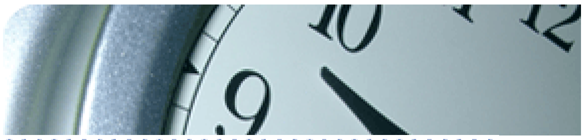
NetObserver® Europe

THE COMPLETE GUIDE TO INTERNET USERS

Press Release

Paris, March 2007



The conclusions from the 14th session of the NetObserver® Europe study show noticeable differences of Internet usage and perceptions between generations.

There are differences in the gender make up of different generations of Internet users, with the proportion of females being more pronounced amongst the younger generation. However, age differences between generations have much more impact on behaviour than gender difference.

The 14th session of the European NetObserver® study of more than 210,000 Internet users, studied the web characteristics which distinguish the younger generation (ages 15-24) from their elders (25 years and over).

The Novatris/Harris Interactive study examined the behaviour of the European Internet users focusing on time spent online, communication and entertainment activities, the perception of ‘Web 2.0’ and views of online advertising.

There is a higher proportion of females amongst young Internet Users

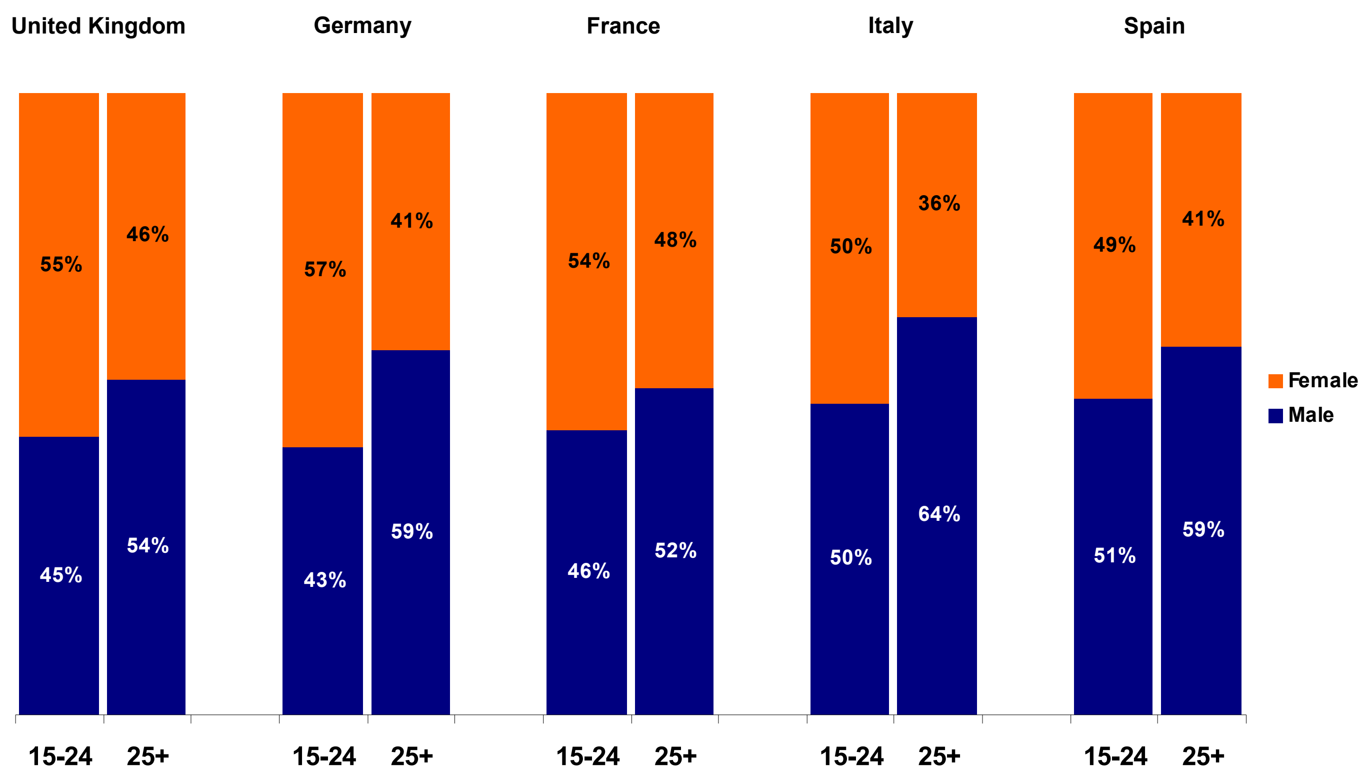
Whatever the country, the feminisation of the Internet has a larger impact on the younger generation. Indeed, within the group of 15-24 year olds, females are either of the same ratio to males (Italy, Spain) or in a majority (UK, Germany and France).

On the other hand, there are more males in the over 25 age group, even though their proportion is similar to that of women in the UK and France.

NB: While noticeable, this better balanced distribution between males and females amongst young Internet users has no significant impact on the distinctive characteristics of their behaviour, which will be discussed later.

Distribution of European Internet Users by Gender

(Source: Novatris/Harris Interactive -NetObserver® Europe, December 2006)



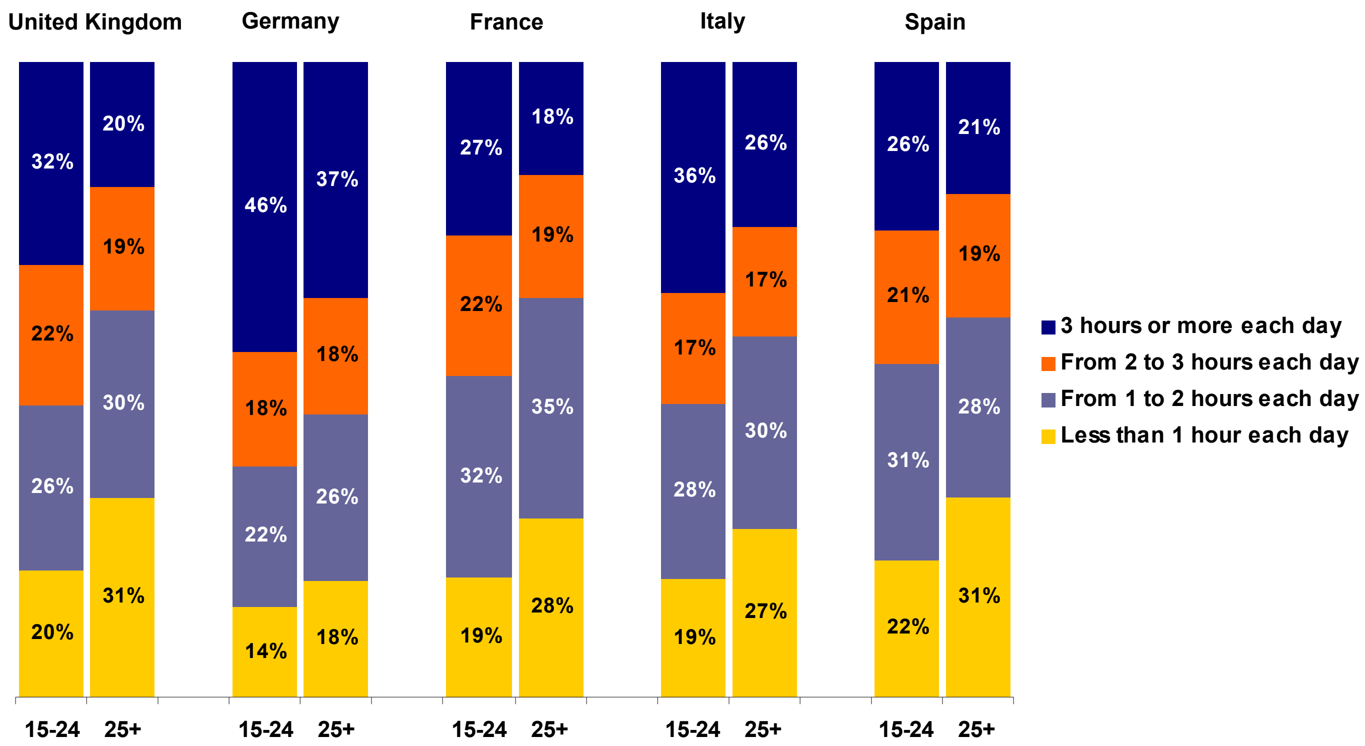
The younger generation undoubtedly spends more time online than their elders

The majority of young Internet users connect several times per day. However it is not just the frequency of connection, but the time spent online that distinguishes the younger generation from their elders.

For each of the 5 countries studied, there are more young Internet users who spend more than three hours per day online in comparison to their elders. Reversely, a higher proportion of users aged 25 and over spend less than one hour per day online.

Average time spent online per day for European Internet Users

(<u>Source</u>: Novatris/Harris Interactive - NetObserver® Europe, December 2006)



Above all, for the younger generation the Internet is a communication tool…

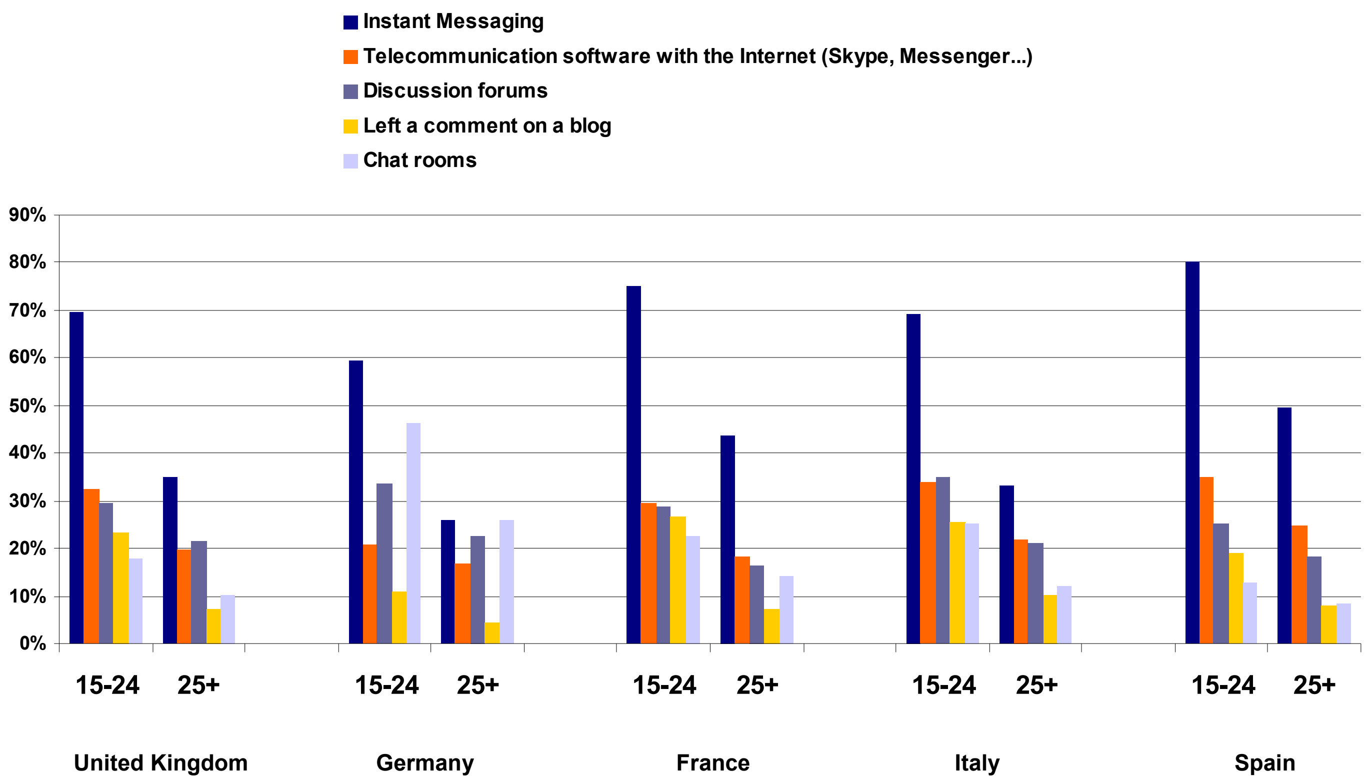
Young European Internet users are larger consumers of various online available communication tools than their elders.

15-24 year olds regularly use more direct (through instant messaging, telecommunication software with the Internet, chat rooms) or indirect (through discussion forums or blogs) communication tools than those aged over 25.

Looking at the main differences from one country to another, it is clear that young Spanish Internet users use instant messaging the most (80% regularly use instant messaging) and that young German Internet users use 'chat' the most (46% regularly use 'chat').

Communication activities regularly carried out by European Internet Users

(Source: Novatris/Harris Interactive - NetObserver® Europe, December 2006)



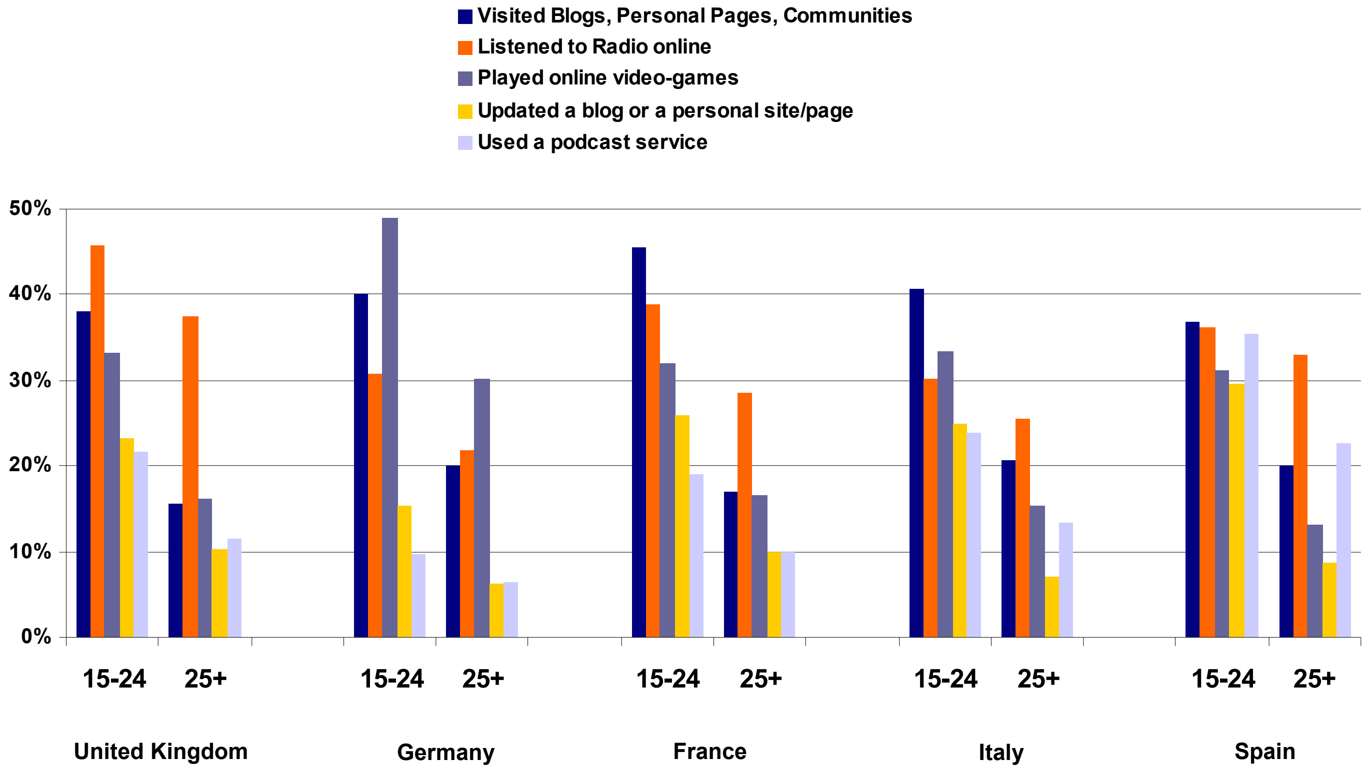
… But the Internet is also a medium of self-expression and entertainment

The younger generation is more likely to not only consult blogs and community sites, but also to create their own online personal space (blog or personal page). They are also more likely to listen to radio online, play online video games and use an audio or video podcasting service.

The five countries studied countries have their own characteristics:
46% of young British Internet Users regularly listen to the radio online. Whereas nearly half of young Germans regularly play online video games. As for the young French Internet users, 46% of them regularly visit blogs, personal pages and community sites.
Finally, regarding Spain and Italy, their young Internet users come out ahead in the usage of podcasts and videocasts: 36% of young Spanish Internet users regularly use podcasting services (audio or video) in comparison to a quarter of young Italian Internet Users.

Entertainment and self-expression activities regularly carried out by European Internet Users

(Source: Novatris/Harris Interactive - NetObserver® Europe, December 2006)



Young Internet users perceive 'Web 2.0' more useful than their elders

Owing to the younger generation being larger consumers of the new features allowed by the technological evolution of the Internet (Ajax, XML…) it is understandable that they are more likely than their elders to consider these features useful.

The publication and sharing of information (text, audio or video) amongst a community (Facebook, Myspace, Yahoo! 360°…) is the feature considered to be the most useful by both generations. Besides, one can note that this feature is appreciated even more by the young Spanish and Italian Internet users because no less than 88% of them consider it useful!

Customisation (My MSN, My Yahoo!, Netvibes...) is the second feature of 'Web 2.0' which strikes a chord with a large majority of young people. Nevertheless, its degree of usefulness is somewhat close to that of the contribution to collaborative sites (Wikipedia) and that of RSS feeds. On the other hand, for those aged 25 and over, RSS feeds are more useful than customisation or collaborative contribution. This is not surprising as European Internet users aged 25 and over, regularly receive more RSS streams than the younger generation.

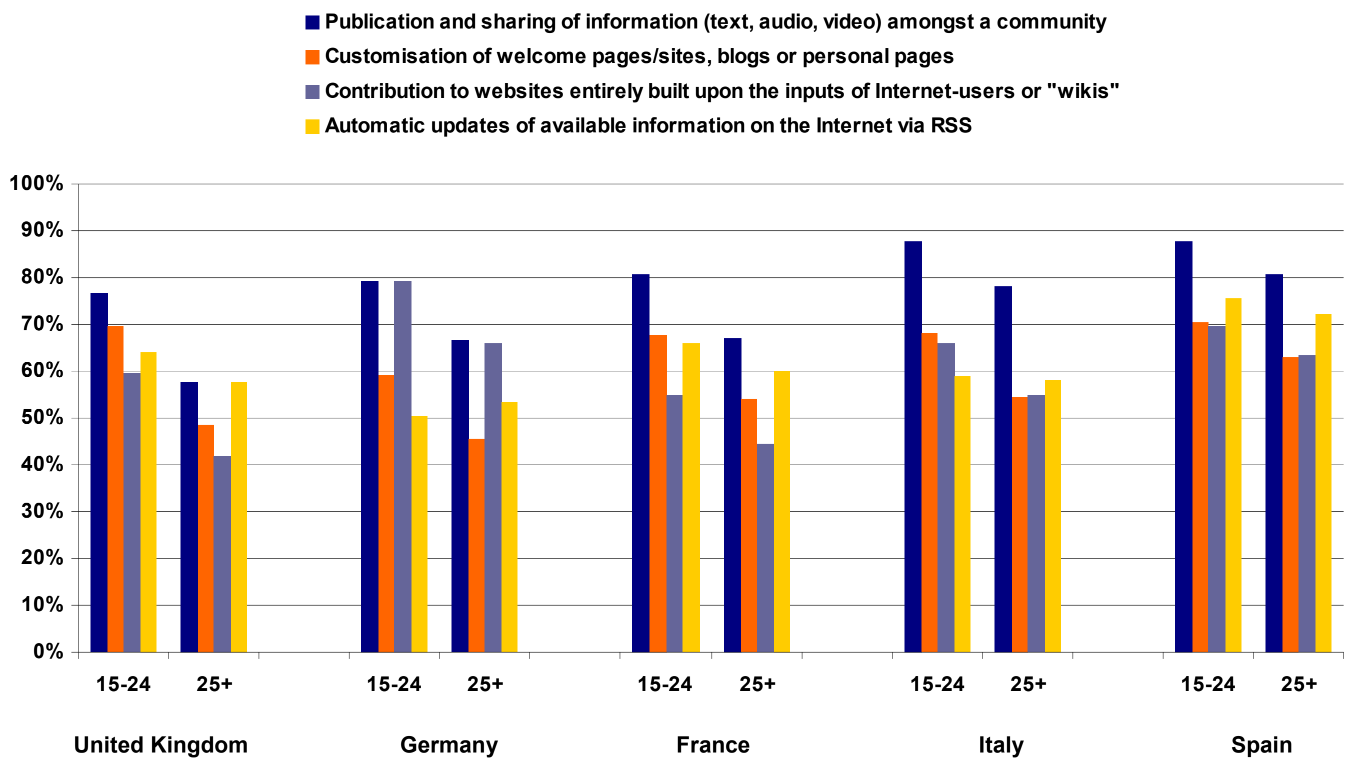
For the younger generation, the contribution of content to collaborative sites or wikis (Wikipedia) lies in third position. For the young Germans, this collaborative aspect of 'Web 2.0' even has the same degree of usefulness as the publication and exchange of information.

RSS feeds are the least popular in terms of the most useful features according to young people. Nevertheless, it is not a matter of rejecting this functionality outright because there is always more half of them who consider it useful.

Consequently, the level of usefulness received by RSS feeds is similar between both generations.
Yet the level of usage of RSS feeds is lower amongst young people as they use the Internet less to keep them informed than their elders do.

Level of usefulness of the main functions of 'Web 2.0' by European Internet Users

(Source: Novatris/Harris Interactive - NetObserver® Europe, December 2006)



The Internet also has a powerful impact on the consumer habits of young people

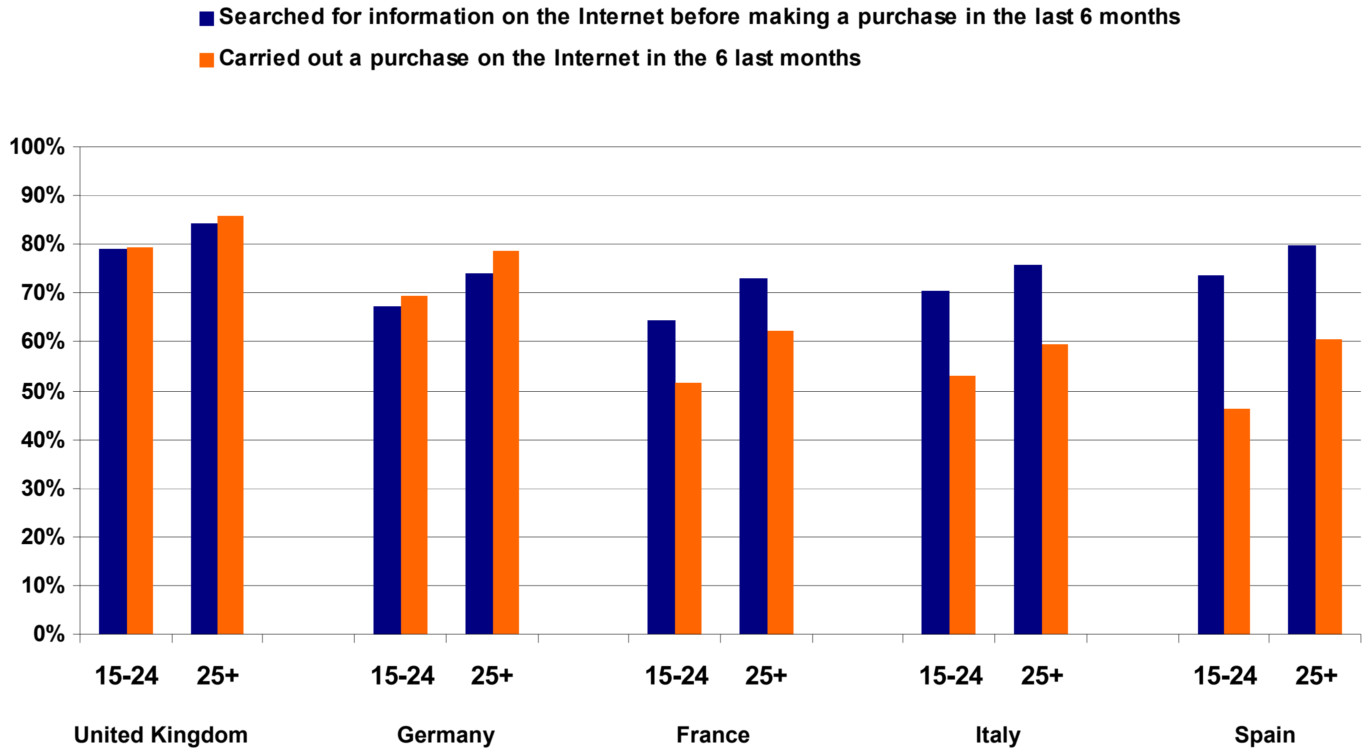
Young European Internet users surf less for product consumption than their elders, and this is noticeably connected to a significantly lower purchasing power and to a sometime absence of adequate means of payment.

Whatever the country, more than 60% have nevertheless used the Internet during the last 6 months to search for product information before making a purchase on or offline compared with more than 70% of ages 25 and above. Globally more than 45% have made an online purchase in the last 6 months compared with more than 60% of their elders.

Germany and the United Kingdom are very similar in terms of individuals using the Internet to search for product information or making a purchase. In comparison with the Internet users of France, Italy and Spain, the British and the Germans use the Internet more to buy products than to search for information before making a purchase.

Using the Internet, in the last 6 months, to search for product information or make a purchase online

(Source: Novatris/Harris Interactive - NetObserver® Europe, December)



Young people are demanding consumers; advertising agencies have to adapt their communication strategies

With the exception of the United Kingdom where the advertising is considered to be particularly creative, young European Internet users are less appreciative of online advertising than their elders.

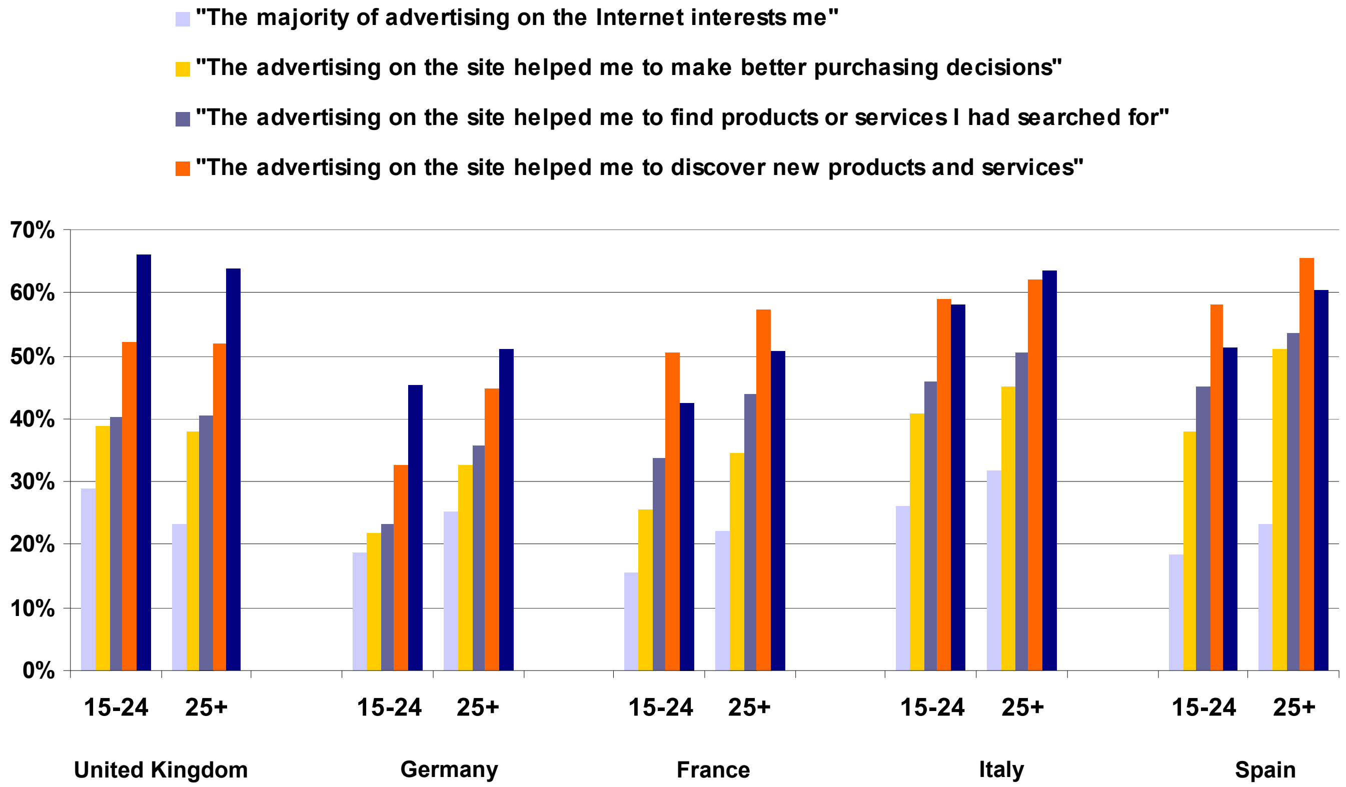
Overall 15-24 year olds are less interested by the majority of advertising that they see on the Internet than those aged 25 and over. All the same, fewer young people in comparison to their elders estimate that advertising helps them make better purchasing decisions. They are also less numerous in thinking that advertising helps them find products and services that they search for in comparison to those aged 25 and over.

An important part of young Internet users recognise, however, that advertising helps them to discover new products and services. Finally, the majority of young Internet users find that online advertising is creative and innovative.

In other words, advertising agents are compelled to adapt their communication strategy when using the Internet to reach young people. They could, for instance, refer to the communication, self-expression or entertainment aspects that constitute the main motivations of young people when using the Internet.

Perception of online advertising by European Internet Users

(Source: Novatris/Harris Interactive - NetObserver® Europe, December)



Interactive advertising (through games), participatory or 'user generated' advertising (through calls for contribution), as well as viral marketing, are therefore strategies to consider in order to capture the attention of this demanding online audience. These strategies will enable young people to appropriate the commercial messages, and therefore increase their effectiveness.

Besides, the young people being the main users of the new features of 'Web 2.0', such as blogs, podcasts, sharing sites (Youtube, FlickR) or community networks (Myspace), the main challenge for E-marketers is currently to find alternatives to traditional display advertising, to deliver them efficient commercial messages without encroaching on their 'private spaces'.

The spring session 2007 of the NetObserver® study will, amongst other things, focus on better understanding the perceptions of advertising on the "private" spaces of Internet users.

If we analyse the main differences between the countries, it emerges rather distinctly that the Spanish and Italian Internet users have a better perception of online advertising than the others, in particular more than the Germans. Moreover it confirms the results of the previous session of the study.

Appendix: Differences of Internet usage and perceptions between generations of European Internet Users

Differences of Internet usage and perceptions between generations of European Internet Users
(Source : Novatris/Harris Interactive - NetObserver© Europe, December 2006)

	UNITED KINGDOM		GERMANY		FRANCE		ITALY		SPAIN	
	15-24	25+	15-24	25+	15-24	25+	15-24	25+	15-24	25+
GENDER										
Male	45%	54%	43%	59%	46%	52%	50%	64%	51%	59%
Female	55%	46%	57%	41%	54%	48%	50%	36%	49%	41%
TIME SPENT ONLINE										
Less than 1 hour each day	20%	31%	14%	18%	19%	28%	19%	27%	22%	31%
From 1 to 2 hours each day	26%	30%	22%	26%	32%	35%	28%	30%	31%	28%
From 2 to 3 hours each day	22%	19%	18%	18%	22%	19%	17%	17%	21%	19%
3 hours or more each day	32%	20%	46%	37%	27%	18%	36%	26%	26%	21%
COMMUNICATION										
Instant Messaging	70%	35%	59%	26%	75%	44%	69%	33%	80%	50%
Telecommunication software with the Internet (Skype, Messenger...)	32%	20%	21%	17%	29%	18%	34%	22%	35%	25%
Discussion forums	30%	21%	34%	23%	29%	16%	35%	21%	25%	18%
Left a comment on a blog	23%	7%	11%	4%	27%	7%	25%	10%	19%	8%
Chat rooms	18%	10%	46%	26%	23%	14%	25%	12%	13%	9%
ENTERTAINMENT AND SELF EXPRESSION										
Visited Blogs, Personal Pages, Communities	38%	16%	40%	20%	46%	17%	41%	21%	37%	20%
Listened to Radio online	46%	37%	31%	22%	39%	29%	30%	26%	36%	33%
Played online video-games	33%	16%	49%	30%	32%	17%	33%	15%	31%	13%
Updated a blog or a personal site/page	23%	10%	15%	6%	26%	10%	25%	7%	30%	9%
Used a podcast service	22%	12%	10%	7%	19%	10%	24%	13%	36%	23%
LEVEL OF USEFULNESS OF WEB 2.0										
Publication and sharing of information (text, audio, video) amongst a community	77%	58%	79%	67%	81%	67%	88%	78%	88%	81%
Customisation of welcome pages/sites, blogs or personal pages	70%	48%	59%	45%	68%	54%	68%	55%	70%	63%
Contribution to websites entirely built upon the inputs of Internet-users or "wikis"	60%	42%	79%	66%	55%	45%	66%	55%	70%	64%
Automatic updates of available information on the Internet via RSS	64%	58%	51%	54%	66%	60%	59%	58%	76%	72%
E-COMMERCE										
Searched for information on the Internet before making a purchase in the last 6 months	79%	84%	67%	74%	64%	73%	70%	76%	74%	80%
Carried out a purchase on the Internet in the 6 last months	79%	86%	70%	79%	52%	62%	53%	60%	46%	61%
ONLINE ADVERTISING										
"The majority of advertising on the Internet interests me"	29%	23%	19%	25%	16%	22%	26%	32%	18%	23%
"The advertising on the site helped me to make better purchasing decisions"	39%	38%	22%	33%	26%	35%	41%	45%	38%	51%
"The advertising on the site helped me to find products or services I had searched for"	40%	40%	23%	36%	34%	44%	46%	50%	45%	54%
"The advertising on the site helped me to discover new products and services"	52%	52%	33%	45%	51%	57%	59%	62%	58%	66%
"Advertising on the Internet is creative and innovative"	66%	64%	45%	51%	42%	51%	58%	64%	51%	60%

About: NetObserver®

With more than 1000 participating sites and nearly 400,000 respondents per year, today NetObserver® is the biggest online study in Europe.

Conducted every 6 months since 1998 in France and 2000 in Europe, NetObserver® tracks the evolution of the behaviour and the perception of Internet users over the age of 15, wherever their place of connection (home, work, schools, universities, public places…) in 5 markets : France, Italy, Spain, Germany and the UK.

The last session of the study was taken between September and December 2006 with a global sample of more than 210,000 Internet users.

The results of the study, being weighted by enumeration data in every market, are representative of the Internet user's population of each of the 5 studied markets.

The 15th session of the NetObserver® study will take place from March 19th to June 3rd 2007.

About: Novatris/Harris Interactive

Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides research-driven insights and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for The Harris Poll, one of the longest running, independent opinion polls and for pioneering online market research methods. The company has built what it believes to be the world's largest panel of survey respondents, the Harris Poll Online.

Harris Interactive serves clients worldwide through its United States, Europe and Asia offices, its wholly-owned subsidiary Novatris in France and through a global network of independent market research firms.

The service bureau, HISB, provides its market research industry clients with mixed-mode data collection, panel development services as well as syndicated and tracking research consultation.

More information about Harris Interactive may be obtained at www.harrisinteractive.com.

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