

**The Future Digital Economy
Digital Content – Creation, Distribution and Access**

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**Remarks by John B. Horrigan, Associate Director,
Pew Internet & American Life Project
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Session 4b: New user habits and social attitudes**

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My main purpose today is to talk about the evolution of “high-end” internet users in the United States in the past several years and see whether close scrutiny of their behavior sheds useful light for policymakers and industry.

My point of departure will be a report we did at the Pew Internet Project called *The Broadband Difference* which focused on the online behaviors of early broadband-to-the-home adopters. The survey for that report was conducted in January 2002, at a time when 12% of U.S. adults had high-speed internet connections at home. The conclusions of that study were that home broadband users were:

- Creators *and* managers of online content.
- Wide-ranging information consumers – online news, information searches, health & medical information, and more
- Heavily into the online world for a wide-scope of online activities, from gaming to entertainment to use of the internet for social and community purposes.

Two important implications of the study were that:

- An “open access” internet – one that adheres to the principle of network neutrality – is consistent with the behavior of early adopter broadband users. That is because they are wide-ranging in their surfing habits and take a hands-on approach to their online experience. Home broadband users like to pilot their own online ships.
- Upload and download speeds are important – since they create content.

Since 2002, a lot has changed with respect to home broadband adoption. It has tripled among adults in three years (SLIDE ONE). Today 36% of adult Americans have high-speed connections at home, or just over 70 million Americans.

Do the lessons from the 2002 study apply in 2006? There are two competing hypotheses as to whether broadband users in 2006, in the aggregate, behave like those of 2002.

1. Sure, we all love this stuff, so we’d expect to see late high-speed adopters behaving a lot like earlier ones. That is, they will create content and take advantage of online information in all corners of the internet.
2. Early adopters are special; content creation and ardent online use are not for everyone. If a 2002 study of broadband users suggested anything about the rules of the road for the internet, it doesn’t much matter today.

For evidence to examine these hypotheses, I have data from the Pew Internet Project’s December 2005 survey of 3,011 Americans; about one-third are home high-speed users. The evidence shows that having a broadband connection at home continues to have a transformative impact on users. The three areas of impact are:

- Increased reliance on the internet for news and information
- Heavy use of the internet for gaming and entertainment
- Use of the internet to satisfy creative urges: Content creation is still a big deal.

SLIDE 2: News consumption online & offline, by age group

SLIDE 3: Use of the internet for games, entertainment, entertainment news, by age group

SLIDE 4: Use of the internet for content creation

In the aggregate, broadband users are still very much into the internet. The impacts are greatest among younger people. However, it is notable that the impacts are widespread throughout age categories: Older broadband users are active not just with news consumption, but also entertainment and content creation.

Has anything changed for high-end users – the subset of broadband users who seem really to have embraced a digital lifestyle? The answer is “yes”, and the specific answer has to do with how the internet is, for these users, the driving force in their information universe in a way not apparent in our 2002 study.

This conclusion is based on preliminary analysis of our December 2005 data, and I start by defining “high-end” online users as those who use the internet for *each* of the three online activities – getting news on the typical day, several entertainment applications (gaming, getting music online, and downloading videos), and content creation (blogs, posting photos or other creative output online). This “high-end” group makes up 19% of the adult U.S. internet population, or 24 million people. Here’s how this group looks when looks to getting news on the typical day.

SLIDE 5: News consumption (typical day) “high-end online users”.

The striking thing here is that people in this group are most likely to turn to the internet for news on a given day – more so even than TV, which traditionally takes the prize in the newsgathering category (when compared to all other means) by a large margin. ***This is the first time, in our data, when we’ve seen a population segment where online news is the most likely place they turn to for news on the typical data.*** And it’s very much an informational two-way street: one-third of high-end online users have their own blog, more than three times the average for all internet users. The internet is where their information and entertainment worlds take shape, and guides what they do offline in these areas. The reverse was true in 2002: offline life shaped what broadband users did online.

Let me leave you with three takeaways from this brief tour of our latest data:

- 1) With the growth of broadband adoption at home, the internet is increasingly embedded in people’s lives – how they get news, entertainment, gratify creative impulses, and cultivate their social networks.
- 2) The “embeddeness” of the internet in people’s lives, coupled with the advent of embedding the internet in things (e.g., via sensors or RFIDs), suggests we are on the brink of an inflection point for the internet’s impact – not only for news, entertainment, and culture, but for governance, communities, and civic life.
- 3) The broadband users of 2006 – at the “high-end” but also broadly throughout age categories – are still heavily engaged in content creation and rely ever more on the internet for a wide range of information needs. An important implication of our 2002 study – that an open internet is a place where an “embedded internet” evolves – still applies. This suggests that a “first do no harm” approach to network neutrality is an entirely appropriate principle, at least when one looks at users’ online behavior.