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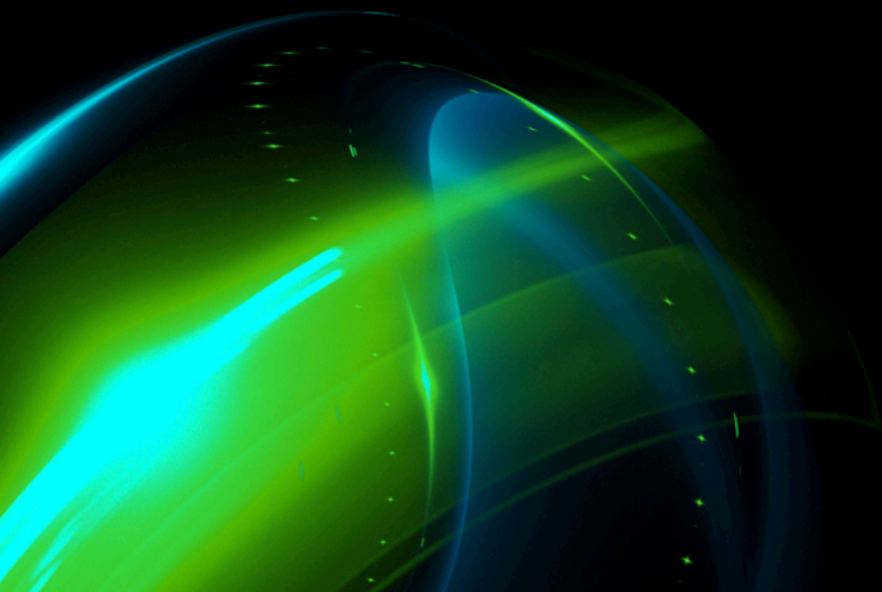


Global Digital media trends 2018: executive summary

A multi-generational view of consumer technology,
media and telecommunications trends

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About the survey

Deloitte Global is pleased to offer in 2018 an expanded version of the US Digital media trends survey, formerly the Deloitte Digital Democracy Survey, now in its 12th edition in the US. This global Digital media trends survey compares data from seven countries: Brazil, China, France, Germany, Japan, UK, and US. The survey focuses on five generations, providing insight into how consumers ages 14 and above are interacting with media, products and services, mobile technologies, the internet; attitudes and behaviors toward advertising and social networks; and what their preferences might be in the future. The survey was fielded by an independent research firm in November 2017 and employed an online, questionnaire-based methodology among 10,375 consumers.

7
Countries

5
Generations

10,375
Consumers

14+
Ages

Consumers still want “live”

Despite consumers' ever-growing sources of media content and the diversification of platforms and genres available, the Deloitte Digital media trends survey data indicates that consumers still watch more hours of live broadcast TV than any other source. We do not see this trend changing in the near term, although streaming video hours in certain geographies does rival live broadcast. People still love their TVs for live sport, drama and family entertainment, and despite the rise in consumption on mobile devices, we do not expect that to change significantly in the next few years.

Contrary to conventional wisdom about what may happen as the result of cord cutting/shaving, consumers are still paying those monthly subscriptions but now also supplement with a growing number of subscription video-on-demand (SVOD) options.

Consumers' intent to cut or shave the pay TV cord is not always followed through, according to survey results. It's not always about choosing one over the other.

Consumers have an emotional connection with the content that they love and this transcends the rational judgement of pay TV subscription cost/benefit. In fact, in many of the geographies surveyed, pay TV still ranks in consumers' top three most valued services.

China wins the race for the most digitally connected population

No other consumer group worldwide in 2017 matched the Chinese urban population for digital connectivity. According to Deloitte Digital media trends survey data, they are the most avid users across a range of technologies, including mobile phones, fitness bands, streaming devices, and even VR headsets. Moreover, the survey revealed that Chinese consumers prefer to consume content on devices other than a TV; in fact, a quarter of urban Chinese consumers don't own a flat-panel TV.

Many advanced digital platforms exist in China, and it shows by the wide and rich use of online shopping, banking, and transportation services. This “platform for life” is an intriguing hypothesis for other markets to explore. Advanced levels of customer loyalty and community on a single platform, super-charged by intelligent analytics, is an aspiration for digital-platform providers around the globe.



Online shopping



Banking services



Transportation

Digitally distracted citizens ... and now I've forgotten my point!

It looks like it's getting more and more difficult to keep eyeballs focused on one thing!

The exciting range of digital devices stimulates our tendency to multi-task. This creates an increasing challenge for advertisers. Our survey results show that most consumers, across geographies, are doing at least one additional thing while watching TV. And many are doing three additional activities. Expect continued levels of distraction.

Interestingly, multi-tasking behavior varies—so consumers will focus more when watching programming on a laptop than on a TV set. Similarly, many consumers are also telling us that they are more likely to respond to an online video ad, and they are more influenced by them too. A further complication is the extent of binge watching, which typically closes the door to advertisers, save for the ad-supported video on demand (AVOD) offerings.

For advertisers, there is no simple, clear, and universal solution here—but it is likely to be market driven, with a careful balance between traditional and digital, and to be culturally nuanced in many respects. Has it ever been different?

The bingeing “love affair”

If you are a binge-watcher, then you love that streaming subscription, want faster connectivity, and are binge-watching more frequently and for longer periods of time. Content producers keep the production machines going at full speed to meet this insatiable demand, and the cycle continues.

Like most things in life, quality is never cheap, so corporate ambitions in the content space will require deep pockets, for both organic and M&A-led growth. Over the next five years, in some cases, with global audiences in mind, the cost to produce an episode of an original, high quality TV series could top \$20 million per hour. It's another example of how quality content wins the day, again and again.



Content
producers





It's a mad, mad, mad, mad world for advertisers

For advertisers, this is the ultimate conundrum: the emergence of digital advertising creates opportunities for global reach and precision, but at the same time, consumers are finding that ads on their mobile devices are irrelevant.

However, consumers still report traditional TV advertising to be influential on their buying decisions—some good news for advertisers and broadcasters alike.

There is a definite interest in receiving location-based ads on mobile devices in specific markets. Survey results indicate that Chinese consumers seem more willing to part with personal information if it can augment their online experience, but this is in contrast with other nationalities. However, ad-blocking is a strongly growing trend for those of us sitting behind laptops and desktops.

For consumers who are dedicated to their mobile devices, this has been less relevant as they probably spent the majority of their time “in the app” where advertising has historically been somewhat muted. But as advances continue even this appears to be changing.

With advances in AI and cognitive technologies, the timing and relevance of advertising will get resolved, and the irritation level reduced—but the privacy concerns remain.

As much as some things change, some things just stay the same. Consumers' buying decisions are still most influenced by recommendations from people they know—digital transformation hasn't replaced this need ... for now!

Print and publishing—loyalty under pressure

Some consumers still hang onto their printed magazine and newspaper subscriptions. However, our digital world has also meant that reading magazines is falling down the entertainment activity charts. Newspaper reading has also declined in the entertainment stakes, but not to the same degree.

As independent metrics demonstrate, social media sites in 2017 continued to dominate as news platforms, and major companies are taking steps to ensure the integrity of the stories published on their sites.

Finally, a word on payment for online news. The Deloitte Digital media trends survey results have historically indicated that consumers are not willing to pay for online news—the financial results of print media businesses bear this out. The emergence of blockchain as a means to offer a paid service in a way that is both digitally convenient and very cheap is a model that publishers should consider, especially given the proliferation of eWallets and biometrically enabled mobile devices.



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