

# AccessMedia Market Studies - 1998

## Asia Pacific Internet Industry and Market Trends

*An AccessMedia Digital Media Market Study*



*Access Media International is a media ventures consulting firm providing strategic consulting and market advisory services to companies in the computer, Internet, enterprise networking, advertising, telecommunications and digital media industries.*



# 1. Study Description

The Internet market in Asia-Pacific has entered a strong growth phase that – despite the recent economic difficulties faced by several economies in the region – is currently outpacing the rest of the world. The fast pace at which organizations in Asia-Pacific are adopting Internet technologies presents significant business opportunities for hardware manufacturers, software developers and service providers. However, due to differences in culture, language, economic strength, IT usage and communications infrastructure, it is difficult to capture consistent snapshots of all the economies in the region to enable meaningful analysis of the opportunities that exist, much less provide hints on how to take advantage of them. Moreover, growth and change are so rapid that monitoring the state of the various markets is of increasing difficulty.

Access Media International (AccessMedia) designed this Study to help fill the informational void and provide a window for viewing the true state of this market through the eyes of users, Internet service providers and demand-side trend analysis. The study is based on detailed interviews with end-user organizations and Internet service providers in fourteen Asia-Pacific economies, including Japan, China, Hong Kong, Taiwan, Korea, Malaysia, Thailand, Vietnam, Singapore, Indonesia, the Philippines, Australia, New Zealand and India.

The study is designed to investigate and analyze the size of the market, its rate of growth, high-potential market segments, business issues, and details of how the Internet is being utilized throughout the region. Moreover, the survey instrument used in each economy is identical to those implemented in the 13 other Asia-Pacific economies during the same time period, allowing cross-country and intra-regional comparison. The end-user and Internet service provider (ISP) driven study delves into Internet, Intranet and Extranet issues relating to both corporate end-users and ISPs.

*What is the extent of Internet utilization? What is the management commitment towards Internet-related technologies and concepts? What are the Internet strategies of corporate end users and ISPs? What are their buying patterns and brand preferences? What are the primary issues faced by ISPs in the region? How are ISPs pricing their services in AP? What services are they offering?* are some of the topics explored.

To ensure unbiased sampling of the corporate user base, and to understand the potential of the market as well as its current state, AccessMedia made the decision to forego use of Web-based questionnaires and instead use the more costly, traditional method of using paper-based questionnaires and face-to-face or telephone interviews with corporate IS managers and ISP executives. This methodology and significant valid sample result in a fair appraisal of the state of the market from the market itself. Details of the survey methodology and coverage are provided on the following pages.

This survey, implemented region-wide by AccessMedia, a global digital media research and consulting firm with regional management centers in Tokyo and Singapore, was made possible through the financial participation of subscribing companies and through the cooperation of regional Internet-related organizations, notably the Asia Pacific Network Information Center (APNIC), a non-profit Internet registry organization for the Asia Pacific region; the Asia Pacific Internet Association (APIA), a regional trade association of Internet-related service providers; and Asia Network Research Sdn. Bhd. (ANR), a Malaysian-based research institute studying the social implications of the Internet in Asia.

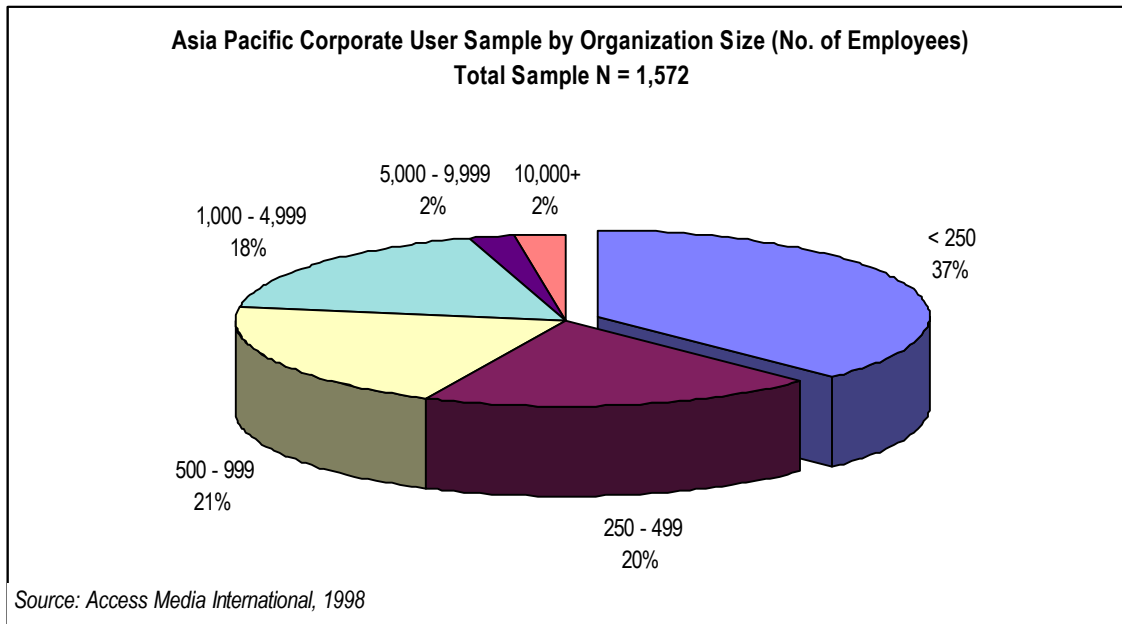
## 2. Coverage and Methodology

This study consists of two surveys targeting Internet-using corporations/organizations and Internet service providers, respectively. Both surveys were implemented during the same time period in fourteen countries throughout the Asia Pacific region. Survey methodology consisted primarily of face-to-face or telephone interviews (preceded by telephone screening) in countries outside of Japan, with mailed questionnaires (again, preceded by telephone-screening) used for the Japan implementation. Details of each survey implementation are provided below.

### Corporate User Survey

- Target:** IS managers (in charge of network and/or internet/intranet systems) in Internet-using organizations with 100 or more employees.\*  
*\*Note: In a few cases a portion of the sample was allowed to include organizations with less than 100 employees due to a limited number of large-scale organizations in the country/economy.*
- Regional coverage:** Major metropolitan and surrounding areas in each region
- Methodology:** Telephone screening followed by face-to-face or telephone interview (mailed questionnaire in the case of Japan)
- Implementation:** Late September ~ November 1997
- Sampling:** Samples were randomly extracted from company directories and proprietary AccessMedia databases.
- Effective Sample:** 1,572 (See table and chart below for a breakdown of the effective sample by country and company size.)

Country/Economy	Sample size
Australia	135
Hong Kong	200
Japan	220
Korea	150
New Zealand	43
Singapore	150
Taiwan	151
Malaysia	100
Philippines	50
Thailand	50
China	150
India	72
Indonesia	51
Vietnam	50
<b>Total</b>	<b>1,572</b>



### Internet Service Provider Survey

**Target:** Management level staff with detailed knowledge of operations and services in companies that provide Internet access and other Internet-related services.

**Regional coverage:** Major metropolitan and surrounding areas in each of thirteen Asia-Pacific countries, as follows (in alphabetical order):

1. Australia
2. China
3. Hong Kong
4. Indonesia
5. Japan
6. Korea
7. Malaysia
8. New Zealand
9. Philippines
10. Singapore
11. Taiwan
12. Thailand
13. Vietnam

**Methodology:** Telephone screening followed by face-to-face or telephone interview, or mailed questionnaire (in the case of Japan)

**Implementation:** October ~ November 1997

**Sampling:** Lists of ISPs were obtained from sources including the Asia Pacific Network Information Center (APNIC), local NICs such as JPNIC (Japan), KRNIC (Korea) and TWNIC (Taiwan), country-level Internet directories and existing AccessMedia ISP databases. For most countries the target sample included in the entire universe of ISPs operating in each country. For countries such as Hong Kong and Korea, which have large numbers of ISPs, priority was placed on obtaining cooperation from 1<sup>st</sup> tier providers, followed by 2<sup>nd</sup> tier providers as necessary to achieve the desired sample. For Japan, which has several hundred operating ISPs, telephone screening produced a sample pool of 188 qualified candidates agreeing to cooperate, which were mailed a copy of the survey questionnaire. Of the returned questionnaires, 35 valid samples were extracted.

**Effective Sample:** 162 (See table below for a breakdown of the sample by country/economy.)

Country/Economy	Sample	% of Total
Australia	25	15.4%
China	12	7.4%
Hong Kong	20	12.3%
Indonesia	14	8.6%
Japan	35	21.6%
Korea	11	6.8%
Malaysia	2	1.2%
New Zealand	8	4.9%
Philippines	8	4.9%
Singapore	1	0.6%
Taiwan	15	9.3%
Thailand	10	6.2%
Vietnam	1	0.6%
<b>Total</b>	<b>162</b>	<b>100.0%</b>

### 3. Availability & Pricing

#### Deliverable

One printed copy and one electronic copy of the analysis reports and data tables will be provided to the customer for internal use. Disclosure of contents in any form to third parties or for promotional purposes is strictly prohibited without written permission from AccessMedia.

#### Availability

February 1998

#### Language

The Asia Pacific Internet Study reports and data tables are currently produced in English and Japanese.

#### Report Configuration

The Asia Pacific Internet Study is comprised of 16 reports:

- 14 Corporate User Survey reports (one report per country/economy)
- Corporate User Survey Regional Overview Report
- ISP Survey report (covering the entire AP region, including country-level data)

#### Pricing

*Asia Pacific Internet Study – Q4 1997 Implementation*

<b>AP1. Complete Study (All Reports and Data Tables).....</b>	<b>US\$35,000.00</b>
AP2. All country-level Corporate User Survey Reports & Regional Overview Report.....	US\$27,500.00
<i>* Does not include the ISP Survey Report.</i>	
AP3. Corporate User Survey Regional Overview Report.....	US\$10,000.00
<i>* Does not include the country-level Corporate User Reports or the ISP Survey Report.</i>	
AP4. Single Country Report (Corporate User Survey).....	US\$2,500.00
<i>* Does not include the Regional Overview Survey Report or the ISP Survey Report.</i>	
AP5. Set of Three Country Reports (Corporate User Survey).....	US\$6,500.00
<i>* Does not include the Regional Overview Survey Report or the ISP Survey Report.</i>	
AP6. ISP Survey Report .....	US\$12,500.00
<i>* Does not include the country-level Corporate User Survey Reports or the Corporate User Survey Regional Overview Report.</i>	

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**Appendix A Exchange Rates**

*Questionnaire reference copy*

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