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هيئة الاتصالات وتقنية المعلومات  
Communications and Information Technology Commission



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**Communications and Information Technology Commission**

# **Internet Usage in the Kingdom of Saudi Arabia**

## **Individuals**

**The first year ( 2007 ) Report .**

### **For Any comments regarding this study :**

P.O Box 75606 – Riyadh 11588 – Kingdom of Saudi Arabia

Phone : +966 (1) 4618000

Email : [InternetStudy\\_feedback@citic.gov.sa](mailto:InternetStudy_feedback@citic.gov.sa)

## 1.0 Background

**Communications and Information Technology Commission (CITC)** was established under the name of (Saudi Communications Commission) pursuant to the Council of Ministers Decision No. (74) Dated 5/3/1422H. The Commission was entrusted with new tasks related to information technology to become (Communications and Information Technology Commission) under the Council of Ministers Decision No. (123) dated 21/5/1424H and the name was changed. The Mission Statement of the Commission is to **"Ensure the provision of high quality universal telecommunications services at affordable prices"**

Internet service was officially made available in the Kingdom of Saudi Arabia in 1997. Internet is becoming an integral part of the Saudi Society and Economy. CITC wants to understand the Internet status and potential growth within the Kingdom. They wanted to outsource consultancy support for performing a comprehensive study covering a wide range of the Internet related indicators in Saudi Arabia, in addition to performing a thorough analysis of the results. Nielsen was entrusted to conduct the study in 2007.

The study evaluates the current situation of Internet in Saudi Arabia. The study aims to identify the penetration levels, habits and usage patterns and the future potential of Internet in Saudi Arabia. It covers a wide range of information areas from infrastructure to satisfaction. It covers different types of users – individual users, home users, government

agencies, educational institutes and corporate users. The research was such designed, to ensure national representation. Further, the study would be repeated annually for a minimum of three times in order to measure progress and growth.

### Salient Features of the Research

- ▶ **National Representation**
- ▶ **Across Customer Types : Consumers, Corporate and Government**
- ▶ **Annual Tracking to measure progress**

This document details the findings of the survey carried out among **Individuals** in the Kingdom of Saudi Arabia.

## 2.0 Methodology

The detailed methodology report has been highlighted in the appendix of this report.

### 2.1 Research Design

- A quantitative research exercise was conducted.
- **A total of 7570 interviews for the listing module and 1500 interviews for the detailed module were conducted**
- People across the country were interviewed.

### 2.2 Target Respondents

- Respondents interviewed for the survey were from general population across socio-economic classes, genders and nationalities who were more than 15 years old.
- Interviews were conducted at the place and time as per respondent's convenience.

### 2.3 Coverage and Sampling

- Interviews were conducted across all the regions urban, semi-urban and rural areas representing the total population of Saudi Arabia.
- Households were contacted using a combination of Stratified Area Sampling and Snowball Sampling. The detailed methodology is explained in the appendix.

### 2.4 Research Instrument

- Interviews were conducted using a structured questionnaire. The questionnaire was translated into Arabic. Interviews were done in Arabic / English as convenient to the respondent.
- The questionnaires were a mix of close and open-ended questions.
- The length of the listing interview was around 10-15 minutes while the detailed interview was approximately 30-35 minutes long.

### 2.5 Quality Control

- Rigorous quality controls were followed at both the field and data processing levels. A minimum of 25% of the questionnaire were back checked by the Field Supervisors and Field Managers.
- At the data processing stage, questionnaire which were not filled in properly were rejected and only after ensuring 100% cleaned data were considered for the analysis.
- For details on the Quality Control standards please refer to the CITC Inception Report Section 6 and 7.

### 3.0 Sample Profile

In total, 7570 people were contacted for the purpose of this research. The following provinces were covered in the sample which is in line with the total population.

*Exhibit 3.1 Sample Composition by Provinces*

Provinces	% of Total Sample
<i>Base: All</i>	<i>7570</i>
Riyadh	25%
Qassim	7%
Makkah	24%
Madinah	7%
Eastern	16%
Assir	6%
Baha	2%
Najran	2%
Jizan	4%
Arar	1%
Jouf	1%
Hail	2%
Tabuk	3%

We have presented findings by provinces. The sample comprised of 54% men and 46% women. 79% of the sample was Saudi Nationals, 12% Expat Arabs and 9% Expat Asians. The representation across age groups is as shown below

*Exhibit 3.2 Sample Composition by Age groups*

Age group	% of Total Sample
<i>Base: All</i>	<i>7570</i>
15 - 24 years	29%
25 - 34 years	29%
35 - 44 years	21%
45 - 54 years	11%
55 - 60 years	10%

## 4.0 Infrastructure & Investments

### 4.1 Computer Penetration

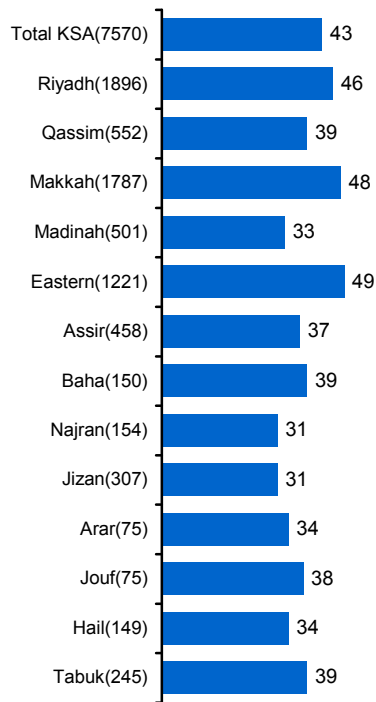
Computer ownership among individuals currently stands at 68% for 15 to 60 yrs. population. However when we calculate at the total population/household level the ownership stands at 43%.

Internet Usage in the Kingdom of Saudi Arabia  
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Total population of KSA	23,980,834
Population 15-60 yrs.	15,107,925 (63% of total population)
Computer owners 15-60 yrs.	10,273,3898 (68% of 15-60yrs.)
Computer owners out of total population	43%

(\*source: [www.cdsi.gov.sa](http://www.cdsi.gov.sa) Population and Housing Characteristics in the Kingdom of Saudi Arabia Demographic Survey 1428H 2007)

*Exhibit 4.1 Computers Penetration by Provinces*



*Base : All (Including population less than 15 years old)*

Penetration levels vary significantly across provinces. Eastern Province, Makkah & Riyadh provinces has the highest ownership of PC as compared to other provinces.

PC ownership in Saudi is considerably higher among the younger age group with about 73% of the 15-25 years segment owning any of the personal computing devices.

It is worth noticing that almost one-tenth of the people in Saudi who use computer or Internet personally does not actually own a computing device in their household.

**2 out of 5 households in Saudi Arabia own a computer**

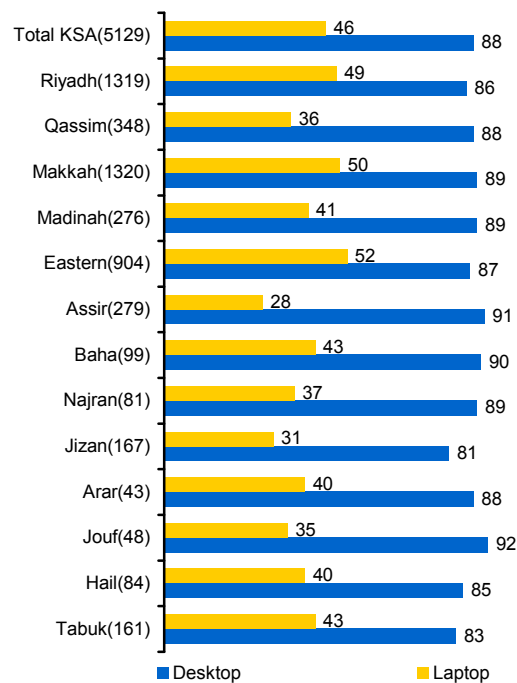
**Little less than half the households own a laptop**

#### 4.2 Devices

With regards to the type of personal computer used, Saudi is predominantly a desktop market, with almost nine out of every ten PC owners owning a desktop.

Laptops do have good penetration and are owned by close to half the PC owner population (46%). There is very little variation across provinces as far as the type of PC owned is concerned, with an exception of Assir province, where laptop ownership is lower.

Exhibit 4.2 Types of computer devices owned by Provinces



Base : All owners of Computer Devices (1149)

Note: PDA ownership is very low and does not show differences by provinces and hence not shown

### 4.3 Number of Computers owned

Majority of the Saudi population own a single computing device. However, having looked at the data more minutely, a few minor trends emerge. There are few desktop owners who own more than one desktop – less than 10%. Among those owning a laptop, 16% own more than one laptop (with 5% among these even owning more than two laptops.)

*Exhibit 4.3 Number of PC types owned*

	<b>Desktop</b>	<b>Laptop</b>	<b>PDA</b>
<i>Base: Those who own PC device</i>	4488	2357	48
	%	%	%
One	91	84	91
Two	7	11	4
Three	1	3	4
More than three	1	2	-

*Base : All owning a PC Device*

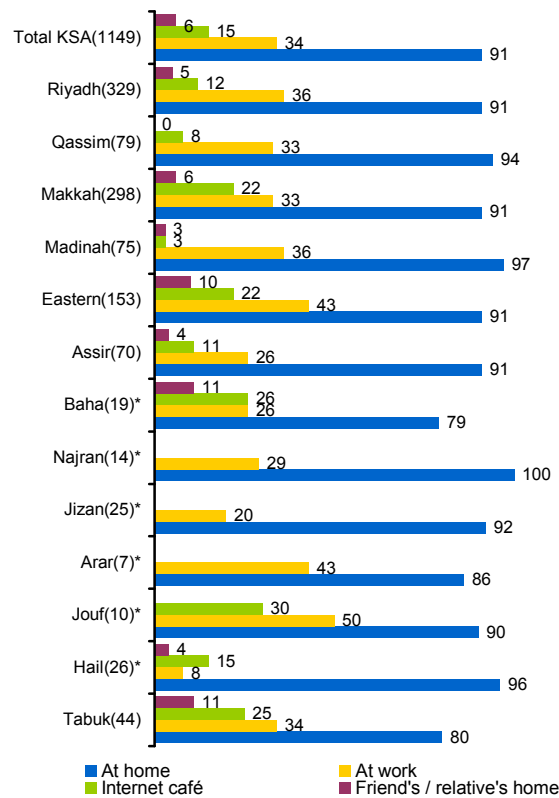
The incidence of owning more than one computing device is seen to be relatively more among the younger segment. The 15-24 years old segment consists of about 13% people owning more than one desktop and 20% owning more than one laptop.

### 4.4 Location of usage

The most common place for using computer is found to be home (91%).

One-third of the user population also uses it in their work place. This group mostly comprises of the working population within the age range of 25 to 64 years. Furthermore, incidence of work place computer usage is found to be considerably higher in the Eastern province (43%).

Exhibit 4.4 Location of usage by Provinces



Base : All users of Computer Devices (1149) Note: \* Base too small to analyze

About 15% people, use it in internet cafes. The incidence of usage in internet cafes is found to be more among the younger population while it diminishes with the increasing age band.

Internet cafes have gained more popularity in provinces like Eastern Province, Makkah and Tabuk, given that more than one-fifth of the population goes there for use of computer.

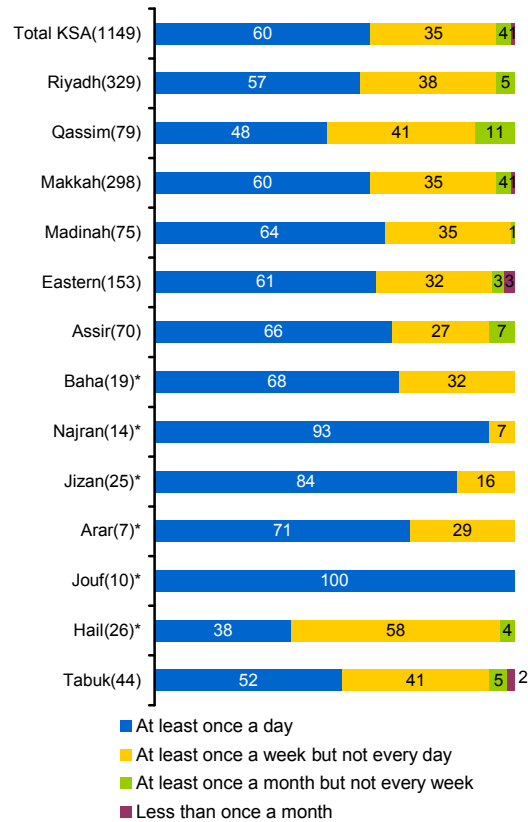
Eastern province shows a higher incidence of out of home usage of computer, including place of education and relative's or friend's place

#### 4.5 Usage Frequency

Almost all computer users use it at least once a week. Only 5% use it less frequently and these are mainly women. A majority of them (60%) use it everyday.



Exhibit 4.5 Frequency of usage by Provinces



Base: All users of Computer Devices (1149)

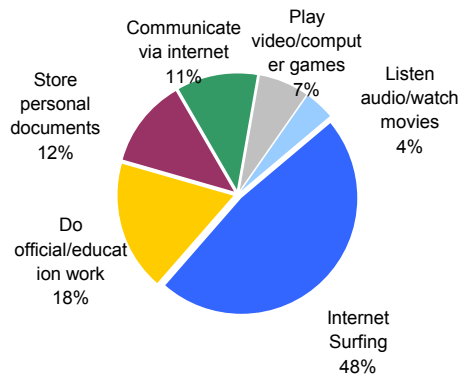
Note: \* Base too small to analyze

The main daily users of computers are the younger aged, primarily from 15 to 34 years old. Among them, a significantly higher percentage use computers at least once a day compared to other age groups. Frequency of usage of computer diminishes with increasing age group.

#### 4.6 Reasons for using Computers

Internet surfing is the main reason for using computers in Saudi Arabia. About 3 out of 5 computer users mention use of internet as the primary reason for using their computer. Besides, they also use it for storing personal documents and doing official or education related work. This holds true across provinces.

Exhibit 4.6 Main Reason for using Computers



Base : All Computer Users (1149)

Among the respondents who have claimed to be non-users of Internet, 'storing personal documents' and 'doing official or education related work' emerge as the key reasons to use computer.

### Internet is the prime reason for using computers

The younger users (primarily 15-24), other than surfing the Internet, use the computer mainly for 'listening to audio/watching movie' (mentioned by 64%) and 'playing video and computer games' (mentioned by 56%).

On the contrary, significantly lower proportion of older respondents support these two reasons. The numbers diminish further with increasing age bracket.

Among the 35 – 54 years old, there is a significantly higher percentage mentioning 'storing personal documents' and 'doing official work'.

Among those using the computer primarily for internet, 19% mention using it for 'communicating with people' (i.e. 11% of overall computer users).

#### 4.7 Operating System used

Windows XP is the most widely used operating system in Saudi Arabia. With about 64% respondents using Window XP Home and 23% using Windows XP Professional in their PC.

Windows 2000 has just about 11% using it. Assir province, however, is the only province where still one out of every five respondents is using Windows 2000.

Windows XP Home is the favorite across zones, age groups and socio-economic classes.

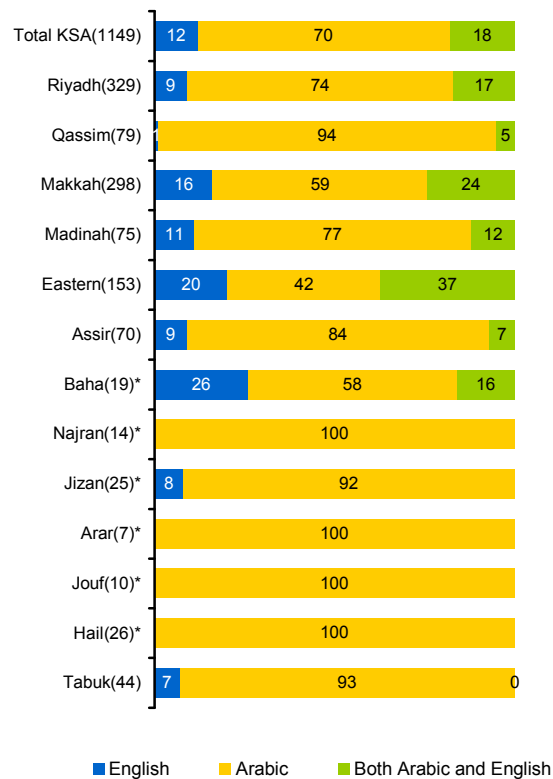
Incidence of Windows XP Professional usage is significantly low in Tabuk and Assir. It is quite understandable, given that these provinces also exhibit lowest incidence of computer usage at work. Furthermore, since it is meant for a high end professional use, it is sparingly found among the lower socio-economic groups

#### 4.8 Language of the Operating System

Arabic is the main language of operating system in use among PC users, with 70% using Arabic interface. English is used just by about 12% respondents with majority of them being Asians.

The remaining 18% have both the languages in their systems.

Exhibit 4.8 Operating System Language by Provinces



Base : All users of Computer Devices (1149)

Note: \* Base too small to analyze

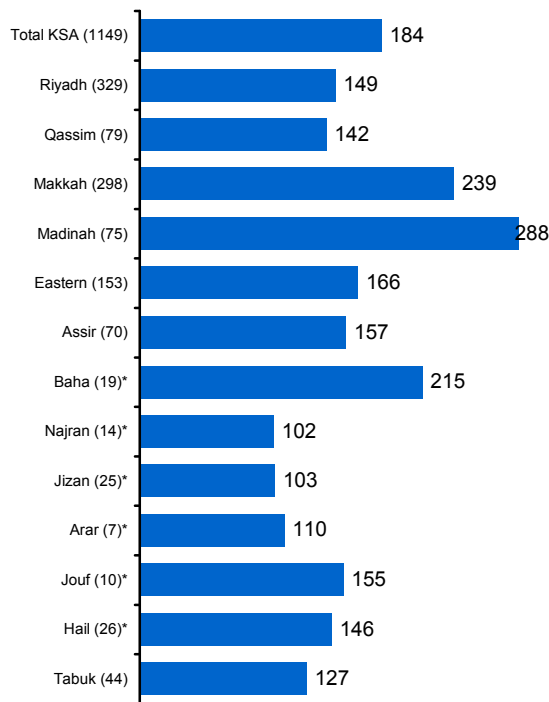
However, not all provinces present the same picture. There is considerable variation across provinces regarding the operating system language. In Qassim, almost everybody uses Arabic to operate their PC. And in case of Eastern province, at least one out of every five uses English.

English is marginally more accepted as the operating system language among males compared to females and among the younger respondents compared to the older ones.

#### 4.9 Average IT expenses in a month

On an average, a computer user in Saudi Arabia spends around 184 Saudi Rials per month on computer usage. Variations are observed across provinces with spends being higher in Madinah and Makkah and lower in Najran, Jizan and Arar.

*Exhibit 4.9 Average IT expenses in a month*



*Base : All users of Computer Devices (1149)*

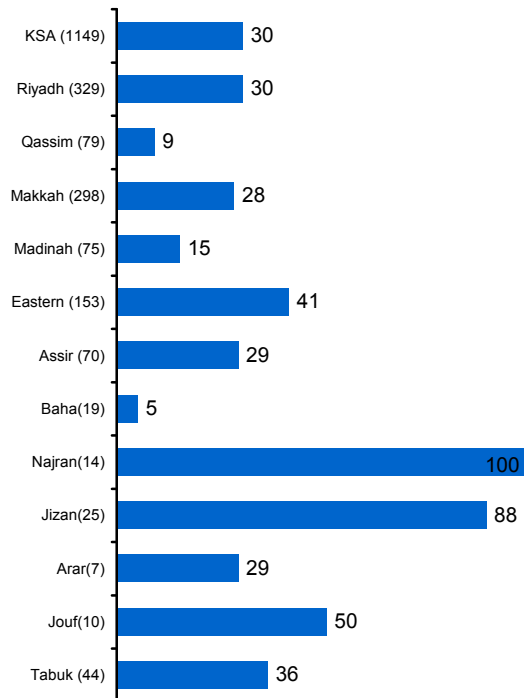
*Note: \* Base too small to analyze*

#### 4.10 IT related training taken

Vast majority of computer users in Saudi are untrained in IT related programs. Only 30% have claimed to have taken some training related to IT. Incidence of IT training is slightly more among the younger respondents.

Findings indicate that people residing in Eastern province and Tabuk are relatively more trained in IT related programs. In Tabuk, MS Office is more popular, while the majority of Eastern province respondents have taken up education in programming languages, web designing and database management. It is also worthwhile to note that only 26% of females are IT trained as against 33% males.

Exhibit 4.9 Proportion that has undergone IT Training



## 5.0 Internet Usage Habits

### 5.1 Internet penetration

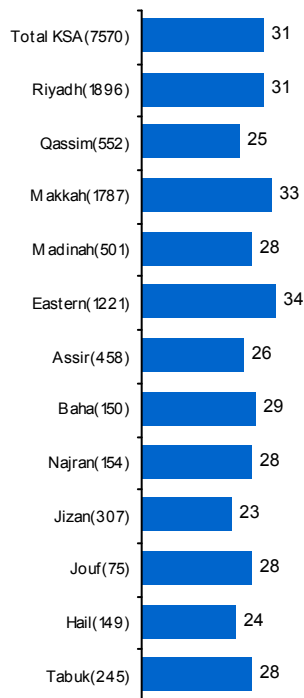
Nearly one third (30.5%) of the Saudi population have used internet at least in the last 2 weeks.

Total population of KSA*	23,980,834
Population 15-60 yrs.*	15,107,925 (63% of total population)
Internet usage 15-60 yrs.	7,705,042 (51% of 15-60 yrs.)
Internet accessed in the last 2 weeks+	7,319,790 (95% of 15-60 yrs. internet)

Internet users out of total population	users) 30.5%
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(\*source: [www.cdsi.gov.sa](http://www.cdsi.gov.sa) Population and Housing Characteristics in the Kingdom of Saudi Arabia Demographic Survey 1428H 2007)

*Exhibit 5.1 Internet usage by Provinces*



*Base : All respondents (total population)*

*\* Arar has no user*

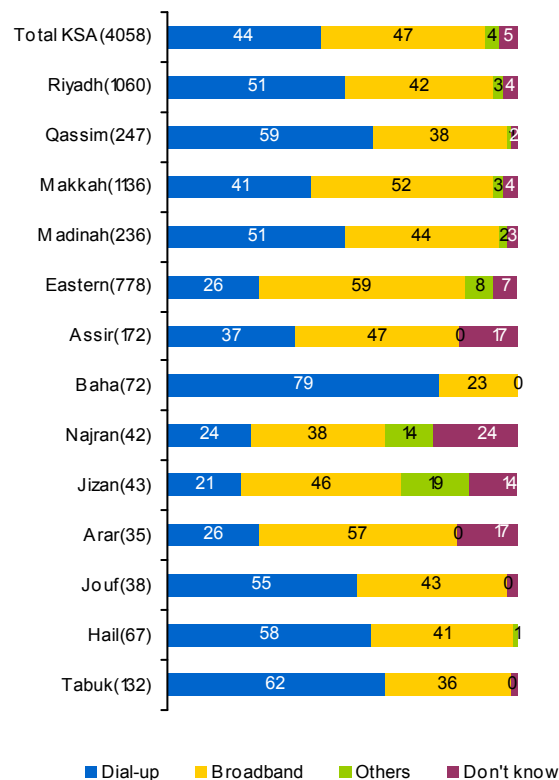
There is variation across provinces with Eastern province and Makkah using internet the most while it is the lowest in Jizan and Hail.

Furthermore, there is a clear trend across age spectrum in terms of internet usage. There is clearly a larger proportion of internet users among the younger group vis-à-vis the older respondents.

## 5.2 Type of connection

Both, the Dial up as well as the DSL/Broadband connections are equally popular among internet users. Among the 95% of people who are aware of what type of internet connection they are using, 44% claim to be using Dial up connection and 47% use DSL/Broadband.

*Exhibit 5.2 Type of connection by Provinces*



Base : All having internet connection (4058)

There are marked differences in the trends across provinces as seen in exhibit 5.2.

There is no definite trend observed by age-groups. However, it is interesting to see that the

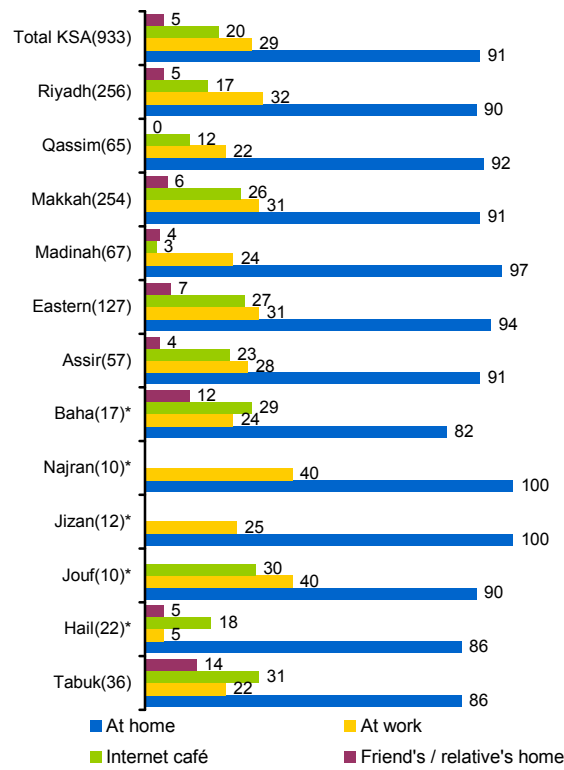
**Dial-up connection is still used by a considerable proportion of the Internet users**

proportion of dial-up connection users as compared to the broadband is more among the fifty-five years plus users.

### 5.3 Location of usage

The trends in Saudi with regards to internet usage are reflective of the trends of computer usage.

Exhibit 5.3 Location of usage by Provinces



Base : All users of Internet (933)

Note: \* Base too small to analyze

As seen in case of computer usage, nine out of every ten users use internet at home. One-third, mostly working group, use it at work place, while about 20% use internet cafes for this reason. There is no distinct variation found across provinces and age-groups.

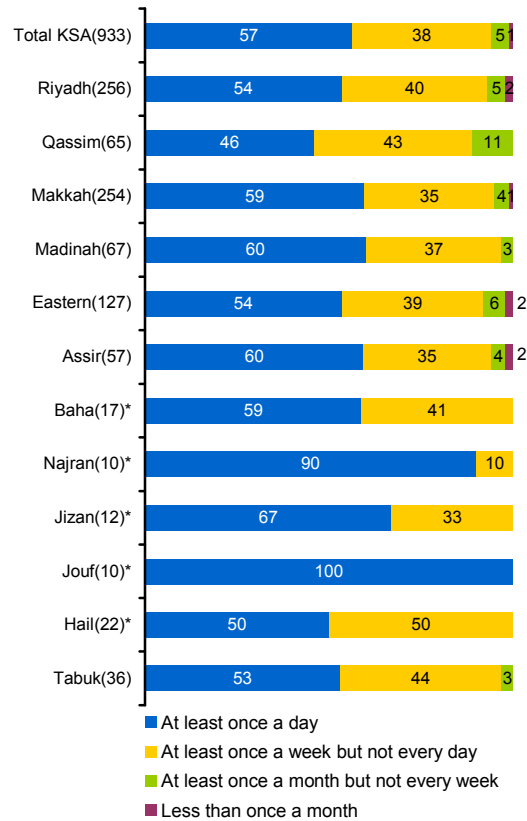
However, proportion of work place internet users is found to be significantly more among males (42%) as compared to females (12%).

#### 5.4 Usage frequency

Since, 'internet surfing' is the main reason for majority respondents for using their computers, internet usage frequency trends are similar to computer usage trends. Almost all respondents use internet at least once in a week.



Exhibit 5.4 Frequency of usage by Provinces



Base : All users of Internet (933) Note: \* Base too small to analyze

The main daily internet users are the younger aged respondents, primarily aged 15 – 34 years. Among this age group, a significantly higher percentage use internet at least once in a day compared to others.

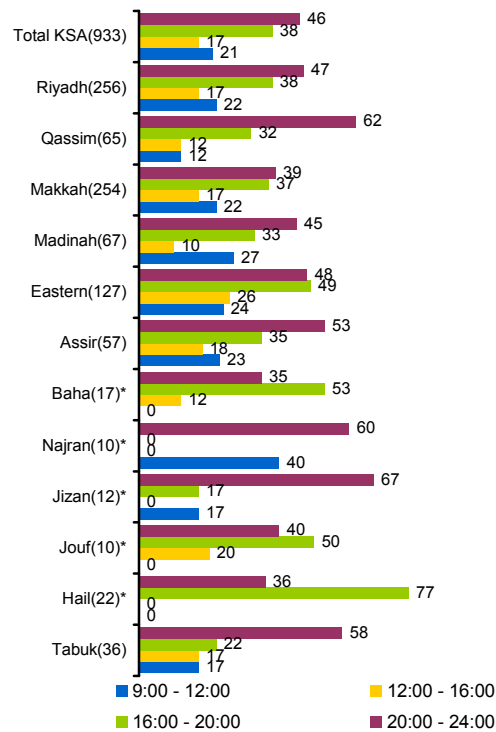
### 5.5 Usage timings

On an average, internet users in Saudi spend about three hours surfing the net at a time. People mostly use internet in the evening after 4:00 pm up till midnight (about 84% doing so).

Timing of usage is seen to be directly related to the age. Youngsters (15 to 25 years old) are found to be spending more time surfing the net (close to four hours on an average as compared to the older users, who spend not more than two to three hours on an average). In fact, almost one-third of the 15 to 25 years old spend more than 4 hours on the internet each time they use internet. These youngsters usually prefer to surf the net after 8:00 pm. About half of them use internet in the 8:00 pm to midnight slot, while the older users prefer the 4:00 pm to 8:00 pm timing more.

The next most preferred timing among internet users is the 9:00 am to 12:00 noon slot. About one-fifth users surf net in this time period also with (more so among the older users and males).

Exhibit 5.5 Usage timings



Base : All users of Internet (933) Note: \* Base too small to analyze

## 5.6 Reasons for using Internet

Browsing and communication, that is, e-mails, chatting, participating in blogs and forums etc. emerge as the two main reasons for using Internet in Saudi. More than three-fourth of the internet users have mentioned these two as the main activities they usually do over the internet. Other than these, half of the people have also mentioned 'deriving information about goods, services, health and government authorities' as well as 'Entertainment'.

While, more than 41% people most often do browsing and 30% chatting, e-mailing, blogs or forums, one out of every ten people most often use internet to derive information. Others mostly carry out business related activities, downloading games and movies, banking, education related search and shares.

Communication is not as strong a reason in Riyadh and Assir as in the other provinces. Here, browsing is even more popular. Another important observation is that one out of every five users in Madinah province use internet most often for education or learning activities.

Exhibit 5.5 Main Reason for using Internet

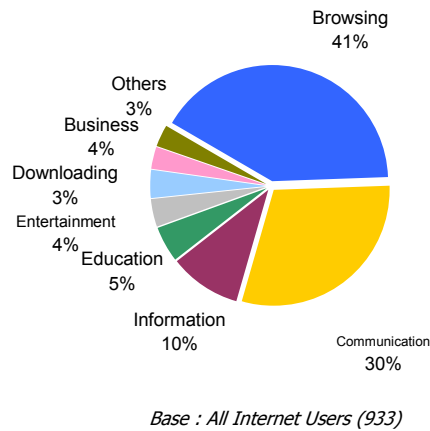
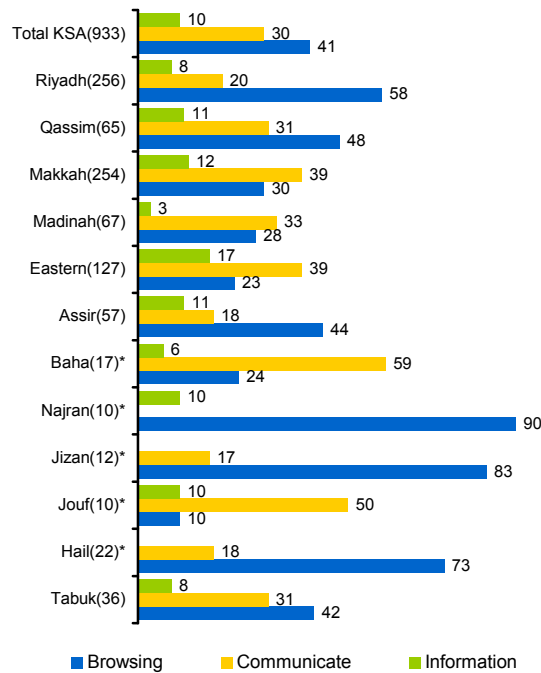


Exhibit 5.6 Main Reason for Use by Provinces



Reasons for using internet among males as well as females are almost the same. However, relatively more men are browsers than women and marginally higher proportion of women claim to be using internet most often for deriving information or education related activities.

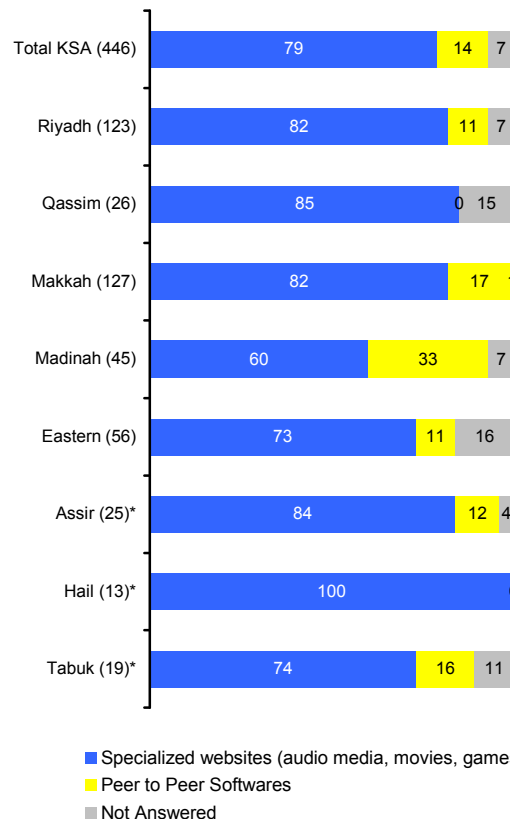
The findings throw light on some very interesting trends regarding reasons for internet usage across age-groups. The younger group's key interests, besides browsing, are predominantly chatting, e-mailing

and participating in blogs. On the other hand, older people do more of browsing and carry out business related activities and banking, as well as derive information mostly on health services.

### 5.7 Downloading habits

Among those who mentioned downloading as one of the key reasons for using internet, it is found that four of every five of these people download from specialized websites, like audio media, movies, games, etc. Only 14% use peer to peer softwares. This is pretty much the case with all provinces except that use of peer to peer softwares is more among residents of Madinah province (close to one-third using them)

Exhibit 5.7 Downloading habits amongst those who do downloads



Base : All downloading (446)

Note: \* Base too small to analyze (Baha, Arar, Nazran, Jizan and Jouf has not been included in the above chart due to the small base (less than 5))

### 5.8 Popular search engine

Google is the universal favorite (83% using it most often) among both men and women across provinces and age-groups. About 13% also use Yahoo. Yahoo is slightly more popular among the older group as compared to the youngsters.

Google has a near monopoly in Qassim, with 97% users having it as their most often used search engine. While, on the other hand, one-fourth (24%) of the Eastern province and one-fifth (20%) of the Makkah users are with other search engines like Yahoo and MSN.

### **5.9 Popular personal e-mail host**

Hotmail is the main e-mail host in Saudi with about 46% using it for their personal e-mail. Other than this, one in ten people in Saudi are also found using Yahoo for their personal e-mails (more so among the older people). Yahoo is more popular as an e-mail host in Makkah, Eastern province and Assir. In Madinah a good two-third majority (64%) uses Hotmail. Very small set of users also use Google mail and MSN (just about 3% and 1% respectively).

Another observation is that that the incidence of having an e-mail id is inversely related to the age of the person with more among the younger age groups having an e-mail id.

### **5.10 Web browser users**

Nine out of every ten users use Internet Explorer to browse internet. Internet explorer usage is followed by Netscape (used by 5%) and Opera (used by 4%).

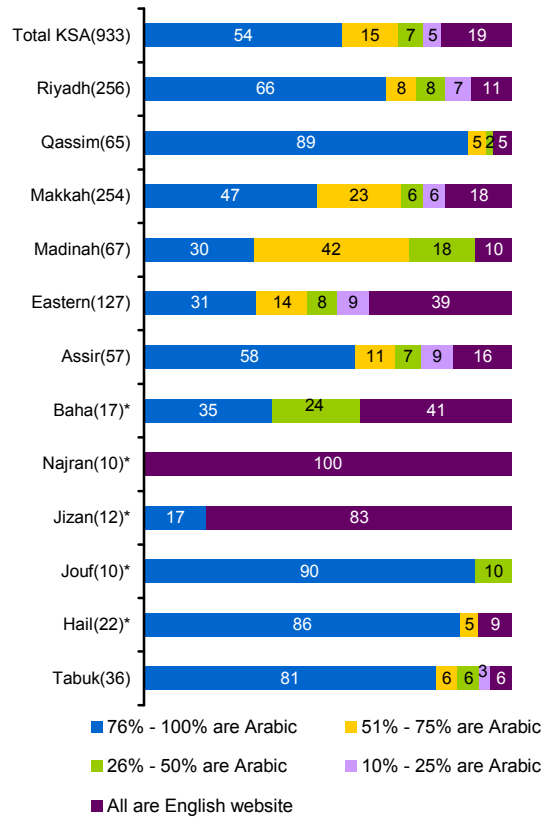
Though Internet explorer remains popular across the board, the remaining one-tenth of the people in Eastern Province prefers Netscape to Opera. On the other hand, Netscape is completely absent in Qassim and the 6% browsers who do not use Internet Explorer use Opera.

### **5.11 Preferred languages for websites**

Only close to one-fifth of the internet users in Saudi visit English sites. More than half the internet users mostly visit sites in Arabic. And the 19% users who visit English site comprise more of users in Eastern province (39%). In most of the other provinces, like Riyadh, Qassim, Madinah and Tabuk, barely one in ten visit English sites.

There is no significant difference in language preference between younger and older people as well as males and females.

Exhibit 5.7 English vs. Arabic sites visited



Base : All users of Internet (933)

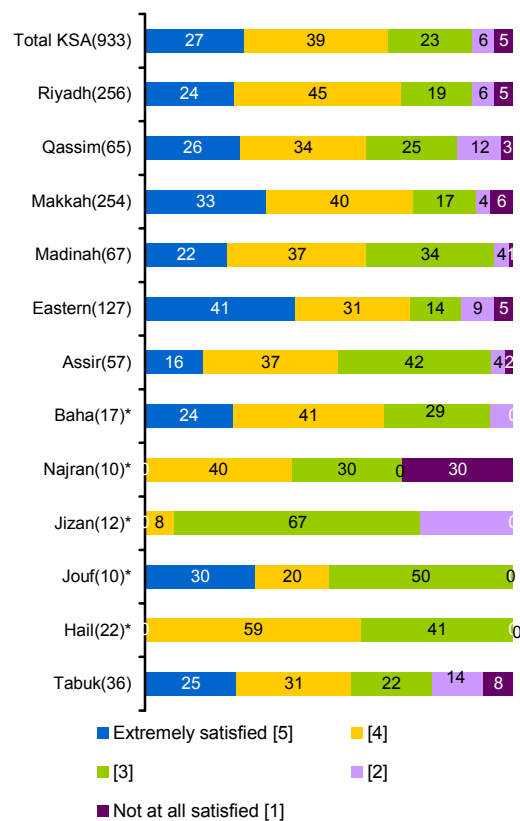
Note: \* Base too small to analyze

## 6.0 Internet Satisfaction and Concerns

### 6.1 Satisfaction

Satisfaction levels of internet users with their internet connections in Saudi are moderate, with close to two-third people overtly mentioning that they are satisfied (about 27% are extremely satisfied). Users in Eastern province and Makkah are more satisfied and the ones in Assir are less satisfied. Furthermore, females are found to be the more satisfied with internet services with 34% being extremely satisfied as against 22% of men being extremely satisfied.

Exhibit 6.1 Satisfaction with Internet Service



Base : All users of Internet (933)

Note: \* Base too small to analyze

\*The norm for top 2 box score (extremely satisfied + somewhat satisfied) in Saudi Arabia is 70% as the acquiescence bias in the kingdom is high due to gratitude factor (cultural reasons). Source: Nielsen Studies conducted in KSA.

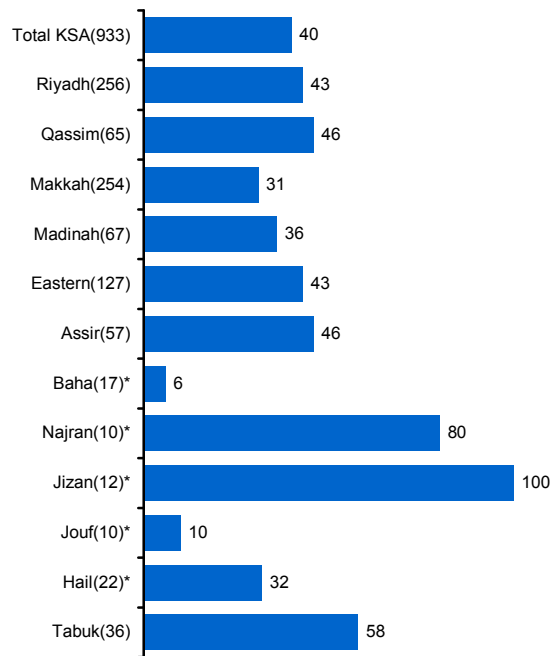
The most satisfied users of internet connection in Saudi are those using DSL/Broadband – 128KB/sec connection vis-à-vis dial up users. This is so, mainly, because people feel that dial-up is slow, relatively more expensive and keeps getting interrupted or cut.

Speed of the connection is the biggest factor driving satisfaction levels of respondents across users of all types of connections.

## 6.2 Concerns on filtering

About 40% of the internet users in Saudi find information filtering a concern while surfing the net. However, only 24% found it to be a major concern amongst those who had concern. It is, indeed more of an issue with women (45%) as compared to men (36%).

Exhibit 6.2 Proportion finding filtering a concern



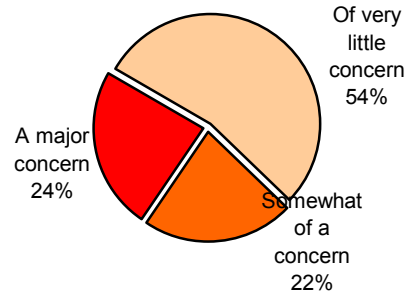
Base : All users of Internet (933)

Note: \* Base too small to analyze

While a little less than half the younger respondents, 15-25 years old, are concerned with the filtering issue, only a quarter of the older group (45-54 years old), are concerned about the same. One of every five of these youngsters considers it to be a major concern.



Exhibit 6.3 Extent of filtering a concern



Base : All internet users who found filtering an area of concern (372)

### 6.3 Experience of SPAM mails

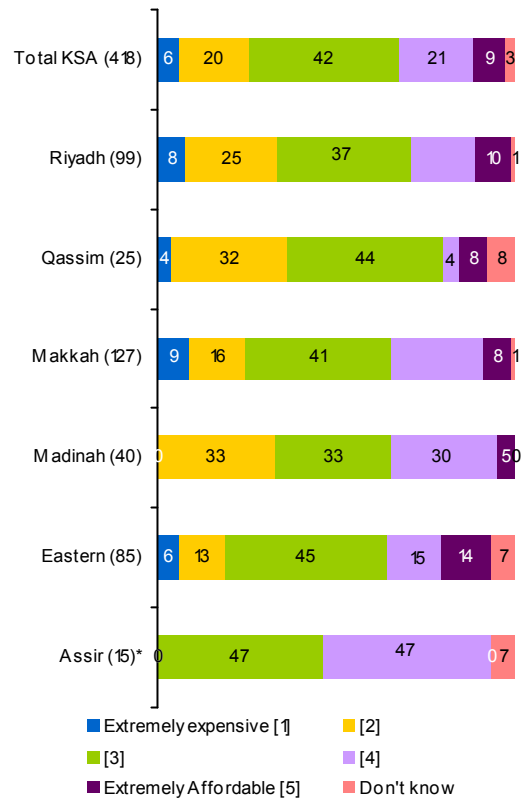
Problem of SPAM mails is faced by almost one-third of the internet users in Saudi Arabia. Mostly youngsters face this problem. In fact, majority of the 15 to 24 years have more than 10% of mails in their inbox as SPAM mails. The problem is experienced less with the increasing age of the respondents.

Men (38%) face more of this problem more than women (25%).

### 6.4 Perception of internet cost

The DSL/Broadband users in Saudi, in general, have a fairly polarized opinion about the cost of internet connection with 30% finding it affordable while 26% find it unaffordable.

Exhibit 6.4 Perception of internet cost



Base : All users of Internet (933)

Note: \* Base too small to analyze

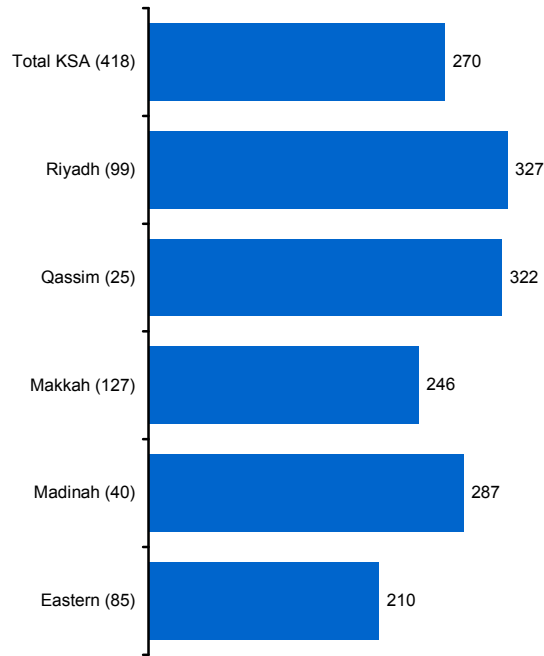
Baha, Arar, Nazran, Jizan, Jouf, Hail and Tabuk has not been included in the above chart due to the small base (less than 10)

Overall, people on an average, are fairly okay with the expenses on their broadband connection (across provinces, genders and age groups)

### 6.5 Average connection expense in a month

On an average, DSL/Broadband users in Saudi spend around 270 Saudi Rials in a month. The spends are similar across age groups but there are differences across provinces. Spends are higher in Riyadh (SR 328) and Madinah (SR 294) while they are lower in Eastern province (SR 204) and Makkah (SR 240)

Exhibit 6.2 Proportion finding filtering a concern



Base : All users of Internet (418)

Note: \* Base too small to analyze

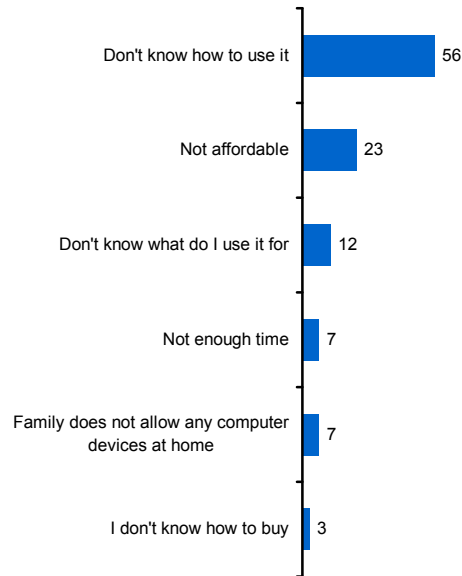
Baha, Arar, Nazran, Jizan, Jouf, Hail and Tabuk has not been included in the above chart due to the small base (less than 15)

## 7.0 Non-users Section

### 7.1 Reasons for not using computer / internet

"I don't know how to use it" is the reason given by a good majority of people for not using either a computing device or Internet. This barrier to usage is more so among the older people. About one-tenth of the non-users don't know what it is used for.

*Exhibit 7.1 Reasons for not using computers*

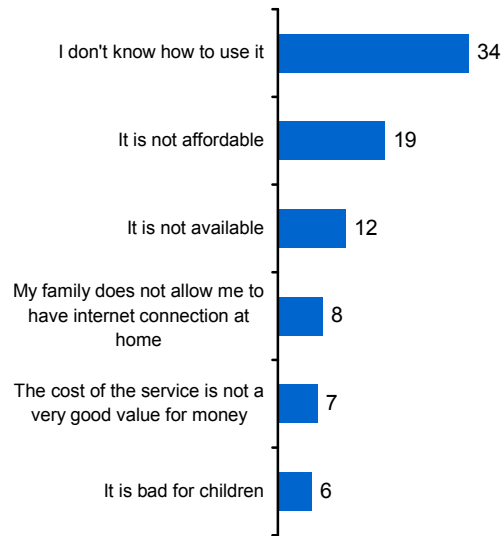


*Base : All non-users of Computers (394)*

Besides this, affordability also poses a barrier to about one-fifth of the non-users from becoming users.

Also noticeable is that a small set (about 10-15%) of women and youngsters (15-24 years old), are not allowed by their families to use a computing device or internet

Exhibit 7.2 Reasons for not using internet



Base : All non-users of Internet (216)

## 7.2 Intend to buy in next 12 months

Among non-users of computers, 23% intend to buy a computing device and 29% intend to use internet in next 12 months respectively. This willing proportion is mostly belonging to the younger group.

More than half of the people willing to buy a computing device in next 12 months feel that it has become a necessity now. And a good proportion (28%) also feels that their children will benefit by learning on the computer.

On the other hand, drivers to using internet are varied. For example, it is perceived to be a good source of information (34%), a source of news (23%), and can be used to converse with people and communicate with outside world (33%)

## 8.0 e-Commerce and e-Learning

### 8.1 Awareness of e-commerce

Less than half of the respondents (43%) claim that they have heard of e-commerce. More among the younger people are aware of e-commerce. Among provinces, more than half of the Tabuk residents (57%) claim that they are aware of the term e-commerce.

However, among these claimants, the understanding of the term is found to be quite varied with regards to mode of payment. 28% feel that e-commerce means 'display of items for sale on website that can be ordered and cash paid on delivery', while 26% know that the items displayed on e-commerce site can be bought online using a regular credit card. 21% even mention that in e-commerce, items are displayed for sale on website, which can be bought by personally visiting the shop. Another 16% think that the items can be seen online and an internet credit card has to be used for that.

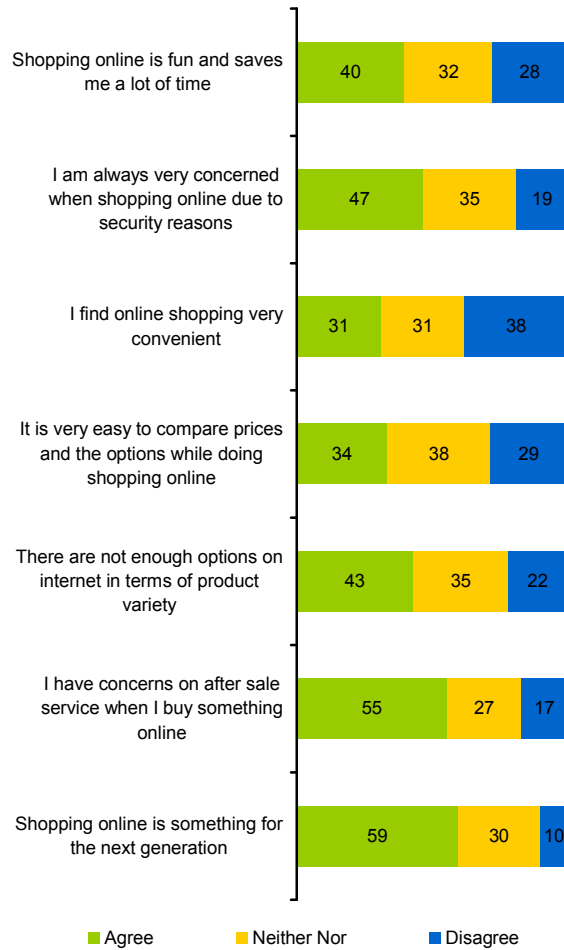
The proportion of people across the board claiming that they are aware of e-commerce concept increased to 56% when they were prompted with the definition of e-commerce, that is, 'E-commerce is a concept which helps you buying and selling of goods and services on the internet.

### **8.2 Usage of e-commerce**

83% respondents have never ever visited an e-commerce site. Even the 17% people who do visit e-commerce site, do not do so more than 3 out of the 10 times that they log on to internet. The behavior with regards to e-commerce usage in Saudi is uniform with respect to provinces, gender and age.

Only 6% people have ever bought or sold anything on the internet - mainly, airlines tickets and hotel bookings.

Exhibit 8.1 Opinion about e-Commerce



Base : All respondents (1543)

This not so favorable behavior towards the use of e-commerce in Saudi is either because people don't consider it safe to buy through internet (29%) or they don't need to buy through internet since everything they need is available otherwise (27%). About 15% of the people also overtly express dislike towards the idea of buying through internet. Others mention things like, difficulty in reaching these goods, buying through internet being very expensive, it being a complex method, lack of quality and no after sales service.

About two-third believe that 'shopping online is something for the next generation' and that there are concerns on after sale service when we buy something on internet

### 8.3 Awareness & usage of e-learning

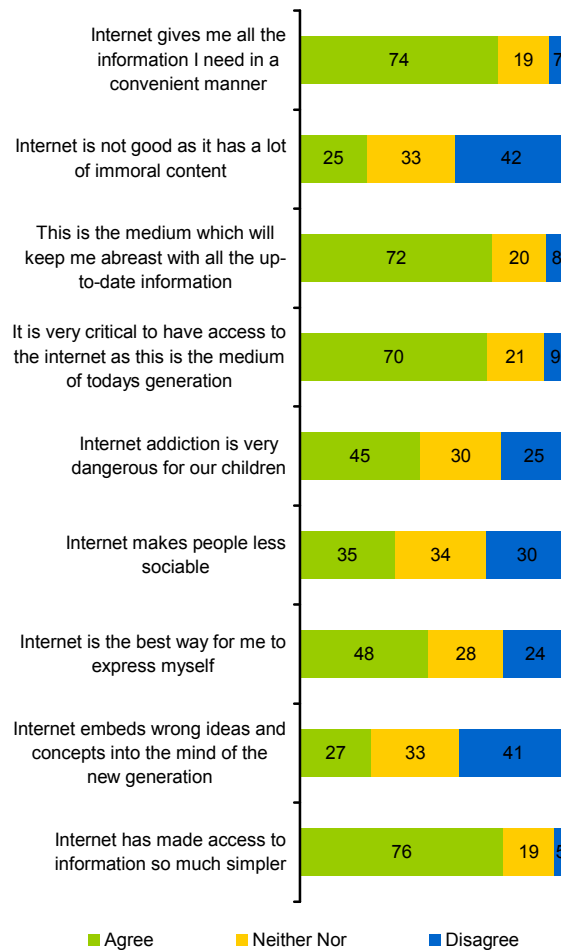
Unlike e-commerce, a good 49% of the respondents surveyed are aware of e-learning and are fairly confident about its concept. When the respondents were asked whether they are aware that 'E-learning' is a concept which helps people study on the internet, the proportion saying that they are aware remains pretty much the same, except the Tabuk, Makkah, Assir and Eastern province, where people are less aware of the concept. E-learning, however, actually is done by only 5% of the respondents, who mainly comprise of the younger people, the 15-24s.

E-learning is a very well accepted concept by most people across Saudi Arabia. A vast majority of people (more than 70%) believe that internet not only makes information access easier and convenient, it also is a medium to get the most up-to-date information. Furthermore, Internet is considered to be the "medium of today's generation".

However, there are a few people (about 44%) who feel that internet is dangerous for children and a very few (25%) also mention that fact that internet may provide access to immoral content.



Exhibit 8.2 Opinion about e-learning



Base : All respondents (1543)

These concerns about internet are more among the older people. The fear of exposure to immoral content is relatively much higher among the people residing in Tabuk.

## 9.0 Conclusions

The level of PC penetration in Saudi Arabia is good with about two-third of the population claiming to own a Desktop, a Laptop or a PDA. Desktop dominates the PC owners market with more than 90% owning a desktop. Laptops are owned by a little less than half of the PC owners. PDAs, however, have a long way to go – barely 1% own a PDA currently. The key reason among the remaining one-third population for not using a PC is ignorance regarding its use, more so among the relatively older people. However, it is seen that about one-fourth of these non-users intend to buy a PC within the next year.

This offers a great opportunity for the sellers of personal computing devices to educate the people regarding the uses and advantages of the devices.

Saudi predominantly is a single device market, with the majority owning one device, be it a desktop or a laptop. Given that the majority owner population comprises of desktop owners, most common place of use is at home with only one-third using at work. Besides, almost everybody in Saudi using a PC, does so at least once in a week. The objective is mainly to surf and communicate on the internet and doing educational or office related work. Youngsters are relatively more frequent users, and they are the ones who use internet more, mostly for browsing as well as for e-mailing, chatting, etc.

As far as the operating system is concerned, Windows XP dominates the market. The only exception is Assir where one-fifth of the users have still not moved to Windows XP.

Furthermore, findings indicate that, majority of the users have their operating system in Arabic.

On an average, a PC user in Saudi spends about SR184 in a month. 70% of the PC users use a computer without any IT related training. Among the remaining 30%, majority are trained in MS Office and others in Programming Languages, Accounting Packages, and Database Management. A very small proportion of users is also trained in Autocad and Networking.

About 54% people in Saudi have subscribed to an internet connection. There is variation across provinces with provinces like Eastern province and Makkah having close to two-third of the people with internet connection while in Najran and Jizan, not even one-third of the residents have subscribed to the internet as yet. Currently, the type of internet connection is almost equally split between Dial-up and broadband.

The main reason for not having internet connection among the remaining half of the population is "ignorance". Two-third of these people still wish to subscribe to internet within the next year.

Majority of the users do browsing and chatting or e-mailing on the net. Other than this, youngster are more interested in participating in forums and blogs, while the older respondents carry out banking activities and derive information on health services, etc.

Google is the universal favorite of Saudi browsers with regard to search engines. Other than this, a small segment, majority coming from the older respondents, uses Yahoo as well. About one-third of the user population does not have an e-mail id. Among those who have, majority have it in Hotmail, and the remaining in Yahoo. Internet Explorer is used by nine out of every ten users as their web browser and Arabic is the preferred language of sites browsed – not even one-fifth visit purely English sites.

Broadband owners are generally found to be slightly more satisfied with their ISP connection as compared to the Dial up connection owners. Dial up users not only find it relatively slow, but also slightly more expensive.

A good number of people (40%) in Saudi are concerned about information filtering while surfing the net, more so among youngsters. They feel that this way they miss out on some crucial information and they should get full freedom to surf. Besides this, another issue that almost one third of the internet users in Saudi face is SPAM mails. In fact, the majority of the 15 to 24 years old have more than 10% mails in their in-box as SPAM mails.

E-commerce, as a concept, is not very clear in the minds of respondents, though close to half of them claim to be aware of it. Due to this, and perhaps because they think it is a thing for the next generation, not even one-fifth of the people have ever tried visiting and using any e-commerce. The present users, majority of who have never bought anything online, consider it unsafe to buy on the internet and also do not feel the need to do so. Besides, majority also think there might be concerns regarding the after sales service if they buy goods online.

Unlike e-commerce, awareness about it is better. There are close to half of the people who are aware of it. However, only 6% have ever done e-learning, that is, they have actually ever studied over the internet.

The views on e-learning are much more positive. Majority of people feel that internet not only makes information access easier and convenient, it also is a medium to get the most up-to-date information. Furthermore, they consider internet as the "medium of today's generation".

## 10.0 Summary - Key figures

### Related to Computers

	Saudi Arabia	
Ownership of a computer in the household	43%	
Type of PC ( <i>among PC owners</i> )	Desktop	88%
	Laptop	46%
	PDA	1%
Operating system usage ( <i>among PC owners</i> )	Windows XP Home	64%
	Windows XP Professional	23%
	Windows 2000	11%
	Windows Vista	3%
	Windows ME	2%
	Macintosh	1%
Language of the operating system ( <i>among PC owners</i> )	Arabic	70%
	English	12%
	Both	18%
IT Related Trainings for Individuals ( <i>among PC owners</i> )	MS Office	15%
	Programming languages	7%
	Accounting packages	7%
	Database management	7%
	Web designing	5%
	No training	70%
Location of computer usage ( <i>among computer owners</i> )	At home	91%
	At work	34%
	Internet café	15%
	Friend/relative home	6%
	Place of education	5%
Reasons for not using computers ( <i>among non users of computers</i> )	Don't know how to use it	56%
	Not affordable	23%
	Don't know what to use it for	12%

## Related to Internet

		Saudi Arabia
Proportion of individuals who used the internet		30.5%
Type of internet connection (out of total population)	Broadband	15%
	Cable modem	0.3%
	ISDN	0.03%
	Dial-up	14%
% female internet users		41%
Frequency of internet usage ( <i>among internet users</i> )	At least once a day	60%
	At least once a week but not every day	35%
	At least once a month but not every week	4%
	Less than once a month	1%
Web browser usage ( <i>among internet users</i> )	Internet Explorer	90%
	Netscape	5%
	Opera	5%
Visiting Arabic web sites ( <i>among internet users</i> )	10% - 25% Arabic	5%
	26% - 50% Arabic	7%
	51% - 75% Arabic	15%
	76% - 100% Arabic	54%
	All English	19%
Satisfaction with Internet Services ( <i>among internet users</i> )	Satisfied	66%
	Dissatisfied	11%
Perception on Internet cost	Expensive	26%
	Affordable	30%
Concerns on internet filtering ( <i>among internet users</i> )		40%
Receiving spam emails ( <i>among internet users</i> )		32%
Reasons for not using internet ( <i>based on non users of internet</i> )	Don't know how to use it	34%
	Not affordable	19%
	Not available	12%
E-Commerce	Awareness	43%
	Ever bought or sold products online	6%
E-learning	Awareness	49%
	Used e-learning ( <i>among those aware of e-learning</i> )	5%

## Indicators

Indicator	Definition
Type of Internet connection	Internet connection types currently used ((Dial-Up, DSL, Wireless, Satellite)
Type of PC	Desktop, portable or handheld computer (e.g. a personal digital assistant)
Ownership of a Computer	Ownership of a Computer Device (desktop, portable or handheld computer (e.g. a personal digital assistant)
Operating system usage	An operating system (OS) is a set of computer programs that manage the hardware and software resources of a computer. An operating system rationally processes electronic devices in response to approved commands i.e. Windows95, Windows NT, Mac OS etc.
Language of the operating system	Operating system of the computer can be available in different languages relevant to users (Arabic, English etc.)
IT Related Trainings	Trainings taken by the respondents within past 6 months (MS office, programming languages, networking, accounting packages, web designing, AutoCAD, database management etc.)
PC penetration	Proportion of people who have personal computer (Desktop computer / Laptop computer / PDA (portable / handheld computer)
Proportion of households with a computer	Proportion of households who have personal computer (Desktop computer / Laptop computer / PDA (portable / handheld computer)
Subscription to the Internet	Households who subscribe to the internet via (Dial-up (prepaid), DSL / Broad Band, Satellite, Wireless, 3G, GPRS, ISDN, Cable modem
Internet penetration by size class	Internet penetration by SEC
Proportion of individuals who used the Internet	Personal internet usage penetration
Proportion of households with Internet access at home	Whether or not the household is subscribed to the Internet regardless of use (The Internet is a world-wide public computer network. It provides access to a number of communication services including the World Wide Web and carries email, news, entertainment and data files. Access is not assumed to be only via a computer - it may also be by mobile phone, games machine, digital TV etc.)
Household members using Computers	Number of household members using a computer (A computer includes: a desktop, portable or handheld computer (e.g. a personal digital assistant). It does not include equipment with some embedded computing abilities: such as mobile phones or TV sets)
Household members using Internet	Number of household members using the Internet (The Internet is a world-wide public computer network. It provides access to a number of communication services including the World Wide Web and carries email, news, entertainment and data files. Individuals may have accessed the Internet by any means including a computer, mobile phone, games machine, digital TV etc.)
% female Internet users	Proportion of female who use internet

Frequency of internet usage	How many times does the Respondent use the Internet (Frequency of use can be: at least once a day, at least once a week but not every day, at least once a month but not every week, or less than once a month.)
Location of computer usage	Where do people use internet (home, work, place of education, libraries, Internet cafés, shopping malls)
Percentage of the population with access to a PIAC	Where do people use computer (home, work, place of education, libraries, Internet cafés, shopping malls)
Number of (Arabic Search Engines, including those in other countries; number of translation engines, etc.)	Proportion of search engines provide Arabic service
Downloading Habits	Preferred ways of downloading files from internet (Specialized websites (audio media, movies, games, etc), Peer to Peer Software etc.)
Most used internet sites for different occasions	The names of the most used Search Engine, Personal e-mail site, Forum Site, Entertainment Site.
Web browser usage	Web browser is a software application that enables a user to display and interact with text, images, and other information typically located on a Web page at a website on the World Wide Web or a local area network (Windows Explorer, Netscape, Opera etc.).
Visiting Arabic web sites	Percentage the of the Arabic web sites users visit among all the web sites they visit
Concerns on internet filtering	How big of a concern users feel the filtering of the information that can be searched via internet causes (Of very little concern, somewhat of a concern, A major concern)
Receiving SPAM emails	The percentage of SPAM e-mails among all mails received on a day

## Diagnostics Information

Indicator	Definition
Reasons of internet usage	Reasons for Respondents personal use of the Internet (Internet activities are: use of the Internet for getting information (several response categories per the model question below), for communicating, for purchasing or ordering goods or services, for Internet banking, for education or learning activities, for dealing with government organizations and for leisure activities. Note that these activities are restricted to private purposes)
Reason of Household Internet Usage	Reasons of household members using internet (getting Information, entertainment, communication, business, downloading, dealing with government organizations/public authorities, education or learning activities)
Reasons for not using, Intent to use in the next 12 months	Reactions internet usage, whether people tend to subscribe internet within the next 12 months
Attitude towards e – commerce	Evaluation of the attributes on e-commerce: <ul style="list-style-type: none"> <li>– Shopping online saves me a lot of time</li> <li>– I am always very concerned when shopping online due to security reasons</li> <li>– I find online shopping very convenient</li> <li>– It is very easy to compare prices and the options while doing shopping online</li> <li>– There are not enough options on internet in terms of product variety</li> <li>– I have concerns on after sale service when I buy something online</li> <li>– Shopping online is something for the next generation</li> </ul>
e-education	Providing and receiving e-education
Non users perception of the internet	Non users' reactions to internet
Investments in training	IT related trainings provided: <ul style="list-style-type: none"> <li>– MS Office</li> <li>– Programming languages</li> <li>– Networking</li> <li>– Accounting packages</li> <li>– Web designing</li> <li>– Autocad</li> <li>– Database management</li> </ul>