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Digital Consumer Trends 2023

The Portugal Cut

MAKING AN IMPACT THAT MATTERS since 1845

Contents

The Portugal data 'cut' is part of Deloitte's Global Digital Consumer Trends study, a multi-country survey of digital service users worldwide. The 2023 global study comprises 27,150 respondents across 17 countries and 3 continents.

Data cited in this report is based on a nationally representative sample of consumers aged 18-65 in Portugal (1,000) weighted for demographics, such as age, gender, region and working status. The survey took place during September 2023. Prior versions of this consumer survey have been fielded since 2022.

Three key takeaways for 2023

The world changes dynamically and rapidly… and those changes reflect on the choices that involve digital products and services. The Portugal Cut of Digital Consumer Trends 2023 reveals that advanced technologies like Generative AI are taking up space for professional and personal reasons, enthusiasm for digital identity solutions is growing and, in terms of connectivity, 5G has reached almost half of phone or smartphone users. Although the global economy may currently not be as stable as desired, digital products and services still turn out to be an investment whether it is for their innovations or functionalities.

Takeaway 1

Generative AI is growing and the majority of those aware of such tools have already used one.

Resourcing to Gen AI tools goes beyond the workplace – almost 3 in 4 of respondents that are aware of Gen AI tools have done so for personal reasons. However, although it can be a facilitator, it can also be a cause for concern as, among workers, 47% fear some of their roles may be replaced by Gen AI in the future.

Takeaway 2

A large number of consumers would be willing to use their smartphone to give details of their identity card.

Also, 48% of respondents use a smart device regularly to make in-person payments. However, only a minority say they would be willing to provide law enforcement with access to their browsing history, a digital record of their face, or the location of their phone, even if it meant they would be more effectively protected from online fraud.

Takeaway 3

Access to devices has increased compared to the past year: wearables, headphones and earbuds continue to grow in popularity.

Devices are used for a plethora of reasons. Health has become a field in which devices can help consumers do more to become better versions of themselves. 77% of those with a smartphone, smart watch or fitness band monitor their health on their devices and most would be comfortable with giving their doctor access to the monitored data.

Generative AI
Survey results

3 in 5 consumers have heard of Generative AI

Generative AI knowledge

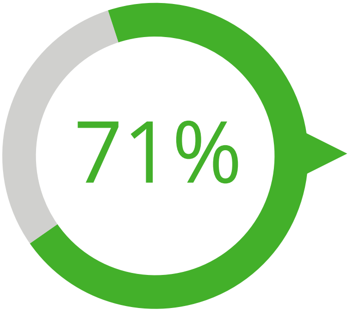
More than half of Portuguese respondents have heard of a Generative AI tool - Chat GPT takes the lead as 54% say they are aware of it.

Considering the launch of Chat GPT at the end of 2022, Gen AI tools have truly sparked curiosity among consumers.

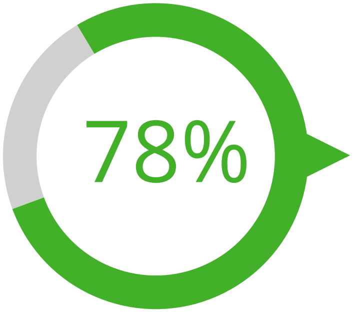
However, knowledge skews towards males and younger people.

What are the levels of awareness of Generative AI?*?

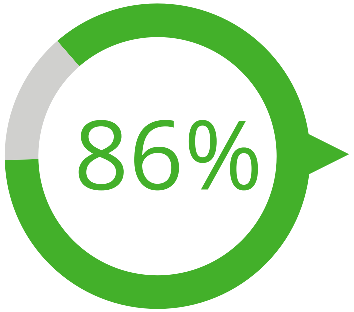
of people are **aware of Generative AI**



of men have heard of it *[vs 52% of women]*



of under 25s have heard of it *[vs 45% of 55-65s]*



of students are aware of at least 1 Gen AI tool *[vs 62% of respondents that work]*

Weighted base: All respondents aged 18-65 years, 2023 (1000), men (473), working (721), students (73), under 25 (124)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023
*The question was "Which, if any, of the following Generative AI tools are you aware of?", and respondents were given a range of popular Generative AI tools to choose from, including option for "Another Generative AI tool"

The majority of consumers aware of Gen AI tools, have used one.

Generative AI usage

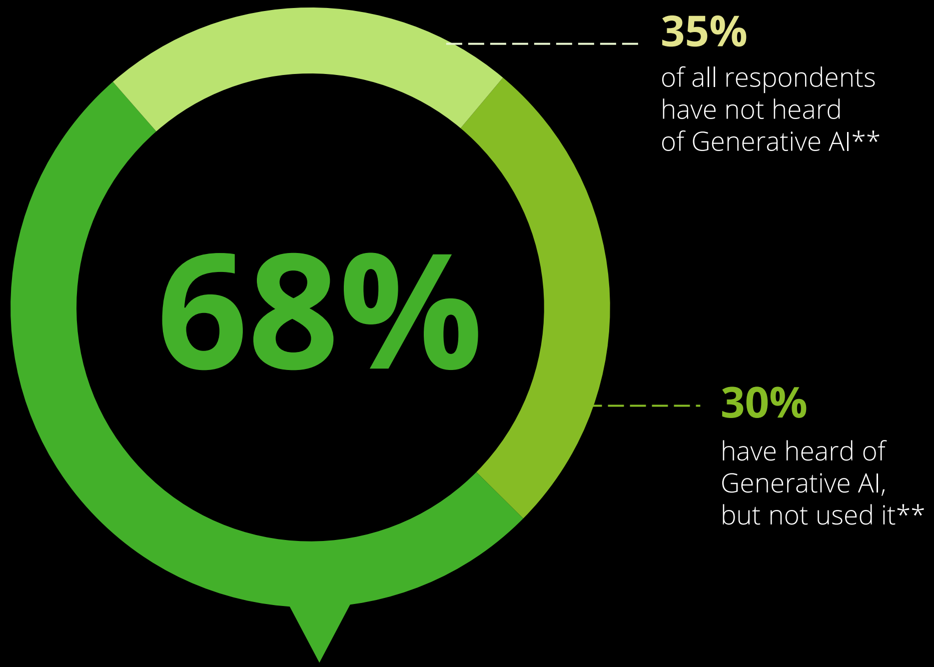
Almost 3 quarters of people have used a Generative AI tool (such as ChatGPT, Google Bard, Midjourney, etc.) Importantly, most current Generative AI tools are free or have free versions, and are accessible on any smartphone or computer, meaning the barrier to access is zero.

A considerable number of people aware of these tools have not felt inspired or confident enough to try them.

Had this question been asked a year ago, however, knowledge and usage would likely have been non-existent.

But is it something they already use*?

for those aware of any Generative AI tool



of people aware of Generative AI have used it

Weighted base: All adults 18-65 aware of any Generative AI tool (603)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023
*The question was "Which, if any, Generative AI tools have you used", and respondents were given a range of popular Generative AI tools to choose from, including option for "Another Generative AI tool".
**Includes respondents who selected "Don't Know", to awareness (4%), and usage (1%)

3 in 4 people have used Generative AI for personal reasons

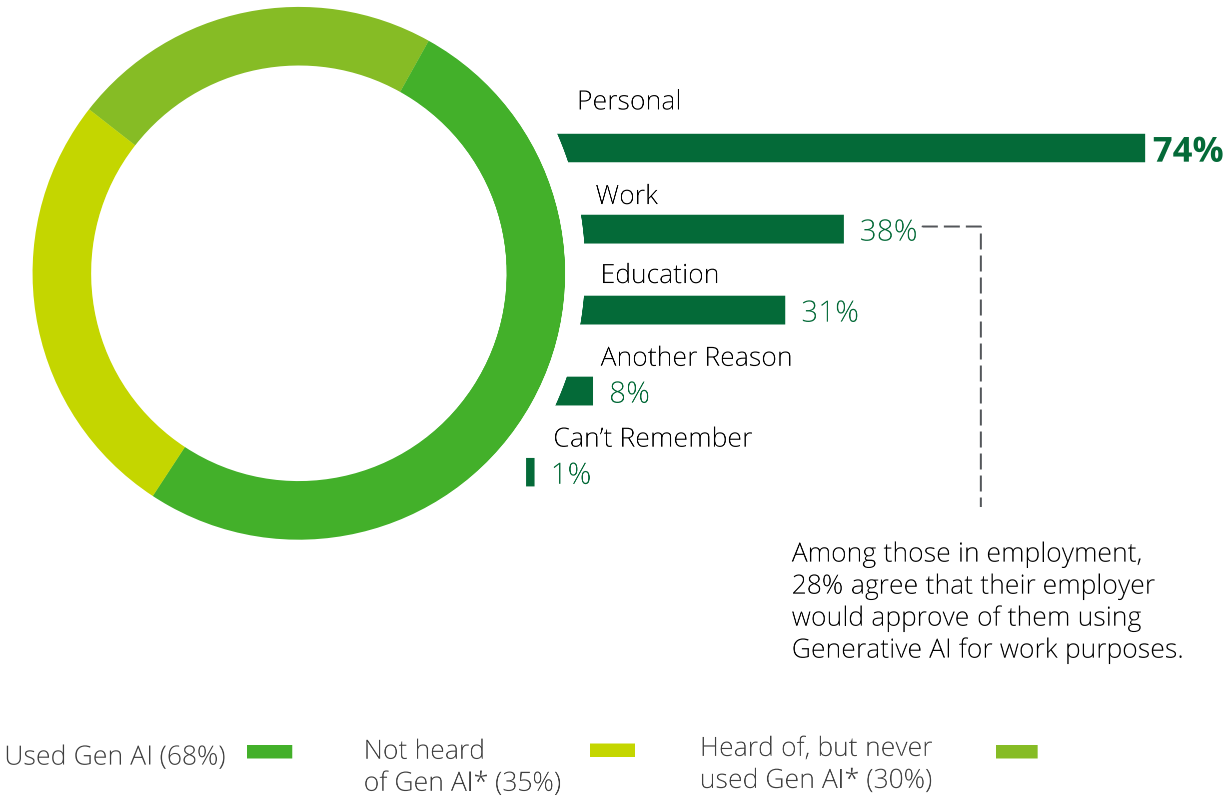
Generative AI: purpose of use

Over a third of users (38%) claim to have used Generative AI for work.

Given the lack of corporate policy and governance, it is fair to assume that a portion of this use was unsanctioned; and without clear, mandated education employees may have been at risk of sharing confidential information or failing to recognise hallucination and bias.

Which of the following purposes have you used any Generative AI for?

for those who have used Generative AI



Weighted base: All adults 18-65 who have used any Generative AI tool (413)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023
*Includes respondents who selected "Don't Know", to awareness (4%), and usage (1%)

Most people who have used Generative AI are infrequent users

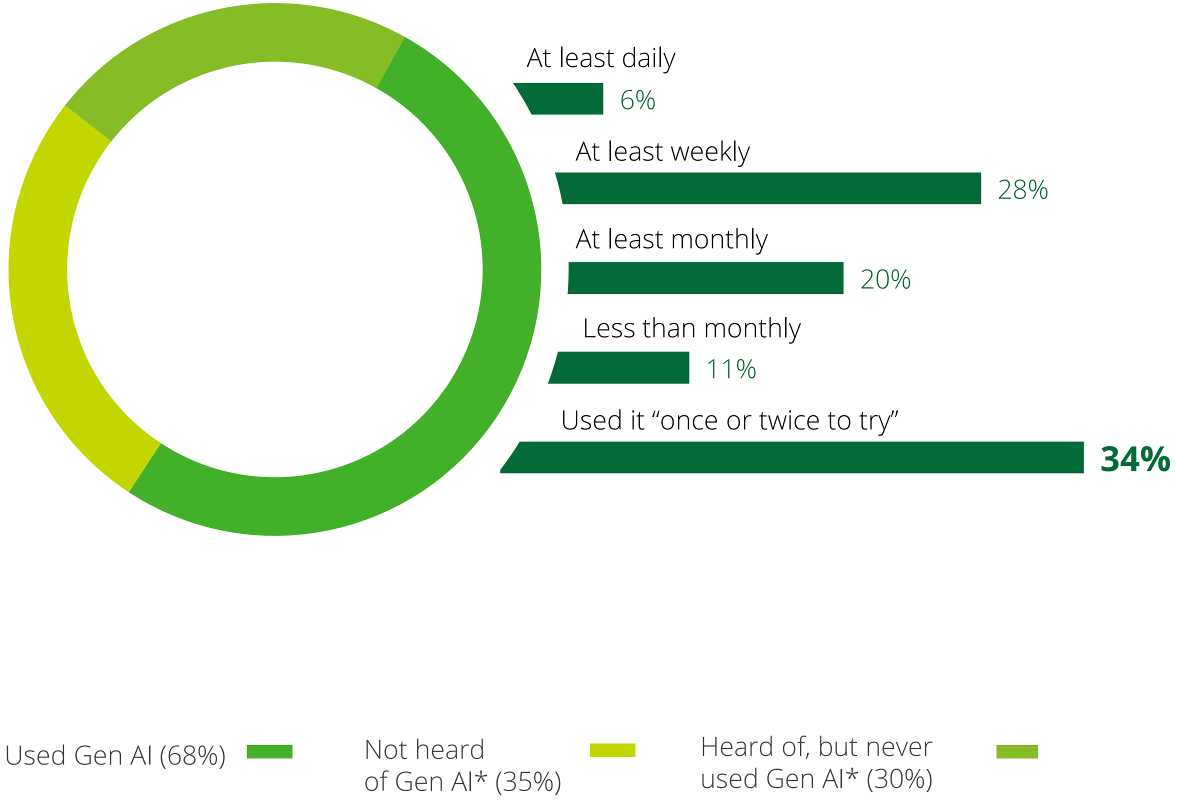
Generative AI: frequency of use

Of those who have used Generative AI, only 6% do so daily, and three in ten do so weekly. Of the working population, this would be 5% and 29% respectively. These people have likely found tangible utility which makes them more productive.

On the other hand, about a third (34%) have used Generative AI only once or twice. For these people, it may have been inaccuracy, an unclear corporate policy, or simply a lack of knowledge on how to write good prompts that prevented them from returning.

Which describes the frequency of your Gen AI use?

for those who have used Generative AI



Weighted base: All adults 18-65 who have used any Generative AI tool (413)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023
*The question was "You mentioned you have used Generative AI. Which of the following best describes your use?".
**Includes respondents who selected "Don't Know", to awareness (4%), and usage (1%)

Workers concerned that Gen AI will impact jobs in the future

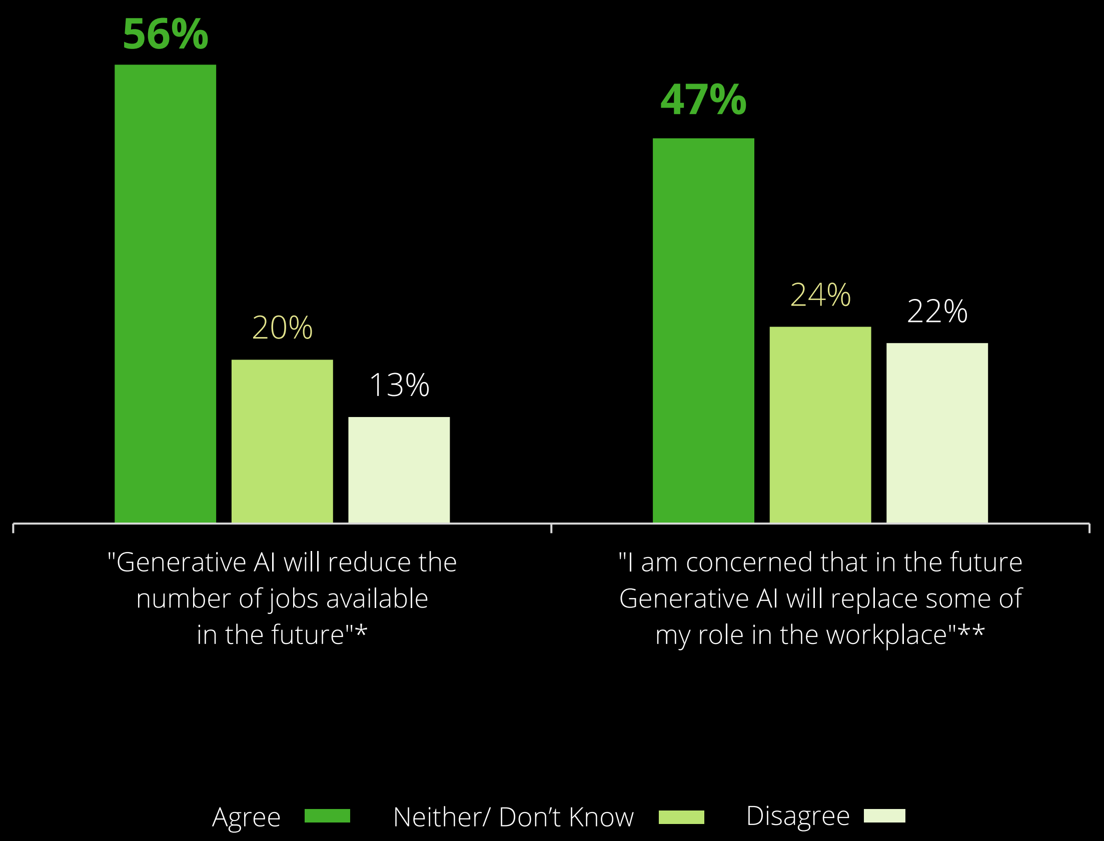
Generative AI: agreement statements - jobs

Results show that respondents have the perception that Generative AI tools will be able to replicate functions of their work, which may lead to a decrease in the stock of jobs.

Although economists would argue this is still unclear, it may cause concerns in the workforce that organization leaders should address.

Do you agree or disagree with the following statements?

for all respondents* and those who have working status**



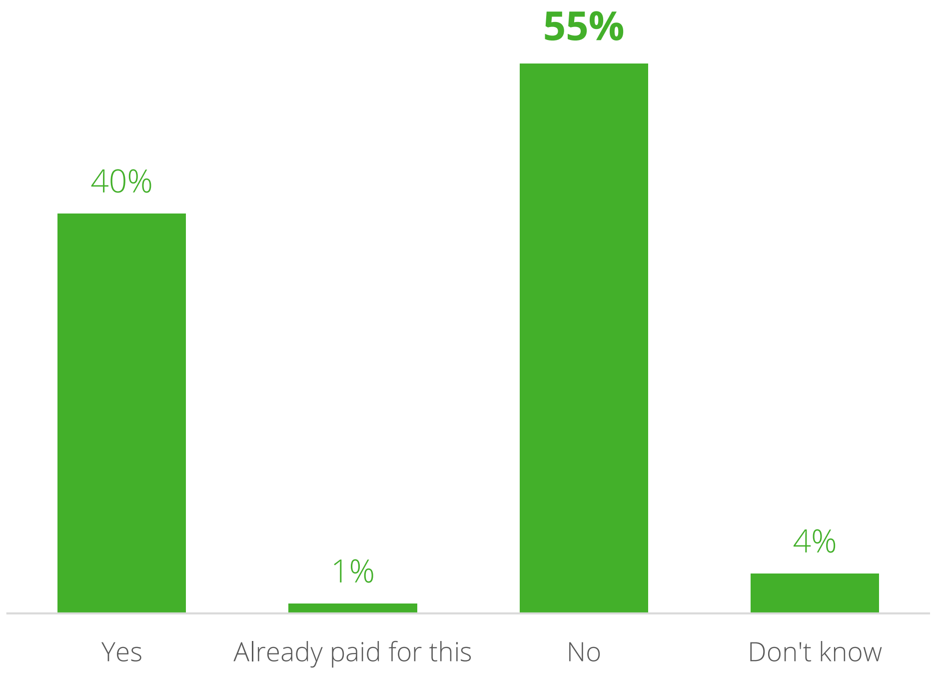
Weighted base: First question for all respondents aged 18-65 years (1000); second question for all respondents who have working status (721)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

Would you be willing to pay for a Generative AI tool which is available at peak times and gives faster responses?

for those who have used Generative AI

Several consumers are willing to invest in efficient Generative AI tools

Generative AI: improved efficiency



Weighted base: All respondents aged 18-65 years (1000), who have used any Generative AI tool (413)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

Mobile phone usage and social media

Survey results

Smart devices are more important than ever for making payments

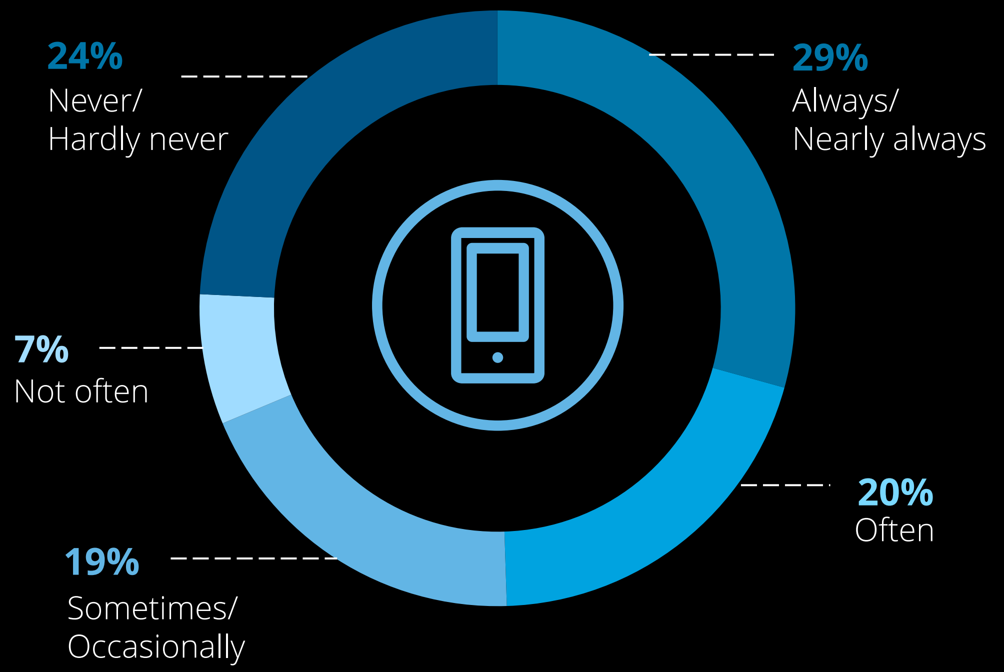
Smart devices as preferred in-person payment method

Consumer reliance on smartphones, and wearables like smart watches, is growing. They are replacing other physical assets, such as bank cards, to shop in-person.

Almost half (48%) use their smartphone or smartwatch regularly to make such payments – with Apple phone owners more likely to do so (60%).

How often do you use a smartphone or smartwatch to pay in person?*

for those who have access to a smartphone or smartwatch



Weighted base: All respondents aged 18-65 years, who have access to a smartphone or smartwatch (957)
*The question was "When the option is available, how often do you use a smartphone or smartwatch to pay for things in person, for example in a shop or restaurant? ".
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

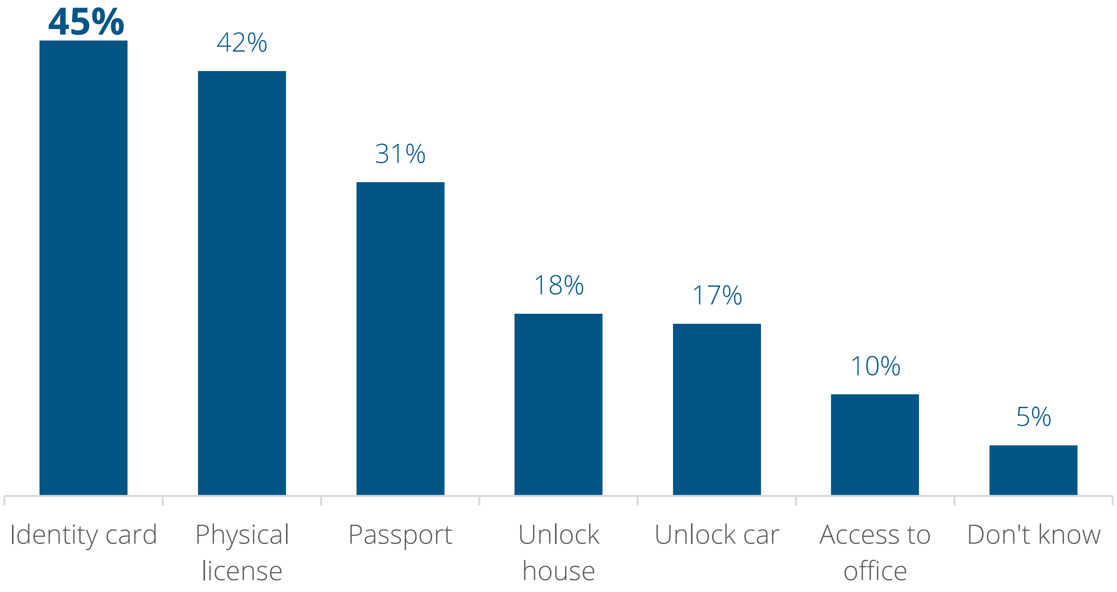
How would you use your smartphone as a digital identity solution?*

for those who have a smartphone

Digital identity solutions gathering enthusiasm

Identity solutions preferences

Adults in Portugal show enthusiasm for digital identity solutions: 45% say they would like to be able to use their smartphone to give the details of their identity card and 42% would like to be able to use it to give the details of their driving license.



Weighted base: All respondents aged 18-65 years, who have a smartphone (946)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023
*The question was "Which, if any, of the following would you like to be able to use your smartphone for, instead of using other items, such as physical keys, ID cards or documents?", and respondents were given choices, including "Use my smartphone to give the details of my identity card when having to prove my identity", and others.

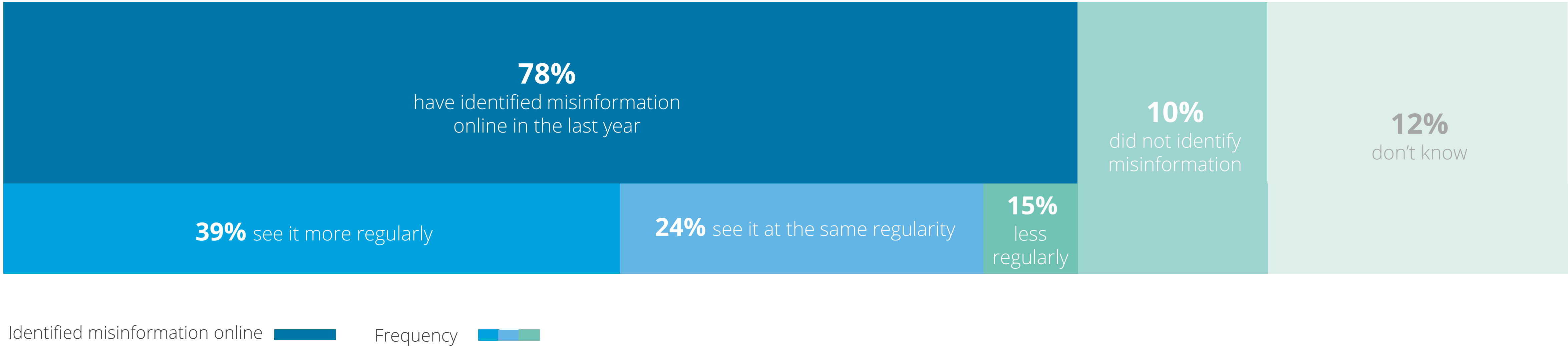
Digital users are exposed to misinformation

Fake news on social media

Misinforming is a human behaviour that stretches back thousands of years: the creation of fake news is not the fault of the internet, but the speed at which misinformation can be created and spread is arguably a function of digital capabilities.

Overall, around 2 in 5 respondents (39%) say they have seen information that is presented to be true on social media, but is subsequently proven to be fake, more regularly in the past 12 months. A further 24% say they have seen this with the same level of regularity.

Are you seeing misinformation more, or less regularly than 12 months ago?*



Weighted base: All respondents aged 18-65 years, 2023 (1,000)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

*Full question: These days, would you say you are seeing this type of information more or less regularly than you were 12 months ago or are you seeing it with the same level of regularity?

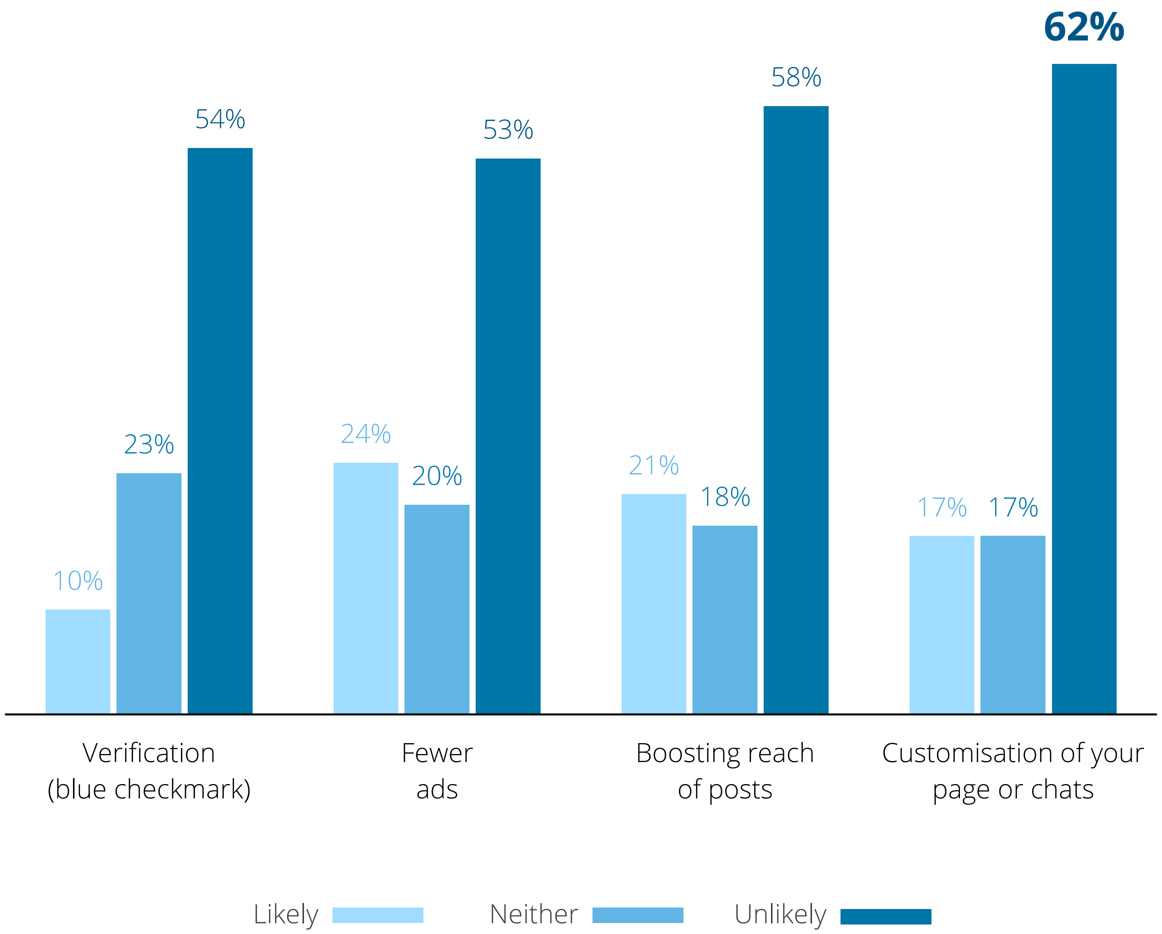
Consumers not yet sure about paying to be 'verified' on social media

Paid options on social media

For most social media platforms, users can access a site for free, but at the price of their personal data and interests, which can be harnessed to refine ad targeting. However, some platforms are experimenting with new monetisation strategies, which build on, rather than replace, adverts.

In Portugal, there seems to be a lack of willingness to pay for premium features on social media, with a small minority saying they would be likely to pay for verification, customization of their page or chats, or boosting the reach of their posts.

How likely or unlikely would you be to pay for any of the following features on social media?



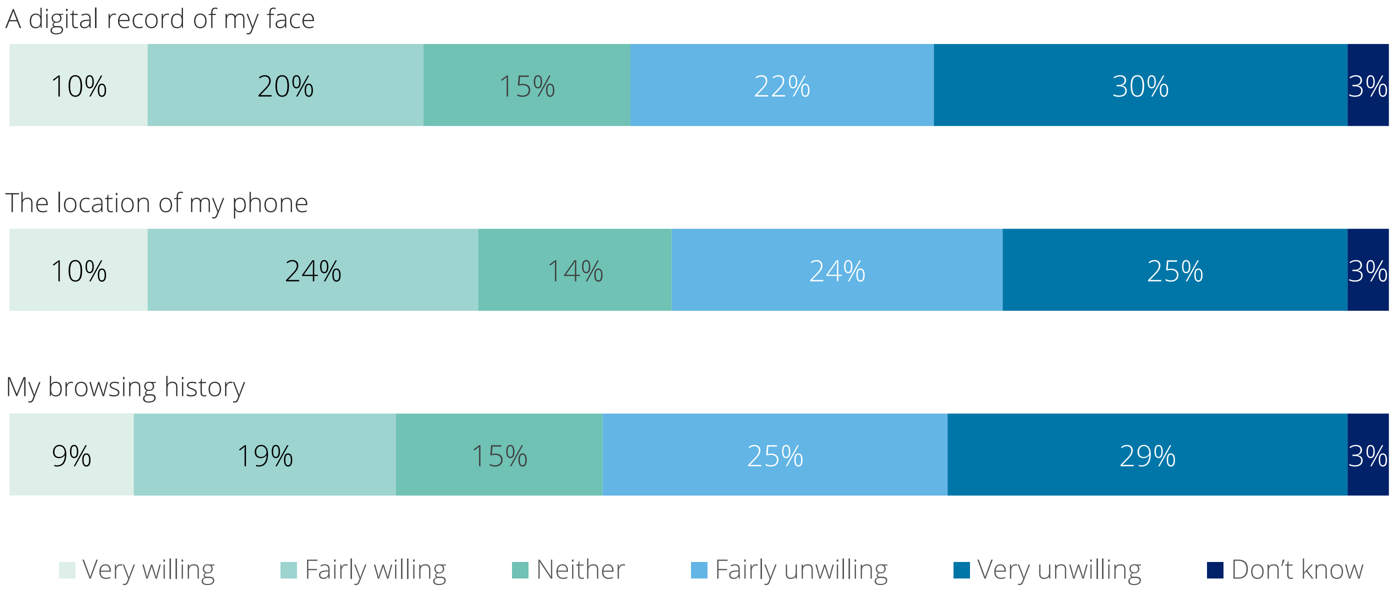
Weighted base: All respondents aged 18-65 years, 2023 (1,000)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

Sharing personal information with law enforcement

Willingness to share personal information

There is no resounding appetite to share biometric data, browsing history or location data with law enforcement, even if it meant they would be more effectively protected from online fraud.

How willing would you be to provide them with access to the following information?*



Weighted base: All respondents aged 18-65 years, 2023 (1,000)
*The question was "Thinking about law enforcement in your country, how willing or unwilling would you be to provide them with access to the following information, if it meant you would be more effectively protected from online fraud?".
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

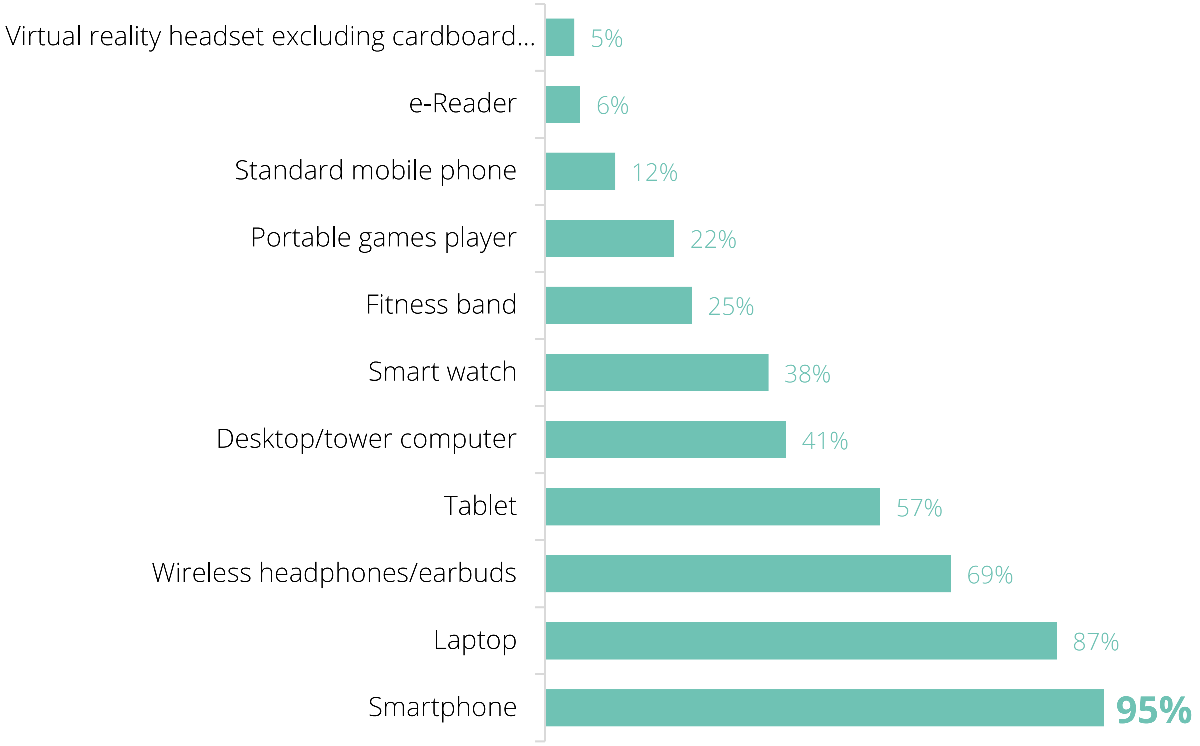
Devices
Survey results

Which of the following devices do you own or have ready access to?*

Devices continue to be a popular choice

Access to digital devices

Access to devices has increased compared to 2022: wearables continue to grow in popularity, and access to wireless headphones/earbuds has also increased.



Weighted base: All respondents aged 18-65 years, 2023 (1,000)
*Full question was "Which, if any, of the following devices do you own or have ready access to (i.e. that is readily available for you to use. For example, this may be a smartphone provided to you by your employer or a tablet owned by someone else in your household)?"
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

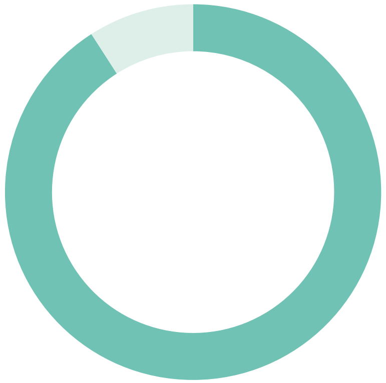
Devices with multiple health/lifestyle purposes

Aspects monitored with devices

Devices multi-functional as they can even be used to keep consumers accountable and with knowledge of health aspects. Two thirds (77%) of those with a smartphone, smart watch or fitness band monitor their health on their devices and most (78%) would be comfortable in giving their doctor access to the monitored health data.

Which, if any, of these do you monitor on your devices?*

for those who have access to a smartphone, smart watch or fitness band



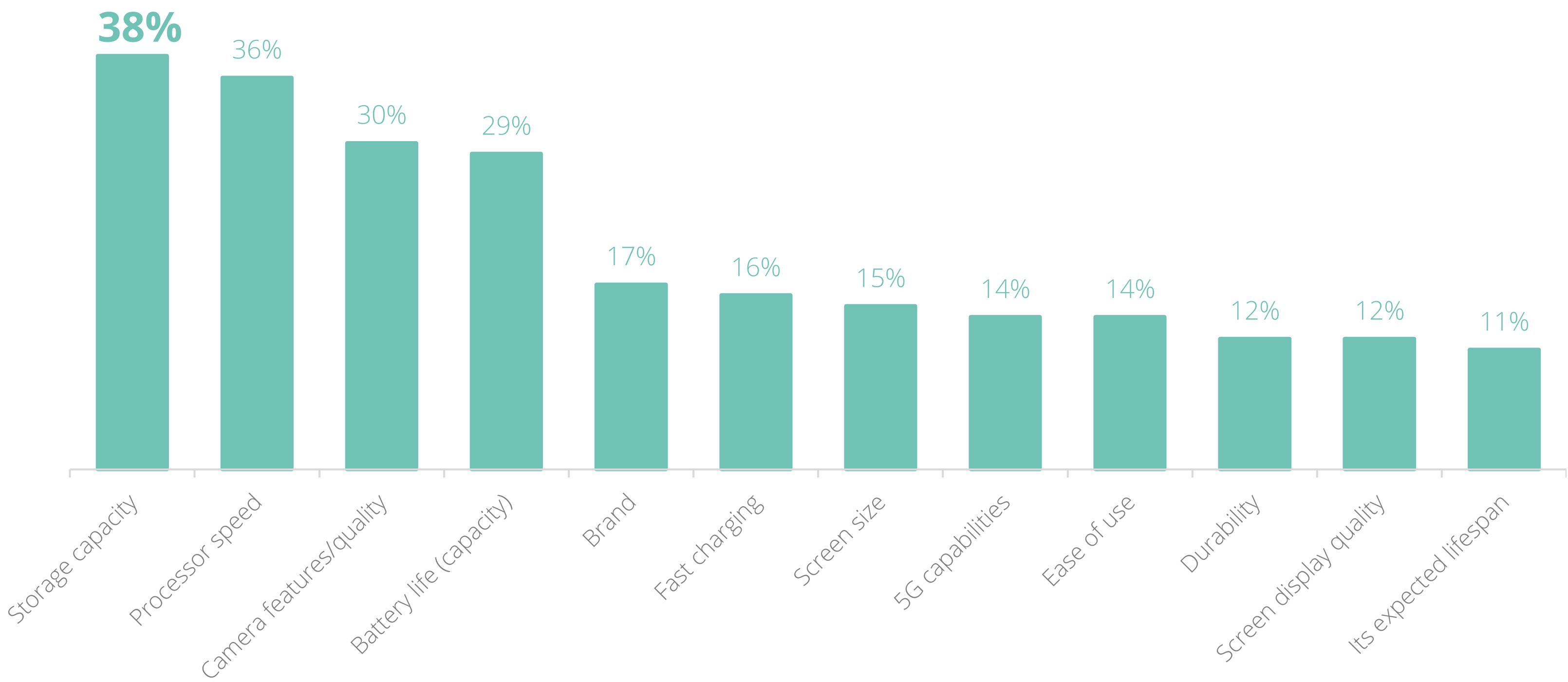
Weighted base: All respondents aged 18-65 years, 2023 who have access to a smartphone, smart watch or fitness band (961)
*The question was "Which, if any, of these do you monitor on your devices such as smartphones, smart watches, fitness bands, etc.?"
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

What is being considered when purchasing a new phone

Factors that influence the purchase of a new phone

There is no resounding appetite to share biometric data, browsing history or location data with law enforcement, even if it meant they would be more effectively protected from online fraud.

Aside from price, which, if any, of the following are most important to you when deciding which smartphone to buy next? for those who have a phone or smartphone



Weighted base: All respondents aged 18-65 years who have a phone or smartphone (967)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023
Note: Respondents who "Don't Know" not shown

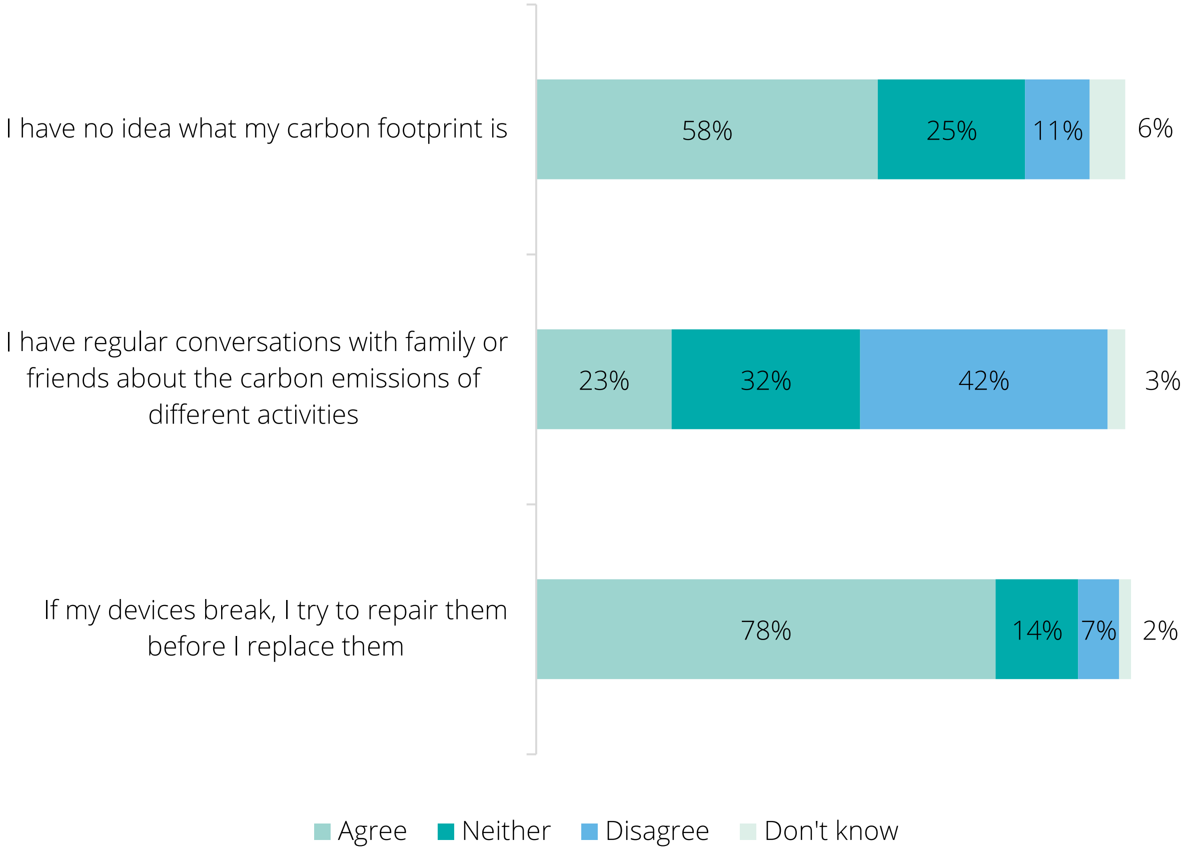
Repairing devices is usually an option but sustainability credentials still lack popularity

Replacing devices and sustainability impacts

Whilst more than 3 in 4 adults (78%) try to repair broken devices before replacing them, almost 3 in 5 (58%) still have no idea what their carbon footprint is.

This finding goes hand-in-hand with the conclusion that only about a quarter of respondents (23%) indicate they have regular conversations with family or friends about the carbon emissions of different activities.

To what extent do you agree or disagree with the following statements?



Weighted base: All respondents aged 18-65 years (1000)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

Connectivity
Survey results

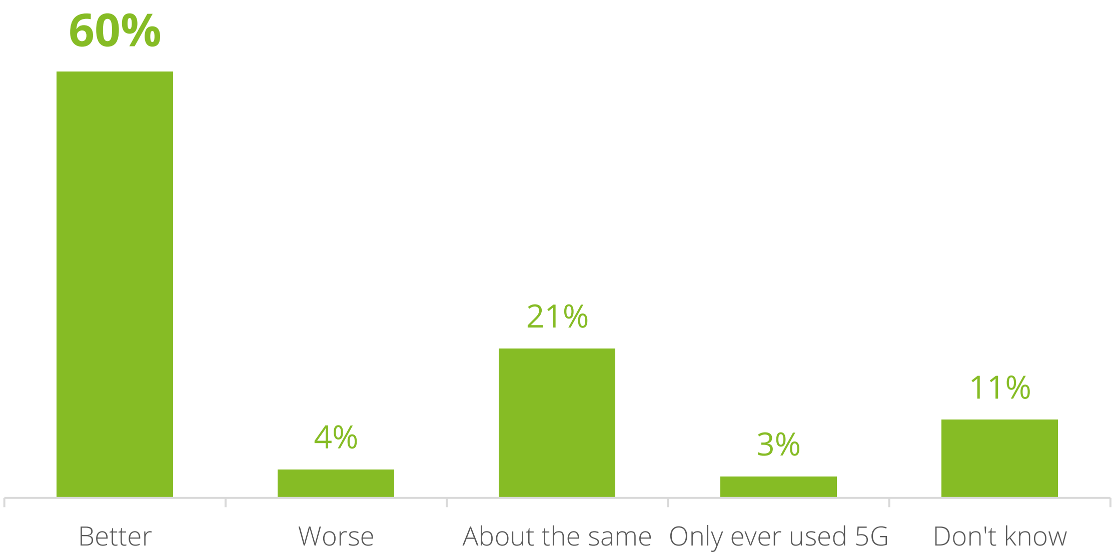
How has your overall experience of 5G mobile internet been, compared to 4G?*

for those who currently have 5G on their main phone

5G is becoming the new reality, for many.

5G experience

Almost half (48%) phone or smartphone users claim they have 5G network on their phone, with 3 in 5 (60%) of them stating that their experience of mobile internet on 5G is better than on 4G.



Weighted base: All adults 18-65 who currently have 5G on their main phone (466)
*The question was "Since using a 5G network on your mobile phone, has your overall experience of mobile internet been better than it was on 4G, worse than it was on 4G or has it made no difference?"
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

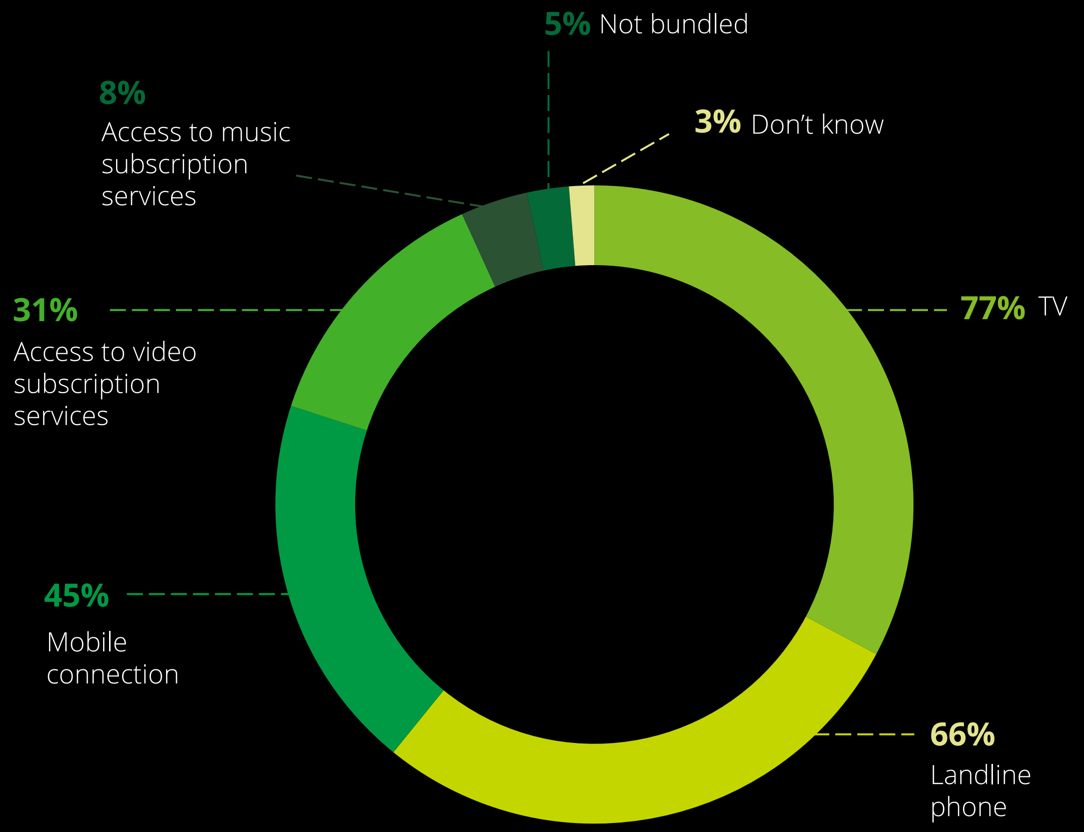
Bundled-up connections

Broadband bundles

Fixed broadband Internet connection is the reality for 3 in 4 respondents in Portugal. The majority have it bundled with TV or a landline phone. Often, video subscription services are included.

Is your broadband service at home bundled with any of the following?

for those who have broadband at home



Weighted base: All adults 18-65 who have broadband at home (755)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

74% of those with internet access at home are satisfied with their connection

Home internet connection

There is no resounding appetite to share biometric data, browsing history or location data with law enforcement, even if it meant they would be more effectively protected from online fraud.

On balance, how satisfied or dissatisfied are you with your home internet connection overall?

for those who have internet access at home

Weighted base: All adults 18-65 who have internet access at home (991)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

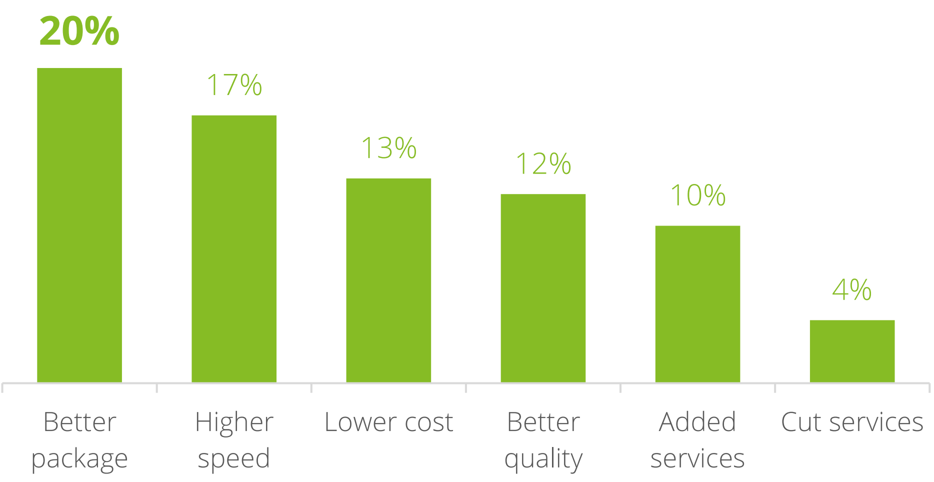
Is satisfaction a result of change?

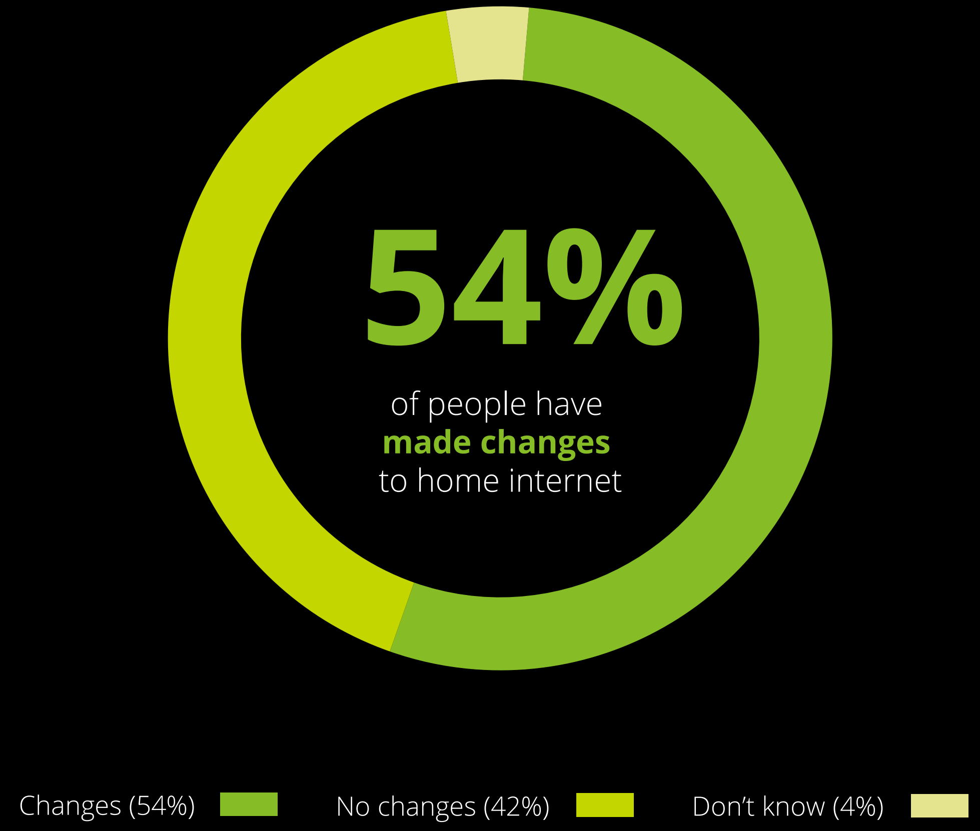
Home internet connection changes

There is no resounding appetite to share biometric data, browsing history or location data with law enforcement, even if it meant they would be more effectively protected from online fraud.

Which changes have you made to your home internet service in the past 12 months?*

for those who have internet access at home





Weighted base: All adults 18-65 who have internet access at home (991)
*The question was "Which, if any, of the following changes have you made to your home internet service in the past 12 months?"
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

Media usage
Survey results

Paid video streaming takes the lead

Paid digital subscriptions

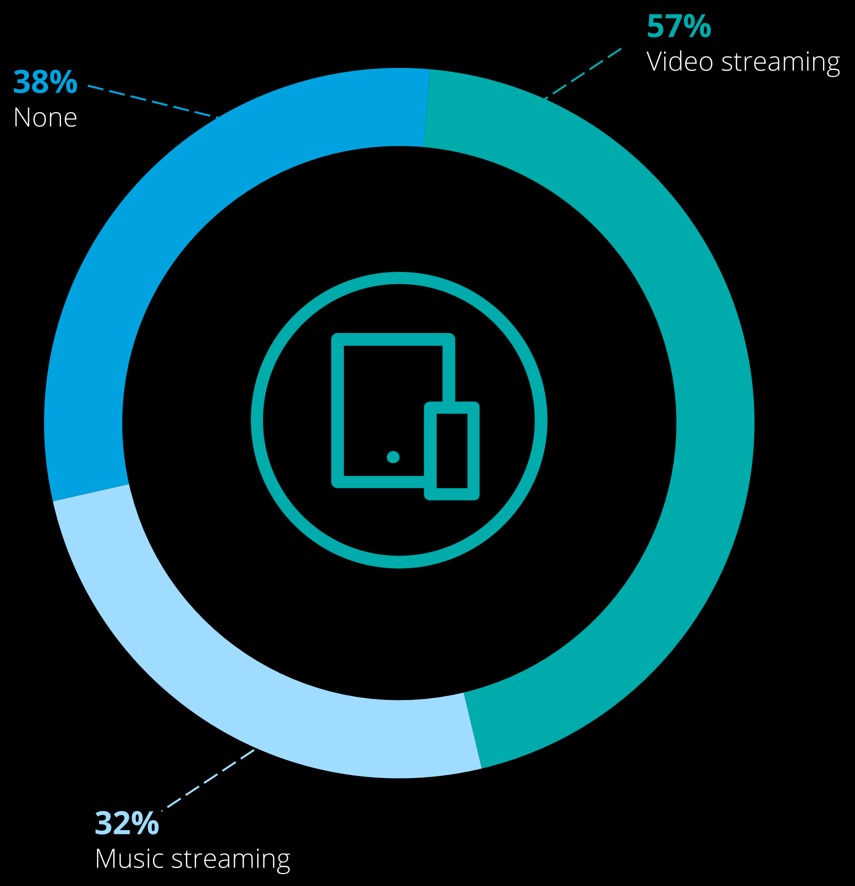
The greater part of consumers have access to a paid video streaming service and around 1 in 3 have access to a paid music streaming service.

In regard to paid video streaming services, the number is especially high for younger people and particularly students (66% have access to these services) – number decreases the older the respondents are.

Even though these numbers are considerable, more than a third (38%) of consumers do not have access to any of the paid digital subscription options provided to answer this question.

Which, if any, of the following paid digital subscription services do you have access to?*

Weighted base: All respondents aged 18-65 years, 2023 (1,000)
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023
*Respondents were given paid video streaming and paid music streaming platform choices.

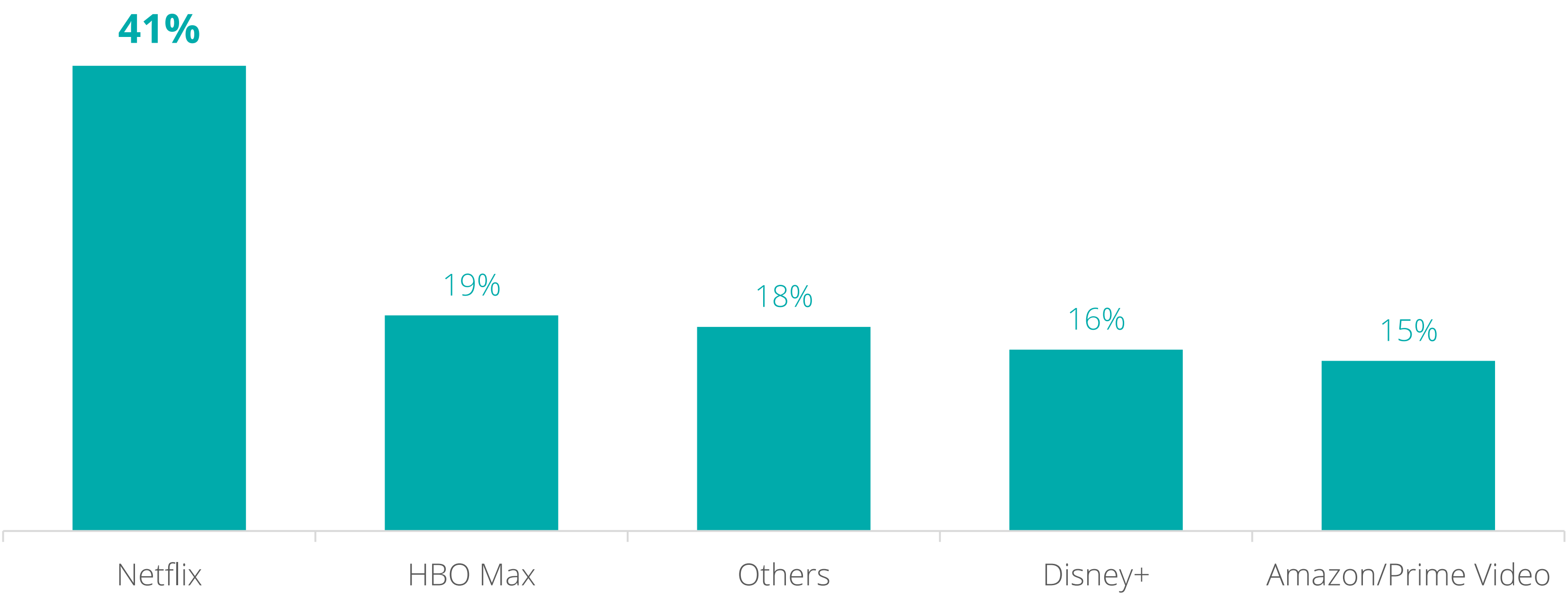


Netflix remains in 1st place for video streaming services

Paid video streaming services

The attempt at eliminating password sharing appears to be having some impact: 41% claim to have access to Netflix, down overall by -12pp. However, Netflix remains the most popular service overall, particularly among the 18-34s.

Video streaming subscription choices*



Weighted base: All respondents aged 18-65 years, 2023 (1,000)
*The question was "Which, if any, of the following paid digital subscription services do you have access to?"
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

Cost challenges are driving cancellations of paid video streaming service subscriptions

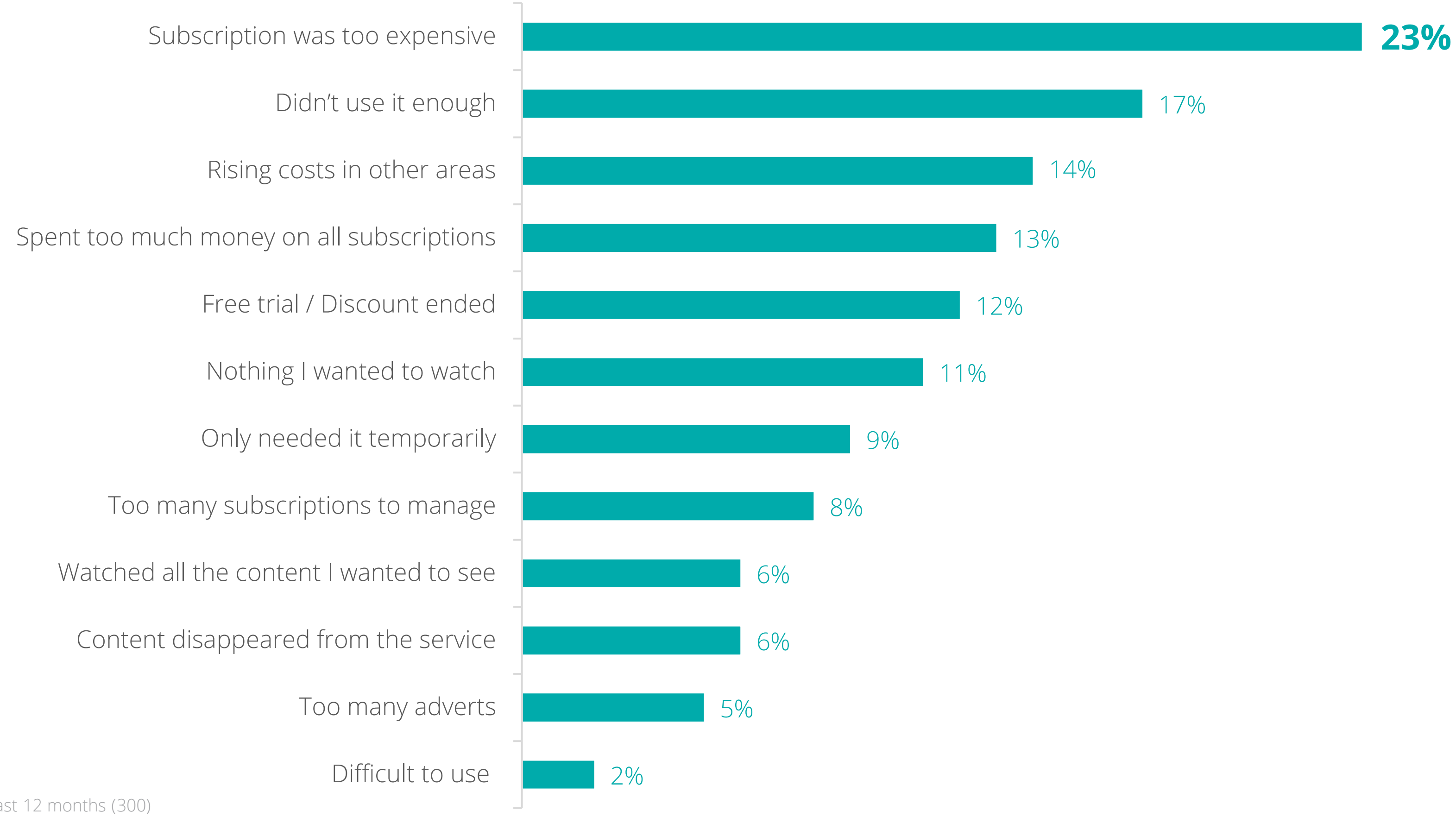
Reasons for cancelling paid video subscription

Almost 1 in 4 (23%) respondents have cancelled paid subscriptions for a video streaming service in the past 12 months.

The subscription being too expensive (23%) was mentioned as the top reason for cancellation.

What made you cancel a paid subscription for a video streaming service in the last year?*

for those who have cancelled a video streaming subscription service in the last 12 months**



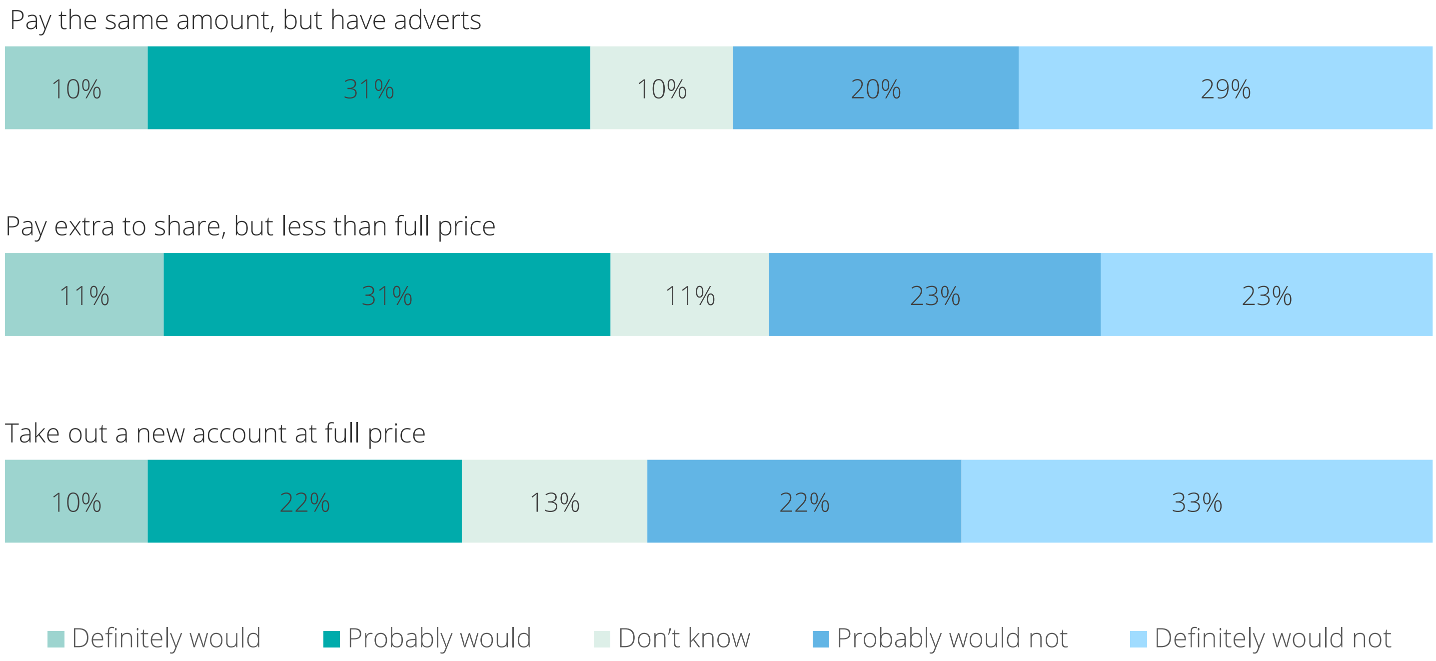
Weighted base: All adults 18-65 who have cancelled a video streaming subscription service in the last 12 months (300)
*The question was "You have cancelled a paid subscription for a video streaming service in the last 12 months, why?"
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023
**not shown are respondents who answered Don't Know (4%), Other (7%), Content inappropriate for children (2%)

Sharing is caring, even if it costs.

Behaviour if account sharing was banned

Which options would you consider to continue sharing video subscription service accounts with people outside your household?*

for those who have access to any paid video subscription service



Weighted base: All respondents aged 16-75 who have access to any paid video subscription service, 2023 (569)
*The question was "If sharing video subscription service accounts with people outside your household was banned, would you consider any of the following to be able to continue sharing with them?"
Source: Deloitte Digital Consumer Trends, The Portugal Cut, 2023

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