon that social networking is becoming across the world. Today, about one in five adults have ever visited a social networking website, and an equal percentage (20%) of regular Internet users have visited these types of websites in the past 30 days. Leading all other markets in its love affair with social networking is South Korea, as half (49%) of all adults in this country have visited at least one of these websites in the past, while over half of all online adults have visited a social networking website in the past 30 days. The popularity of social networking in South Korea is largely attributed to Cyworld, one of the oldest and most successful social networking sites in the world. According to Cyworld, approximately



18 million people in South Korea have accounts with their service – representing roughly 30% of the country’s entire population. In comparison, about one in five American adults (24%) have ever visited a social networking website.

The online audience that social networking sites attract are significant, particularly when one considers the various ways for users to interact with others using these sites, such as online chat, text messaging, e-mail, video, voice chat, file sharing, blogging, discussion groups, and so on. Social-networking sites clearly solicit a strong relationship with users – beyond the simple transactional nature many sites have with their audience. Adds Cruikshank, “Social networking web sites, such as Cyworld, MySpace, Facebook and Mixi, have emerged as major factors in the culture of communication for adults globally, which is underscored by their popularity with Internet users even among lesser developed markets.”

What’s also notable about social networking sites is the captive audience they are generating online. In most global markets, at least two-thirds of all Internet users that have visited these sites have done so in the past 30 days.

Cruikshank concludes, “The frequency of visitation to social networking websites globally implies that many Internet users are no longer simply ‘trying out’ these sites, but rather adopting social-networking as a significant part in their evolving digital lifestyle. What will be interesting to monitor is the affect social networking will have on other online and offline entertainment behaviors that ultimately compete for a share of the consumer’s disposable time. We have already seen some effects of social networking cannibalizing other online activities in some markets.”

Methodology

The Face of the Web 2006 study was conducted in November and December 2006 among a random sample of 6,553 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 2006 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.

Source: Ipsos Insight, *The Face of the Web 2006*, survey of 6,553 adults in 12 global markets, November-December 2006

To learn more about *The Face of the Web 2006*, please visit
<http://www.ipsosinsight.com/knowledge/techcomm/products/FOW.aspx>.

For information on purchasing *The Face of the Web 2006* study, please contact:

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