News Release

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PACIFIC SURFERS RIDE SOCIAL NETWORKING BOOM

- **Nearly half of all online Kiwis and Aussies have created an online profile**
- **Majority of social networkers spend one to four hours a week ‘networking’ online**

**Sydney, 12 February 2008** — More than six in 10 online New Zealanders (62%) and around 55 percent of online Australians have browsed other people’s online profiles within the past 12 months, and 49 percent and 44 percent of New Zealanders and Australians respectively have actively updated their own online profile, according to a social networking report released today by Nielsen Online. (See Chart 1).

The report provides the most indepth analysis of social networking ever compiled at a local level and looks at the growth of social networking amongst internet users, drivers of and barriers to growth, and social networking site popularity. The report reveals the intensity of recent growth of the social networking phenomena with nearly one third of Australians and a quarter of New Zealanders who are engaged in profile creation having begun their social networking within the past three months. And looking over the past year, nearly two thirds of Australians and close to 60 percent of New Zealanders first created their online profiles during this period.

“In recent times we’ve seen social networking grow exponentially to become a significant online activity,” says Melanie Ingrey, Market Research Director, Asia Pacific, Nielsen Online. “And based on the viral nature of social networking adoption, we expect to see further significant increases in the near future – as many as half of current non-users have already indicated they will sign up within the next 12 months.”
In Australia, the growth experienced in social networking has been driven most recently by female profile creators, with this demographic having experienced a 33 percent surge in uptake in the past three months despite significantly earlier adoption of this activity by males (24% of males in Australia and 28% of males in New Zealand first created an online profile over two years ago).

The report also revealed that the catalyst for the growth in profile creation in Australia was curiosity (34% said they knew of other people that had profiles and wanted to try it out and a similar proportion simply signed up after receiving an emailed invitation), while in New Zealand the appeal of social networking was largely driven by a desire to reconnect with people from the past such as former colleagues and old schoolmates (42%).

In terms of usage, the majority of internet users with an online profile reported spending between one and four hours per week on average on their main profile (45% of Australians and 48% of New Zealanders). In Australia nearly one third (28%) spent more than five hours on their main profile per week while close to one quarter of New Zealanders (24%) were on their profile for more than five hours.

With a significant proportion of online usage spent during working hours, Nielsen Online’s report showed that amongst Australian and New Zealand workplaces social networking restrictions were commonplace, with more than one third (36%) of employed social networkers citing some sort of restrictions on social networking access.

“Obviously there are still a number of employers who are concerned about the impact of social networks on productivity and concentration levels, however, these perceptions are beginning to change” says Ingrey. “While we’ve recently seen Telstra ban its 49,000 employees from using Facebook, German company and international electronics powerhouse Siemens is embracing the technology with 6,000 employees already signed up to Facebook and plans to deliver exclusive Facebook applications for employees in future.”
Across the Pacific, site popularity differed significantly with MySpace topping the list of social networking sites visited by Australians (48%), followed by Facebook (37%) and Friends Reunited (26%). In New Zealand, Old Friends was the most popular site for the majority of New Zealanders (54%) followed by Bebo (48%) and MySpace (37%). (See Chart 2).

“It’s important to realise that different social networking platforms cater to varying online identity desires,” notes Melanie Ingrey, Market Research Director, Asia Pacific, Nielsen Online. “Sites such as MySpace essentially promote a fantasised identity where relationships are based on common network interests while Facebook is grounded in real identity and online connections are simply an extension of real friendships. Then you have sites such as LinkedIn which promote social networking for business and career advancement purposes.”

Chart 1: Incidence of online social networking activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>AU</th>
<th>NZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Join 'friend finder' site</td>
<td>48</td>
<td>32</td>
</tr>
<tr>
<td>Look</td>
<td>62</td>
<td>55</td>
</tr>
<tr>
<td>Update</td>
<td>49</td>
<td>44</td>
</tr>
<tr>
<td>Create</td>
<td>45</td>
<td>41</td>
</tr>
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1 The website Old Friends was not shown as a response code to Australian respondents.
About Nielsen Online’s Consumer Generated Media Report
The Consumer Generated Media Report is one of the most comprehensive analyses of the consumer generated media (CGM) category ever published and delivers businesses and Government organisations with a detailed understanding of the uptake of CGM among consumers in Australia and New Zealand, the drivers and barriers to uptake, forecast growth and opportunities associated with this emerging trend in online behaviour. Nielsen Online surveyed over 4,000 online consumers in Australia and New Zealand, and these findings are further supported by our online behavioural measurement service NetView, and online advertising service, AdRelevance.

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