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INTERNET PENETRATES MORE DEEPLY INTO CANADIANS' DAILY LIVES: SURVEY

E-Commerce Rises as Percentage of Canadians Online Remains Steady

TORONTO, August 16, 2005 – The proportion of Canadian households online has plateaued according to TNS Canadian Facts' continuous tracking study of Canadian Internet usage. Almost the same number of Canadian households are online today (73%) as there were two years ago (72% in 2003). However, e-commerce has increased, with 34% of online Canadians having purchased something in the past year, compared to 29% in 2004.

“While the Internet is becoming a greater part of most people’s daily lives, a small core of Canadians are simply not using it,” said Richard Jenkins, corporate director of public opinion research at TNS Canadian Facts. “It’s the same adoption trend we’ve seen with other technology introductions. Some people are resistant to change, while others have financial barriers and still others see no personal relevance.”

Although the growth in the number of Canadians using the Internet has stalled, there have been significant shifts in how households access the Internet. Most notable is the significant drop in the share of households using dial-up connections, which was spurred by the introduction of broadband access several years ago. In 2001, approximately half of all households accessed the Internet via a dial-up connection compared to less than one in three now (30%). DSL’s share of households has increased over the past two years to be nearly equal with cable’s share.

Nonetheless, dial-up access maintains a significant share of the Internet-access market due to a “rural digital divide.” In communities of fewer than 10,000 people, half (53%) of households use dial-up compared to only 22 per cent in communities with populations exceeding 10,000.

How Canadians access the Internet is central to what they do online. For those with high-speed access (cable or DSL), the Internet is more likely to play a bigger role in their daily lives.

- Cable or DSL users are more likely than dial-up users to buy online and more likely to use the Internet to research purchases online before buying them at a store.
- Cable or DSL users are also more likely than dial-up users to listen to online audio broadcasts, download music, read the news online and search for jobs online.

Satisfaction with Internet access is high, although price tends to be a source of dissatisfaction (42% are dissatisfied with the price they are paying for access). Broadband and DSL users are more satisfied than dial-up users overall, but more dissatisfied with what they pay. High-speed users trade cost for speed because they use the Internet more widely, it is more central to their lives, and a main method of connecting with the rest of the world. For many of these people, high-speed applications are a necessity.

“Our study shows that in Canada, the Internet world is maturing both in terms of the forms of access offered by providers and the expectations of end users,” said Jenkins. “Continued growth in Internet penetration and further adoption of high-speed technologies will depend on which new applications become ingrained in Canadians’ daily lives.”

High Speed Internet and Wireless Technologies is part of TNS Canadian Facts’ State-of-the-Net series of studies. For the study, a survey was conducted using the firm’s national weekly Internet omnibus Service, TNS Express Online. E-mail invitations were sent to 2,800 members of the TNS Canadian Facts Internet panel comprising more than 80,000 Canadian Internet users who have agreed to participate in survey research from time to time. In total, 1,153 online interviews were completed between March 31 and April 5, 2005, a response rate of 41%. The survey results are nationally representative of the online Canadian adult population and are considered accurate to within 2.9 percentage points, 19 times out of 20.

TNS Canadian Facts (www.tns-cf.com) is one of Canada's most prestigious full-service marketing, opinion and social research organizations.

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