



Fondation internet nouvelle génération

# Broadband Internet Trends and Uses

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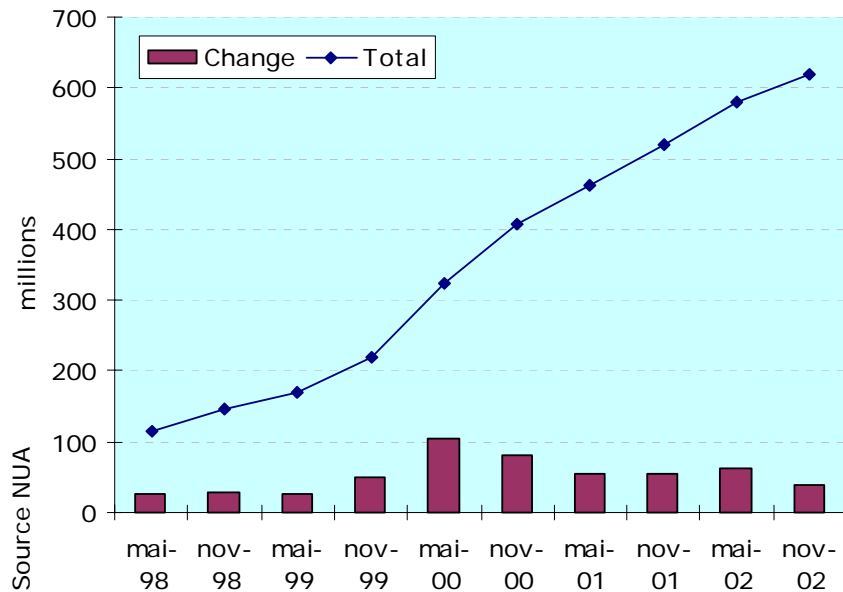
March 2003

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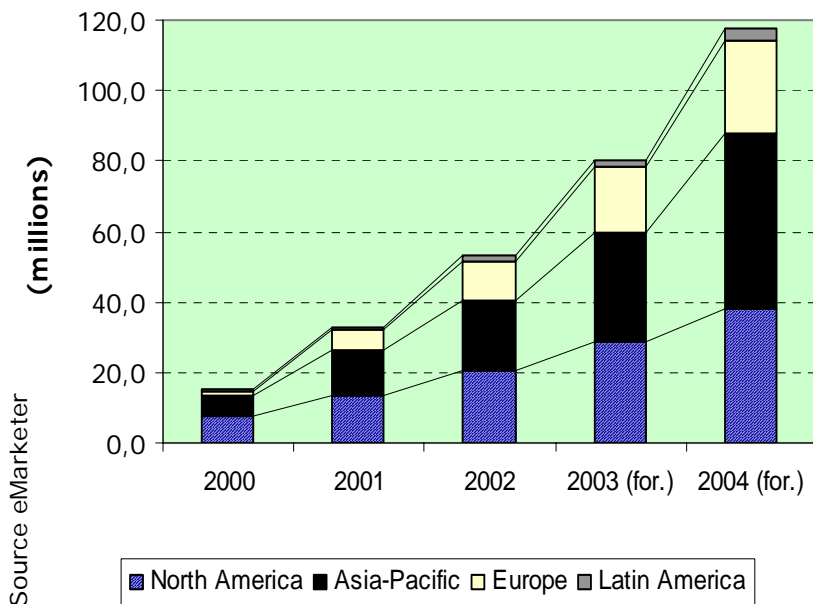
**What Crisis?**

# The development of the Internet has not slowed

Number of Internet Users (worldwide)



Worldwide residential broadband subscribers (millions)



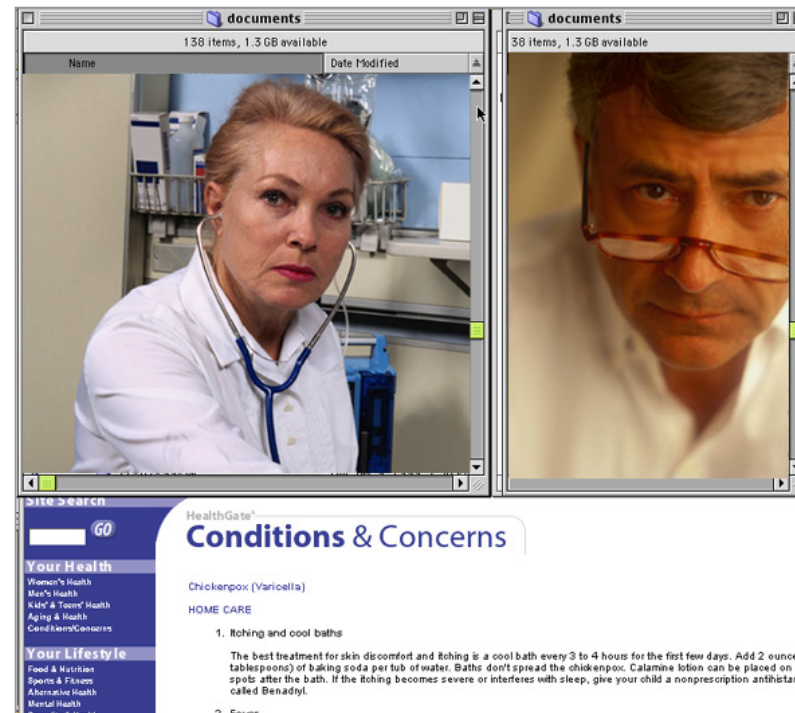
**Broadband is one of the drivers of this development**

# What exactly is Broadband?

*"There is no universal definition of broadband. Its main features are a broadband (in principle, more than 2 Mbits/second) and always-on connectivity."*  
- e-Europe 2005

*(2 Mbits/s ????)*

**The "obvious" network**  
Speed  
Always-on  
Network continuity  
Quality, reliability  
Security



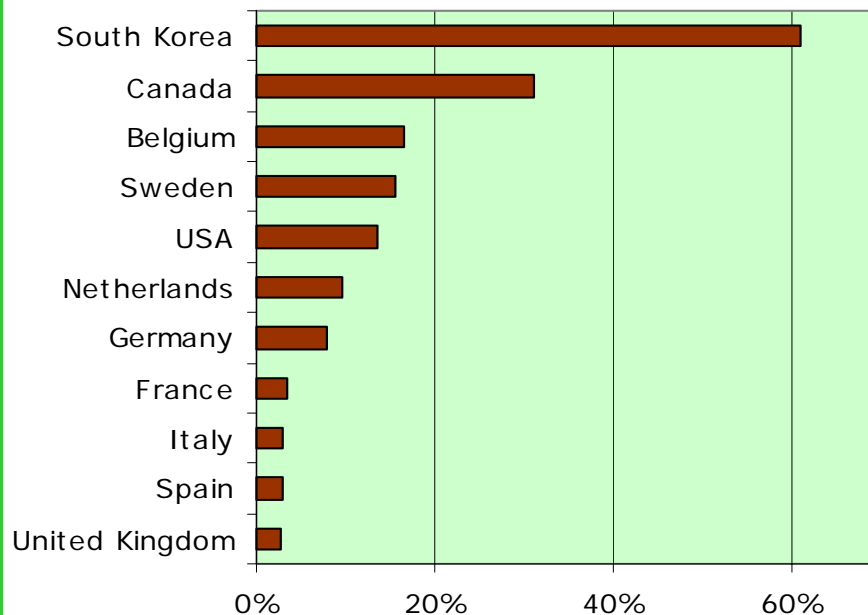
# What's the position in France?

*"Each local community must have broadband access by 2007"*

- J. Chirac

*"Our goal: 10 million broadband internet subscribers within 5 years"* - F. Mer

**% broadband homes (June, 2002)**



1.7m subscribers at the end of 2002

(1.3m households)

+ 150% / year

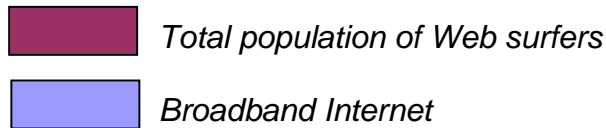
But a low global ranking

Broadband not as broad as elsewhere

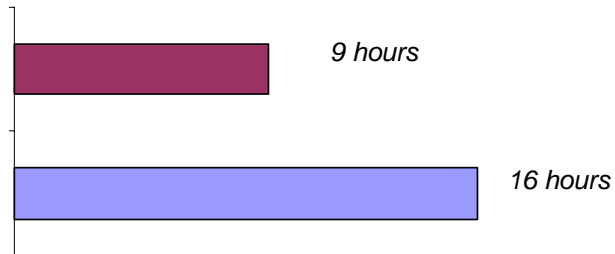


# **Broadband – What For?**

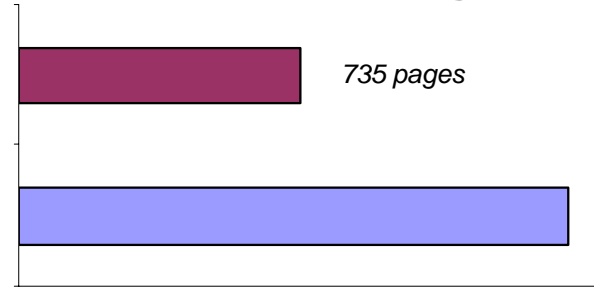
# What difference does broadband internet make?



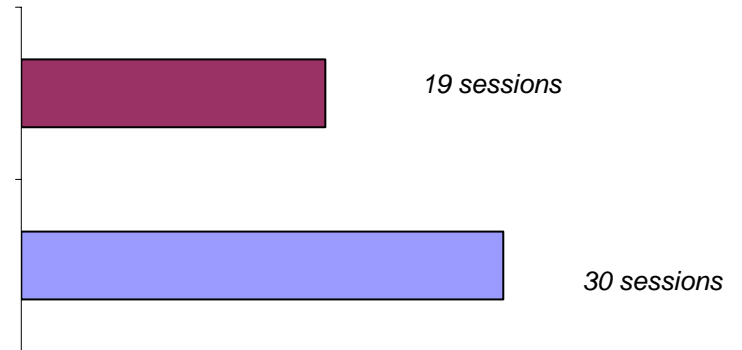
## + 82% increase in time spent on the Web



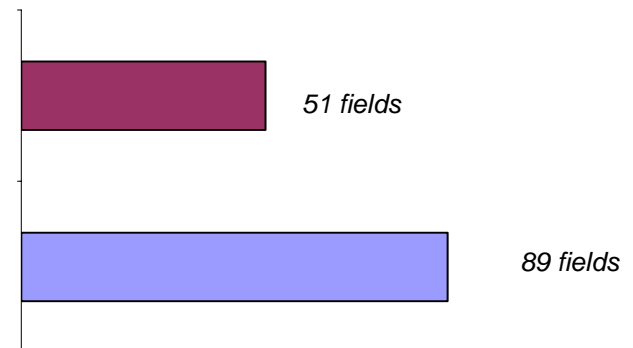
## + 94% increase in pageviews



## + 59% increase in sessions per month



## + 74% increase in domains visited



Source :  
Nielsen NetRatings France, Oct 02

# Communication über alles!



Electronic mail  
Instant messaging  
Tele/videophony  
Webcam  
Communities  
File exchange  
Networked games

Business:  
Co-operation  
Co-design  
Tele/videophony  
Teleconferencing etc.  
The human side of  
e-business



# Create and produce

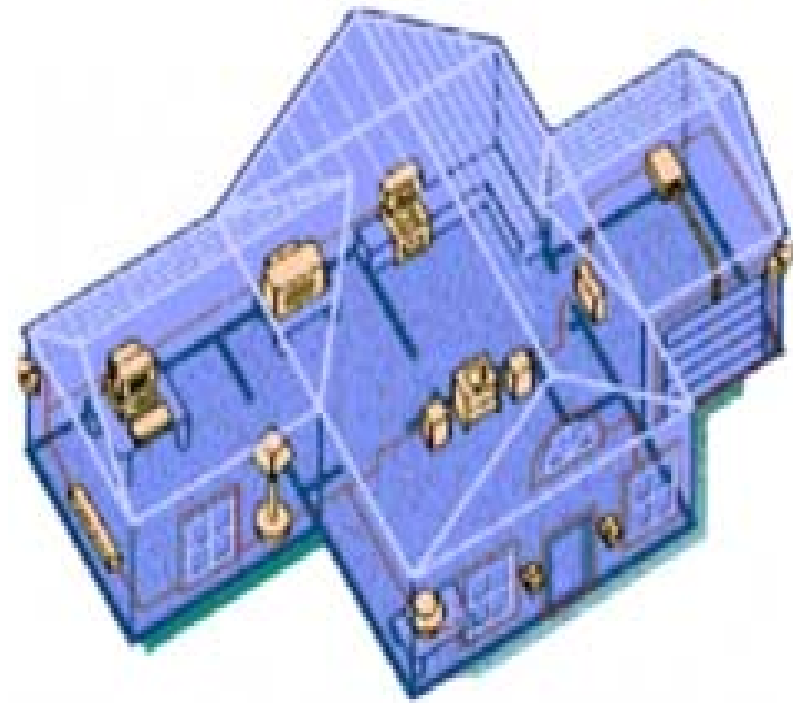


3.5m personal pages!  
Communities, forums  
Digital photography  
and video

*"Broadband provides  
internauts with the  
means to become  
more active and  
more autonomous in  
their online  
behavior."*

V. Beaudoin and B. Lelong

# Across-the-board intensification of internet usage



30% increase in time spent online at home

All online uses are on the rise:  
work, information, leisure, education, shopping, social activities...

Multiplication of communicating devices  
Computers, TV, Hi-Fi, home appliances, security...  
Machine-tools, sensors, vehicles...

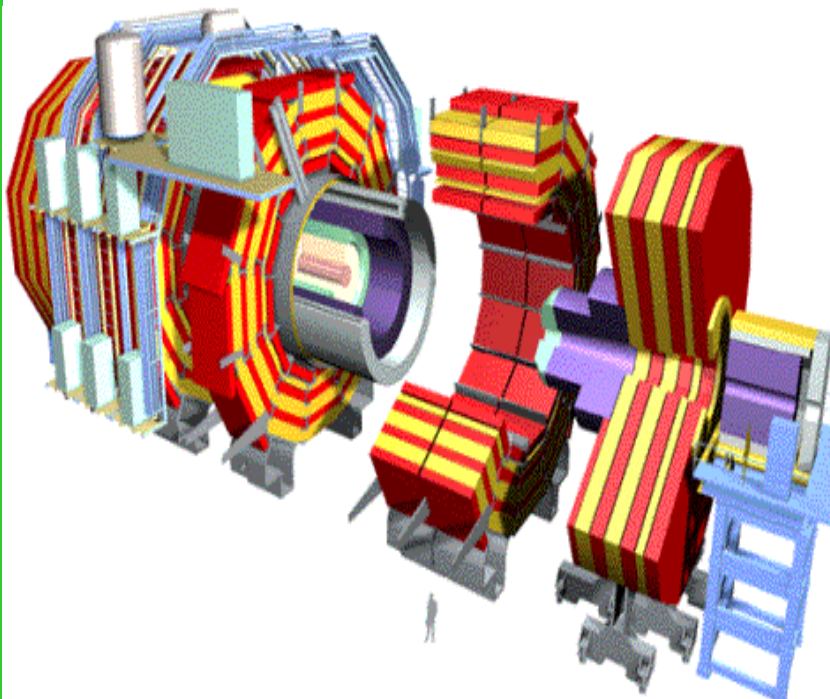
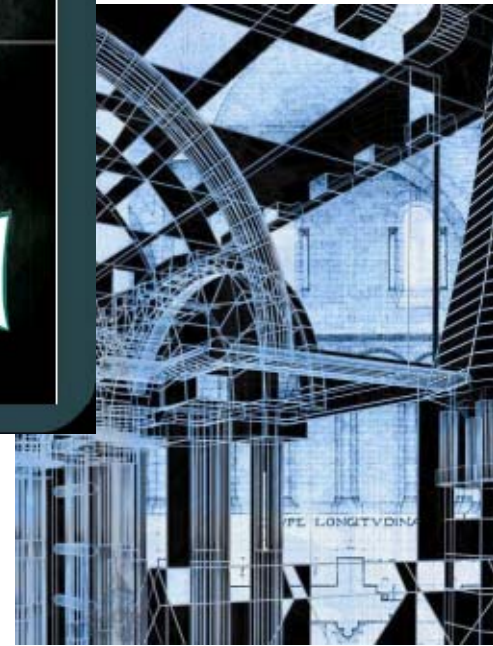
# Communication, community, proximity



Local and residential  
intranets  
Communities  
Public services and  
utilities  
The reality of  
communication is local

Reminder: the internet  
was originally a  
federation of  
local networks  
Move away from a  
hierarchical vision  
of networks

**All human activity is impacted**





# **E-commerce's place**

# The key to the digital economy

Lower transaction costs,  
lower inventories  
Market responsiveness  
Customer service  
Innovation  
Corporate networks...

**COMMUTER COMPUTER BAG** [more info](#)

**CHOOSE A SIZE**  
Mogwai [L]

**CHOOSE A FABRIC**  
Waxed Canvas

**CHOOSE COLORS**  
Suliro Folsom Tango  
Green Gray Orange

**CUSTOM FEATURES**

- Deluxe Pocket
- Back File Pocket
- Water Bottle Pocket
- Bike Set**
- Logo Color

[Close Window](#)

**Bike Set**  
This package includes just what you need to make your commuter bag street legal: namely, a cross strap for stabilization, reflective tails, and an attachment loop for the rear light.



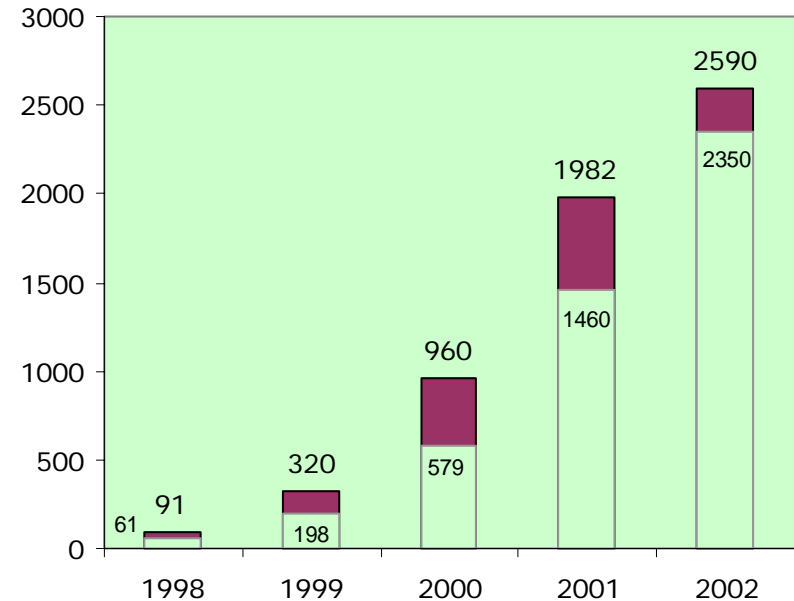
**Cross Strap** **Attachment Loop** **Reflective Tails**

**TOTAL: \$ 114** **CHE** [ADD TO BAG](#) [NO THANKS](#) **\$9**

New possibilities for  
online content and  
services...  
... provided business  
models can be attractive  
to consumers as well as  
corporations

## B2C e-commerce: still an emerging market

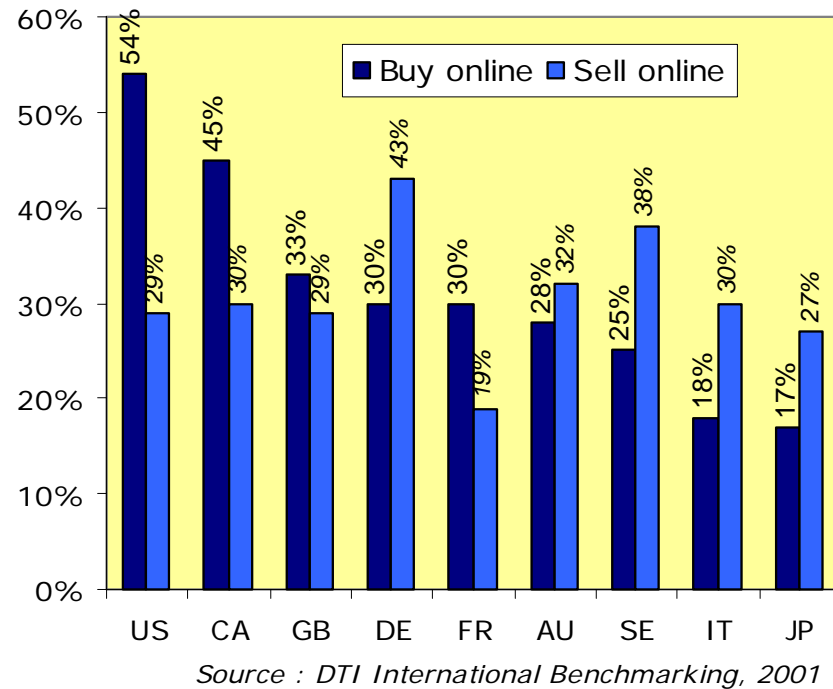
Online purchases by households in France (€m)



Significant growth,  
but no boom  
e-Commerce < 0.5% of  
consumer spending in  
most countries  
USA: €45bn in 2002  
(excluding travel)

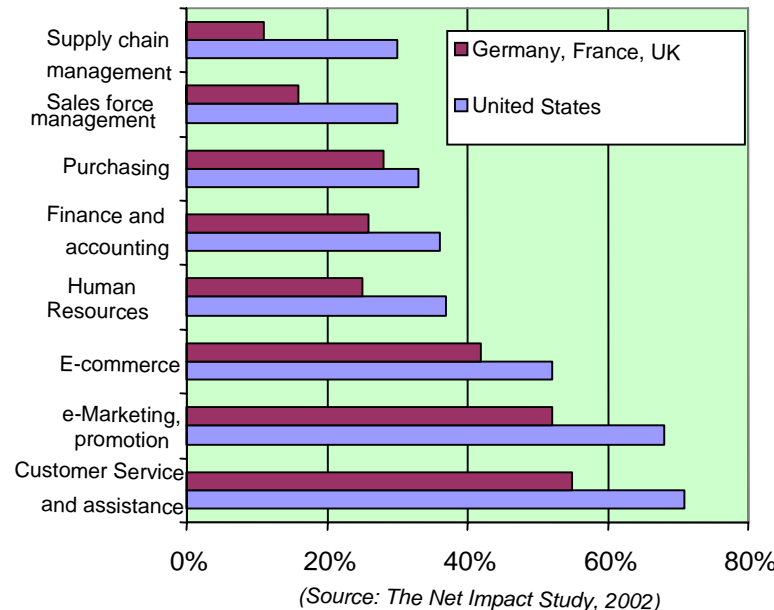
But online sales are not  
the only measure  
of e-commerce  
Information, decision-  
making, customer  
relationship and  
service...

# B2B e-commerce: much larger sales volumes



Traditional EDI still dominant, migrates to the Internet  
 Limited impact of e-Marketplaces  
 Commerce not the only "networking" priority

## The functions that benefit from corporate "internet solutions"





# Broadband and e-commerce



New forms of Web surfing  
Enhanced customer-product relationship  
New possibilities for dematerialization

Q2/2002: 42% of broadband users purchased online, compared with 31% of narrowband users (Ipsos)  
Not (yet?) a major change for e-commerce

A solid green vertical bar is positioned on the left side of the slide, extending from the top to the bottom.

**What's in store for tomorrow?**

# A “networked environment”



Many small dataflows  
make for large rivers  
All services become  
“network intensive”  
People expect greater  
coverage and better  
continuity

Broadband internet  
is the key infrastructure  
of the digital economy and  
the information society

# Fixed-mobile communications: towards continuity



Personal area networks  
(Bluetooth)  
Wireless (Wi-Fi) networks  
"Ambient intelligence":  
chips and networks  
everywhere

Re-synchronising and  
recreating personal/  
relational/corporate  
networks  
Continuous  
communication  
("connected mode")

# Accepting our ignorance



## The forecast graveyard

Video on demand

MSN (1995)

Web TV

WAP/M-Commerce etc.

*None* of the main uses of the internet was foreseen by established industry players

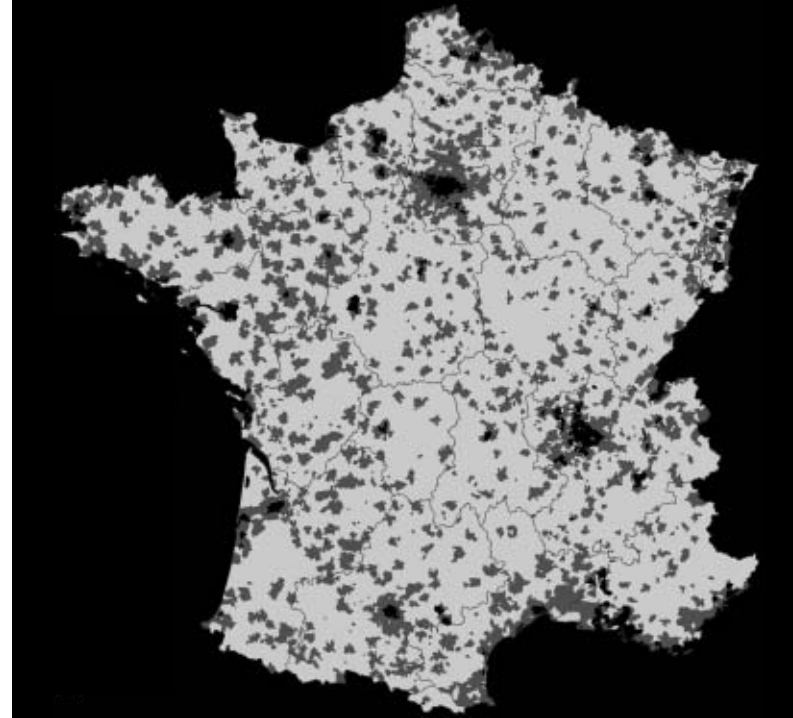
A strong argument in favour of "neutral" and open networks

# Fighting territorial discontinuity (the geographical digital divide)

A new sphere of activity for local authorities

The key role of public demand  
New public-private partnerships

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Act on infrastructures *and* services  
Free initiative  
Facilitate the emergence of alternative technologies