

TV & MEDIA 2014 CONSUMER INSIGHTS



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KEY FINDINGS



Streaming habits are closing in on linear TV

DVRs are disassembling linear TV channels

S-VOD services accelerates binge viewing

Increased willingness to pay for anywhere access

Consumers want 4K

Time to change the structure of TV services

ERICSSON CONSUMERLAB ANNUAL RESEARCH



REPRESENTING
1.1 BILLION
PEOPLE



100,000
RESPONDENTS



MORE THAN
40
COUNTRIES



15
MEGACITIES
STUDIED

REPRESENTING >620 MILLION CONSUMERS



○ Qual: 22 in-depth interviews (San Francisco, London & Stockholm)

● Quant: 23 000 online interviews (1000/country) + booster for age 60-69

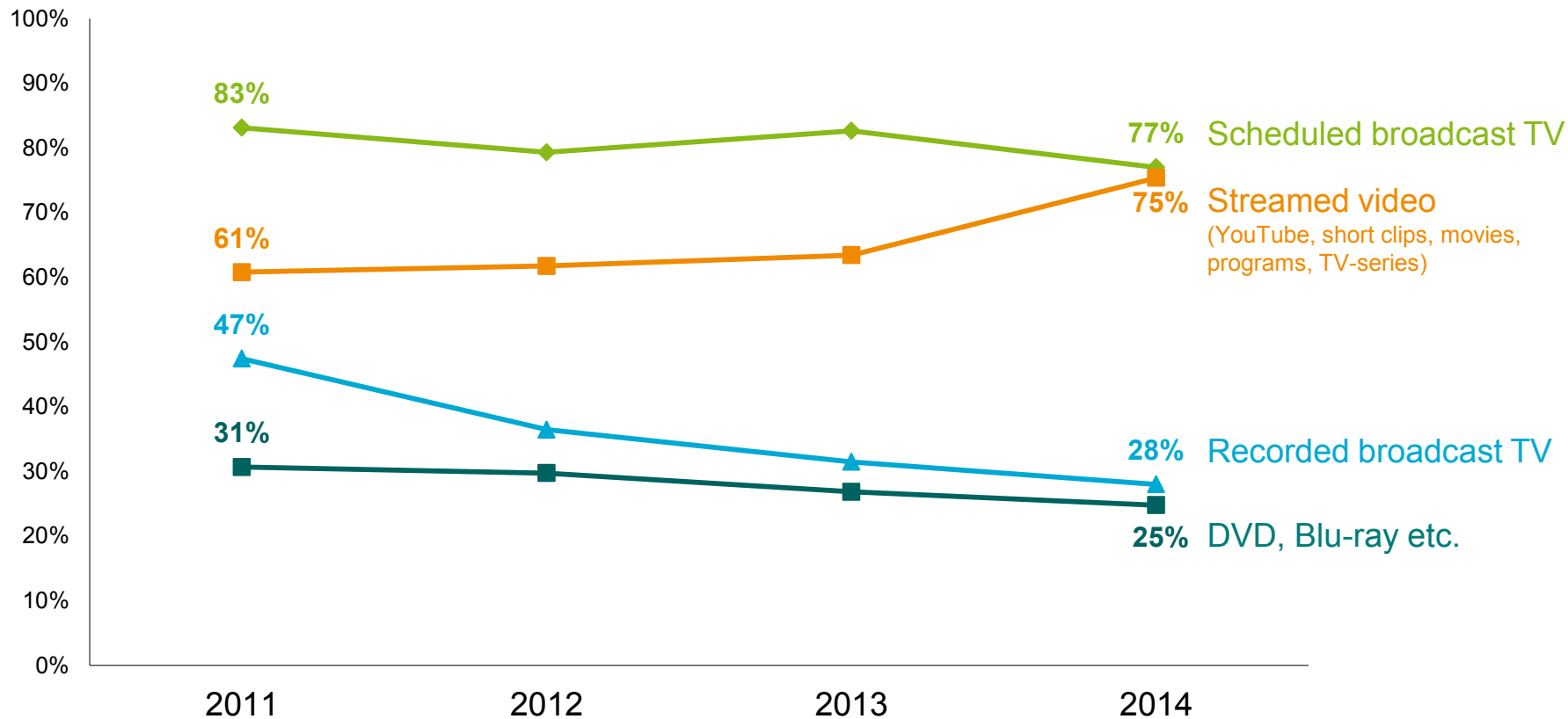
All 23 Markets (Base 23 Markets): Brazil, Canada, Chile, China, France, Germany, Greece, Indonesia, Ireland, Italy, Malaysia, Mexico, Portugal, Russia, Singapore, Spain, South Korea, Sweden, Taiwan, Turkey, UAE, UK, US

CHANGES IN VIEWING



On demand content make up for an increasing part of consumers viewing habits, especially streaming

Consumer TV/Video consumption on a more than weekly basis



MANAGED TV & THE DVR



[DVRs are disassembling linear TV channels]

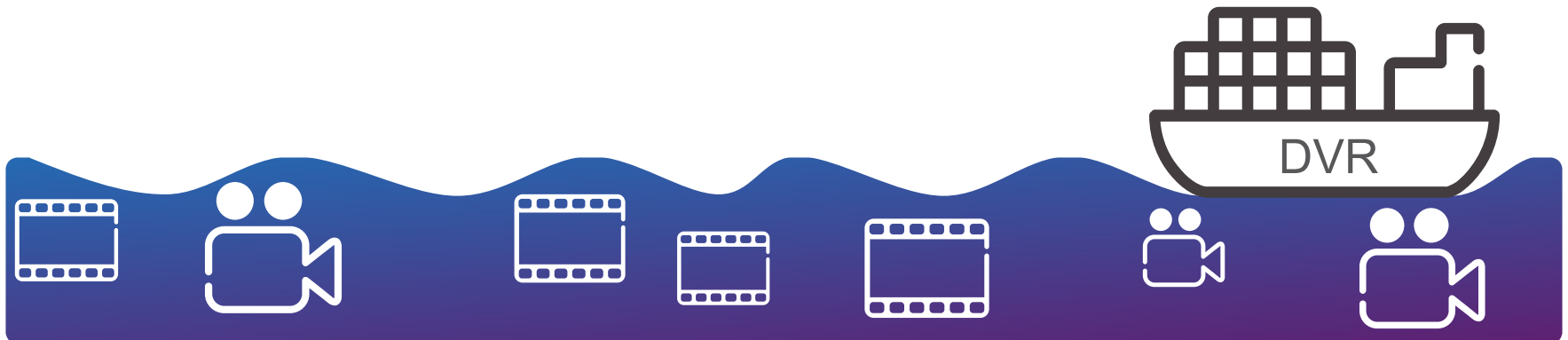


I'm missing sports. I'm missing some cooking channels and things like this..."

Harrison, 31, US (Cord cutter)

Reasons to keep the TV package

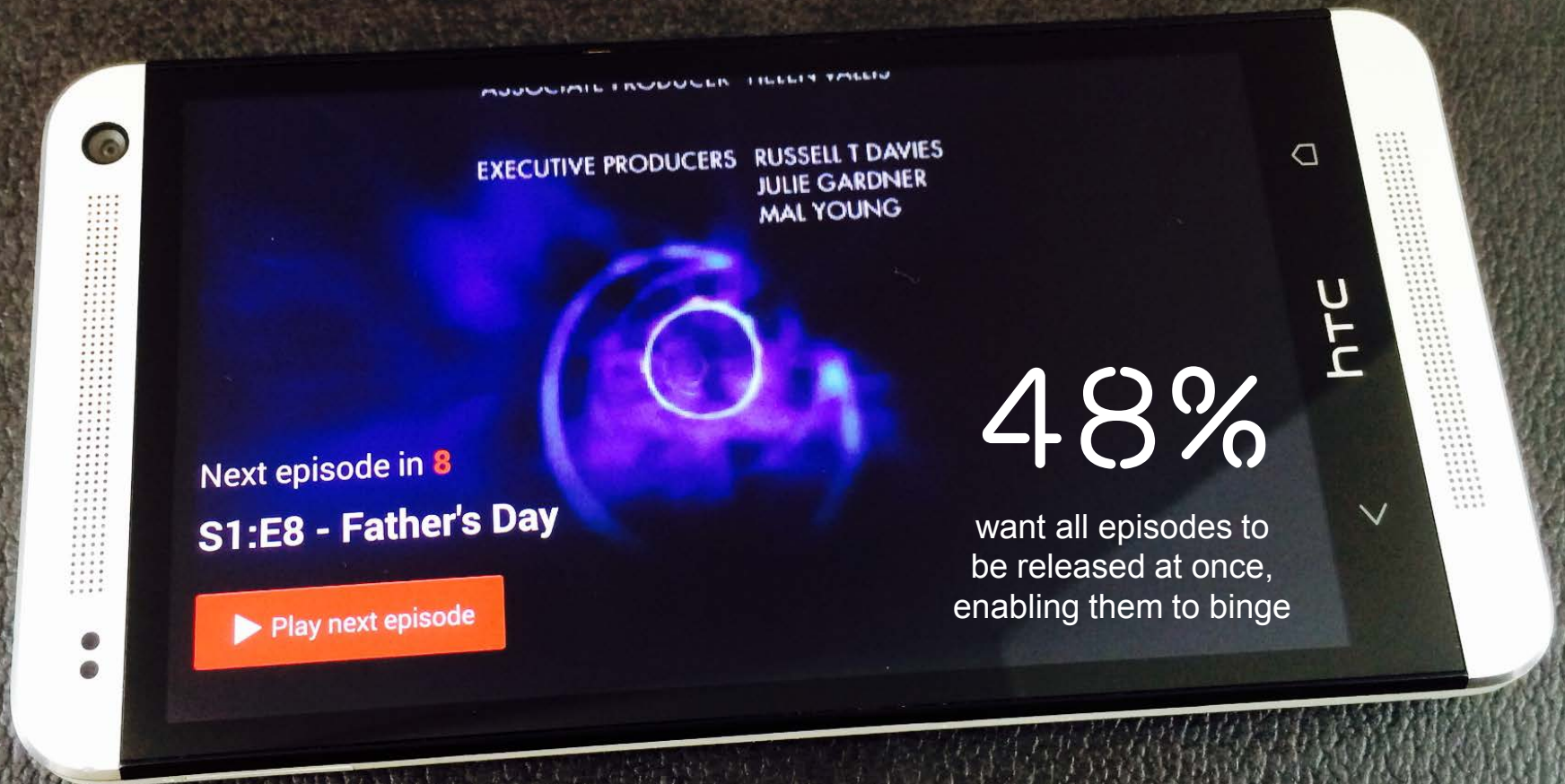
- › Live TV (e.g. sports, news)
- › Access to the latest episodes
- › Reliable content resource for the DVR



BINGE VIEWING



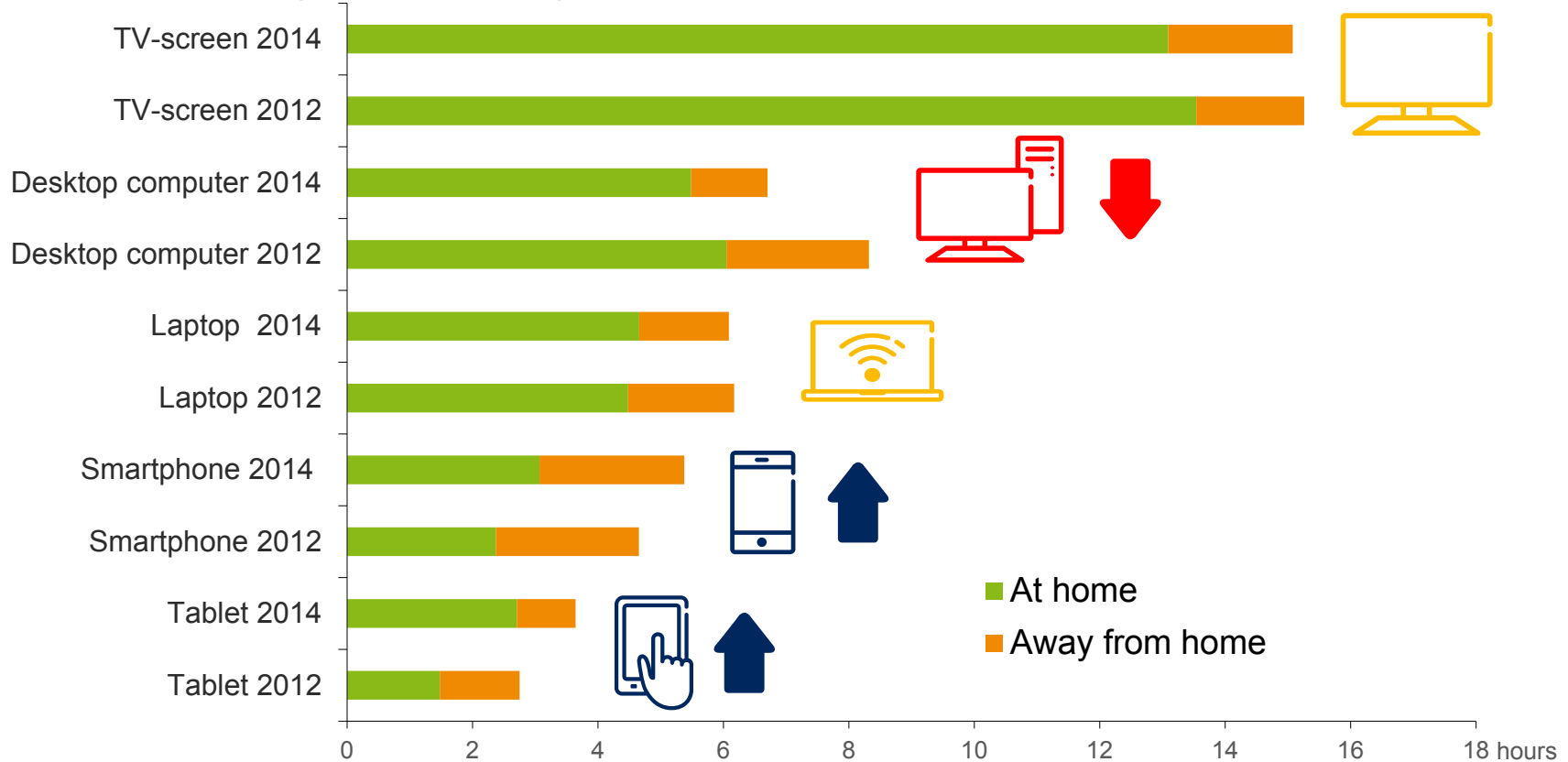
- › Physical media triggered bingeing, but S-VOD removed the cost barriers
- › 56% of S-VOD users want all episodes to be released at once, compared to 45% percent of non S-VOD users



DEVICE VIEWING



Average hours watching video on each device per week



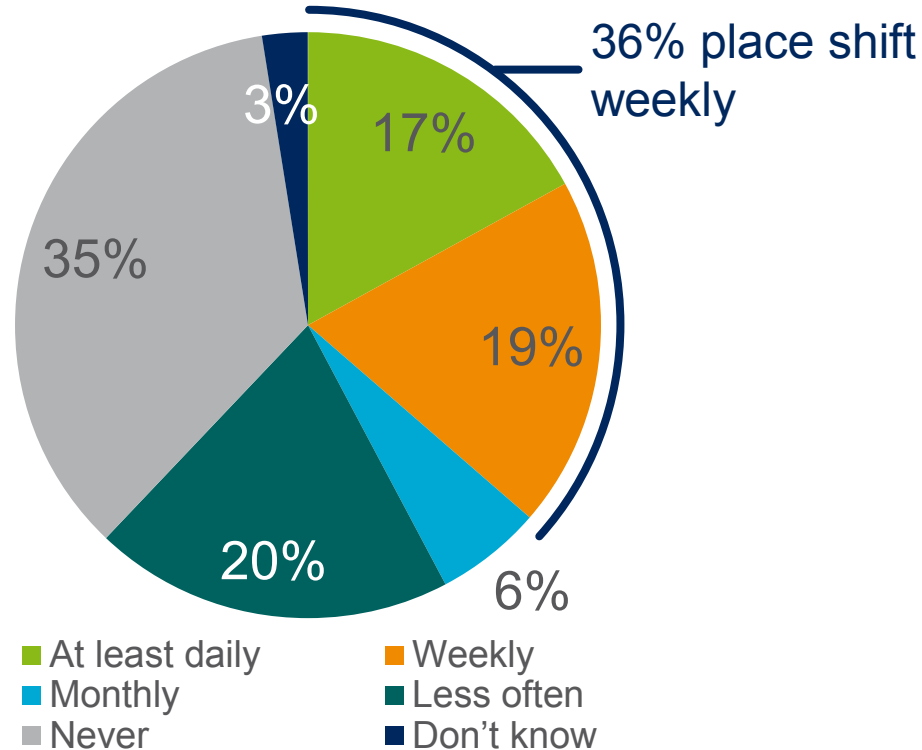
25% increase in willingness to pay for anywhere access compared to 2012

PLACE SHIFTING

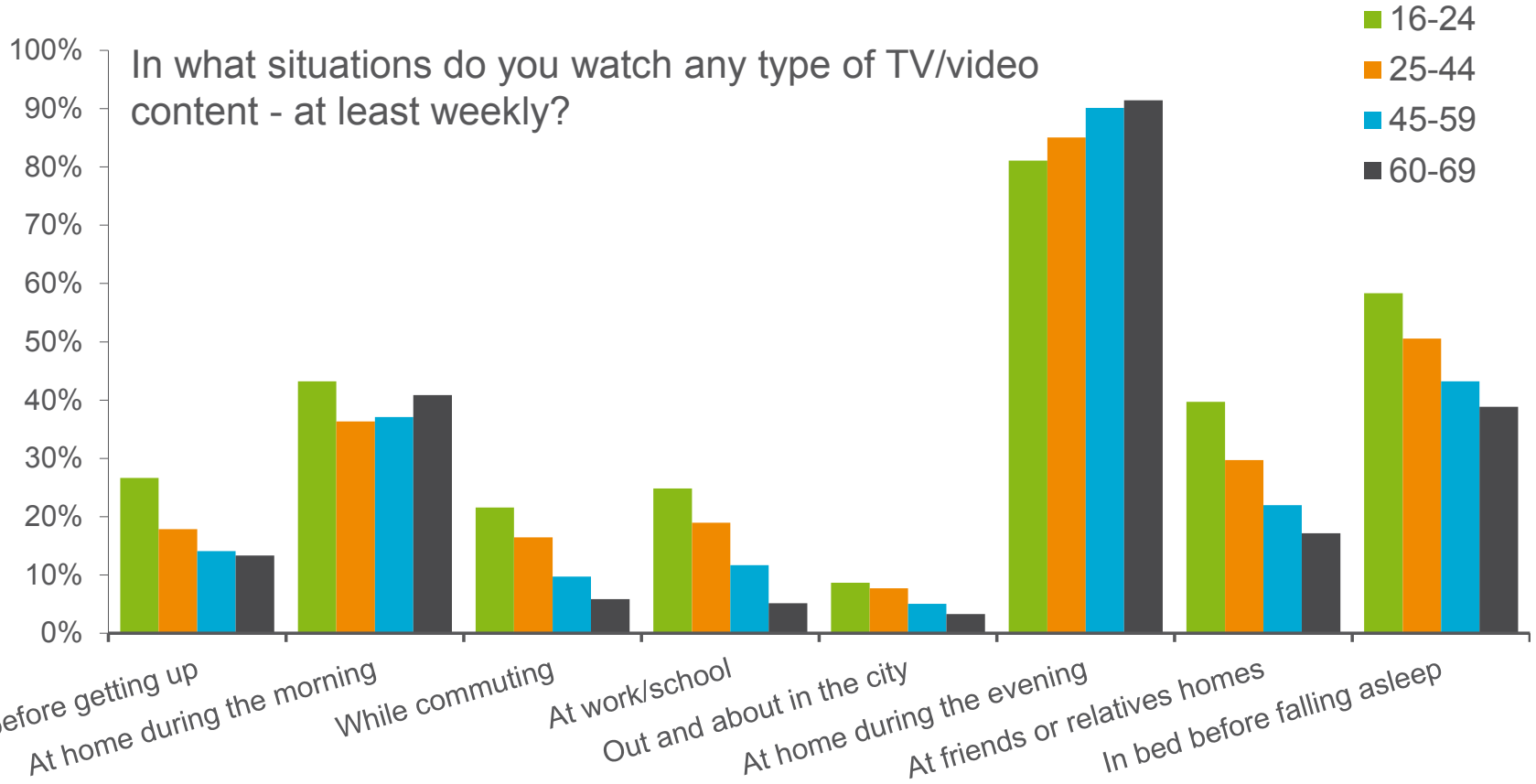


Easy to use streaming S-VOD services encourage place-shifting

Place shifting habits



VIEWING SITUATIONS



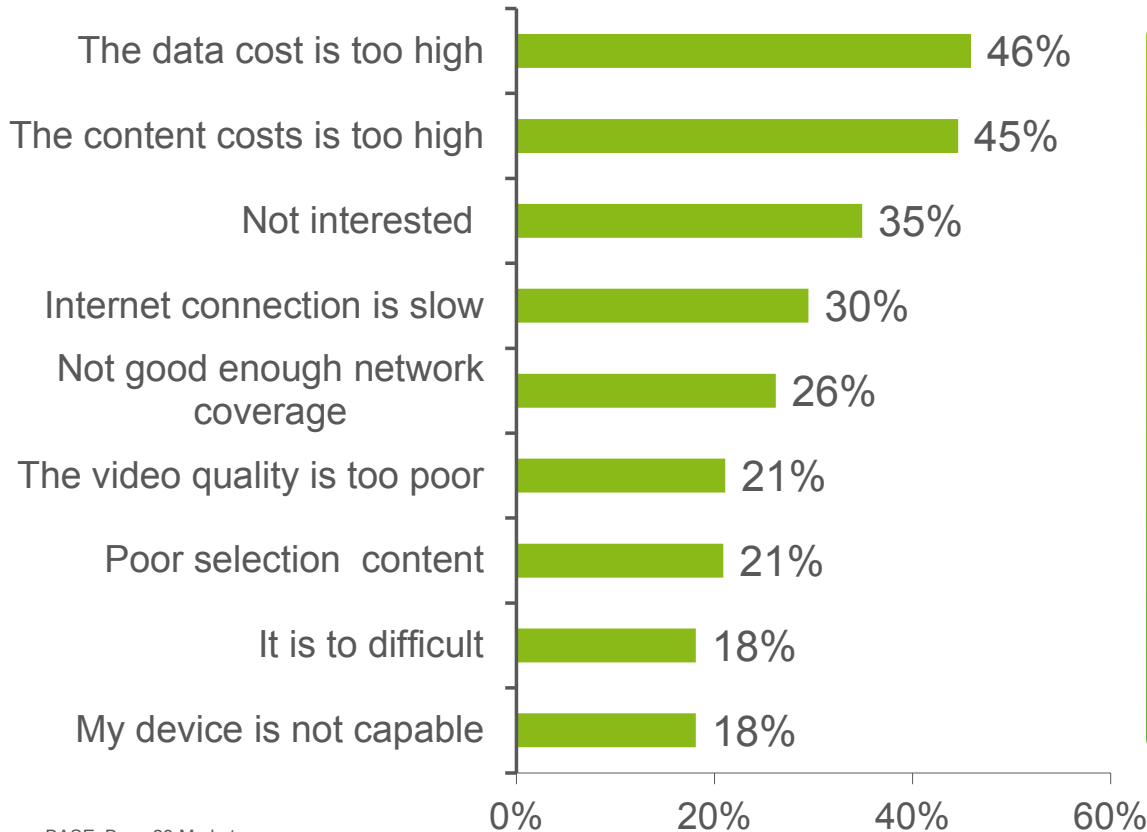
Younger TV viewers have more flexible viewing habits. They watch more in non-traditional TV viewing situations than older viewers

MOBILE BARRIERS



41% are very interested in getting access to all their TV/video content anywhere, but...

Factors limit out of home mobile video viewing
(Showing top 2 alternatives on a 7-graded scale)



Other barriers

- › Few suitable situation
- › Poor battery capacity

Coping strategies

- › Services with offline modes
- › Download content
- › Watch shorter content
- › Only view specific content
- › Take another route to work
- › **Do something else...**

VIDEO QUALITY

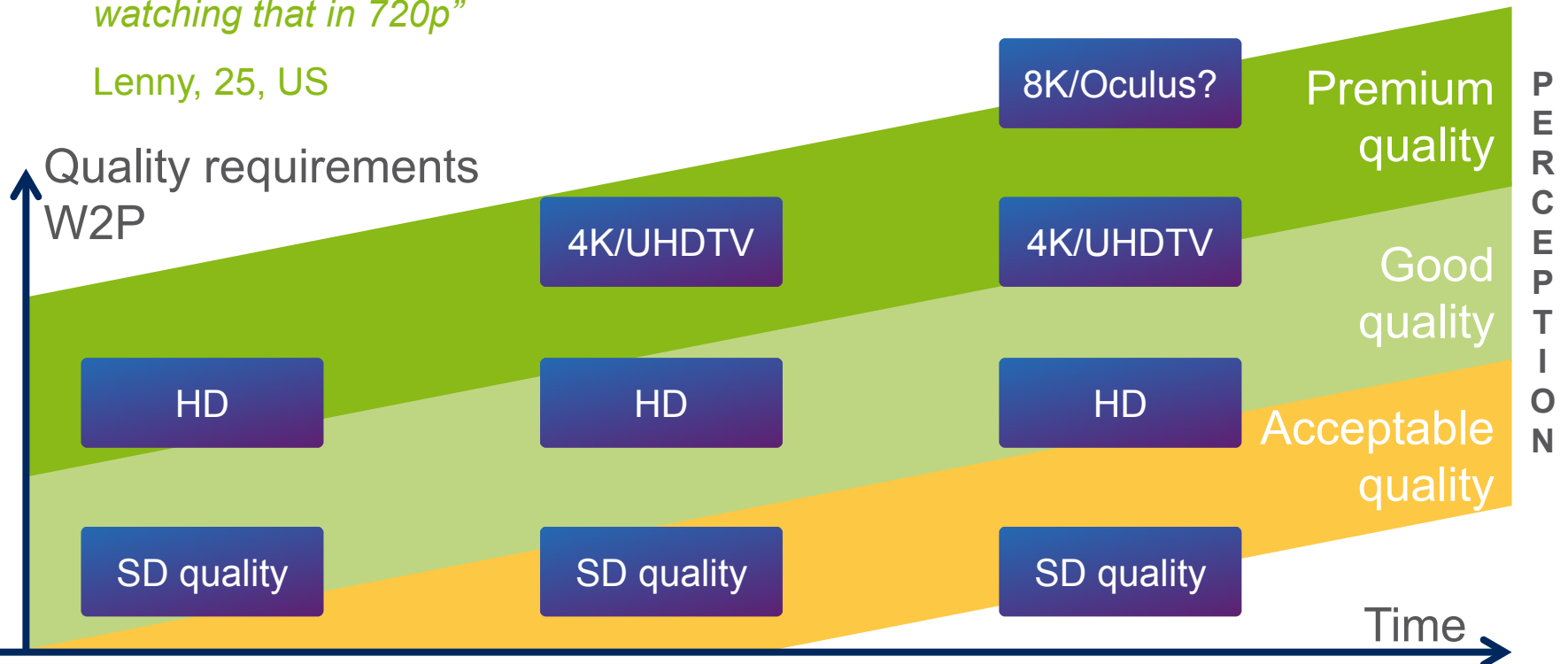


4K/Ultra High Definition (UHD) is already important to 43 percent



To be honest, SD is fine with just normal TV But when it comes to my sports events, I like watching that in 720p”

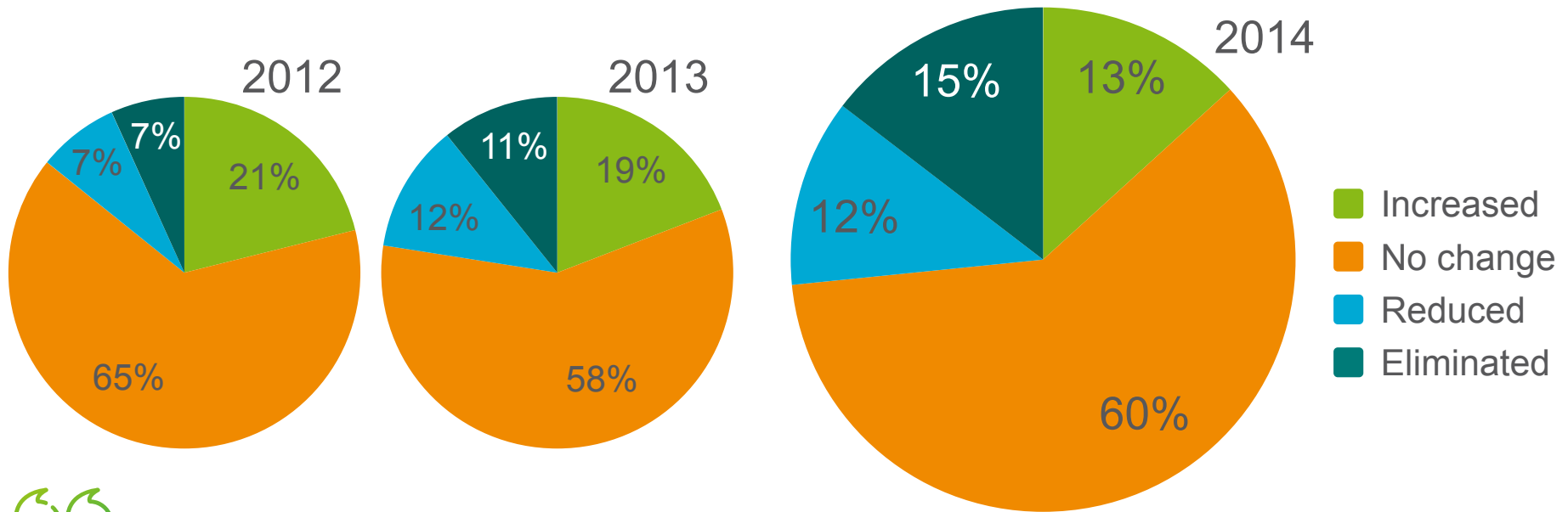
Lenny, 25, US



TV CORD CUTTING



Existing restrictions for the managed services impact the perceived value, and trigger cord cutting and shaving



We're spending so much money on just Comcast channels, and most of them you don't watch. Should we get a Roku?... If [my husband] wasn't so obsessed with golf, it would be a no-brainer... We literally pay \$200 a month for golf"

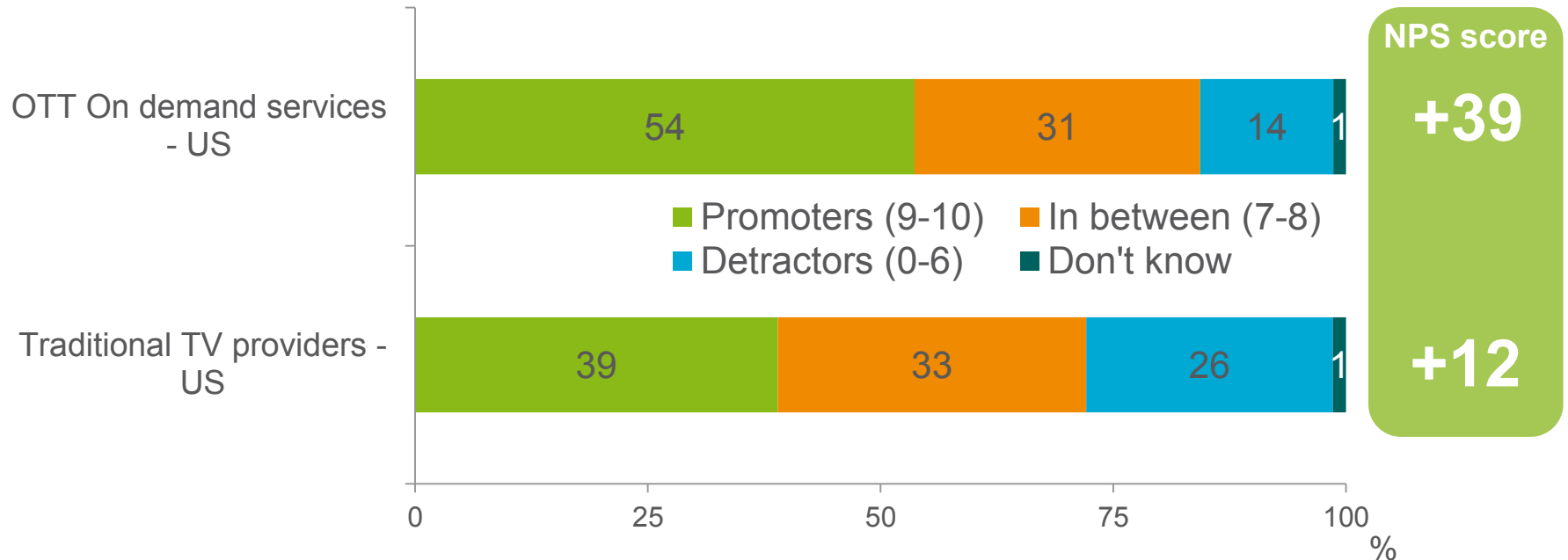
Laura, 33, US

NET PROMOTER SCORE

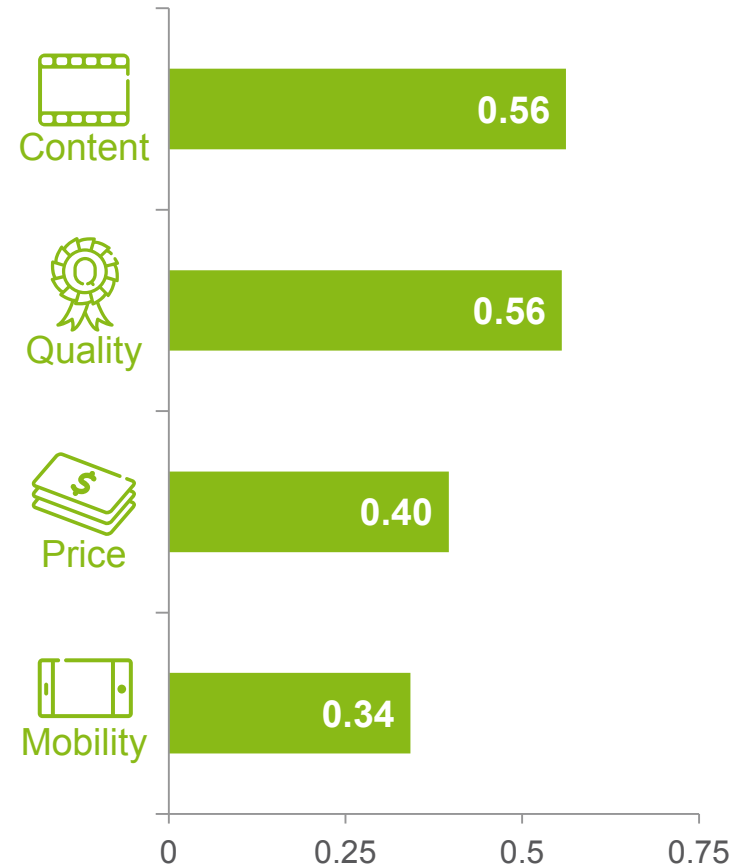
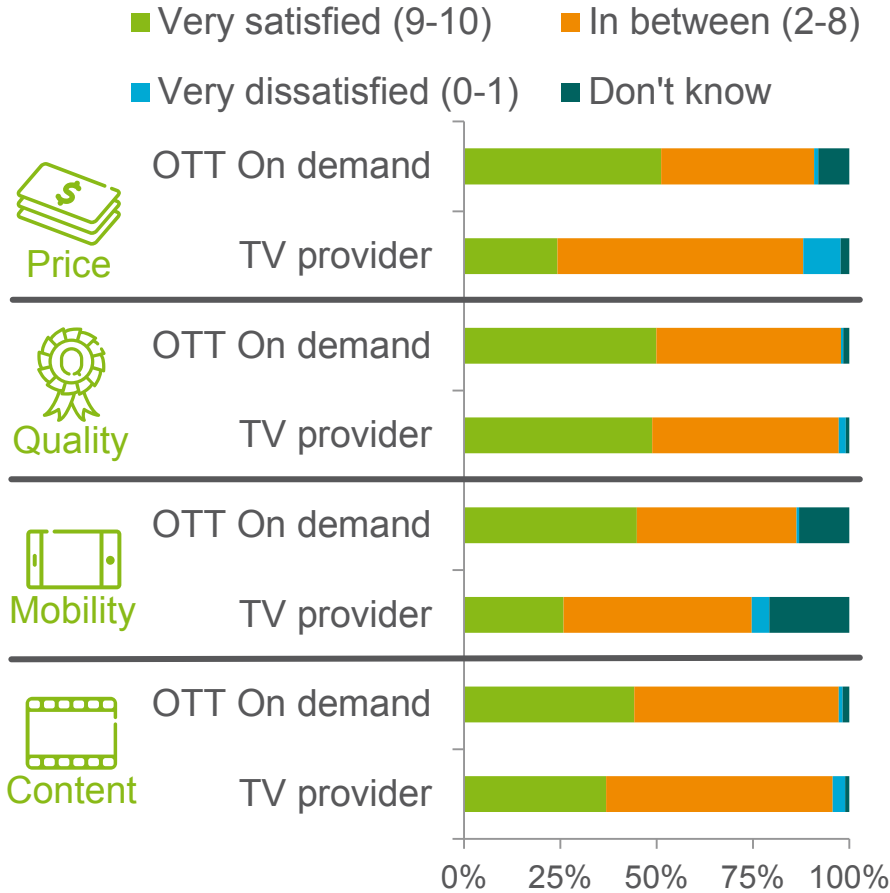


Traditional US TV providers score significantly lower than US based OTT on demand services in Net Promoter Score

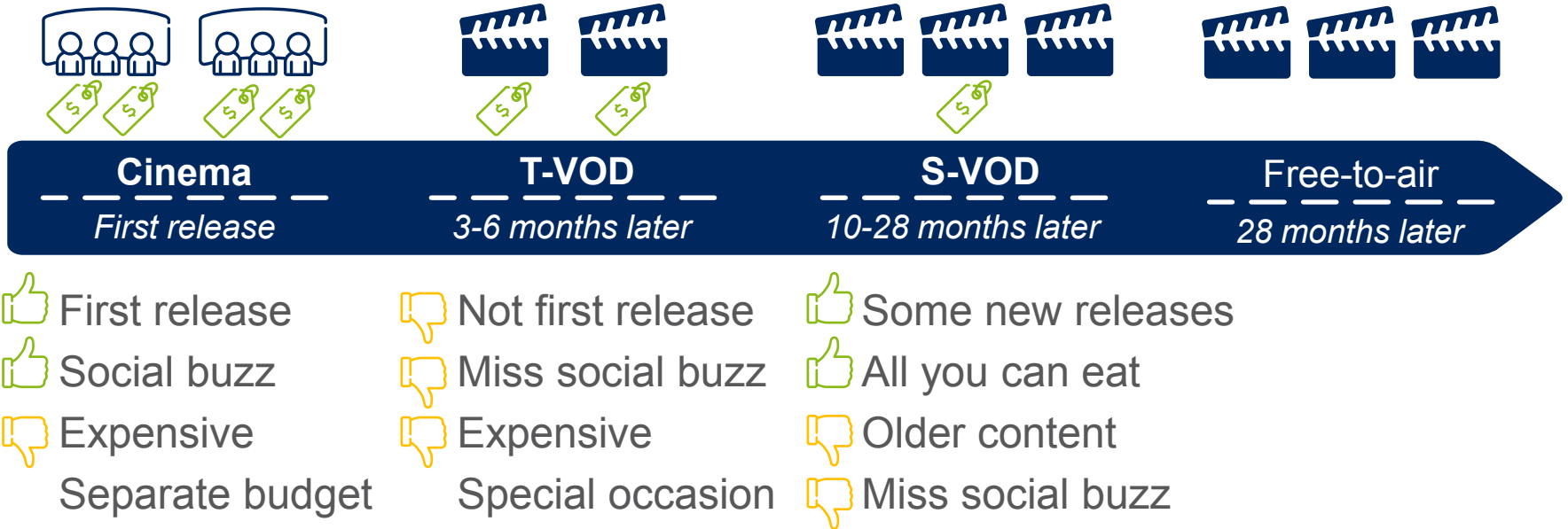
Likelihood to recommend the TV/Video service provider to a friend, family member or colleague



KEY TV/VIDEO ATTRIBUTES



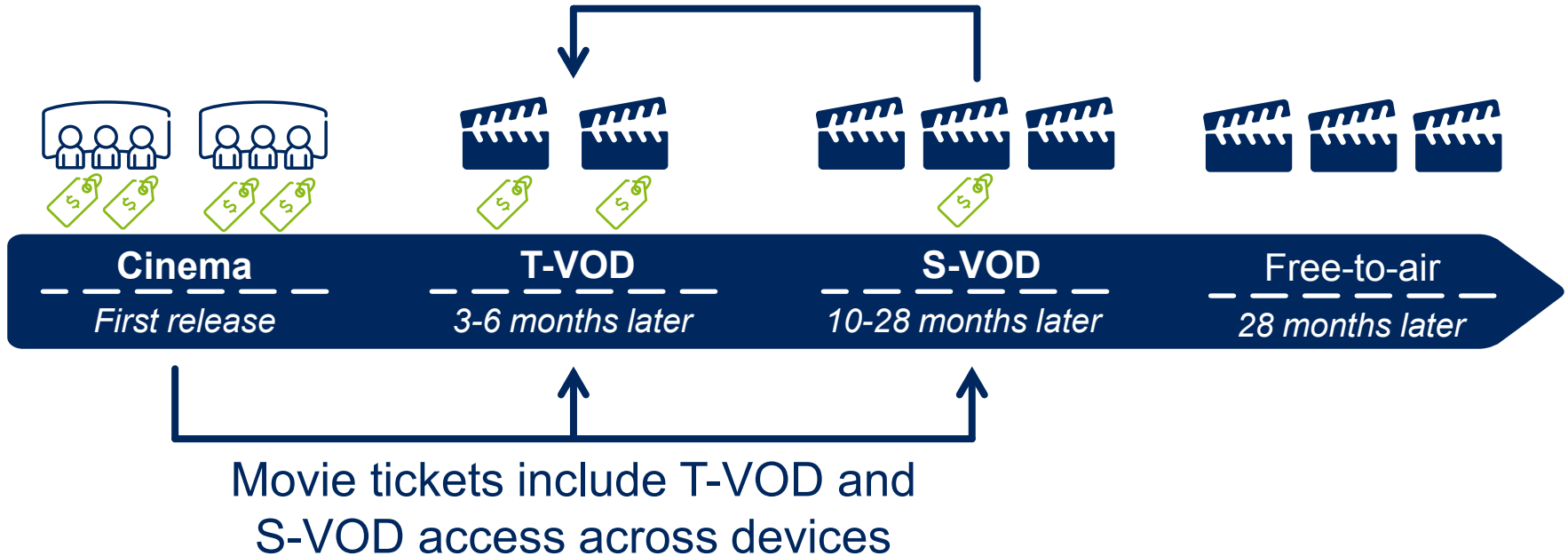
FILM RELEASE WINDOWS



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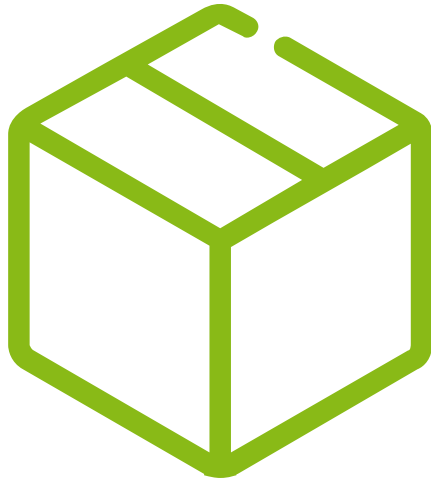
Watching old S-VOD TV-series
recommends new T-VOD seasons



ATOMS & AGGREGATION



Pre-bundled



- 👍 All-in-one experience
- 👎 Little or no personalization

Atomized



- 👍 Full personalization
- 👎 Scattered experience

Consumers want a fully atomized media experience, but they still want help aggregating it all



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