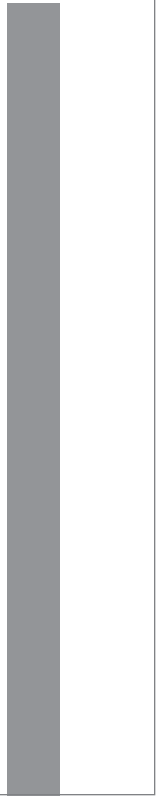




D7 NATIONAL TECHNOLOGY SURVEY: KEY FINDINGS



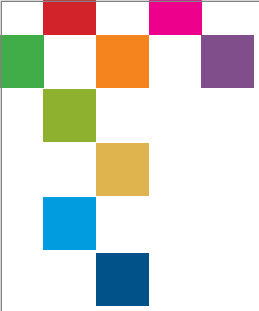


INTRODUCTION

Dear D Participant:

As you know, **D: ALL THINGS DIGITAL** takes technology's leading thinkers off-script to illuminate the industry's impact on our present and future. And of course, this year it does so against a backdrop of extraordinary financial, social, and political uncertainty. To bring consumers' voices into the discussion, **D** creators and executive producers Walt Mossberg and Kara Swisher enlisted the research analysts at Penn, Schoen & Berland Associates (PSB) to survey the American public's views on many of today's most important tech issues. From May 10-13, 2009, we interviewed consumers online about their perspectives on today's leading and emergent tech trends, including smart phones, mobile applications, social media, netbooks, and cloud computing, as well as on the ways the recession is causing those perspectives to change. We think the results will interest and surprise you.

Sincerely,
Mark Penn, Don Baer & the PSB team



SMARTPHONES TODAY

82% DON'T OWN A SMARTPHONE FOR PERSONAL USE—YET.

90% SAY THEY ARE SATISFIED WITH THEIR WIRELESS CARRIER.

81% WOULD PREFER TO BUY A MOBILE DEVICE AND A SERVICE CONTRACT FROM THE SAME COMPANY.

THEY MIGHT SEEM UBIQUITOUS TO YOU,
BUT ONLY

18%

OWN A SMARTPHONE
FOR PERSONAL USE.
THE OPPORTUNITY FOR
GROWTH IS HUGE.



SMARTPHONES IN THE FUTURE

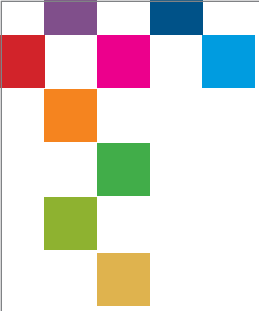
Which of the following actions do you currently do on your mobile device, or would you want to do? For each, please indicate whether it's something you currently do, do not do but would want to on your next phone, or do not want to do.

<i>Ranked by want to do, but don't currently.</i>	<i>ALL</i>
WATCH LIVE TV	1
USE MAPS	2
DOWNLOAD MOVIES/VIDEOS	3
WATCH WEB VIDEO	4
LISTEN TO STREAMING MUSIC	5
WATCH DOWNLOADED MOVIES OR VIDEO	6
DOWNLOAD MUSIC	7
LISTEN TO DOWNLOADED MUSIC	8
USE SOCIAL MEDIA APPLICATIONS LIKE FACEBOOK OR TWITTER	9
USE OTHER APPLICATIONS	10
SEND AND RECEIVE EMAILS FOR WORK	11
SURF THE WEB	12
SEND AND RECEIVE PERSONAL EMAILS	13
PLAY GAMES	14
MAKE AND RECEIVE PHONE CALLS	15

4 OUT OF **5** **THINGS** CONSUMERS WANT TO DO WITH THEIR SMART PHONE IN THE FUTURE INVOLVE ENTERTAINMENT.

\$5 IS THE PRICE CEILING FOR MOBILE APPLICATIONS FOR A PLURALITY OF USERS.

21% THINK LOCATION-BASED APPLICATIONS INVADE THEIR PRIVACY—BUT ONLY 12% OF GEN Y DO.



SOCIAL NETWORKING: MYSPACE & FACEBOOK

61% OF MYSPACE USERS REPORT HAVING DECREASED THEIR USAGE.

52% OF THE PEOPLE WHO HAVE DECREASED MYSPACE USAGE SAY IT'S BECAUSE THEY'RE USING FACEBOOK MORE.

**FACEBOOK'S
USERS ARE CURRENTLY
MORE EDUCATED
& AFFLUENT,**

BUT ITS SLICE OF THE PIE APPEARS TO BE EXPANDING ACROSS DEMOGRAPHICS.



THE TWITTER PHENOMENON

IF DO NOT HAVE A TWITTER ACCOUNT:

<i>Why do you not have a Twitter account? Please select up to two reasons.</i>	<i>ALL</i>	<i>GEN Y</i>
I DON'T FEEL THE NEED TO BROADCAST MY LIFE	37	22
I DON'T UNDERSTAND THE POINT OF TWITTER	28	23
I DON'T HAVE ENOUGH TIME TO DEVOTE TO IT	18	16
I DON'T UNDERSTAND HOW TO USE IT	14	9
NONE OF MY FRIENDS USE IT	12	17
THE NEW FACEBOOK IS A BETTER VERSION OF THE SAME FUNCTION	7	17
I DON'T THINK THE CONTENT IS COMPELLING	5	4
IT'S TOO TRENDY	4	5
THERE IS TOO MUCH SPAM	3	4
OTHER	9	14
DON'T KNOW	13	12



OPRAH ASIDE, TWITTER

IS STILL REALLY IN ITS INFANCY—A RELATIVELY SMALL NUMBER HAVE ACCOUNTS, AND THERE ARE REAL BARRIERS TO SIGNING UP. THE COMPANY HAS A REAL OPPORTUNITY TO GROW IF IT CAN HELP PEOPLE IDENTIFY REASONS TO USE ITS SERVICES.

37% OF THOSE WHO DON'T HAVE A TWITTER ACCOUNT SAY THE REASON IS THAT THEY DON'T NEED TO BROADCAST THEIR LIFE.

28% OF THOSE WHO DON'T HAVE A TWITTER ACCOUNT SAY THEY DON'T UNDERSTAND THE POINT OF TWITTER.

60% OF TWITTER USERS SAY THEY WOULD BE WILLING TO SEE SOME SORT OF ADVERTISING ON THE SERVICE.



NETBOOKS & TOUCHSCREEN COMPUTERS

<i>Familiarity, Ownership & Interest.</i>	<i>NETBOOKS</i>	<i>TOUCHSCREEN COMPUTERS</i>
% FAMILIAR WITH THE TERM	10	55
% WHO CURRENT OWN	9	8
% WHO WOULD PURCHASE IN THE NEXT YEAR	12	7
% WHO HAVE NO INTEREST IN PURCHASING	52	52



CONSUMERS ARE NOT CONVINCED
THEY NEED A
NEW TYPE OF
COMPUTER—YET.



CLOUD COMPUTING

IF DO NOT PLAN TO USE CLOUD COMPUTING:

Why not? You may select up to two responses.

ALL

HAPPY WITH MY CURRENT SOFTWARE SOLUTIONS	52
NOT CONFIDENT IN THE PRIVACY OF CLOUD COMPUTING	30
I DON'T REALLY UNDERSTAND WHAT CLOUD COMPUTING IS	28
CONCERNED ABOUT LOSING DATA SERVED ON ANOTHER COMPANY'S SERVERS	20
TOO COMPLICATED	12
CLOUD SOFTWARE IS NOT AS SOPHISTICATED AS THE SOFTWARE I CURRENTLY USE	1
OTHER	5
DON'T KNOW	7



90%

ARE UNFAMILIAR WITH THE TERM, MEANING THAT CONSUMERS NEED TO BE EDUCATED ABOUT HOW IT CAN HELP THEM.

65%

DON'T PLAN TO USE CLOUD COMPUTING IN THE FUTURE—EVEN THOUGH THEY ALREADY DO.

30%

OF PEOPLE WHO DON'T CURRENTLY COMPUTE IN THE CLOUD CITE PRIVACY CONCERNS, AND

20%

ARE CONCERNED ABOUT DATA LOSS.




SEARCH ENGINES: WORD OF MOUTH IS KEY

Which of the following types of communications would make you interested in trying a new search engine?

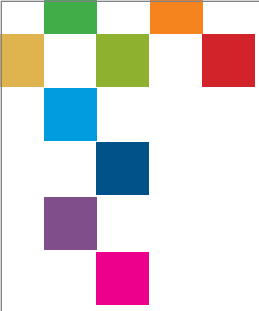
	<i>ALL</i>
WORD OF MOUTH	33
PRODUCT REVIEW	24
INTEGRATION INTO SOFTWARE OR ONLINE TOOLS I ALREADY USE	22
NEWS COVERAGE	20
TELEVISION ADVERTISEMENTS	14
OPINION COVERAGE	14
CELEBRITY ENDORSEMENT	5
OTHER	2
DON'T KNOW	19
NONE OF THE ABOVE	16

WORD OF MOUTH IS THE MOST EFFECTIVE WAY TO DRIVE TRIAL OF NEW SEARCH ENGINES—IT'S

**INFLUENTIAL
AMONG**



33%
OF THE
POPULATION.



BROADBAND INTERNET

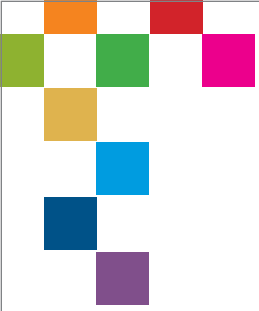
<i>Which of the following is closer to your view?</i>	<i>ALL</i>
THE FEDERAL GOVERNMENT SHOULD STEP IN AND USE FEDERAL MONEY TO MAKE BROADBAND INTERNET IN THE US FASTER, MORE WIDESPREAD, AND MORE AFFORDABLE	30
IT'S NOT THE GOVERNMENT'S ROLE TO IMPROVE BROADBAND, WE NEED TO RELY ON INNOVATION FROM AMERICAN COMPANIES AND COMPETITION IN THE MARKET, JUST LIKE IN OTHER COMPETITIVE MARKETS.	70

68%

BELIEVE THAT COMPARED TO THE REST OF THE WORLD, AMERICAN BROADBAND INTERNET IS FAST AND CHEAP—EVEN THOUGH IT'S NOT. AND THERE'S VERY LITTLE SUPPORT FOR FEDERAL GOVERNMENT ACTION TO IMPROVE IT.

74% SUBSCRIBE TO BROADBAND INTERNET.

95% ARE AT LEAST SOMEWHAT SATISFIED WITH THEIR BROADBAND PROVIDER.



MEDIA HABITS

45% VISITED A NEWSPAPER WEBSITE IN THE LAST MONTH—MORE THAN CRAIGSLIST (29%).

92% DO NOT PAY FOR ANY NEWS CONTENT ON THE INTERNET CURRENTLY.

34% SAY THEY ARE WILLING TO PAY FOR SOME TYPES OF NEWS.

24% AND THERE APPEARS TO BE SPACE ONLINE FOR PAID CONTENT: ARE ALREADY WILLING TO PAY \$25 FOR ONLINE CONTENT PER MONTH.

38% DON'T KNOW WHETHER THEY THINK IT'S FAIR FOR NEWS WEBSITES TO SUMMARIZE NEWS CONTENT PRODUCED AND PAID FOR BY OTHER ORGANIZATIONS.

**NEWSPAPER
CONTENT IS EXTREMELY
POPULAR ON THE
INTERNET, EVEN AS
THE DEAD TREE EDITIONS DIE.**

ECONOMY

<i>Items Americans plan to purchase despite the recession.</i>	<i>ALL</i>
COSMETICS, LIKE NEW FACE CREAM OR LIPSTICK	50
MOVIES ON DVD OR BLU-RAY DISC	30
A NEW LAPTOP OR DESKTOP COMPUTER	23
A FLAT SCREEN TV	20
COOKING TOOLS, LIKE A NEW BLENDER OR MIXER	19
DESIGNER ACCESSORIES, LIKE A HANDBAG OR SHOES	18
A SMARTPHONE, LIKE A BLACKBERRY OR IPHONE	15
A NEW CAR	15
A CURRENT GENERATION GAMING SYSTEM, LIKE A PLAYSTATION 3, XBOX 360, OR Wii	14
A BLU-RAY DISC PLAYER	13
SPORTING EQUIPMENT	12
A MUSIC PERFORMANCE VIDEO GAME LIKE ROCK BAND OR GUITAR HERO	10
NEW VERSION OF SOFTWARE I ALREADY HAVE, LIKE APPLE OSX LEOPARD OR MICROSOFT OFFICE 2007	9

THE ECONOMIC CLIMATE
HAS CAUSED

56%

TO POSTPONE OR CANCEL
CONSUMER PURCHASES THEY
WOULD OTHERWISE HAVE MADE
IN THE NEXT 12 MONTHS. WHAT
LIVES? LIPSTICK AND DVDS.

30%

PLAN TO BUY DVDS OR BLU-RAY DISCS.

14%

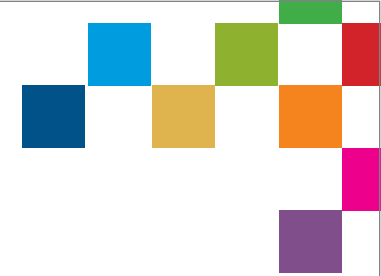
PLAN TO BUY A CURRENT GENERATION
GAMING SYSTEM.

20%

PLAN TO BUY FLAT-PANEL TVs.

9%

PLAN TO UPGRADE TO THE NEW VERSION
OF SOFTWARE THEY ALREADY OWN.



METHODOLOGY

PSB interviewed 1005 American consumers online from May 10-13, 2009. Overall, the margin of error is +/- 3.1%, and larger for subgroups.



LEARN MORE

PSB conducts research into consumer and business attitudes towards technology and other issues for some of the world's leading corporations.

For more information about PSB's National Tech Survey for D7, visit www.psbresearch.com/allthingsd

For more information about how PSB can provide you with Winning Knowledge™, please visit www.psbresearch.com or contact Beth Lester at blester@ps-b.com or (202)962-3042.