Online French Market in 2005: Demography – Use – e business.

Executive white Paper
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In 2005, how looks like the French online population compared to Europe or to USA ? Is Internet becoming a real communication medium in France? What are the main political influences and directions for the French online market?

In 2005,

French people have finally left out their 'Minitel' fantasy, a similar service to Internet that has been launched by French researchers years before Internet …. an invention raising obvious National French pride. French web user's population curve is now looking more and more like its age pyramid. In 2004, the French Market has unregistered an 70% increase in fast connection equipment, third most important growth in Europe behind Italy and UK. In less than five years, fast Internet connection has taken over the whole country with more than 10,5 millions users already[1] and is skyrocketing French web users as one of the longer connected country in the world according to monthly time spend online [2](2cd in the world just behind Hong-Congers).

[1] Mediametrie
[2] Nielsen Net ratings Europe www.nielsen-netratings.com

Demography

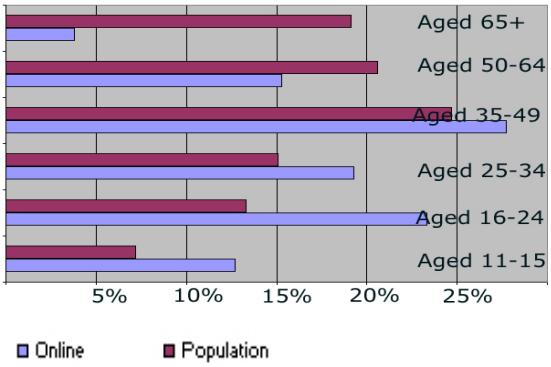
In 2004 France counted 63 millions of French inhabitants[3], 1/3 of it connected every month reaching millions 24,58 in February 2005[4]. Internet use had a 20% raise in 2003[5], and a 9% raise in 2004. Nowadays Internet population is growing less rapidly mainly because the market is reaching maturity and embracing French population curves. Across Europe, the last survey of Nielsen Net Ratings and Mediametrie counted 100millions web users[6].

Online French demographic patterns

As detailed in **Figure 1**, Internet still remains part of the young generation codes and habits with 4/5 of French Internet population aged less than 49 (and only weighting 60% in the overall French population). However age groups are shifting from a really young internet population base (people less than 25 where until 2003 weighting more than 30% in the overall Internet population) to much more mature age groups.

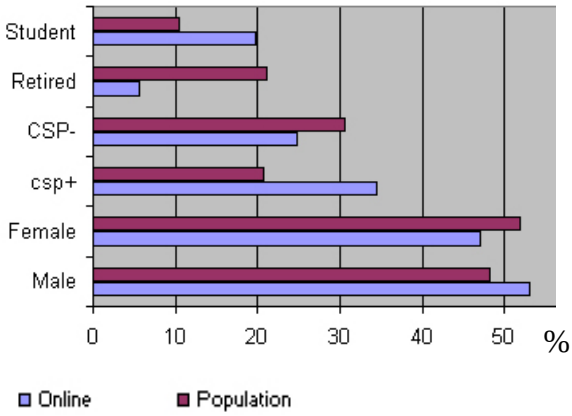
In France, 42% of the current population is aged 50 or more. This age group is only now realizing how much Internet can help them and is catching up quickly by starting to use this medium in day to day life. This demographic particularity will have in France a lot of economical and political consequences that will for sure influence Internet use and service base for the next decade.

Figure 1 : ***French online age pyramid compared to French population patterns in 2005***



Source:Médiamétrie *2005*

Figure 2 : ***Specific French population patterns compared to the French online population in 2005.***



Source:Médiamétrie *2005*

Patterns compared to European and American online users:

[3] Wikipedia www.wikipedia.org
[4] Journal du Net www.journaldunet.com
[5] Mediametrie –observatoire des Usages Internet www.mediametrie.fr
[6] Survey Afjv www.afjv.com – 100 millions d'internautes en Europe

Nowadays France is reaching the same Internet use level as United Kingdom and Sweden, two of the most active online European countries.
Looking down to Internet democratization represented in **Figure 2**, French Internet population is classified ahead Spain (45% female connected) , Swiss (44% female connected), Germany (41%) or Italy (40%)[7].

However, there is still a way to go until the whole Internet population matches the real population age pyramid as it does already in the USA.

Looking down to pyramid age groups of online use around Europe, France remains with Spain one of the youngest Internet population. However across Europe we notice roughly same online demographic evolution patterns.

Use

Currently in France a real shift of online activities is arising.

Whereas historically Internet was a information medium, nowadays it is becoming a full interactive media helping people to communicate, listen, meet , play ,buy and exchange many types of data.

According to the latest Ipsos profiling survey[8] in January 2005 the most common activities of the online French population is information search, banking services and emailing used by ¾ of web users. Messenger services is increasing reaching 35% of Internet use end 2004 with software such as Skype that count currently more than 505 000 users. In the mean time, a craze for online community and networking facilities such as chats, forums and blogs are taking over the online population.

Other online behaviors and habits are meddling in day to day life. For example 2,6 millions of French web users have downloaded music files in 2004 and the online pay as you go music consumption services are establishing itself[9].

Listen online radio stations is the fourth online activity because of the broad range of national and international stations. French also increasingly like to watch the movies trailers online, exchange pics with others and to watch online videos.

Patterns compared to European and American online users:

Looking down the Eurobarmetre[10], in 2003 French people had their own specific way to use Internet. All criterion analyzed put France behind European averaged and really far behind Germany and United Kingdom. Since then, French have embraced this medium and use patterns between the Western European countries are converging. However, since 2004, Europe is now made up by 25 countries that have all their own economical and cultural specificities

[7] Nielsen Netratings www.nielsen-netratings.com
[8] Ipsos profiling survey – survey done through 200 web site traffic analysis www.ipsos.fr .

[9] Nielsen Net Ratings – Médiamétrie – L'année de l'Internet 2004. www.nielsen-netratings.com
[10] Eurobarometre

Search

In March 2005, 70% of online search in France has been done through Google[11]. Like in the rest of Europe, in France Google.fr is the main search engine used to find information online. Other regional search engines such as Voilà are fighting to keep their small market share (**Figure 3**) . In France and in Europe Yahoo is not yet as used as it is in the USA.
According to Overture France[12], in 2004 57% of search done through French search engines are aimed towards buying intentions. It is important to notice that French people are looking for their information in their native language in 94% of the time and wont be attracted by any English adds.

Figure 4 : Main search engines used in France and trends in April 2005

Search Engine	% traffic in France	Trend
1 - Google	77.75 %	(+1.08)
2 - Voilà	5.89 %	(-0.46)
3 - Yahoo!	5.84 %	(-0.39)
4 - MSN	3.84 %	(-0.11)
5 - AOL	2.23 %	(-0.05)
6 - Free	1.42 %	(+0.06)
7 - Altavista	0.47 %	(-0.04)
8 - Nomade	0.37 %	(-0.04)
9 - Club Internet	0.35 %	(0)
10 - MyWay	0.35 %	(-0.03)
11 - Lycos	0.33 %	(-0.02)
12 - All The Web	0.30 %	(-0.02)
13 - Netscape	0.20 %	(-0.02)
14 - MySearch	0.17 %	(0)
15 - Virgilio	0.11 %	(+0.03)

Source: www..secret2moteurs.com April 2005

Politics

The French government is putting progressively Internet in the heart of his development. Since 2003 French people can pay and follow their income tax online, have access to all government issues with updated web sites and a real online governmental network to inform , help, interact through forums. This year 3,7 millions people out of 32millions have declared their incomes online. Next year the French government will launch another e-revolution: passport, then all official papers will become digitalized ….

Online development is also raising new types of French and European legal issues and fears, with for example the will to develop European wide search engine technology.

[11] Secret2Moteur – 1ère Position and Xiti monthly search engine use patterns in France barometer. www.secret2moteurs.com
[12] Overture France www.overture.fr

E-commerce *E-shopping: becoming a member of the world wide online basket community.*

End 2004, French population takes a census of 10,6 millions online shoppers, weighting 44,7 % of French web users population. Online buying has jumped in France from 574 millions euros to billion 1,19 euros between 2004 and 2005. According to Mediametrie, the number of online buyers has raised three time faster has the number of Internet users. In the mean time the number of online transactions has recorded an 96% increase in the first 2005 term, growing from 6,65 to 13 millions online transactions in the first 2005 term(JDN).

Trust

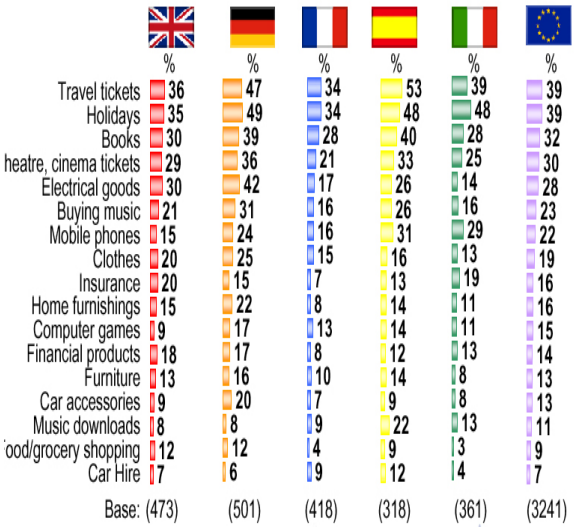
In 2005, one out of two web users trust online transaction (médiamétrie). At the end of 2004, 3,7 millions French web users that still did not buy anything online declared trusting in online shopping. Once a French web user has been enough courageous to give for the first time his magical credit card access to a web site and that he has been fulfilled with reactivity and product satisfaction, he will soon get more curious looking to win over new exciting online lands and virtual baskets. In other words, once the French has been seduced and satisfied by its first transaction, this new member of the online buying community will buy more often and spend more. According to Overture France there is a 64% online purchase intention in 2004 .

Population patterns

Most online buyers are still part of the historical online French population: it has been mostly Parisian people but people out of French countries are progressing rapidly (73%) , mainly men, young and part of the highest socio-professional groups. Elderly are catching up quickly with a 38% increase compared to 2003 (acsel) .

Sectors

In 2004 cultural and leisure consumption remains the first type of products bought online followed by informatics and travel products.
This year the informatics sectors recorded a 69% increase, mainly through computer, USB cards, fast connection and anti-spy wear products.
The tourism sector is currently experiencing a real revolution in France, mostly because of Internet and low costs companies. This flourishing sector online
The financial sector is also really active online with a 73% increase in 2004. The main products are credit, repurchase, online banking and insurance.
Internet is democratizing itself, and spreading around the whole French economy. French also start to buy new types of products online such as garment and accessories (104% increase), ornamental products, garden and DIY solutions.



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