

News Release

CONTACT: Klaas Hommez
+1 323-817-2073

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NIELSEN SURVEY FINDS EAST WEST DIVIDE IN MEDIA HABITS

Los Angeles, US, Friday, 12 December, 2008: The so-called digital divide between emerging and developed economies worldwide may not be that wide after all. A new online survey conducted by The Nielsen Company has found that while Western countries tend to be heavy users of media hardware like DVD players and gaming consoles, next-generation devices like video-enabled handsets are more popular in the up-and-coming markets, particularly in Asia.

The online population of the Philippines, for instance, emerged first among the 52 countries surveyed with the highest levels of usage across a range of devices, one of five Asian-Pacific countries that filled the top 10. Philippines also topped a pair of rankings tracking usage of digital media and video games.

The findings emerged from the entertainment portion of the biannual Nielsen Global Online Consumer Survey, which reached 26,000 online users in September. Rankings were computed by measuring a range of scores in response to thematically similar survey questions.

Klaas Hommez, who oversaw the survey's entertainment portion as vice president of Nielsen Entertainment, noted many Asian consumers largely skipped landlines in favor of wireless technology. "The same leapfrogging is taking place with



entertainment,” he said. “For example, consumers are circumventing the need for a relatively expensive gaming console to play subscription-based videogames online.” HommeZ also identified other factors responsible for media usage in many Asian countries, such as the broad uptake of mobile due to widespread use of public transportation and government policies maximizing broadband access in China and Singapore.

In contrast, Western countries tended to score better on less mobile offerings like console video games and DVD players. But when it came to streaming and downloading content, Eastern nations like China proved no match.

While Philippines was joined in the top 10 by China, Vietnam, Malaysia and Thailand, the quartet of booming economies known as the BRIC countries--Brazil, Russia, India and China--fared even better on a regional basis. Brazil finished second to Philippines in the overall media usage ranking, and finished first in the music category.

“Piracy has kept the cost of acquiring music down both on CDs and downloads,” HommeZ said.

Philippines is a media market known for remarkably high mobile usage, largely due to the fact that landline penetration is quite small. Research has noted high levels of text messaging and social networking; the site Friendster gets about one-fifth of its global traffic from Philippines alone. While its broadband infrastructure pales in comparison to other Asian countries, Philippines compensates somewhat with a robust market for cafes that provide Internet access.

Rounding out the top finishers in overall media consumption behind Philippines and Brazil was United Arab Emirates, Pakistan and Russia.

The Nielsen study also yielded a sense of which media devices are used most across the world.



The desktop or laptop computer managed to edge out the television set, with 77% of respondents indicating they had used a PC during the past month, just ahead of 75% for TV.

The CD player finished with 50%, followed by DVD (48%). The emergence of wireless devices also registered, but ones that have media capabilities were behind those that did not. Mobile phones without video or Web capabilities were used by 40%, while video-enabled phones finished with 30%.

The elevated usage scores of emerging nations can be explained in several ways. Emerging economies that tend to have low Internet penetration are more likely in an online survey to skew toward heavy media users. In more developed countries where Internet access is near universal, the sample will be a more natural representation of the general population, with both casual and heavy media users.

Another likely factor skewing media usage in favor of emerging countries is the average age of their online population is more than 10 years younger than in the West.

Furthermore, countries plagued by content piracy problems are also likely to perform strongly on results for the survey, which does not make a distinction between users engaging in legal or illegally obtained media.

United States scored poorly in the overall media consumption ranking, finishing 34th. Its best ranking came on the videogame ranking, where it finished 27th. China, UAE, Pakistan and Hong Kong rounded out the top five behind Philippines in the videogame ranking.

The survey also offers a snapshot of how Blu-Ray DVD is faring in its early days on the global market. Norway scored highest, with 9% of respondents saying they had used the device in the past month.



Mobile devices with video and Web features did particularly well in Russia, which led the field with 65%. Norway, Sweden and Romania also scored high on that survey metric.

About The Nielsen Global Online Consumer Survey

The Nielsen Global Online Consumer Survey, conducted by Nielsen Customized Research, was conducted from Sept 22 – October 6th 2008 among 26,202 Internet users in 52 markets from Europe, Asia Pacific, North America and the Middle East. The largest half-yearly survey of its kind, the Nielsen Global Consumer Confidence and Opinion Survey provides insight into current confidence levels, spending habits/intentions and the major concerns of consumers across the globe.

About The Nielsen Company

The Nielsen Company is a leading global information and media company providing essential integrated marketing and media measurement information and analytics and industry expertise to clients across the world. Nielsen maintains leading market positions in marketing and consumer information; television, online, mobile and other media intelligence; and trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). Nielsen is a privately held company and is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.