Everybody knows the Net bubble is over, but how are the Net startups doing? Fujitsu Research Institute and METI (the Ministry of Economy, Trade, and Industry) teamed up with the Bit Valley Association and the Tokyo metropolitan government in March to survey the 1,641 Internet companies said to exist at that time in Tokyo. Of 538 companies who responded to the survey, the average company size was 33.4 full-time staff members, with an average age of under 34. About 70 percent of the respondents said their sales had increased from the previous year, while half said their sales profit had picked up, and one out of five companies claimed a loss. The companies want to shift their fundraising approaches from self-funding to investment from other companies and VCs, bank loans, and IPOs. Almost 40 percent of them say they’re interested in going public.

Access Media International surveyed where Internet users are growing in the world. The number of users in Europe is predicted to surpass those in the States at the end of 2001 and continue to lead the Net population. The survey forecasts rapid growth among Netizens in the Asia Pacific area (excluding Japan), with the region closing in on the States in two years’ time. The survey was conducted at the end of 2000; the number of respondents was not disclosed.
INTERNET USERS’ GROWTH IN JAPAN

Internet users — in all categories of devices and locations — are on the rise in Japan. Access Media International Inc. released the results of a survey in June conducted among 39,428 households nationwide. From the looks of things, it seems the Internet is finally creeping into all aspects of life here.

WHAT DEVICES DO YOU USE TO ACCESS THE NET?

From work or school & cellphone or PHS 4.0%  
From work or school 3.4%  
Home PC & from work or school & cellphone or PHS 5.7%  
Home PC & from work or school 6.4%  
Home PC only 8.3%  
Cellphone or PHS 11.6%  
TV game or others & home PC 1.0%  
TV game or others only 0.1%  

Don’t use Internet 53.5%

WHAT PEOPLE EXPECT FROM BROADBAND

Broadband has finally taken off in Japan: DSL subscribers leaped from 16,194 in January to 178,737 in May. Cable usage is on the rise, and fiber is finally reaching the home. In March, Nomura Research Institute surveyed what kind of contents people expect from broadband. Motion pictures and music ranked at the top, followed by TV phone (Net-enabled phone service with moving images). The average price folks are willing to pay is ¥3,700, including ISP charges.

WHICH BROADBAND CONTENT ARE YOU MOST INTERESTED IN?

Motion pictures 19.1%  
Music 14.0%  
TV phone 9.1%  
Shopping 8.0%  
Network games 4.6%  
Others 1.5%  
No interest in these contents 5.6%  

Don’t want to use broadband 27.2%  
Don’t understand 7.4%  

HOW MUCH WILL YOU PAY?

Less than ¥2,000 21.2%  
¥2,000–¥3,000 20.0%  
¥3,000–¥4,000 12.1%  
¥4,000–¥5,000 28.9%  
More than ¥6,000 7.7%  
¥5,000–¥6,000 8.7%  
No answer 1.4%

Compiled by Chiaki Kitada (chiaki@japaninc.net)

Note: All statistics apply to Japan unless otherwise noted.

Source: Access Media International, 2001

Source: Nomura Research Institute (www.nri.co.jp)
It is said the hand that rocks the cradle also helps boost the digital revolution (or something like that). In any event, mothers certainly affect their children’s early development, and perhaps more so in Japan, where the kyōiku mama (education mom) is a well-known archetype. INFO PLANT and japan.internet.com surveyed 300 active Net-using moms in March. Half are interested in purchasing a PC or other Net device for their children. About 60 percent acknowledge that the Net has a “positive influence” on their children’s growth. Conversely, only 20 percent use online education sites or education-based CD-ROMs, although half would like to try such services. High dial-up fees seem to be a stumbling block hindering adoption of online education services.

**WILL YOU PURCHASE A NET-CONNECTED DEVICE FOR YOUR CHILDREN, IF ASKED?**

- Will consider PC: 36%
- Will consider either PC or non-PC: 14%
- Others: 13%
- Will not consider: 37%

**DO YOUR CHILDREN USE ONLINE EDUCATION SITES OR CD-ROMS? IF NOT, ARE YOU INTERESTED IN USING THESE?**

- Interested, if no telecommunication fee: 28%
- Not so interested: 23%
- Very interested: 19%
- Not interested: 9%
- Already using CD-ROM: 14%
- Already using online education site: 3%
- Already using both: 4%
- Not interested: 9%

**HOW MUCH WILL YOU SPEND FOR YOUR CHILDREN’S MONTHLY NET FEE?**

- Less than ¥3,000: 75%
- ¥3,000–¥5,000: 21%
- ¥5,000–¥10,000: 4%