South Koreans the World's Most Connected with Highest Internet Usage and Household Computer Owner...

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Huge Room for Internet Service Suppliers to Drive Internet Use

October 11, 2007, Hong Kong â€“ While the Internet only came into being a few decades after the invention of the computer, its rapid development over the past two decades has had a powerful influence on the world and shortened distances between people around the globe.

According to the 2006/7 Media Index study published by The Nielsen Company, South Korea leads the world with over eight in 10 South Koreans claiming to have accessed the Internet in the past week, and 88 percent owning a computer (PC) at home.

While Hong Kong follows South Korea closely in terms of PC penetration (84%), the city ranks fifth in terms of Internet use, with only 59 percent accessing the Internet in the past week â€“ on par with the worldâ€™s leader, the United States1.

The five markets with the highest computer ownership are Korea (88%), Hong Kong (84%), Taiwan (81%), Singapore/USA (77%) and the UK (75%); whereas the five markets with most people logging on in the past seven days are Korea (80%), New Zealand (66%), Australia (65%), the UK (60%), and Hong Kong/USA (59%).

â€œJudging by the number of people with a computer at home and the actual penetration figures reported by Internet World Stats, people in Asia Pacific donâ€™t seem to be â€˜logging onâ€™ enough, with relatively low usage in the past seven days, n mention the fact that people have the facility to go online either at home or work,â€• said Helen Pemberton, Director, Nielsen Media Index, Asia Pacific, The Nielsen Company. â€œObviously there is huge room for growth in Internet use, not only in Asia Pacific but also in some international markets like the US and the UK.â€•

According to Nielsen Media Index findings, teenagers and people in their 20s in South Korea, Hong Kong and Taiwan formed the largest group of people who had logged on to the Internet in the past seven days.

Meanwhile in the highly competitive computer market where big brands compete, consolidate and compete, manufacturers continue to pour money into advertising. In 2006, computer-related advertising in Asia Pacific reached US$1,170MM2, of which a third went to China where peopleâ€™s consumption of technology is rapidly taking off. Following China closely was Taiwan, home to a number of well-known technology brands, taking one fifth of the total advertising pie. Itâ€™s worth noting that Hong Kong, a much smaller market compared to China, Taiwan or South Korea, ranked third in the region for advertising of technology products at $125MM, on par with South Korea.

Hewlett Packard was the most advertised brand in Asia Pacific, spending $124MM, followed at a distant second by Lenovo at $71MM. While international computer/IT brands have their edge and usually a big budget, increasingly, local brands have been catching up fast. Among the top 10 Computer/IT brands by advertising spend, two were home-grown brands from Taiwan (Tsann Kuen Trans-National Group) and China (Shenzhen Yi Meng Technology) respectively.

Similarly, Internet service providers have been aggressive in promoting their brands beyond their own cyberspace. In 2006, spending on Internet-related advertising in traditional media3 recorded $503MM for the Asia Pacific region. Although Taiwan and China didnâ€™t lead the pack in either computer ownership or Internet penetration, the two markets combined took the lionâ€™s share of the regionâ€™s total Internet related advertising expenditure (84%). (Chart 4) Following at distant third was South Korea, where total Internet related advertising spending reached $79MM.

Not surprisingly, major Internet portal Yahoo! topped the list of the most advertised brands, with a spend of $30MM, and China Telecom ranked third for promoting its Internet-related services ($26MM) (Chart 5). Itâ€™s also interesting to note that four of the top 10 brands for Internet-related advertising hail from Taiwan. â€œCompetition is what drives demand for advertising. Computers, IT and the Internet are no doubt vibrant sectors in Taiwan and China,â€• Pemberton added.

About Media Index is a single source multi-media survey from The Nielsen Company, providing insight into consumersâ€™ media consumption of newspaper/magazines reading, TV viewing, radio listening, cinema visits, internet surfing; their lifestyles, attitudes, transport usage and product consumption across Australia, Hong Kong, Indonesia, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand in Asia Pacific. The study interviews people aged over 15 in the 9 markets.

About Global TGI (Target Group Index), a partner of The Nielsen Company, is a global network of single source market

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