Digital Market Overview

Brazil

Understanding the scale of change of online audiences and digital media in Brazil

The pace of change continues to be rapid with digital channels constantly growing in volume and strength. More people spend more time online every year, and the digital tools and sites they use play an ever-growing role in their lives. Smart marketers keep on top of the scale of change and ensure their marketing strategies and touchpoints mirror where the consumer is spending their time. This Market Overview gives a sense of the scale of change we've seen so far and implies the scale of what is yet to come.

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These notes cover the Brazilian market

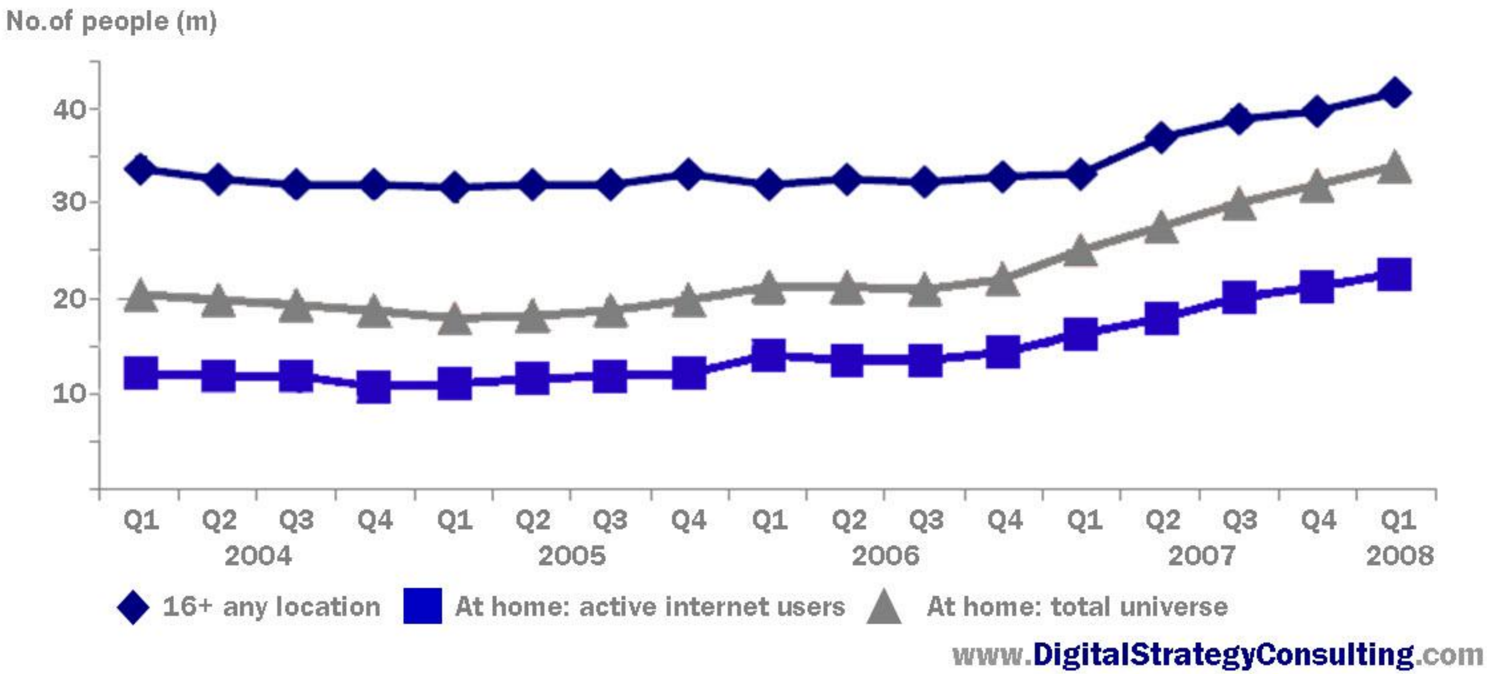
1. Internet use
2. Broadband
3. Demographics
4. Online activities
5. Mobile audiences
6. Reflections

Internet use in Brazil

Low, but high concentrations among professional classes

Internet usage: Brazil

Growth in the number of internet users in Brazil



Source: IBOPE Nielsen Online, various 04-08

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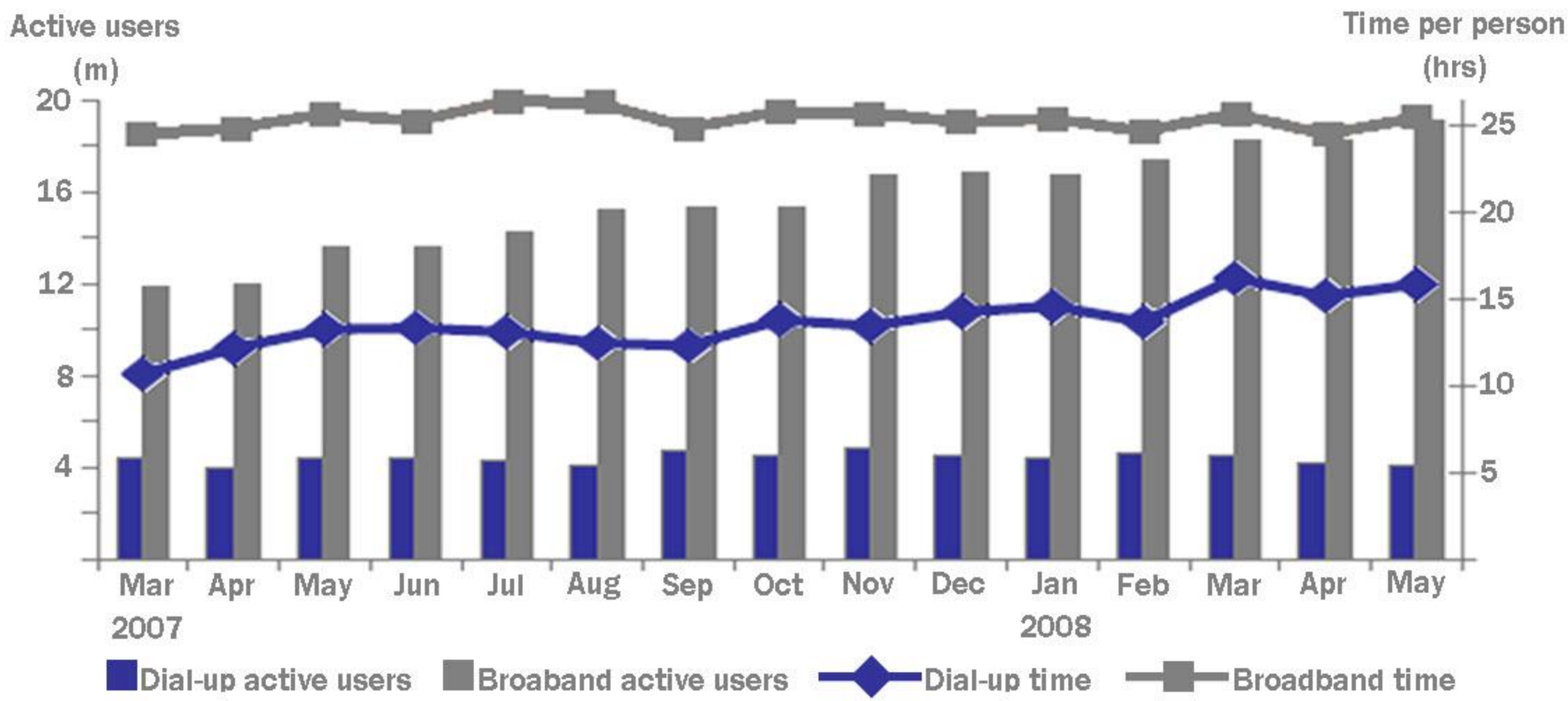
Base: 16+ includes people over 16 with access from any location (residences, work, schools and other places, as lan houses and internet cafes), At home users include people older than 2 that live in homes with internet access.

Internet usage from home: Brazil

Type of connection and average time per person



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Source: IBOPE Nielsen Online, May 08

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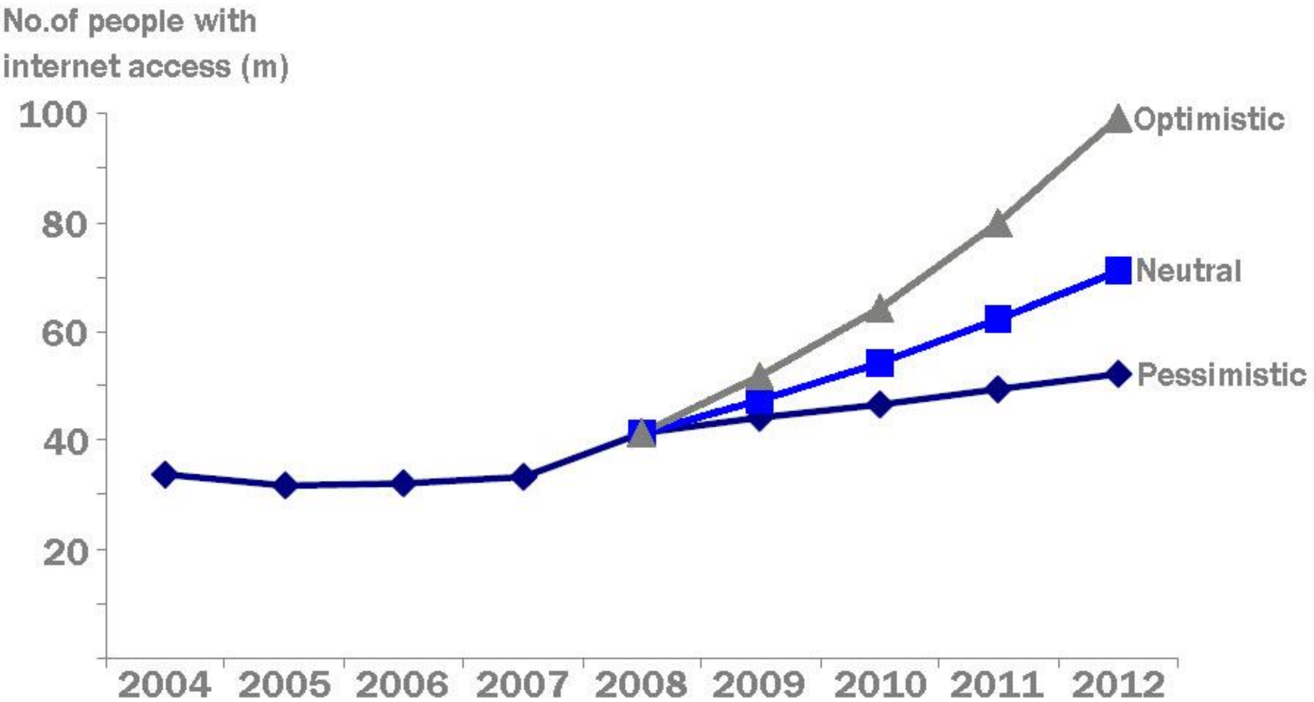
Internet use forecasts: Brazil

Scenarios for future growth of internet access



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Source: GNetT + analyst, various 04-08

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Broadband use in Brazil

Rapid growth as broadband replaces narrowband connections

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Internet access speeds: Brazil

Types of connection with their respective use and percentage reach

	Total universe (m)	Total universe Reach (%)	Active users (m)	Active users Reach (%)
Total broadband	**26.0**	**73.2%**	**19.1**	**82.5%**
Cable modem	4.8	13.5%	3.5	15.0%
DSL	11.0	31.0%	8.2	35.5%
ISDN	0.8	2.3%	0.6	2.8%
Non-specified broadband	9.4	26.5%	6.8	29.3%
Total dial-up	**9.5**	**26.8%**	**4.0**	**17.5%**
Modem 14.4K	0.4	1.2%	0.3	1.3%
Modem 28.8/33.3K	1.4	3.8%	0.8	3.6%
Modem 56K	7.7	21.8%	2.9	12.6%
Total	**35.4**	**100.0%**	**23.1**	**100.0%**

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Source: IBOPE Nielsen Online, May 08

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Interpretation: The software used by IBOPE Nielsen Online captures the connection's speed (exchange of data) but it cannot precisely determine the type of broadband technology used

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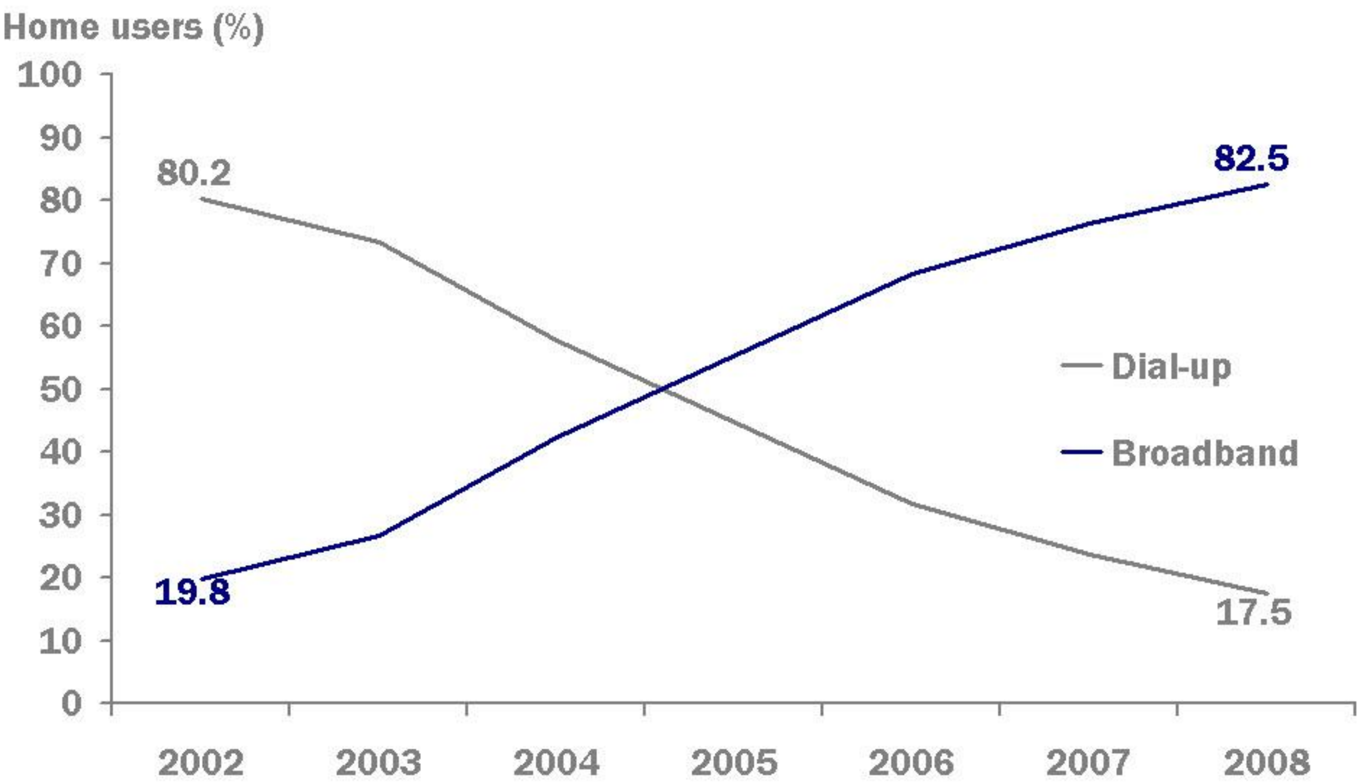
Internet access: Brazil

Tracking the switch to broadband in Brazil



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Source: IBOPE Nielsen Online, May 08

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Base: Yearly values are taken from snapshot of May of each year

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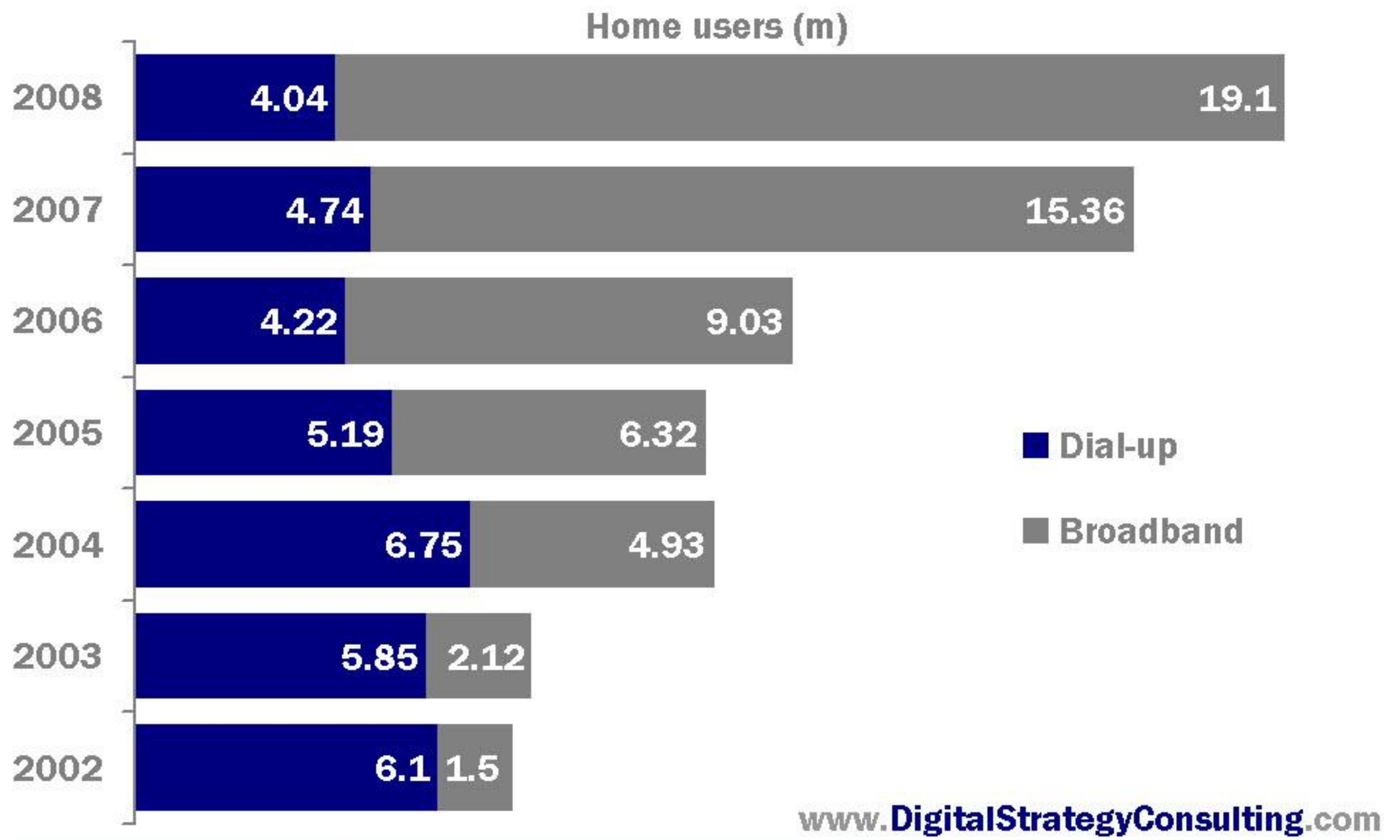
Broadband growth: Brazil

Tracking the shift to broadband access



Source: IBOPE Nielsen Online, May 08

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Base: Yearly values are taken from snapshot in May each year

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Internet demographics and behaviour in Brazil

Professional, but broadening quickly

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Online at home (monthly)

Category	All	Male	Female
Unique audience (000)	23715	12196	11519
Unique audience composition (%)	100.00	51.43	48.57
Number of sessions per period	31	36	26
Average PC time per period	38:28:30	43:56:51	32:40:53
Average pages viewed per period	2022	2083	1958

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Source: IBOPE Nielsen Online, July 2008

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Internet demographics in Brazil

- Professional office workers dominate the sector; small businesses with PCs are providing hubs for many people to access through
- Clear blending of work and personal internet use regardless of location
- Internet access has been strong in universities since 2000
- Falling price of connectivity is opening up new markets
- Time online continues to rise, fuelled by social networking and entertainment as well as search and business related communications
- Audience is skewed to 20s and 30s
- 65% of audience is below 35 years old

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Online activities in Brazil

What are people doing online?

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Top 10 internet brands: Brazil

Internet audience and time for leading websites in Brazil, Mar 2009

Brand	Time per person (hh:mm:ss)	Sessions per person	Web pages per person
MSN/Windows	5:14:46	18.0	116
Orkut	4:34:14	16.1	986
Google	1:55:26	19.0	315
UOL	1:16:49	9.3	115
Globo.com	1:00:43	8.5	90
YouTube	0:47:16	5.4	72
Microsoft	0:38:18	6.4	8
Terra	0:38:01	7.5	64
iG	0:36:41	6.2	67
Yahoo!	0:35:16	6.3	75

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Source: IBOPE Nielsen Online, Mar 2009

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Top 10 internet brands: Brazil

Internet audience and reach for leading websites in Brazil, Mar 2009

Brand	Unique audience (m)	Active reach (%)	Universe reach (%)
Google	23.0	90.4	60.2
MSN/Windows	21.5	84.5	56.3
Orkut	18.1	71.2	47.4
UOL	17.1	67.1	44.7
Microsoft	15.8	62.0	41.3
Terra	15.2	59.7	39.7
iG	14.8	58.0	38.6
Globo.com	13.8	54.3	36.2
Yahoo!	12.9	50.5	33.7
YouTube	12.3	48.4	32.3

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Source: IBOPE Nielsen Online, Mar 2009

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Mobile phone use in Brazil

The mass market communication tool

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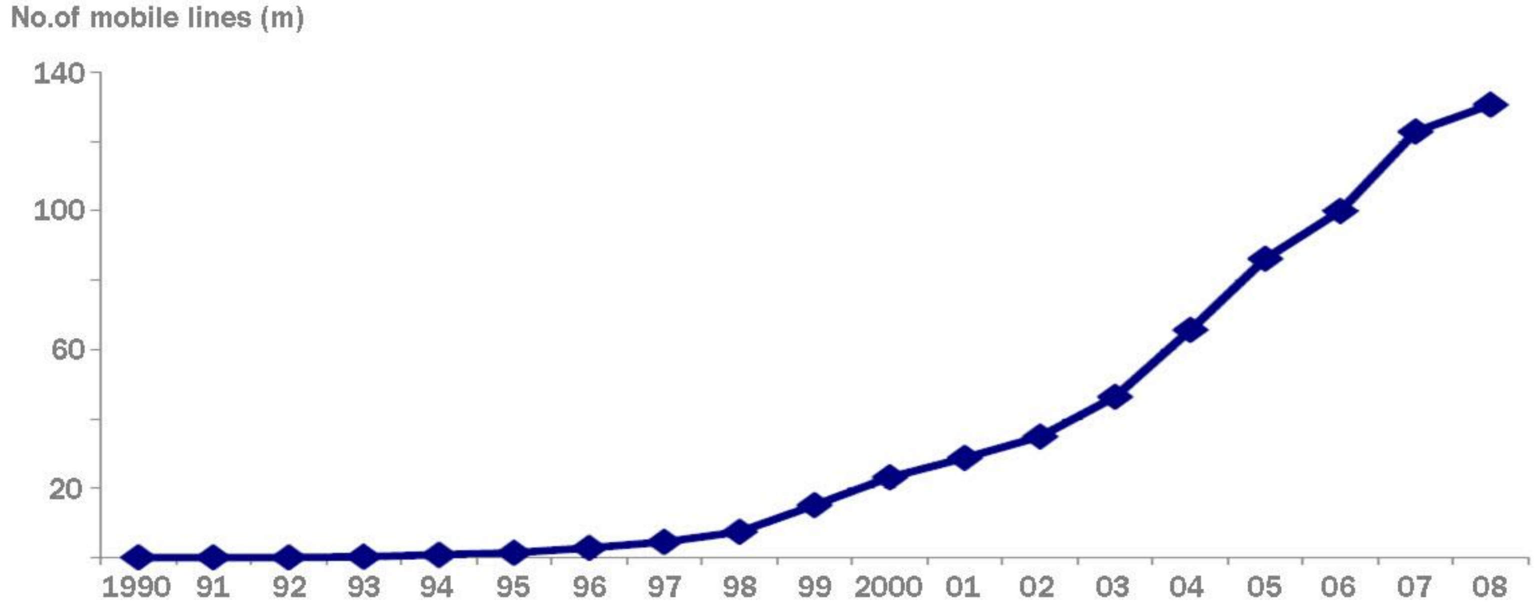
Mobile phone usage: Brazil

Growth in the number of active mobile devices in Brazil



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Source: Anatel, various 1990-2008

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Base: 2008 data only refers to the period between Jan - Mar

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Mobile phone use in Brazil

- Incredible growth rate
- High switch from landline to mobile use for majority of calls
- Demographics broadened completely in the last 10 years to the point where all classes and groups have mobile
- Switch to smart phones will take place through 2009-11
- Massive changes in the use of mobiles in people's lives with the migration to mobile computing, messaging, social networking and entertainment

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Reflections

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Reflections

- The web is a mass market media channel for the wealthy
- Email is a mass market media channel for office workers
- Mobile for SMS is a mass market media channel across most demographics
- Mobile use is very high, but mobile and the web will not converge until late 2010
- The main changes in internet access have happened in the last five years and the trend continues, the rise of mobile has been even steeper
- The internet has become an essential part of office life, and plays a key role in many homes
- The number of people online continues to rise, but so too does the time they spend online (a more relevant indicator)
- Broadband access is growing fast, but the number of home connections lags behind comparable markets; however although the number of connections is low, a large number of people in high-end demographics have access
- Significant infrastructure problems remain, creating a high cost of access and a barrier to the rollout of broadband

A divided digital society

Massive web technical divide between professional classes and the mass market, but mobile is everywhere

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Remember

This is a new type of consumer behaviour that's arrived in less than 10 years

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Question yourself

Does the focus of your marketing activity mirror where your consumers put their focus

Our thanks to

- IBOPE Nielsen Online for providing data
- For more information see their corporate sites and the blogs of their analysts on DigitalStrategyConsulting.com

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More information?
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Making sense of the digital world