

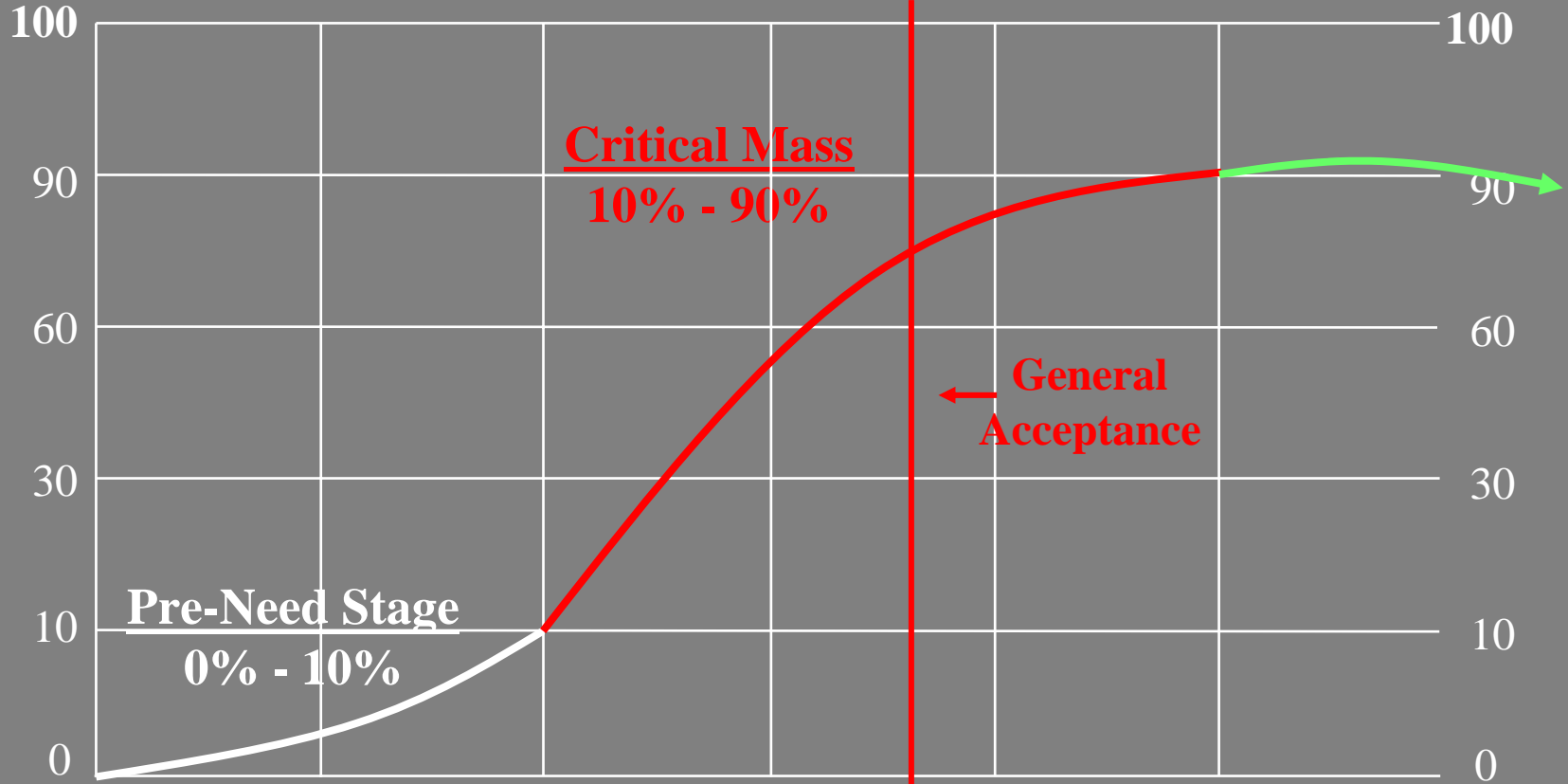
S Curve

Economics

S-Curve Economics

Market Share

(%)



Stage

Inception

Explosive Growth

Maturity

Decline

Users

Innovators

Early Adopters

Middle Majority

Laggard

Power Curve Dynamics

❑ Convergence of multiple technologies

- Public usage of the internet
- Usage of personal computer
- First PC available in 1982
- E-commerce\E-tailing, B2C\B2B

❑ Social and Demographic trends

- Influx of the “Baby Boomers” born 1945-1963
- 4x more people in the U.S. in this age group as compared to anytime in the U.S.
 - 3x as many born in the U.S.
 - 1x due to immigration

❑ High spend years for Baby Boomers (39-46.5 years old)

- 1961 was the peak years for births
- 2000-2007 peak spending years

❑ E-commerce to hit critical mass by 2003 --- peak by 2010

S-Curve Economics

Market Share (%)

100

100

Pre-Need Stage

0% - 10%

90

90

Critical Mass

10% - 90%

60

60

30

30

10

10

0

0

1875

1900

1925

1950

1975

2000

2025

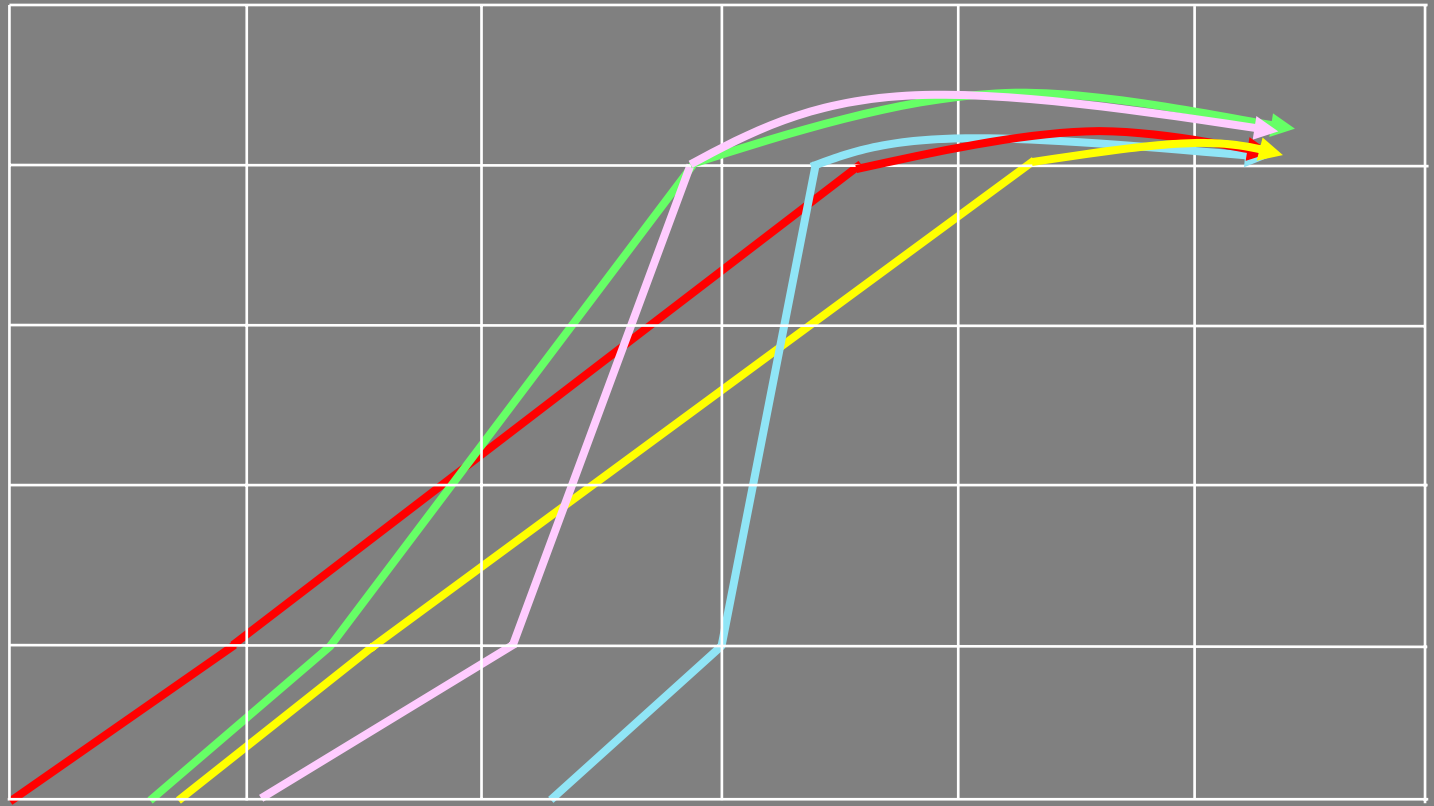
Telephone — Reached 10% market penetration in 1896 and took 70 yrs to get to 90%

Automobile — Reached 10% market penetration in 1911 and took 70 yrs to get to 90%

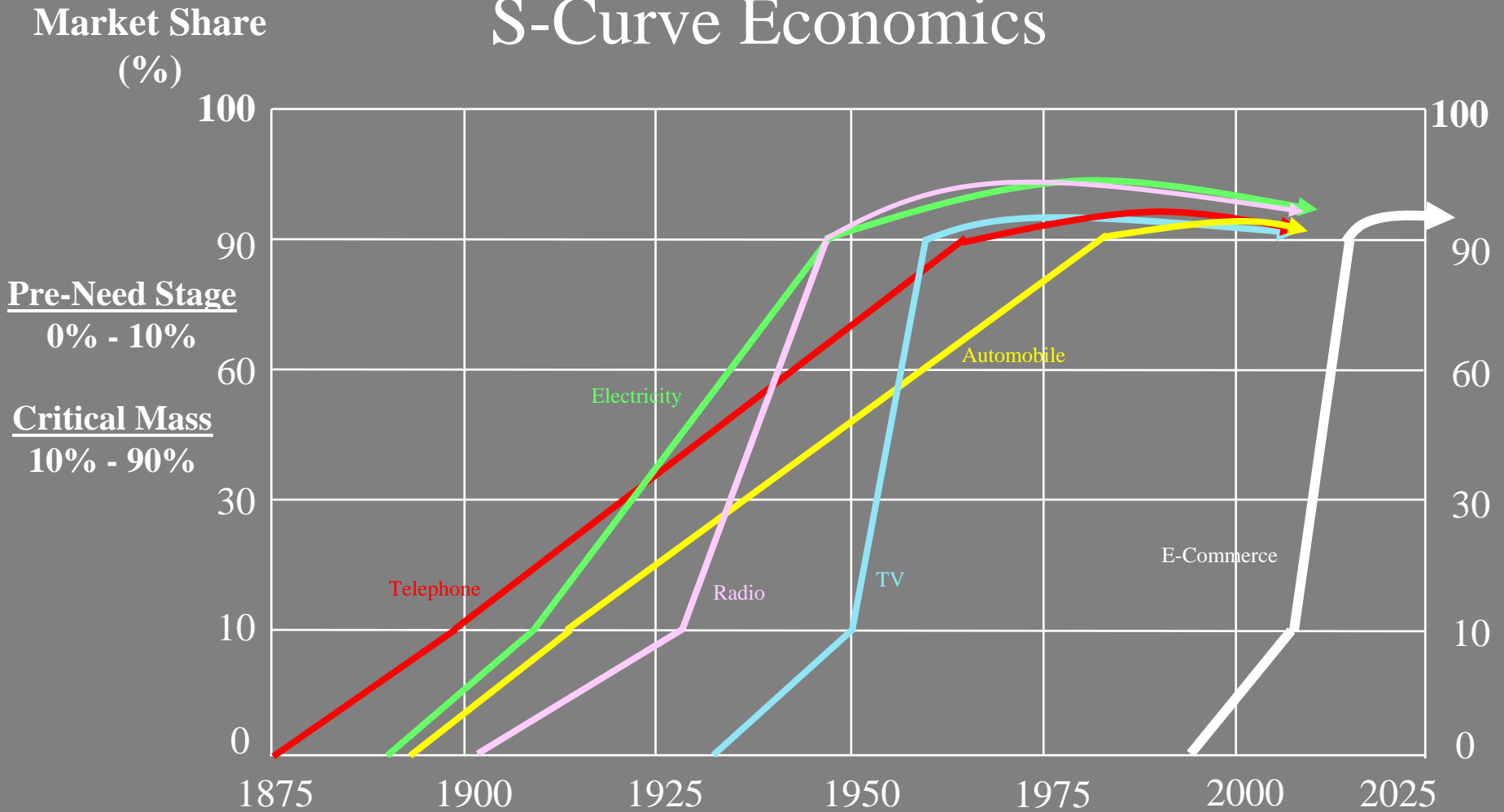
Electricity — Reached 10% market penetration in 1906 and took 42 yrs to get to 90%

Radio — Reached 10% market penetration in 1928 and took 20 yrs to get to 90%

Television — Reached 10% market penetration in 1950 and took 10 yrs to get to 90%



S-Curve Economics



E-Commerce – Estimated to reach 10% market penetration by 2005-2007 and will top 90% in 7-8 yrs. The estimated income by those involved will increase 36 fold.