

## Broadband In the Local Loop '00

***New Research Report Says North American Market for Broadband Services to reach \$30 Billion by 2005***

***Market for broadband-based services to experience five-year compound annual growth rate in excess of 55%, driven by Internet Access and Packet Voice Services***

Contact Will Strauss: 480-968-3759

**May 17, 2000, Tempe, AZ:** Forward Concepts today announced availability of the company's newest market research report, "Broadband in the Local Loop'00," subtitled "Applications Driving the North American Business." The report details the key applications driving the demand for high speed Internet access in the consumer, small office-home office (SOHO), and enterprise markets in North America.

The report concludes that, despite the technical, regulatory, and customer uncertainties, the cable modem and DSL communities will continue to roll out services and that customers of all types are increasingly aware of the availability of broadband local access and are willing to pay more for these always-on services. The study forecasts that the installed base of broadband-enabled consumers will reach 35 million by 2005, as availability soars and prices for basic access fall. Cable modems are projected to garner nearly 60% of the consumer subscriber market, while DSL will dominate the SOHO and enterprise segments. The report also concludes that penetration into the seven million companies with fewer than 20 employees could reach 40-50%, and into the one million companies with 20-100 employees could reach 75%.

The report's author, Andrew W. Davis, stated that "Internet access will remain an overriding concern, but vendors and service providers must look beyond raw bandwidth and pipelines to view DSL and cable modems as enabling technology for enhanced services. These services-- including packet voice, e-commerce, distributed education and training, entertainment, virtual private networks for remote LAN access, PBX extensions, gaming, and videoconferencing--will provide the real revenue opportunities and drive customer retention." The study details how the value-added services will play an increasingly important role for all the broadband service providers (and their customers) and will begin to blur the distinctions between a network service provider, an Internet service provider (ISP), and an application service provider (ASP).

The study concludes that the two largest consumer applications for broadband services are Internet access and education/training, which are forecast to grow over the five year forecast time frame to \$6.2 billion and \$2.1 billion respectively. The major SOHO applications will be Internet access and packet voice, with expected market sizes of \$4.6 billion and \$1.3 billion respectively. In the enterprise market, the two largest applications are forecast to be virtual private networks (VPNs) and general Internet access at \$5.1 billion and \$1.7 billion respectively. The overall compound growth rate for packet voice services is expected to top 250%.





The 163-page report, with over 70 figures and 20 tables, includes a detailed five-year forecast for market size by major applications for consumer, SOHO, and enterprise markets. "Broadband in the Local Loop'00 "is priced at \$2,500.00 in North America.

Further details on Forward Concepts and the market study are available at <http://www.forwardconcepts.com>

**Contact:**

Will Strauss

*President & Principal Analyst*  
Forward Concepts, Tempe AZ  
wis@fwdconcepts.com  
(480) 968-3759

