

IT'S A
BROADBAND
LIFE.

Original Research

“It’s perfect.
It’s limitless.
The only thing
that limits it
is the person
that’s on it.”

—Retiree, New York

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KEY FINDINGS

PART I: THE BROADBAND EFFECT

BROADBAND'S IMPACT ON LIFESTYLE IS NOT INCREMENTAL; IT'S TRANSFORMATIVE. It is the grid upon which the consumer experience is built.

OVER HALF OF INTERNET USERS ARE NOW ON BROADBAND. And the number is climbing towards ubiquity.

WIRELESS BROADBAND CREATES AN EVEN MORE DRAMATIC BEHAVIORAL CHANGE. Think of Internet use on a "Connectivity Continuum"; from dial-up to broadband to the home wireless network.

PART II: MEDIA IN A BROADBAND WORLD

BROADBAND DOESN'T MAKE PEOPLE WANT LESS OF TRADITIONAL MEDIA. Rather, it creates a synthesis for richer experiences with all media.

CONSUMERS MESH MEDIA. They combine and multilayer to follow their passions, to be more involved and to make an experience more personal.

MEDIA SILOS ARE DISSOLVING. Because of the ease with which people go back and forth between broadband and traditional media.

In the second digital decade, one thing is clear: Always-on, high-speed Internet is having a quietly profound effect on how we approach our daily lives.

This is the Broadband Effect. But its impact is not merely incremental, it's transformative.

It's a Broadband Life. There is something you (and about 70 million other consumers) know intuitively: The road to broadband is strictly one-way. No one who has high-speed access ever goes back to dial-up. Seems obvious, doesn't it? But the reasons are more complex and more fascinating than you might think. It's not simply for faster email and bigger files. The implications are much more far reaching. As you're about to see, having always-on, high-speed Internet access literally transforms how people approach various aspects of their lives. Even how they use other media. This isn't wishful thinking. It is a subtly powerful, growing trend taking place every day. And chances are, it has already happened to you.

The findings of this study illustrate a profound and undeniable sociological change in consumer behavior. And just as we said there's no going back to dial-up, there's no going back from where this transformation is taking things. After all, It's a Broadband Life.

This project included both qualitative and quantitative research. The qualitative portion was ethnographic research conducted by HeadlightVision in 17 households. Researchers conducted in-depth, in-home interviews in four cities (New York, St Louis, Portland, Nashville) with a cross section of teens, college students, young professionals, families and retirees.

The quantitative portion of this project was an online survey of 3,207 US consumers aged 18 and older. The content of the survey instrument was partially built upon the themes and findings from the qualitative research. Forrester Research, Yahoo! and Mediaedge:cia collaborated to measure the importance of the Internet on consumers' lives, and their feelings about the Internet and other media. Forrester Research managed data collection using Survey Sampling Incorporated panel members. The resulting data were weighted by age, income, and gender to be demographically representative of online consumers in the US.

ABOUT FORRESTER RESEARCH

Since 1983, Forrester Research has helped companies meet the enterprise-critical challenges of technology, business and market change. Helping to align technology investments with business goals, Forrester Research provides insight and advice in understanding consumers and their technology attitudes, preferences and buying habits.

ABOUT HEADLIGHTVISION

HeadlightVision was established in 1996 to provide compelling cultural and consumer insight to strategic marketing issues. With hubs in London and New York, three global intelligence networks and more than 35 dedicated strategy consultants and researchers, they are at the forefront of consumer understanding and marketing intelligence.

ABOUT MEDIAEDGE:CIA

Mediaedge:cia, with 199 offices in 79 countries, is the first global agency to deliver true, total communications planning and buying management. By developing and implementing insightful and accountable communications solutions that are channel- and discipline-neutral, Mediaedge:cia creates effective and durable connections that engage consumers with brands and influence their behavior with measurable business results.

**“Now that I have access
to it daily, it’s a huge impact.
Anything you want to know
is at your fingertips.”**

—Young Professional, St Louis

PART I: THE BROADBAND EFFECT

CONNECTION SPEED:

A snappier browsing experience is just the beginning. Once the Internet is fast, consumers find all kinds of uses for it. Photos. Videos. Streaming Music. Options as limitless as the Web itself.

Broadband consumers spend 56% more time online.

THE ALWAYS-ON EXPERIENCE:

When the Internet is always on, it becomes the go-to resource for daily activities. Why flip through the phonebook when the Internet is in the kitchen? Yahoo! will give you the number faster. Along with a map. Why use the phone at all? The menu or your flight status is right online.

UNDERSTANDING THE EFFECT

Earlier we mentioned the transformative quality of broadband access. The “broadband effect” is the product of two technological breakthroughs. The benefits of the first, high-speed access, are obvious. No more waiting interminably for pages to download. Large files are exchanged with ease. You can check dozens of sites, sources and pages in a few simple clicks. Broadband users go online more often and longer. They view twice as many pages. Given the resources at hand, this isn’t surprising at all.

It’s when you combine the second benefit, the always-on aspect of broadband, that things begin to get really interesting from a behavioral perspective.

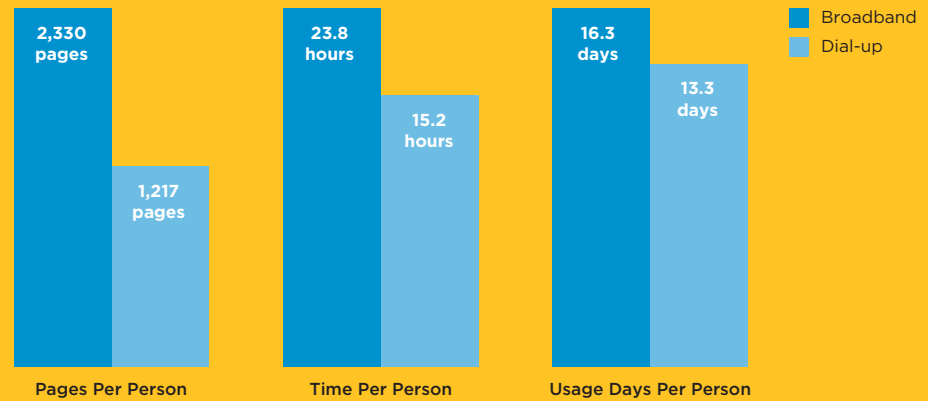
Broadband consumers use the vast, diverse and constantly expanding tools of the Internet to enhance how they communicate, gather information, manage their lives and entertain themselves. It becomes integral—a given—in many more aspects of their daily lives. (They also use it to perform a fascinating phenomenon called “Media Meshing.” We’ll be getting to that in Part II.)

The essence of the Broadband Effect is that when what consumers *can do* changes, what they *will do* changes dramatically.

Understanding this is key to understanding how to reach them effectively.

BROADBAND USERS ARE MUCH MORE ACTIVE ONLINE

Home usage per month: Broadband vs. Dial-up



THE CONNECTIVITY CONTINUUM

DIAL-UP ACCESS

- 43% of Internet HHs
- Planned sessions
- Daily communication
- Important tasks

WIRED BROADBAND

- 50% of Internet HHs
- Spontaneous access
- Frequent check-ins
- Everyday decisions

WIRELESS BROADBAND

- 8% of Internet HHs
- Ubiquitous access
- Wherever connections
- Exploration

Top:

Source: Comscore Media Metrix,
Total US Internet Population, January 2005.

Bottom:

Source: Forrester Research, Technographics
Devices, Media, and Marketing Study, 2004.

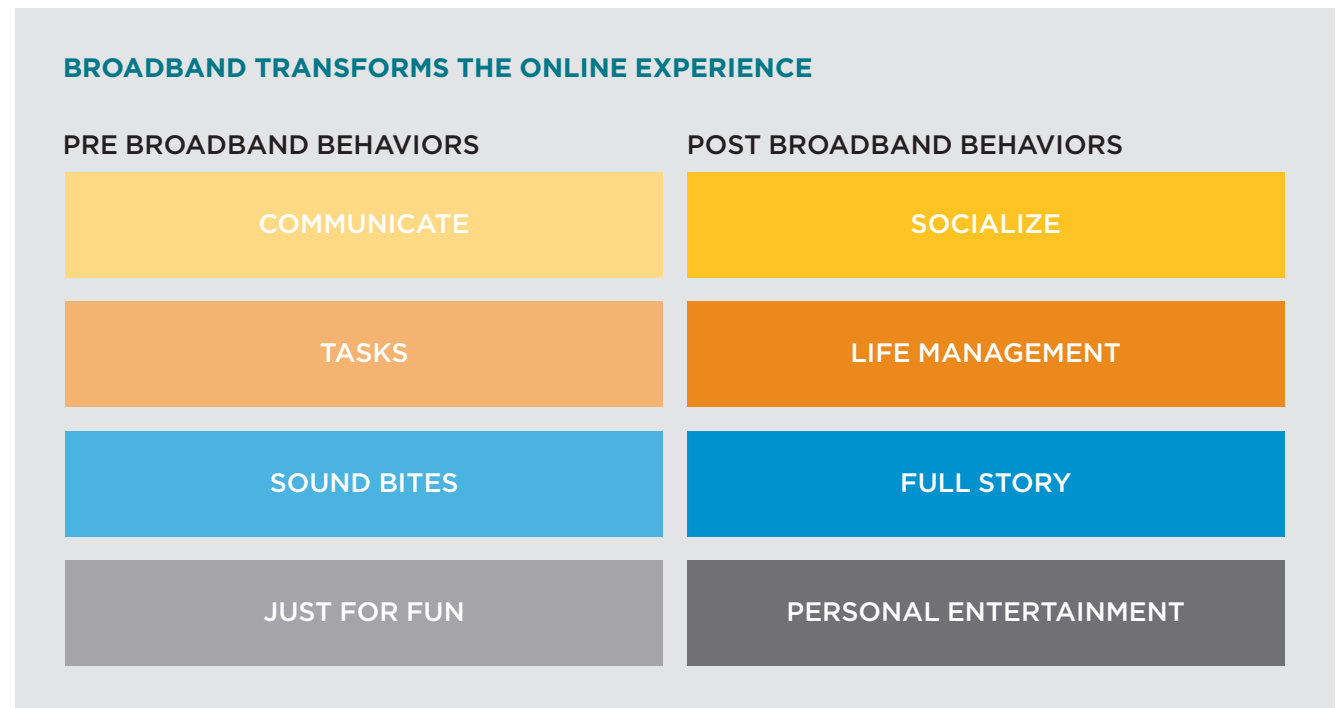
THE ESSENCE OF TRANSFORMATION

With broadband access (and particularly with wireless broadband) consumers incorporate the Internet more deeply into their daily lives. And while what they're doing looks like the same things their dial-up brethren are doing, the effect is profoundly different.

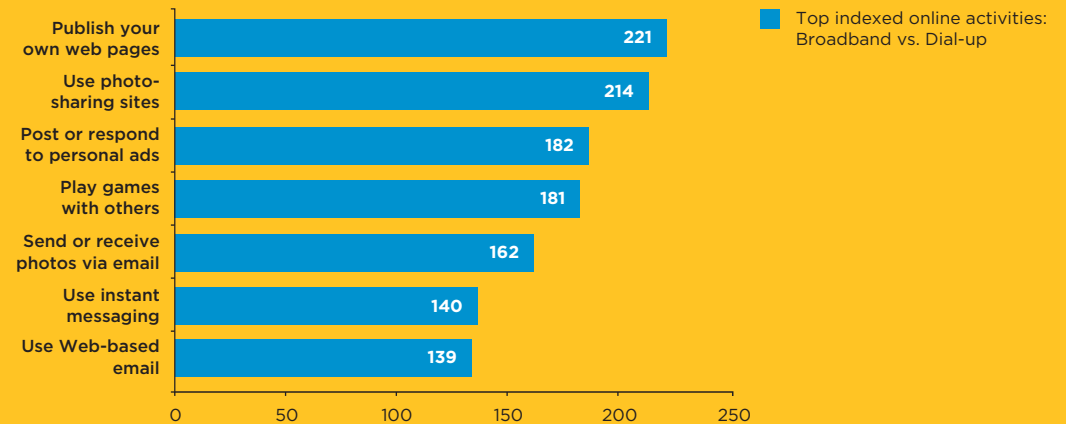
For dial-up users, communicating is generally limited to email. For broadband users, however, it transforms into a foundation for socializing. For people always online, sending an email has become easy access by any number of means: instant messaging, chat-rooms, blogging, sharing photos, voice telephony, webcams—literally dozens of mechanisms for staying in touch, keeping up-to-date or even planning an evening out with newfound ease. It's all ready and waiting all the time. Broadband changes

their perspectives and literally transforms what they experience. So naturally, they spend more time doing it.

Doing simple tasks becomes extensive life management. Dial-up users scan headlines. Broadband users look at multimedia news from varying perspectives. And what was once a resource largely just for fun becomes a new world of music, video, games and entertainment. Here's what we mean:



SOCIALIZE



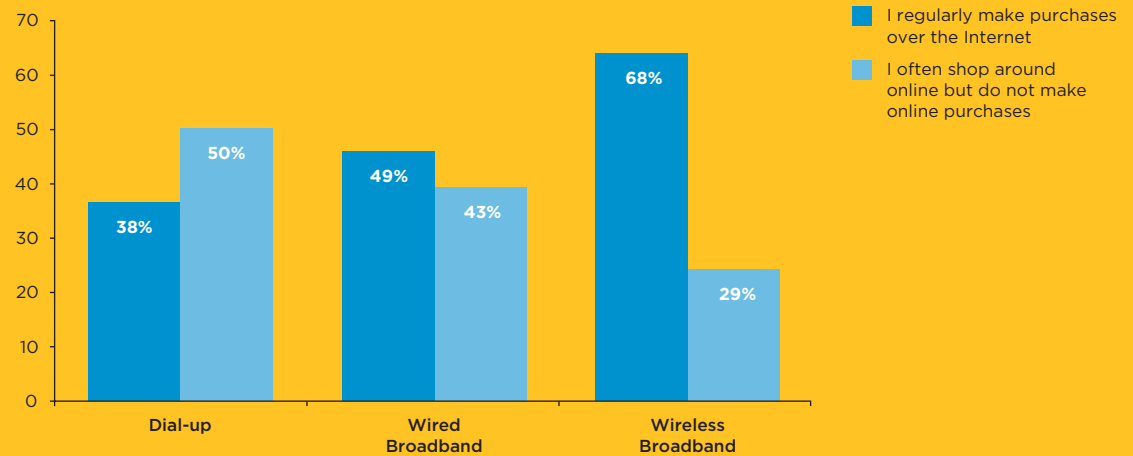
Communicating becomes Socializing. With broadband the act of communication changes. It transforms into a much more integrated foundation of social experience. Mere emailing becomes catching up with an expanding circle of friends, often every day. Sharing photos, thoughts and experiences. Planning a night on the town. Or even a wedding.

Younger consumers are 67% more likely than their dial-up counterparts to use the Internet to meet new people and plan their lives. But it's certainly not limited to them. Older consumers and women appreciate the tighter ties with an expanded circle of friends.

THE ESSENCE OF TRANSFORMATION

LIFE MANAGEMENT

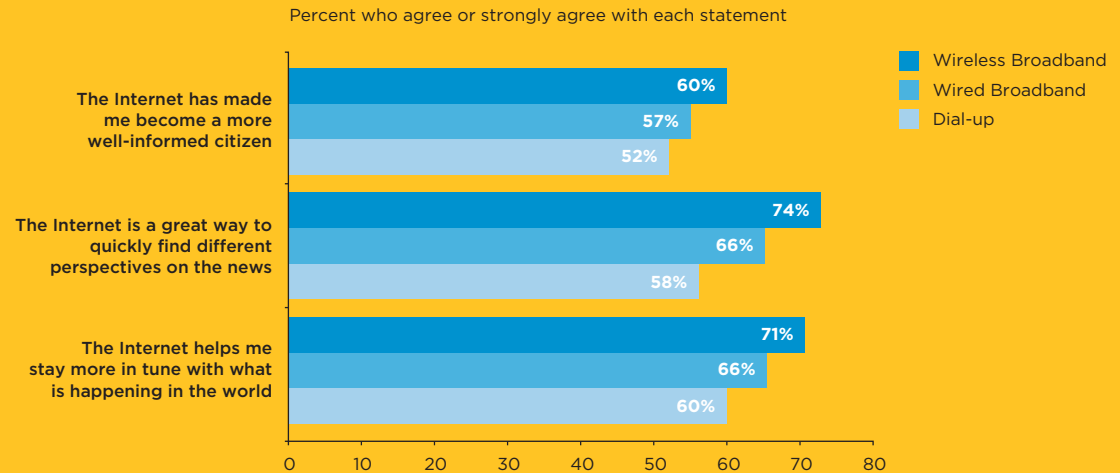
QUESTION: WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES YOUR PURCHASING BEHAVIOR ONLINE?



Tasks become Life Management. Whether it's working remotely from the office, planning a vacation, buying a home or car, or learning about a new health condition, broadband consumers are much more likely to use the Internet's vast resources. 68% regularly purchase online. 70% say it has made them smarter consumers. But shopping isn't all. They use it for health management, to research and apply for credit cards, and believe it helps them make better investment decisions.

FULL STORY

QUESTION: PLEASE INDICATE HOW MUCH YOU AGREE WITH EACH OF THE FOLLOWING STATEMENTS ABOUT USING THE INTERNET FOR NEWS AND INFORMATION.

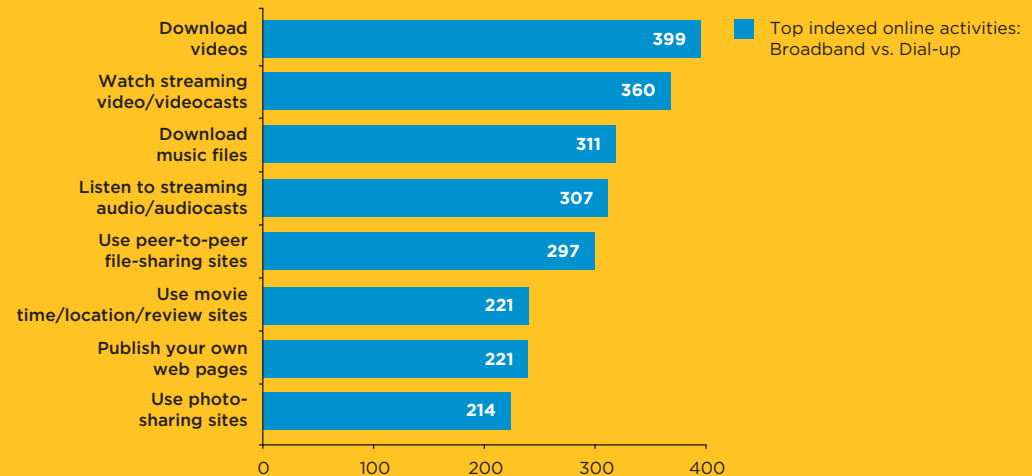


Sound Bites become the Full Story. Pokey dial-up means the Internet as library: search, browse, check headlines with slow page loads and long waits. Broadband changes that. Merely grabbing sound bites becomes getting the full story from multiple media forms and many more sources. And not just general news. Broadband users regularly seek product reviews, real estate listings and local business information. It's all there, all the time, so naturally they make use of it.

High Speed + Always-On = Transformation.

THE ESSENCE OF TRANSFORMATION

PERSONAL ENTERTAINMENT

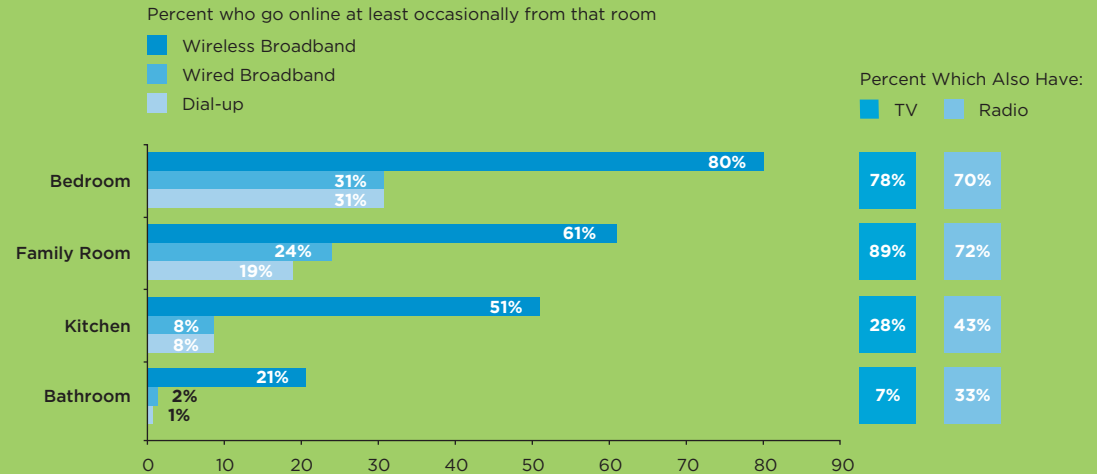


“Just for Fun” becomes Personal Entertainment. In the early days of dial-up access, the Internet was good for swapping jokes. Broadband gives consumers instant access to video, music and games, as well as entertainment news, an extended interview with a favorite musician and an always-open movie box office. The experience becomes infinitely richer and deeper, a transformation that changes casual fun into a place to play and learn and enjoy—their very own personal entertainment center.

Source: Forrester Research,
Technographics Benchmark Survey, June 2004.

WIRELESS MAKES THE WEB UBIQUITOUS

QUESTION: HOW FREQUENTLY DO YOU (OR SOMEONE IN YOUR FAMILY) ACCESS THE INTERNET FROM EACH OF THE FOLLOWING ROOMS?



Even more striking is what happens to the habits of consumers with wireless broadband and a laptop. When the Internet is available from every room, they'll do more online. Their households are six times more likely than even broadband homes to go online from the kitchen. This puts the Internet front and center and these always-connected consumers incorporate it into the daily flow of their lives.

Wireless brings the broadband experience to a whole new level.

**“Whenever I hear something,
whether I see it on TV or read
it in a magazine or newspaper,
I can confirm the fact on
the Internet.”**

—Parent, St Louis

**PART II:
MEDIA IN A
BROADBAND
WORLD**

**Broadband Internet isn't
simply another media choice.
It is the force that transforms
the overall media experience.**

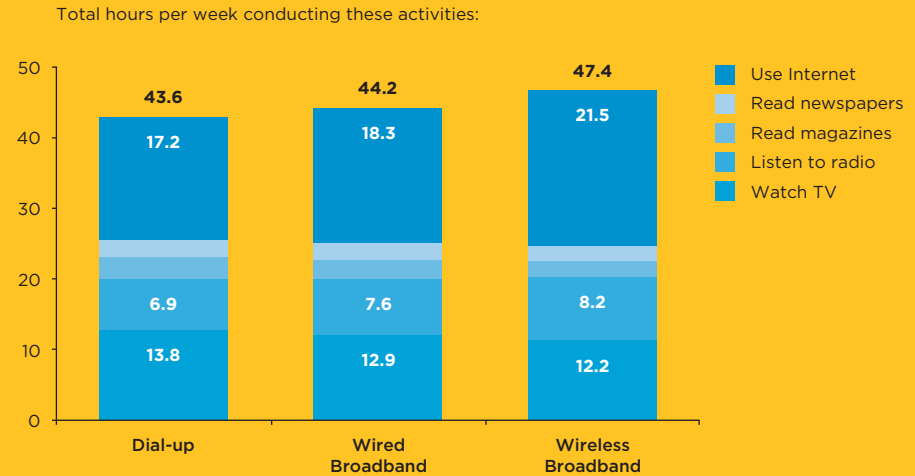
Over the past decade, the Web has played an increasing role in the consumer's media life. But broadband has changed the dynamic: it has become a driver for deeper connection with all media.

Our research reveals that consumers will mine the in-depth information and interactive nature of the Internet to intertwine their media, entertainment, communications, purchases and services, extending and enhancing what's available. Thanks to the broadband life, there's a synchronicity taking place out there. And media experiences are going to become much richer as a result.

That's where it's going. But first let's take a look at how it's getting there.

QUESTION:

IN A TYPICAL WEEK, HOW MANY HOURS DO YOU SPEND DOING EACH OF THE FOLLOWING?



Broadband Internet doesn't replace traditional media. Instead broadband consumers create Web time by multitasking: checking email while listening to music, hearing an interesting news story on the radio and going to the Web for details. But this is only the beginning.

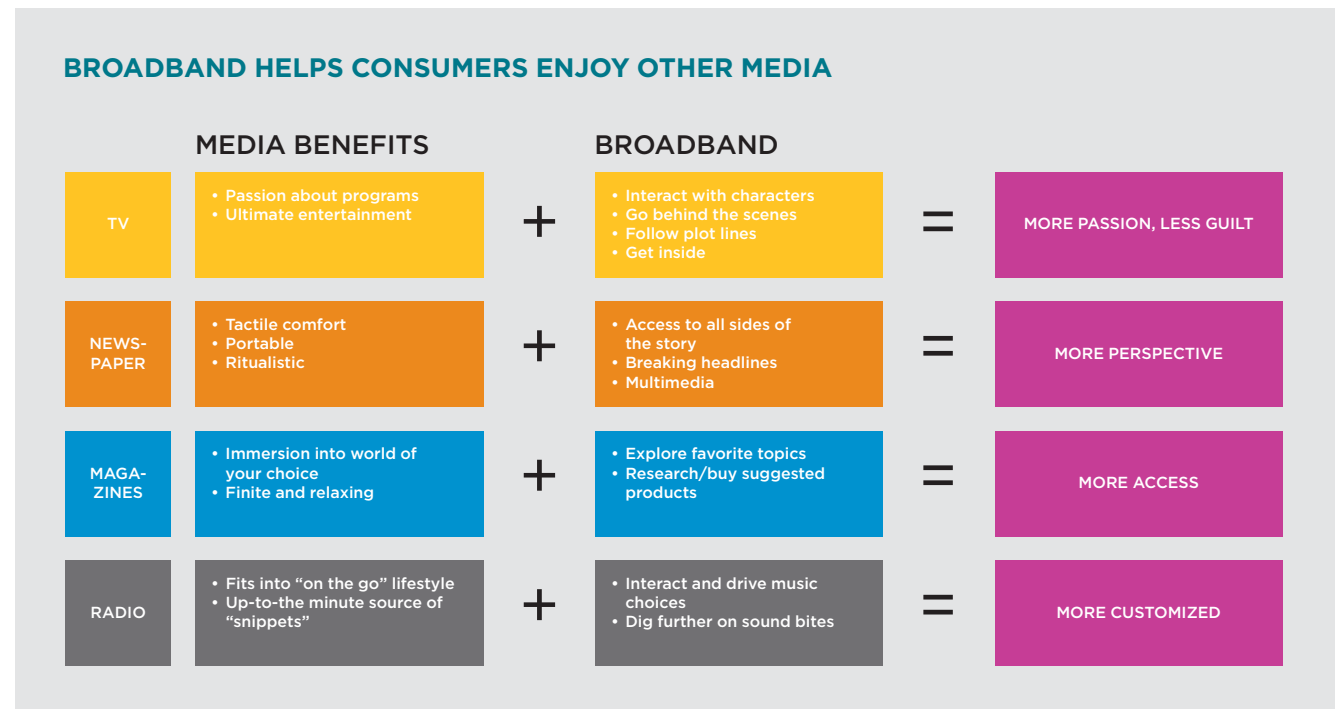
MEDIA MESHING

Media Meshing. Earlier we referred to the term when describing the new world consumers create with broadband. But let's expand on the concept a little.

Media Meshing is when consumers begin an experience in one medium, then shift to another—and maybe even a third—to complement information, perspective and emotional fulfillment. Almost 60% of consumers believe using more than one type of medium is a good way to get more complete information, and broadband unleashes this phenomenon. Broadband users are five times more likely than dial-up users to access multiple media at the same time.

This represents not a trend, but an actual sea change in how people experience media. So the logical question is, how do these media intersect, connect and interact in a broadband world?

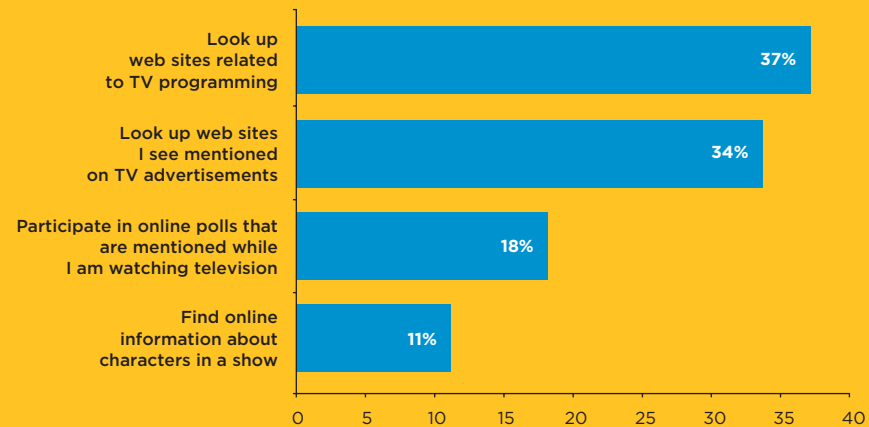
TV and broadband Internet are two media that consumers naturally mesh. Great TV draws consumers into another world and creates a relationship between the characters and fans. But there's a one hour per week, 20 episodes per season limit on most shows. Broadband users don't stop there. Almost 40% build on their connection at the web site to unravel plot twists, try to guess what will happen next week or get insights into the creation of the show.



QUESTION:

HOW FREQUENTLY DO YOU DO EACH OF THE FOLLOWING?

Percentage of broadband users who sometimes or frequently do each activity:



When consumers blend their new broadband capabilities with the benefits of other media, a new world emerges. They customize a media experience by fitting the music and information more to their interests and tastes. They hear a headline on the radio and go online for detail. At the end of a TV show they bridge the gap before next week's episode. It's an immersive experience where they explore their interests and indulge their passions deeply. We call this experience "Media Meshing."

MEDIA MESHING

Media Meshing enhances and “rounds out” the overall media experience:

GAIN PERSPECTIVE

- Read between the lines
- Remove bias
- Fill in the blanks
- Go behind the scenes

PERSONALIZE

- See/hear it on your schedule
- Get the details that are most important to you
- Find it in your size
- Get the local scoop

GET INVOLVED

- Share your point of view
- Provide feedback
- Enroll in a competition
- Talk with other fans
- Vote

The reason people are meshing is easily understood. It enhances and extends the overall media experience. The result is substantially greater than the sum of the individual media. But more specifically, it affects them in three ways:

THEY GAIN PERSPECTIVE. Sound bites and fluff are out. With all relevant information at hand, meshers feel efficient, empowered and in control. They get exactly what and how much they want of whatever interests them.

THEY PERSONALIZE THE EXPERIENCE. No longer does the consumer have to passively accept the content provided at the time prescribed. Seeking out the details that matter to them is easy. And they can do it at the time that fits their schedule.

THEY GET INVOLVED. The consumer is no longer left hanging at the end of an article or episode. If they are outraged, they can express that opinion. If they are intrigued, they can follow up. If they are passionate, they can find others who share that passion.

Media Meshing fulfills a need to become more deeply involved with hobbies, interests or stories that kindle passionate involvement. It satisfies the drive to not settle for a superficial or fleeting experience, but to be immersed in all aspects. To control the experience so nothing is missed and to connect personally and directly to feed the passion further.

More options. More freedom. More personal control.

WELCOME TO THE BROADBAND LIFE.

PASSION

DEEPER RELATIONSHIP

Deeper relationship
with the sources of
your passion

INTRIGUE

The whole story—behind
the scenes and between
the lines

DIRECT INTERACTION

Feeding back and sharing
your passion with others

PERSONAL TIME

More of what you want
on your time

The Big Ideas About Broadband.

Broadband's effect on the user experience, combined with its equally powerful impact on traditional media, asks that new insights into consumer behavior be considered. Here are a few things to think about.

MARKETER INSIGHTS

BROADBAND HAS ALREADY ACHIEVED CRITICAL MASS. Over half of all US Web users have broadband access.

BROADBAND MEANS FAR MORE THAN “FASTER INTERNET.” It transforms the online experience and is a driver for a deeper connection with all types of media.

MEDIA MESHING IS BECOMING A VERY IMPORTANT BEHAVIOR AMONG CONSUMERS. It brings passion and engagement to media consumption and may be a key to effective cross media marketing.

HOME WIRELESS IS THE NEXT CHAPTER FOR BROADBAND. Though a small segment now, it lights a path for understanding consumer interaction with “the ubiquitous Web.”

MARKETING IMPLICATIONS

THERE’S NEVER BEEN A BETTER AGE FOR INTEGRATION. Broadband transforms the Internet into a framework for consumer-focused marketing and drives deeper value into the total marketing plan.

MEDIA MESHING CAN WORK FOR THE MARKETER AS WELL. Just as consumers mesh experience across media, so may they also mesh your brand messaging across channels. Understanding the phenomenon will be a key objective for successful marketers in the months and years ahead.

MEDIA NEUTRALITY AND MESSAGE CONSISTENCY ARE TABLE STAKES FOR THE INTEGRATED MARKETER. Total communication planning based on the consumer’s meshed media life should be our shared goal.

CONCLUDING THOUGHTS

The transformative impact of broadband on consumers' lives and on traditional media is an unfolding phenomenon offering some remarkable opportunities for everyone. Greater freedom. More choice. A richer, more personalized experience.

No wonder people are discovering that more and more, **It's a Broadband Life.**

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