

Internet Usage in the United States

Executive Summary

In just a short period of time, Internet usage in the United States has steadily evolved from a mere curiosity for many, and an interest for only the tech savvy, to a mainstream form of communication for most Americans. Internet penetration has more than doubled in the past 10 years, reaching nearly 73% of the American population.

As the following report details, the characteristics of Internet users are as diverse as the U.S. population itself:

- Over half of Americans now have a high-speed Internet connection in their homes, compared to only 5% in 2000.
- The Internet draws an ethnically diverse crowd, with 12% of the Internet population being Hispanic and 11% African American in 2008.
- Once considered a male-dominated media, the Internet now attracts a comparable number of women.
- Use of the Internet is beginning to out-pace traditional media, as evidenced by the fact that Generation Y spends more time online than watching TV.

The implication for employers is clear. The Internet has emerged as a core channel for attracting and acquiring new talent. Advances in Web 2.0 allow employers to build brand awareness and engage both active and passive candidates through employer videos, blogging, social networks and viral marketing campaigns - all mediums of communication that were only imagined a few years ago.

The additional implication of importance for employers is that the growing use of the Internet across various demographic groups makes it the medium of choice for many talent acquisition campaigns. Recent gains in use by women, Hispanics, African Americans, and Baby Boomers demonstrate the Internet's potential for reaching across the entire spectrum of the talent community.

For additional insight on ways to use these trends to your maximum advantage in talent acquisition, please contact your nearest NAS office.

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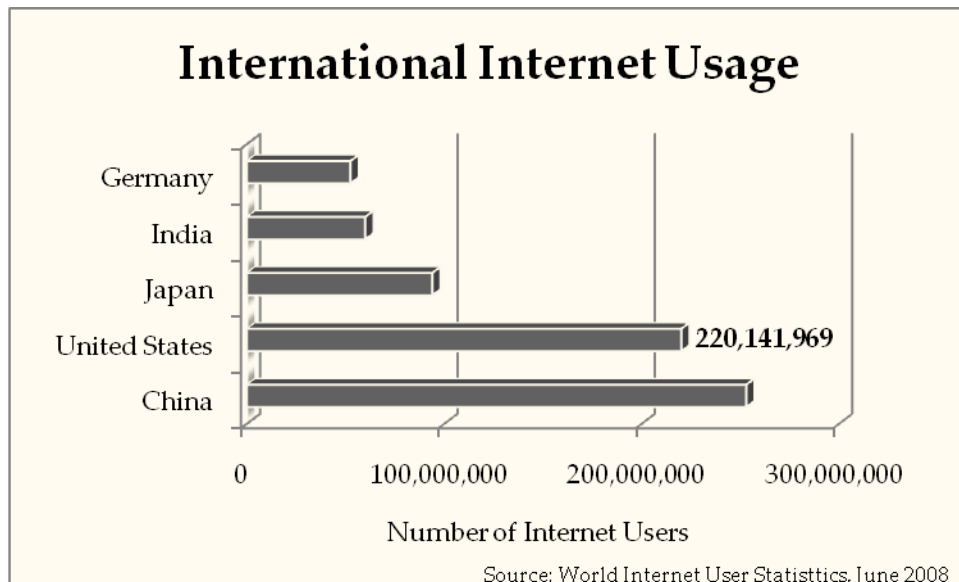
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Internet Usage in the United States

The use of the Internet has steadily increased across all demographic groups in the United States. Americans of all ages are going online to keep informed, research products and entertain themselves. Minorities are using the Internet to connect with new people and stay in contact with family and friends. The mainstream use of the Internet has been accompanied by high-speed technologies that encourage users to stay online longer and make full use of interactive technologies. While the Internet continues to develop as a staple of American life, it becomes increasingly important to understand the behaviors of Internet users in order to effectively market to your target audience.

Number of Internet Users in the United States

Numerous polls and surveys show that the number of Americans online continues to grow at a steady rate. As of June 2008, there were over 220 million Internet users in the United States, according to Internet World Statistics, a source for Internet usage and population information. That amounts to nearly 73% of the American population. In fact, the United States has the second highest Internet population penetration, only slightly behind Japan. The pool of Americans not online is steadily shrinking. This group is largely composed of people over 70, recent immigrants and Americans without a high school education.

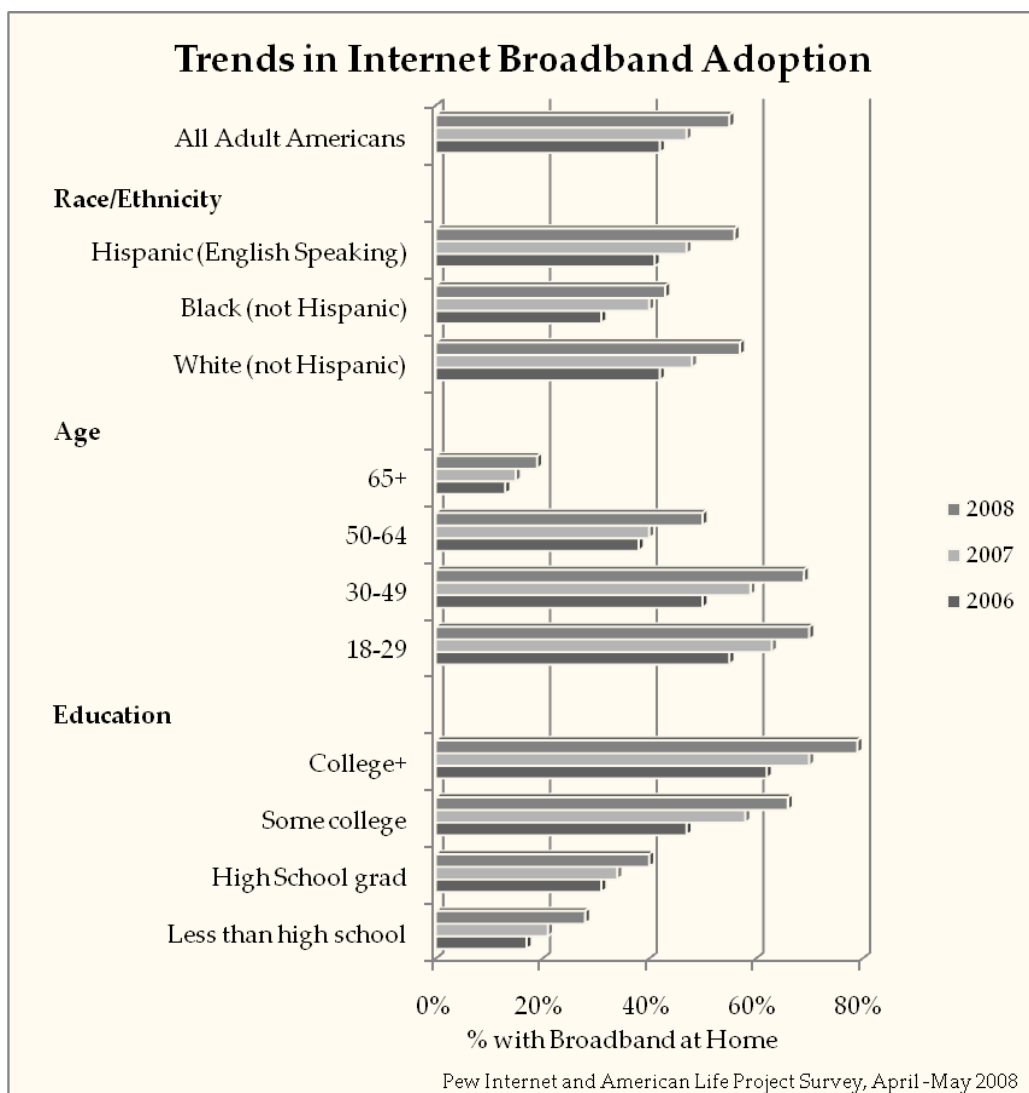


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More Homes with Broadband than Dial-up

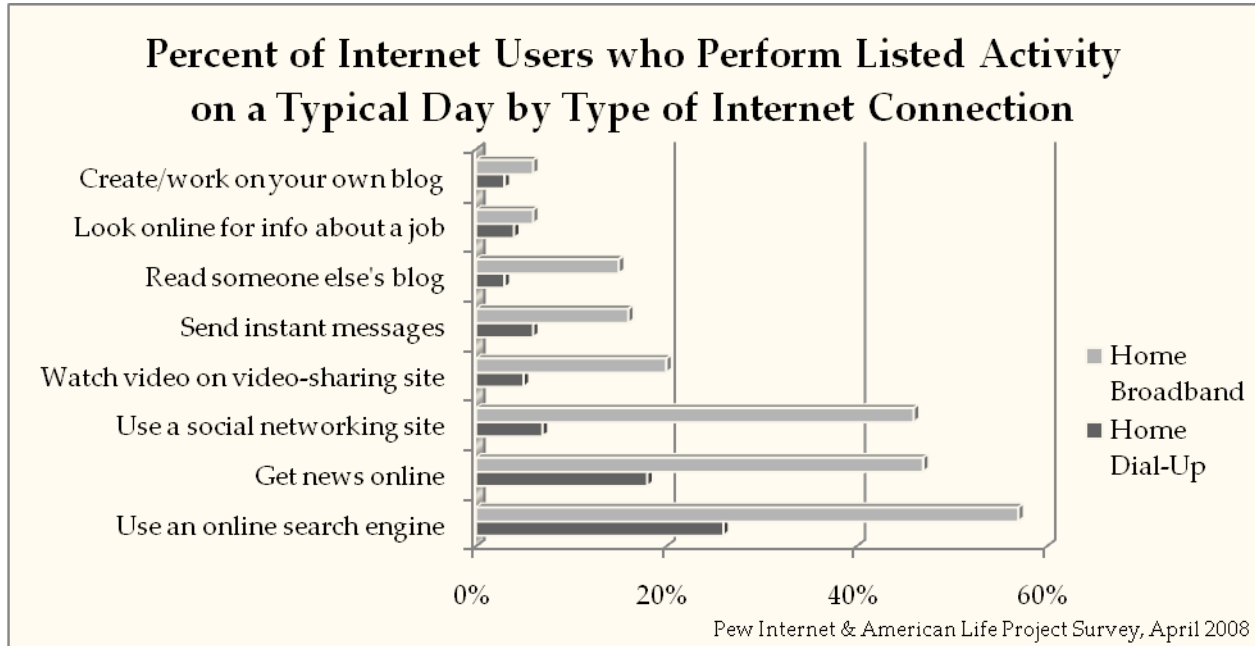
In American homes with Internet access, adoption of high-speed Internet has surpassed dial-up Internet access, according to a recent survey by the Pew Research Center, a research group studying the issues, attitudes and trends affecting America. Of those who use the Internet at home, 79% have a broadband connection, compared to 15% who use dial-up. And having a broadband connection is not just for the elite anymore. High-speed Internet has gone mainstream, spreading through the population and reaching all age groups and income levels. In this study, nearly half of lower-middle-income Americans have broadband. Use of broadband in rural areas has also seen growth, with use increasing by 23% in the past year alone.



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It is safe to say that access to broadband Internet is increasing across every demographic group, making the Internet a better source for marketing and recruiting. Half of Americans ages 50 to 64 have broadband in their home, a number that increases as the age group decreases. Also, English-speaking Hispanics are just as likely to have broadband access in their homes as non-Hispanic Whites.



What makes the use of broadband technologies important? Broadband technologies supply at least double the speed of dial-up and generally do not disrupt telephone use. This high-speed connection increases Internet use and the number of online activities performed. A study by the Pew Research Center compared the use of the Internet among dial-up and broadband users, finding that broadband users are about twice as likely to access basic Internet activities such as search engines, weather reports and online news. Broadband users are also much more likely to access interactive online activities, such as video-sharing, social networking sites, instant messaging and reading/writing blogs, compared to dial-up users. In fact, nearly 50% of broadband users use a social networking site on a typical day, while only 7% of dial-up users do.

Broadband users can and do use their high-speed connection to watch videos, go shopping at their favorite store, download music, videos or podcasts, view rich media and play online casual games. As the use of broadband continues to increase, marketers in turn have new ways to reach consumers and employers now have new ways to engage and recruit potential candidates.

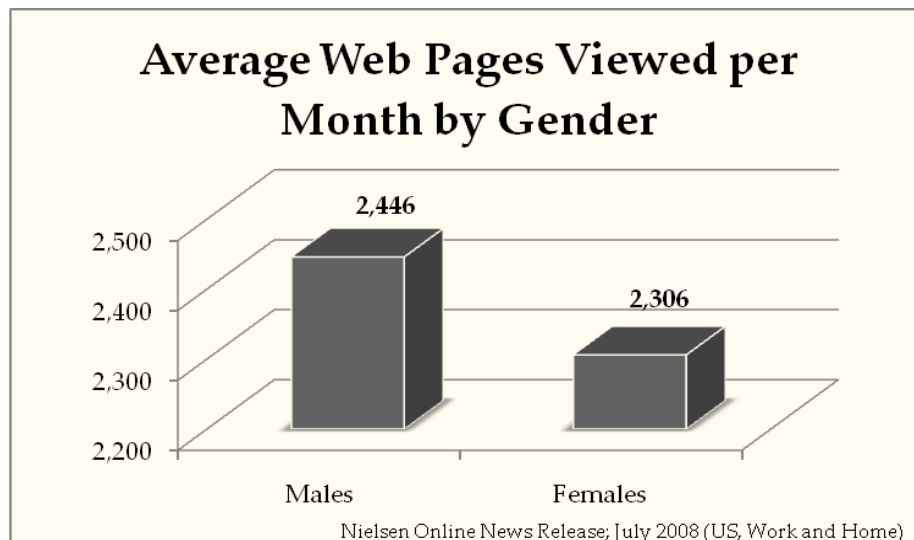
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Demographics of American Internet Users

Internet Use by Gender

A recent report by Nielsen, a provider of online audience and behavior ratings and metrics, shows that while men and women make up a comparable portion of Internet users, the amount of time they spend on the Internet varies. This report shows that men were more likely to go online, spend more time online and view more Web pages. Men in this study averaged about 71 hours online a month (at work and at home), which is a little over 5 hours more than women spent online. They also viewed an average of 2,446 Web pages, averaging 140 more Web pages than women.



Interestingly, a current study by eMarketer, a provider of online research and trend analysis, showed one reason women may increase their Internet use is motherhood. Nearly 50% of mothers in this study reported using the Internet more since having children, while only 16% of women use the Internet less since having children. Women with children make up an estimated 40% of female Internet users. In this study, 89% of mothers online used search engine/navigation sites, 88% visited retail sites and 85% visited entertainment sites.

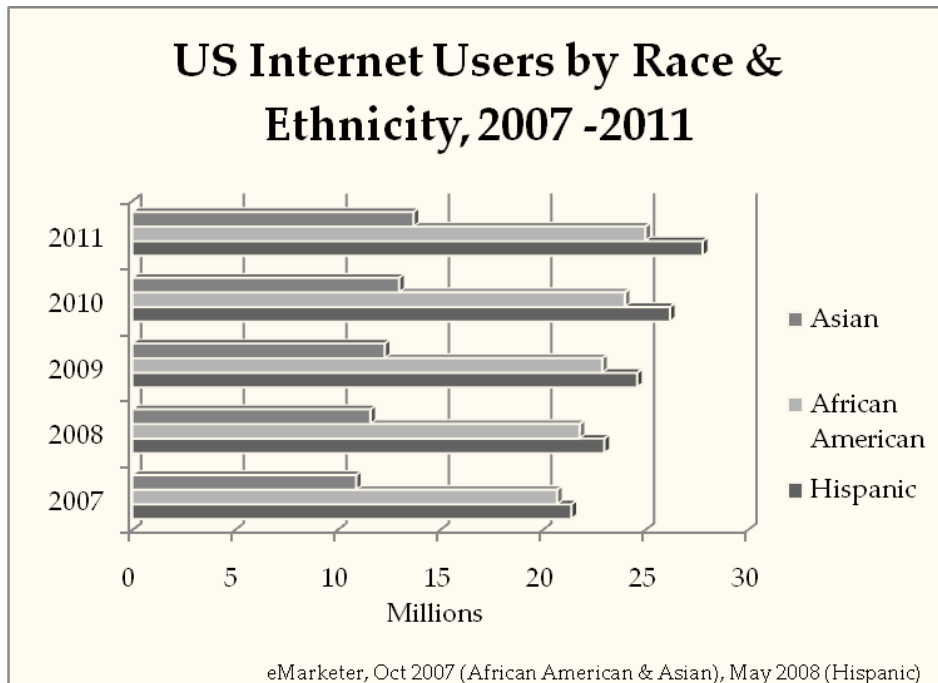
Men and women also vary in their preference for watching and sharing videos online. A few studies have noticed that men are more likely to visit video-sharing website, such as YouTube, on a typical day than women are. A study conducted by the Pew Research Center noted that men were twice as likely to visit these interactive websites on a typical day compared to women. Another study by Nielsen points out that the type of videos being watched illustrates an important statistical distinction. While 22% of men are drawn to consumer-generation media videos (compared to 11% of women), 27% of women watch online network TV videos compared to only 12% of men.

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Internet Use by Race & Ethnicity

Several studies confirm that the Internet is certainly not leaving minority populations behind. The number of minority Internet users continues to increase, with Hispanics making up the largest minority group. Over 23 million Hispanics were using the Internet in 2008, making up 12% of all Internet users.



According to Horowitz Associates, a consumer and business-to-business market research group, about 70% of Hispanic households have an Internet connection, and the Pew Research Center estimates that 56% of Hispanic households are using high-speed broadband connections. eMarketer also finds that Hispanics are using the Internet for interactive purposes, with 46% using instant messages, 32% visiting social networking sites and 22% participating in chat rooms. These online activities all occur more frequently among Hispanic Internet users than non-Hispanic Whites.

While the use of the Internet among Hispanics is increasing, there is a large difference in Internet use among English-speaking and bilingual Hispanics compared to Spanish-dominant Hispanics. A Pew Research Center study showed that while 78% of English-dominant Hispanics and 76% of bilingual Hispanics use the Internet, only 32% of Spanish-dominant Hispanics do. Furthermore, 76% of U.S.-born Hispanics use the Internet, compared to only 43% of foreign-born Hispanics.

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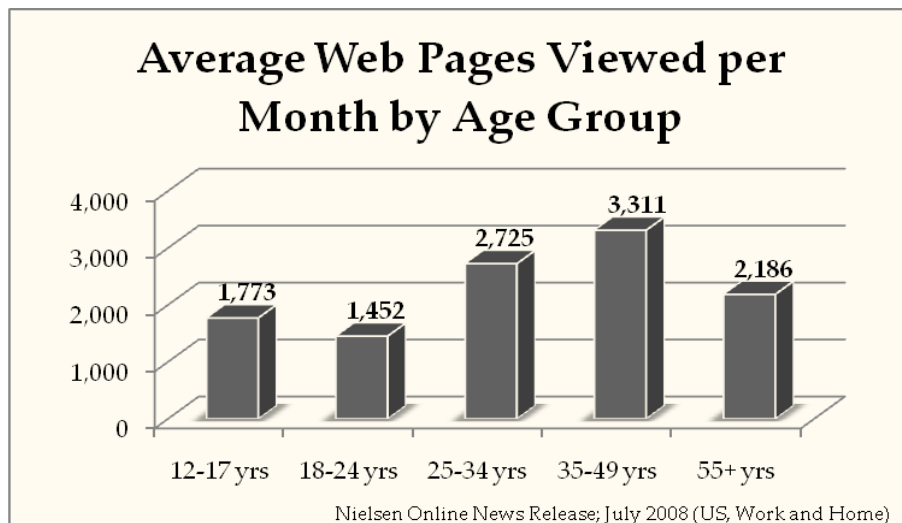
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African Americans made up 11% of American Internet users in 2008, according to eMarketer. The percentage of African Americans who use the Internet increased to 64% in December 2008, up from 56% in December 2007. Like Hispanics, African Americans are also using the Internet to connect with others. African Americans are just as likely to participate in instant messaging, visit social networking sites and participate in chat rooms as Hispanics are. Again, studies show that minorities are using the Internet to stay connected through interactive activities more than non-Hispanic Whites.

Though Asian Americans make up the smallest percentage of American Internet users, only an estimated 11.6 million, Horowitz Associates finds they are most likely to have an Internet connection in their household compared to other minorities. An estimated 8-in-10 Asian Americans, or 83%, have Internet access in their homes. They are also more likely to make purchases online. An estimated 70% of Asian Americans shop online, with about 46% making 5+ purchases a year and 25% making 12+ purchases. This means that Asian Americans are more likely to use the Internet to research and purchase products compared to other minority groups (only 41% of African-Americans and 42% of Hispanics shop online).

Internet Use by Generation

Who says the younger generations are the only Internet users? As Internet use has spread across minorities, it has also spread across generations. In fact, a recent study by Nielsen found that older generations used the Internet more than younger generations. Internet users age 35 and up logged in more sessions per month than younger generations and also spent more time online (at work and at home). Those ages 35-49 spent the most time online, averaging a little over 91 hours and viewing over 3,000 Web pages in the month of July.



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A recent study by Forrester Research, a provider of consumer insight, technology and business marketing research, expands on the generational differences in online behavior. Generations X (ages 29-42) and Y (ages 18-28) use the Internet for interactive purposes at similar rates. They are both more likely to read blogs, watch Internet videos and spend more than 9 hours online a week for personal purposes than other generations. However, these personal purposes vary. Generation X is more likely to go online to for transactional purposes than Generation Y. In this study, 69% of Generation Xers shopped online and 65% banked online.

Unlike all other generations, generation Y spends more time online – for leisure or work – than watching TV. This leisure time includes playing games online and visiting social networking sites more frequently than other generations. Generation Y is also most likely to access the Internet away from the home and work.

Baby Boomers (ages 43-63) also account for a significant portion of Internet activity. eMarketer estimates that, in 2008, almost one third of the Internet users, or 60.6 million, belong to the Baby Boomer Generation. According to a study conducted by ThirdAge, a leader in online mid-life media, marketing and consumer insight, Boomers consider the Internet a vast source of information, with 97% accessing health and wellness information, 91% reading articles and 88% researching products online. Forrester Research also estimates that about 50% of Boomers have banked online in the past three months and about 35% make online purchases monthly.

While Baby Boomers have yet to master the full capabilities of the Internet, they are going online for more than information. A study by ThirdAge estimates that 92% of Boomers use the Internet to stay connected with friends and family. The Forrester Research study also estimates a modest amount of online socialization, with about 10% of Boomers reading blogs and visiting social networking sites monthly. The Internet is also a source of entertainment for this generation, with close to a quarter of the baby boomer generation watching videos online monthly.

The increasing use of the Internet means your marketing message can be received by men, women, African Americans, Hispanics and Baby Boomers, all with the click of a button. However, understanding the differences in Internet use by demographic groups can allow you to reach your target audience through personalized online activities and technologies. Using this knowledge, you can harness the powerful marketing capabilities of the Internet for an effective and targeted marketing campaign.

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