



The Impact of the Internet--Year Six Report, 2007

Surveying the Digital Future—The World Internet Project

USC Annenberg School--Center for the Digital Future

Surveying the Digital Future: The Impact of the Internet

Lessons Learned from Six Years in the Field

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at USC Annenberg School

Compete Customer Day

May 15, 2007

Boston, MA



Lost Research Opportunity

A Longitudinal Study of Television, beginning in 1948 could have found

- Where the time for television came from
- How it affected ...
consumer behavior, connection to the civic process,
desire to travel, career goals and much else



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We are undertaking the study of the Internet that should have been conducted on television in the late 1940s



Countries and Regions in World Internet Project

- **United States**
- **Singapore**
- **Italy**
- **Sweden**
- **Japan**
- **Great Britain**
- **India**
- **Iran**
- **Australia**
- **Bolivia**
- **Hong Kong**
- **Canada**
- **New Zealand**
- **Columbia**
- **Mainland China***
- **Macao**
- **South Korea**
- **Germany**
- **Hungary**
- **Spain**
- **Chile**
- **Argentina**
- **Estonia**
- **Portugal**
- **Nigeria**
- **South Africa**
- **Czech Republic**
- **Mexico**
- **France**



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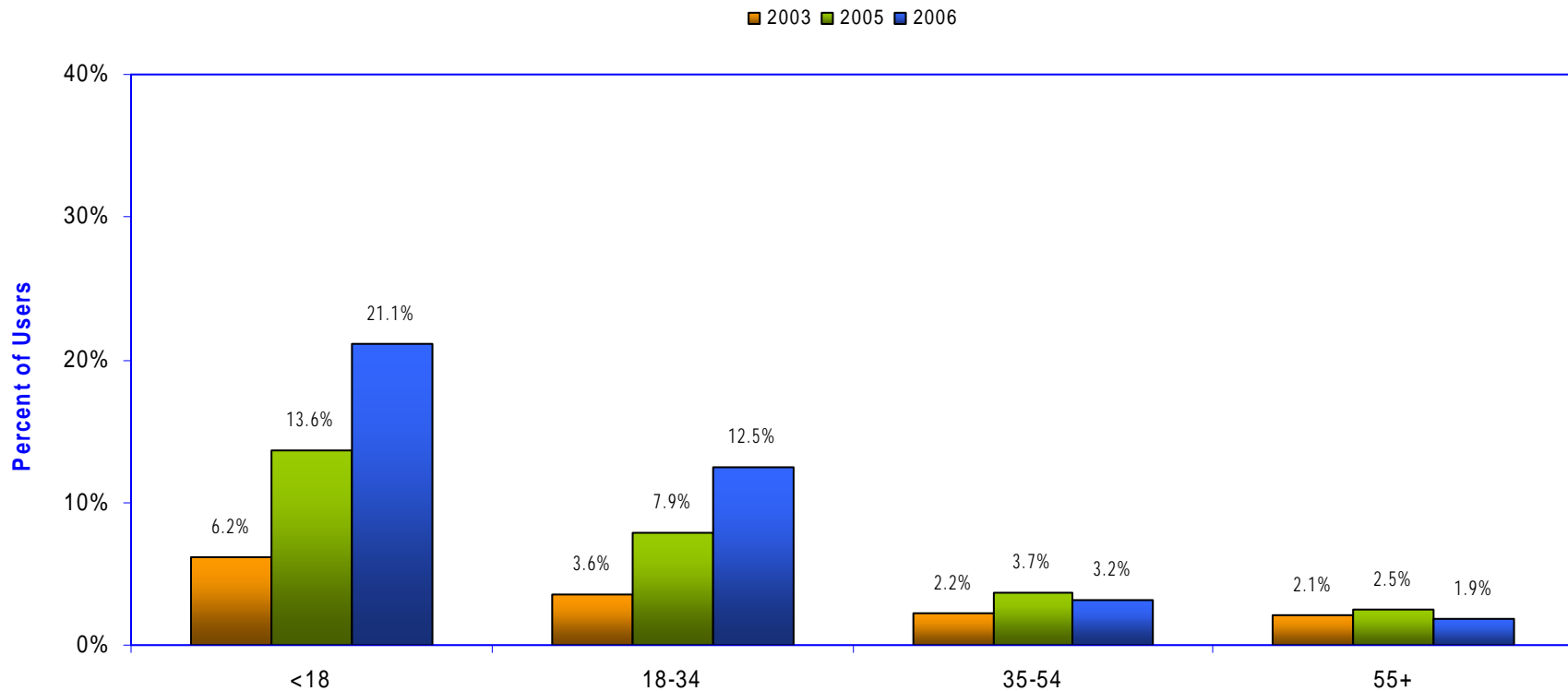
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Trend #1

Internet has become an essential part of everyday life and moved power (real and perceived) into the hands of individuals

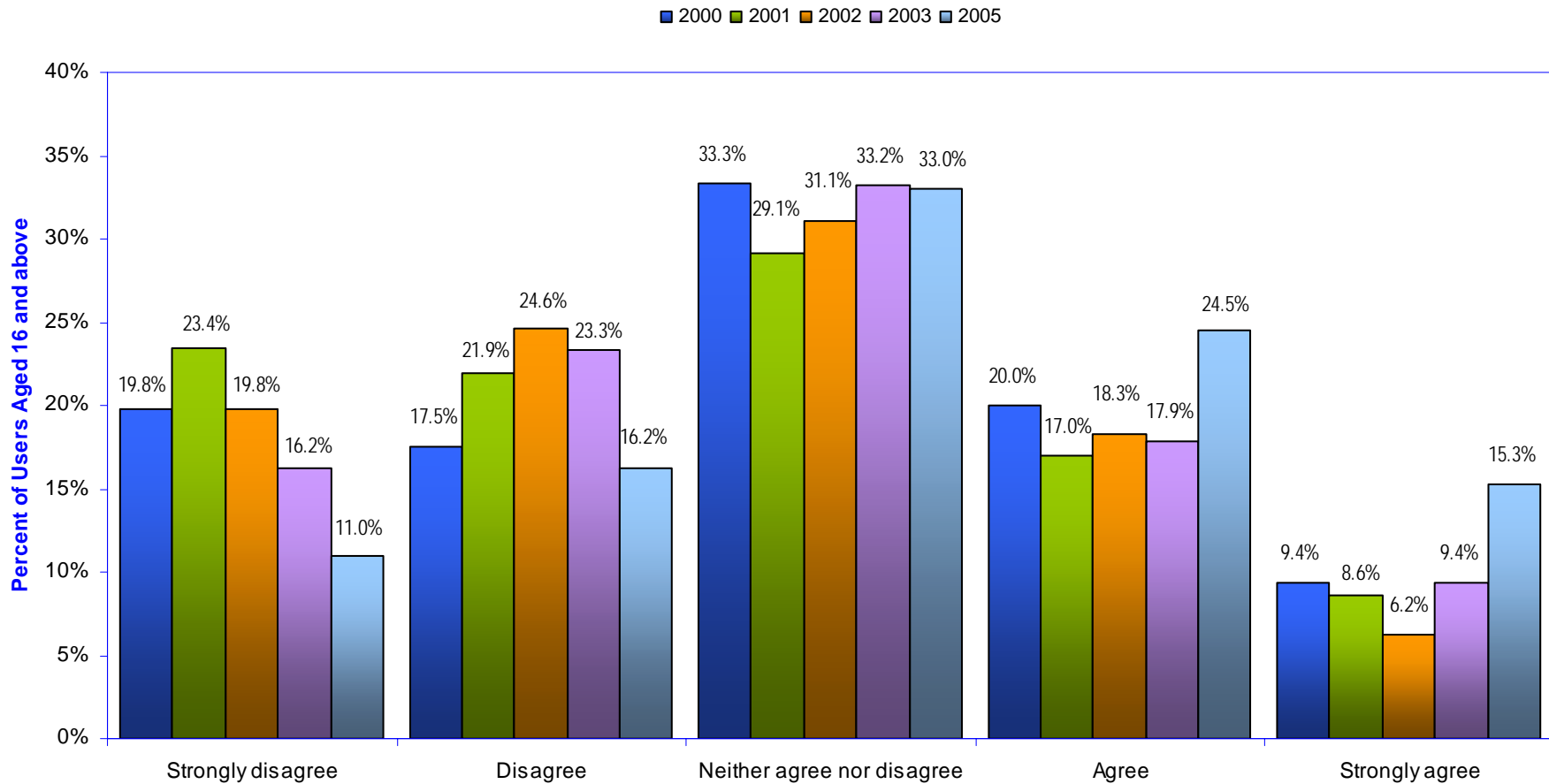


Do you keep a personal BLOG, display photos on the web, or maintain your own website?



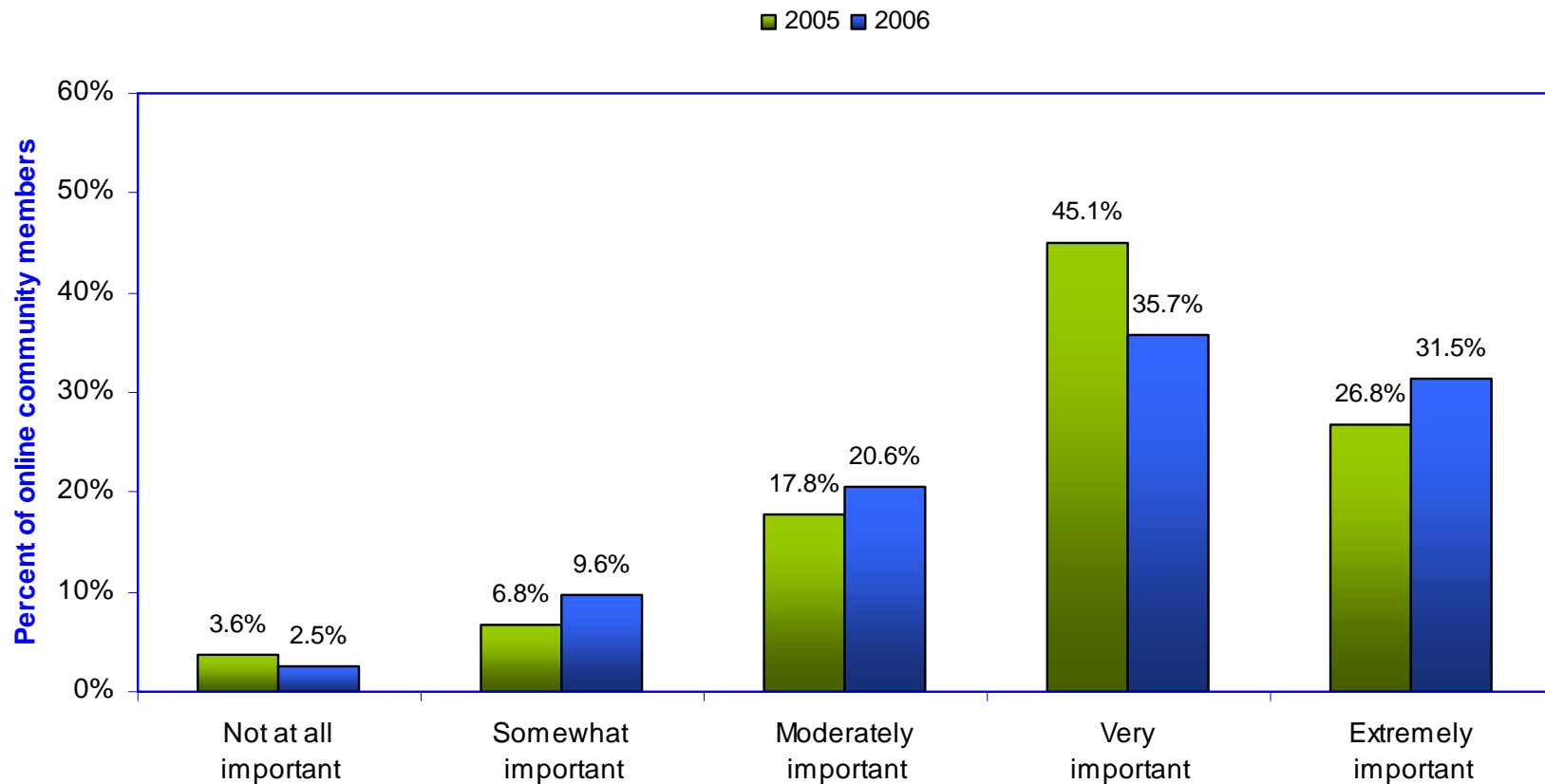


By using the Internet, people like you can have more political power?



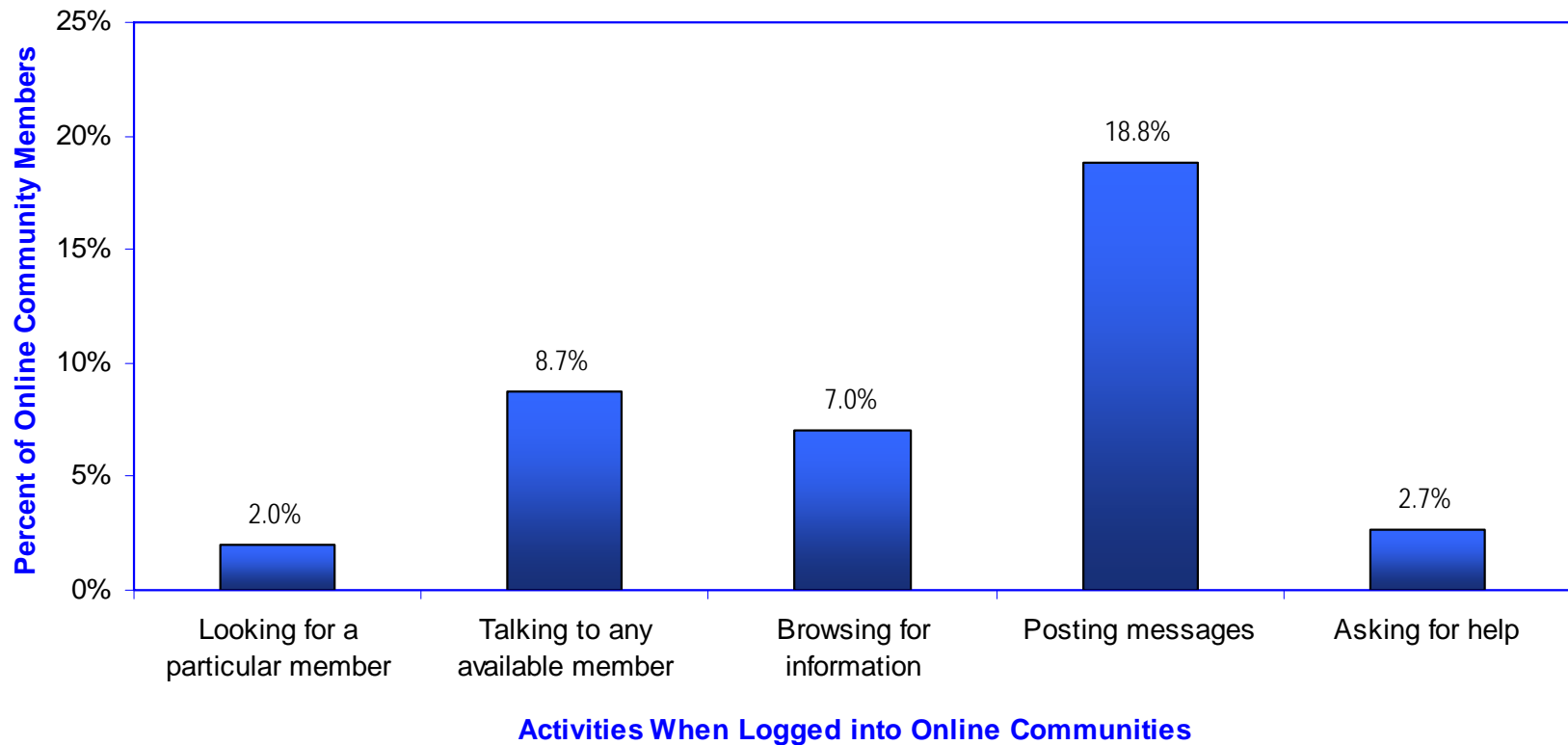


How useful and important is your online community / communities to you?



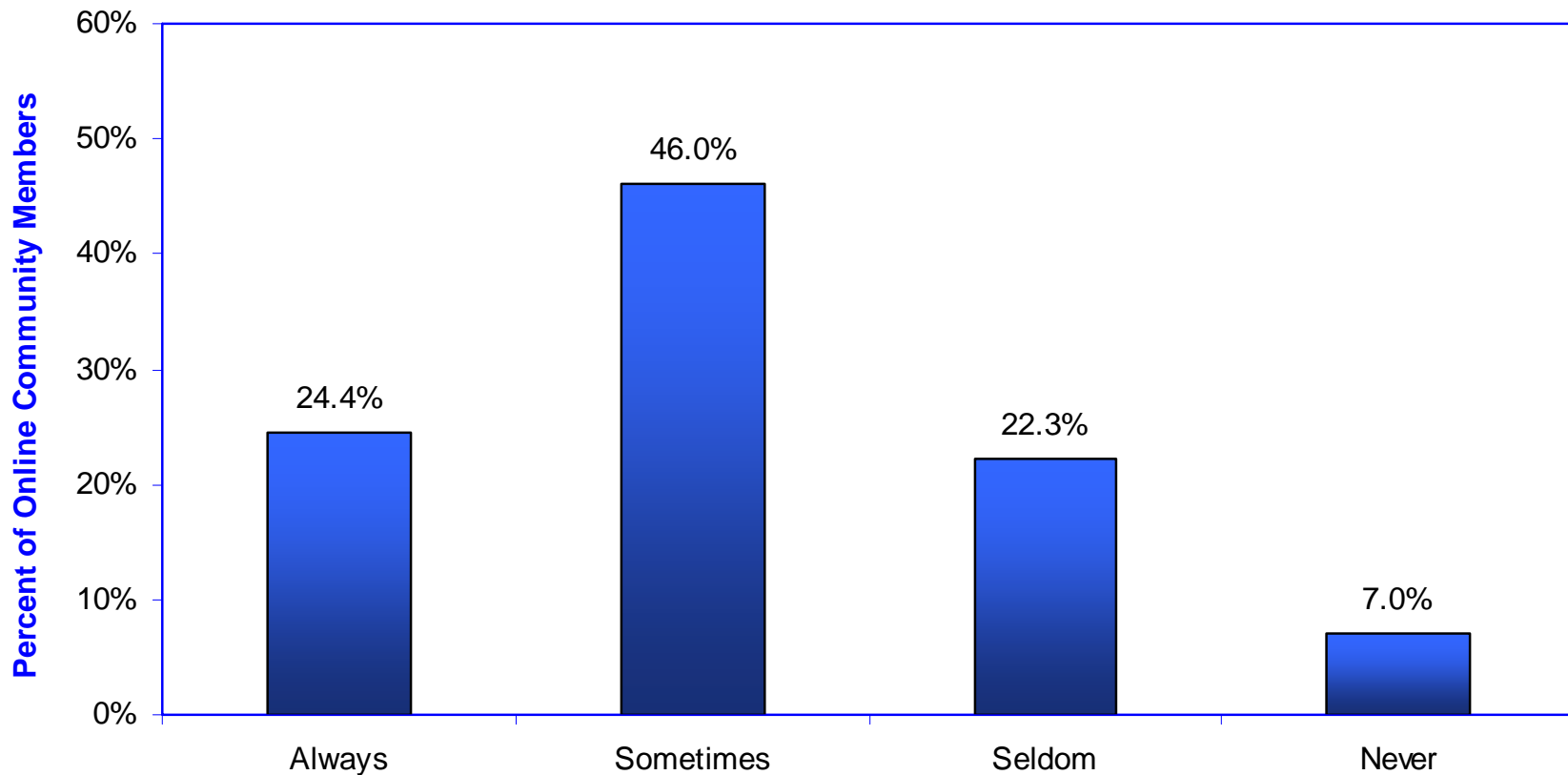


What do you do when you are logged into your online community?





How often do you interact with other members of your online community?





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Trend #2

Media use transformed by Internet



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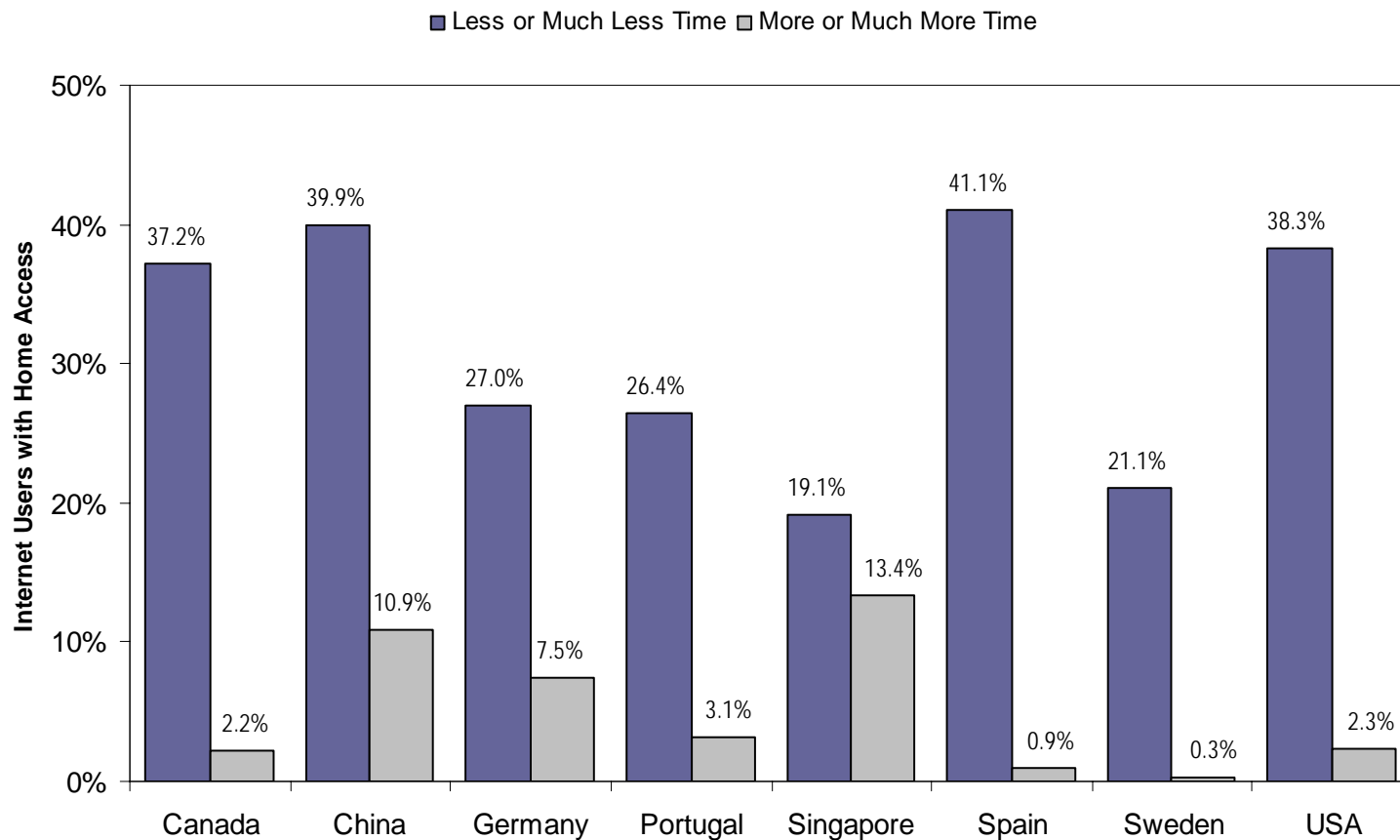
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Internet no longer a threat to television



How Has the Use of the Internet Changed the Amount of Time You Spend Watching TV?



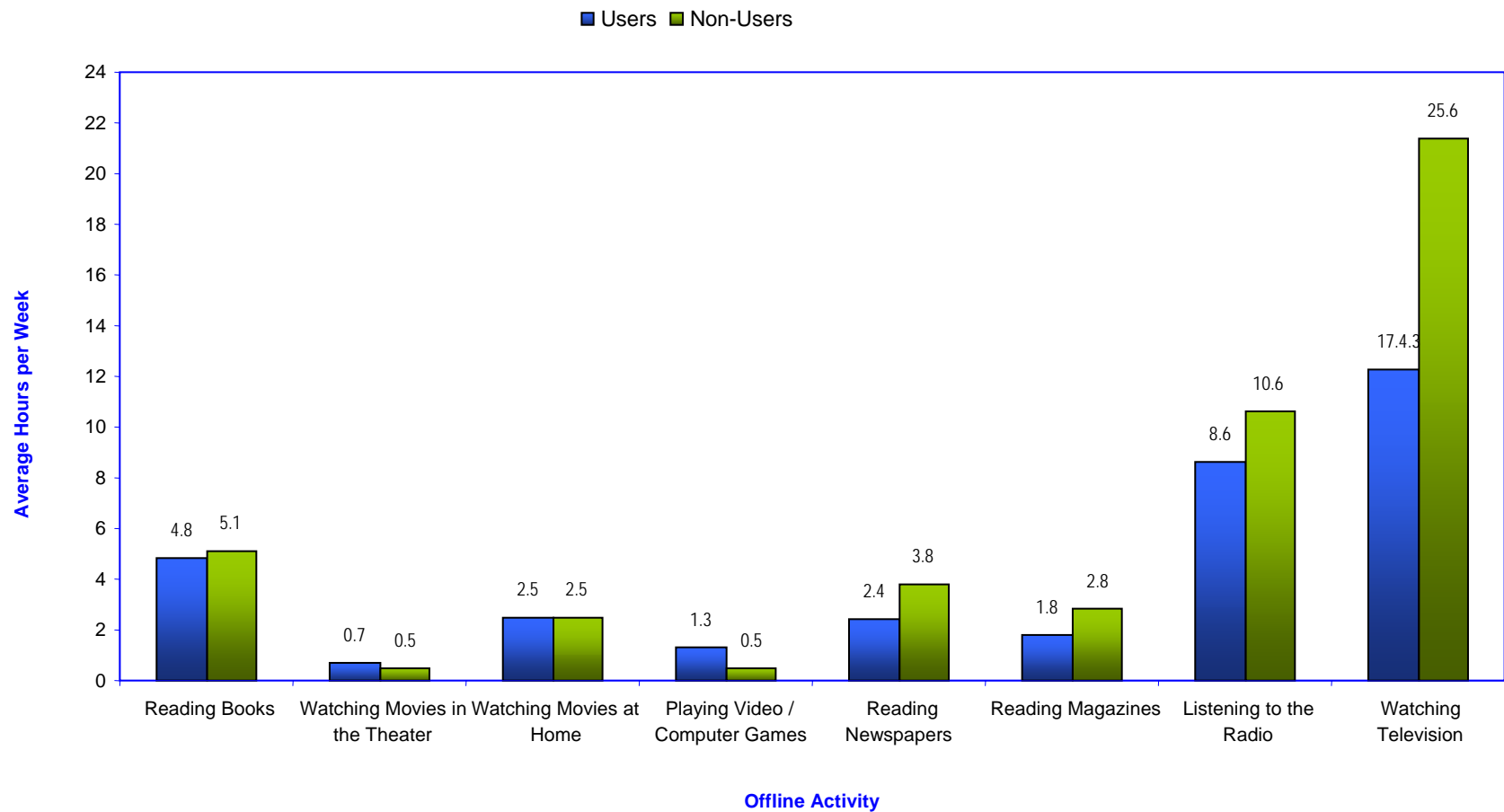


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During a typical week, about how many hours of your leisure time, if any, do you spend with the following activities not online?





Television Advertising has been threatened for 30 Years

- Began in 70s with the remote control
- Accelerated with rise of dozens and now 100s of cable and satellite channels
- Then the ability to scan with VCRs (although almost no one did)



Advertising on the Web

- 2000-2005 users refuse to pay for digital content—should be free
- Support of free and P-to-P erodes with spyware and “reasonable” alternatives
- Households spending \$250-300 do not want subscription or content fees
- Accept (and welcome) web advertising (not pop-ups) as the “price” of content



Life of a 12-24

- Will never read a newspaper but attracted to some magazines
- Will never own a land-line phone (and maybe not a watch)
- Will not watch television on someone else's schedule much longer
- Trust unknown peers more than experts
- For first time willing (2005) to pay for digital content. Never before.
- Little interest in the source of information and most information aggregated.
- Community at the center of Internet experience
- Think not interested in advertising or affected by brand, but wrong.
- Everything will move to mobile
- Less interested in television than any generation before
- Want to move content freely from platform to platform with no restrictions
- Want to be heard (user generated)
- Use IM. Think e-mail is for their parents



Life of a 25-54

- Read off-line newspapers and magazines
- Like mobile for voice (and a few for data) but do not see their world on mobile phones
- Aggregate information on-line and use RSS (though few know the term)
- Community important for tasks, much less so for social. Will stay put.
- Trust experts on factual information but rely heavily on reviews of peers on hotels, electronics, etc
- When they create content it is to share reviews and experiences (not diaries or intimacies)
- Advertising shapes their lives. Brand is everything.
- Rely heavy on personalized portals for news and financials
- Care GREATLY about sources of news and information on-line
- Heavy into e-mail



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In summary...

- Individuals of all ages are online, and getting more engaged
- Power (real and perceived) has moved into the hands of individuals
- Media use has been transformed
- For these consumers, the Internet has become just an essential part of every day life



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