



Making the most of the Digital Transition

Successful change in the digital era

31 July 2008 update: Digitisation adoption deepens, but the pace may slow

Digitisation's adoption deepens, but the pace may slow

In the second instalment of the Deloitte Digital Index, adoption for six digital products and services rose. The remainder were unchanged.

The six rising indicators were: Digital Video Recorders, Digital Radio, Digital Television, Online video, Fixed Broadband and Consumer Voice over IP.

- **Online video** enjoyed the biggest rise in penetration, with content remaining the principal driver of adoption.
- **Consumer VoIP** experienced rising adoption, from a low base. Economic downturn may encourage usage of VoIP, if consumers believe the savings merit the set-up costs or inconvenience.
- Penetration of **DVRs** in UK households is rising steadily, helped by the their potential role in client acquisition and retention and the falling price of hard disk drives.
- **DAB radio**, while rising moderately over the last quarter, may see adoption rates slowing down over the remainder of 2008. Lack of exclusive content may deter potential buyers.

Adoption of digital products and services throughout the rest of 2008 is likely to be affected by economic downturn.

Consumers are likely to make do, mend and minimise. They may make do with analogue products and services, deferring digital upgrades; they may decide to mend devices they currently own, rather than replace; they may minimise the number of digital products and services they currently use.

The Digital Transition is Deloitte's unique online resource for the many and varied companies operating across the exciting TMT industry. Here, we provide a number of in-depth, analytical tools to help ensure your firm makes the most from digitisation. It is made of up two components:

Deloitte Digital Index

How fast is your addressable market growing?

An index, updated quarterly, that quantifies the rate of change of twelve technology, media and telecommunications products and services. Depth analysis of the drivers and barriers of adoption for each indicator is provided.

Digital Journeys

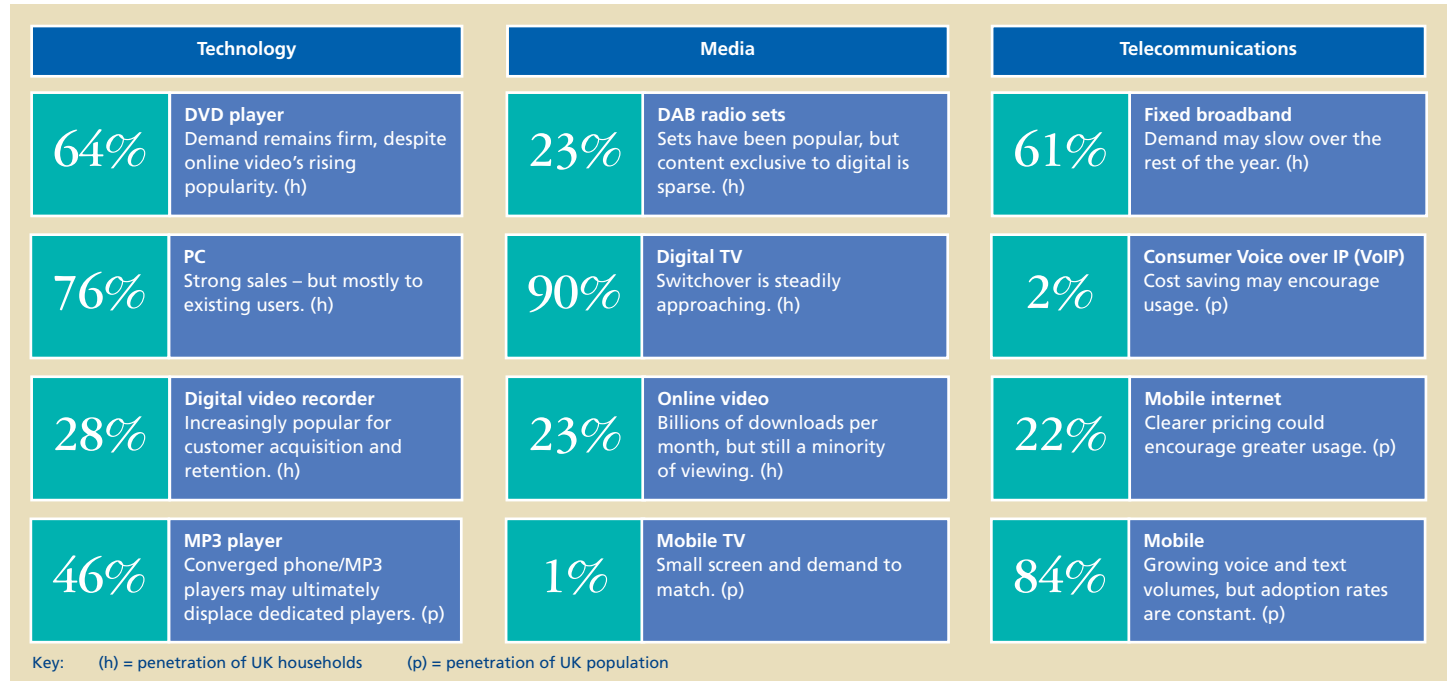
How are real companies dealing with digitisation?

Case studies of how companies across the TMT sector are thriving by successfully dealing with digitisation.

www.deloittedigitalindex.com

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The numbers below show the adoption of the Index's 12 products as of 31 July 2008. To view previous quarterly results please visit www.deloittedigitalindex.com



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