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Media and Entertainment

Consumer Broadcast Survey 2009: Discovering and Deciding on Digital

Summary

"We are starting to see the beginnings of 'cord-cutting' where people, particularly young people, are saying, **'All I need is broadband. I don't need video.'**"

–Glenn Britt
CEO, Time Warner Cable

Background and Purpose

Accenture's Consumer Broadcast Survey is the product of intense internal debate and ongoing client conversations

The survey built on last year's findings, and was designed to provide insight into the dramatic and global changes in consumer behavior/preferences associated with the proliferation of new content distribution channels

13,616 consumers participated in the survey from thirteen countries

- Approx. 1,000 consumers per country, aged 18 and older, were polled online between January 19 and February 4
- In addition to countries polled last year (Brazil, France, Germany, Italy, Mexico, Spain, the United Kingdom and the United States) additional input was sought from Asia via polls in Australia, Japan, Malaysia, South Korea, and Singapore.

Key Findings

Viewing of all content – including television – is growing

- Numbers for all media in nearly every country are up from 2008

Discovery mechanisms are not keeping pace with the explosion of choice

- Consumers are still relying on traditional ways to find what they want, and are sticking with those brands they already know

Opportunities in new media abound in emerging markets

- With less legacy behavior to overcome, emerging markets stand ready to leapfrog more established countries

Subscription models could outperform pay-per-download models

- Planned spending is most stable for subscriptions; physical media most at risk

Consumers are making decisions about content use

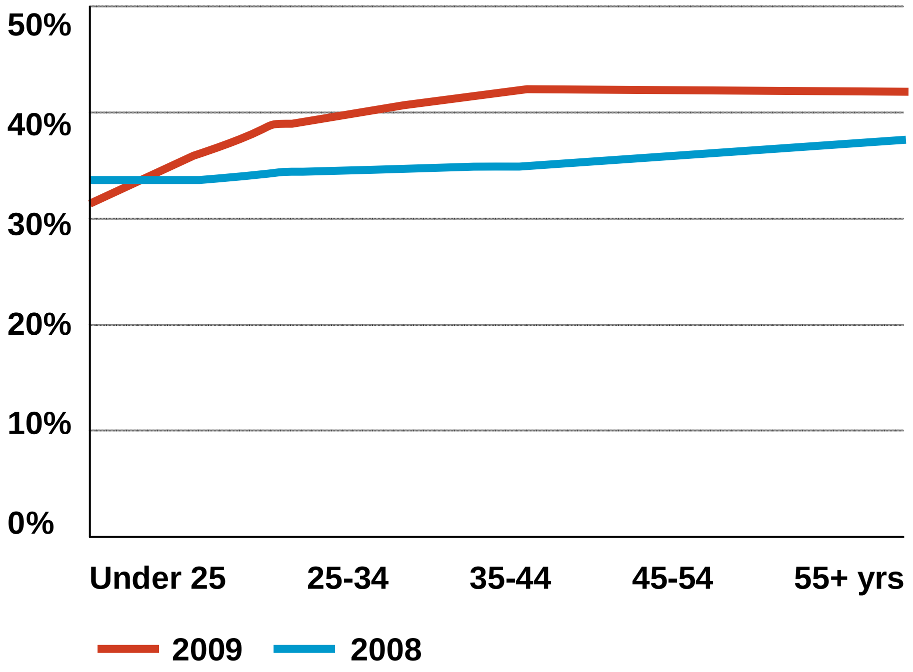
- “Don’t Know” and “No Preference” responses are down for every question

People of all ages are increasing their use of content across all platforms, continuing a fragmentation of audience

Reported television viewership was up year over year.

- 76% of people watch 4 or more programs per week, on 4 or more channels
- Viewers in the Americas watched more television than in Europe, who watched more television than in Asia

Viewership of 6+ TV channels, by age

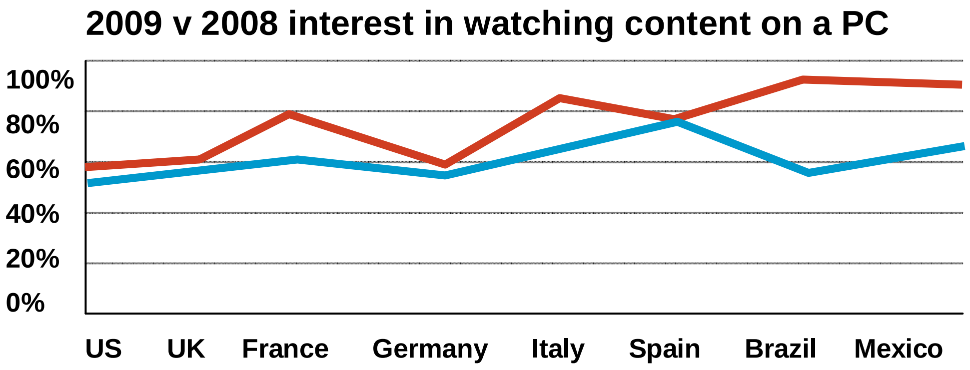


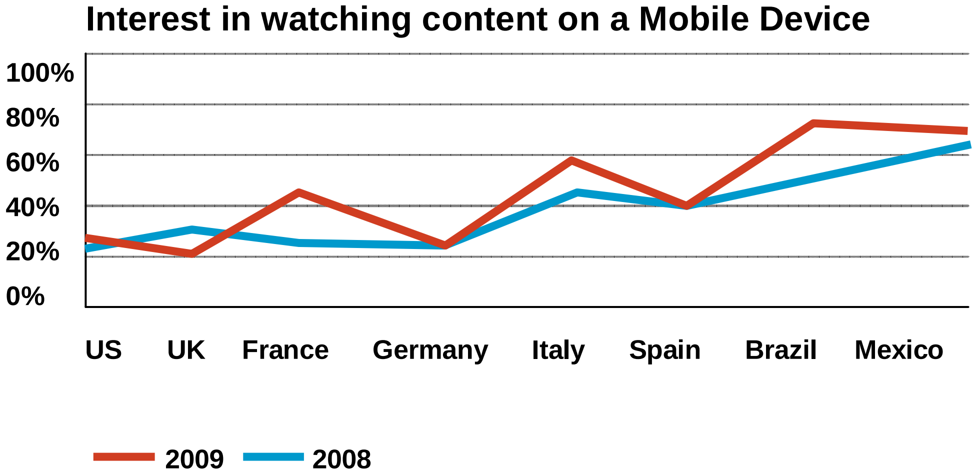
People of all ages are increasing their use of content across all platforms, continuing a fragmentation of audience

- … even as interest in alternative devices and sources rose as well.

- 74% of people are interested in watching some kind of content on a PC, up 13 from 2008

- Interest in mobile content also rose 13 points, to 45%

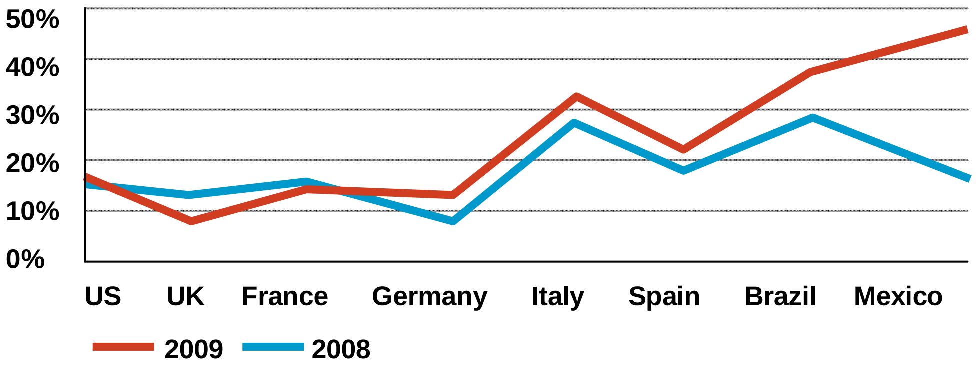




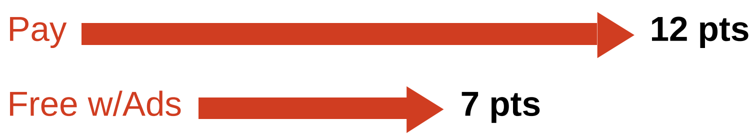
Consumers want control over what they watch (and when and how they watch it!)

Those polled increased their excitement about having control over their content, and showed an increase in willingness to pay

2009 v 2008 proportion who say:
"I'm excited about watching what I want when I want."



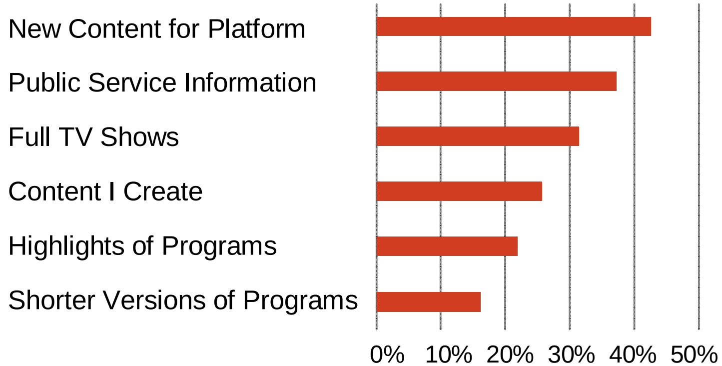
Change in purchase preference from 2008



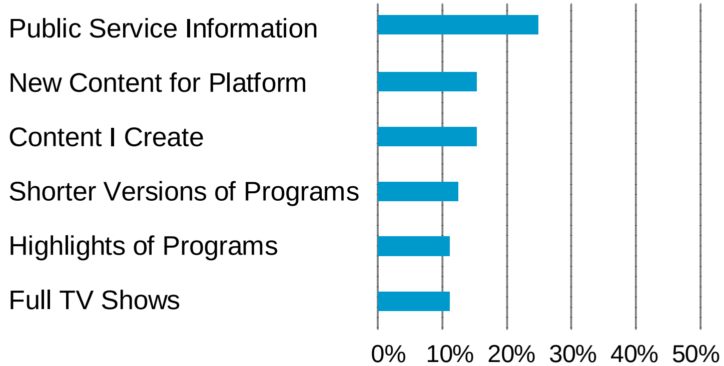
Consumers expect different experiences on different devices

- People are interested in content specific to a device
- Full TV Shows are nearly 3x as popular on PC as on Mobile
- Public service information (weather, traffic, etc.) 40% more popular than next mobile option

Proportions interested in watching specific content on their PC

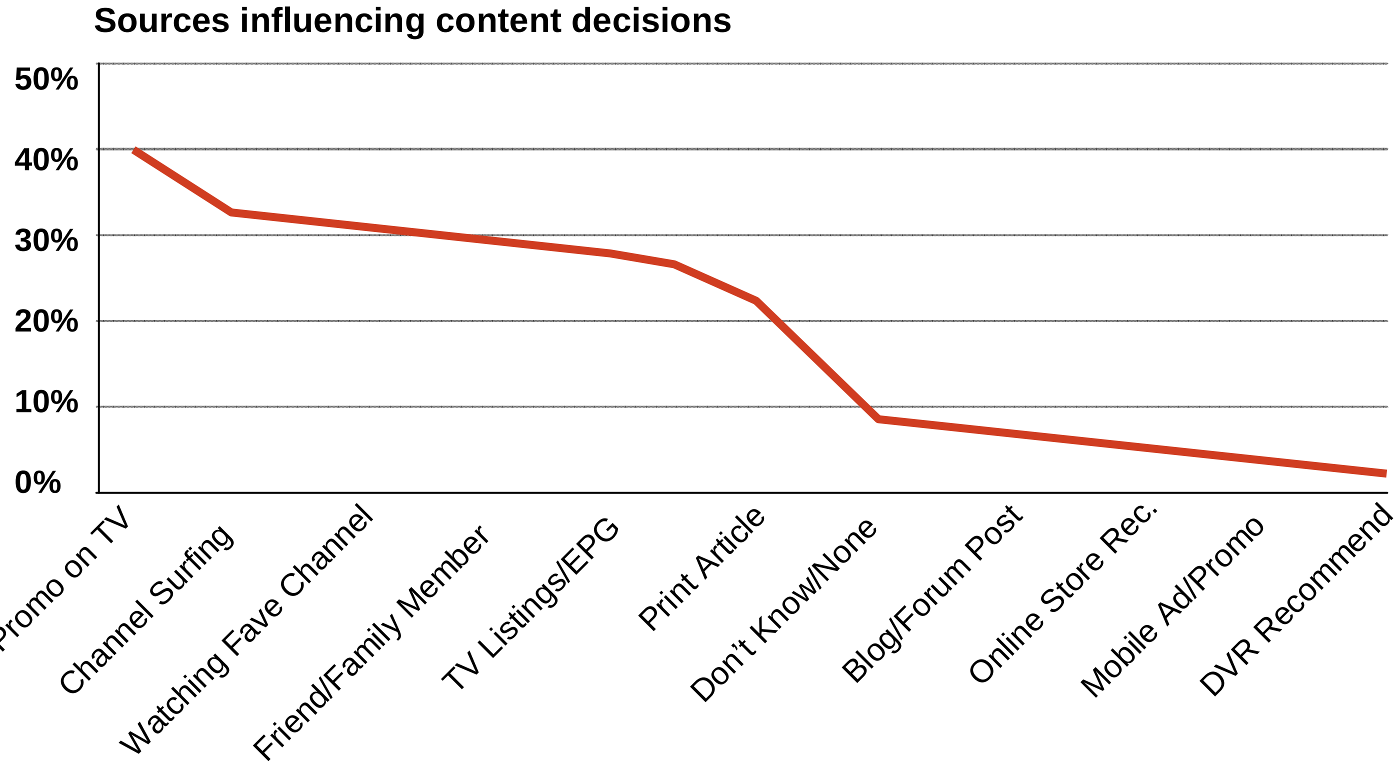


Proportions interested in watching specific content on a mobile device



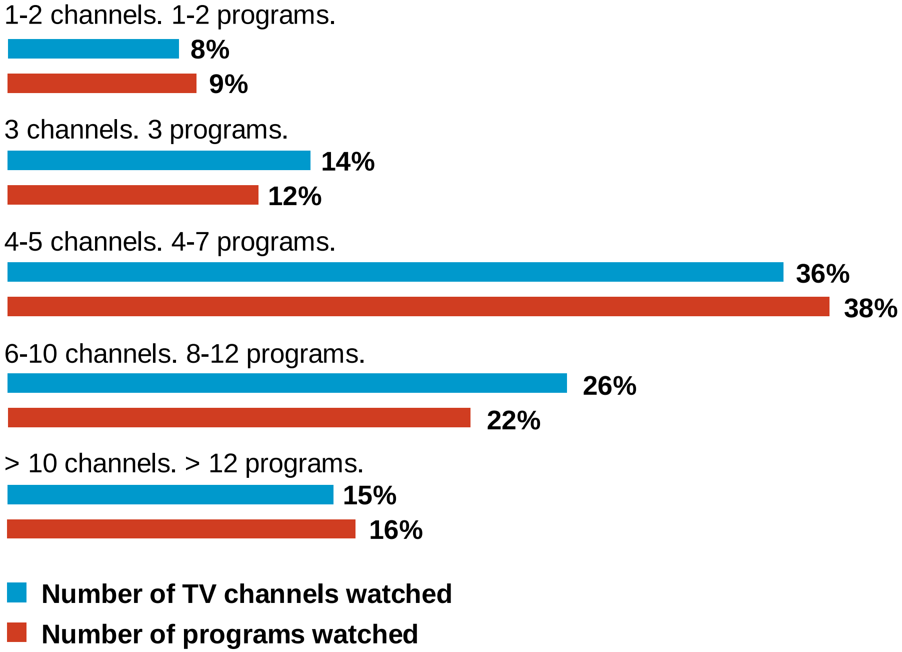
Despite new products and features, consumers still find new content in traditional ways

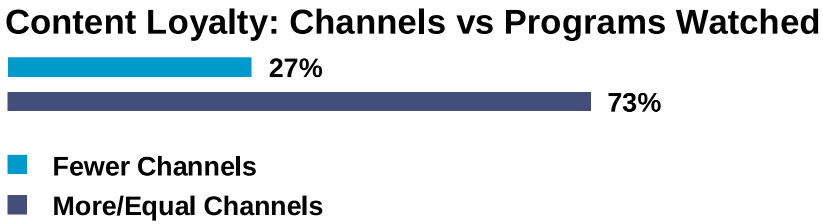
A friend or family member's recommendation was 15x more likely to have influenced a decision as a DVR recommendation



Consumers still show significant loyalty to content brands, following favorite shows from network to network

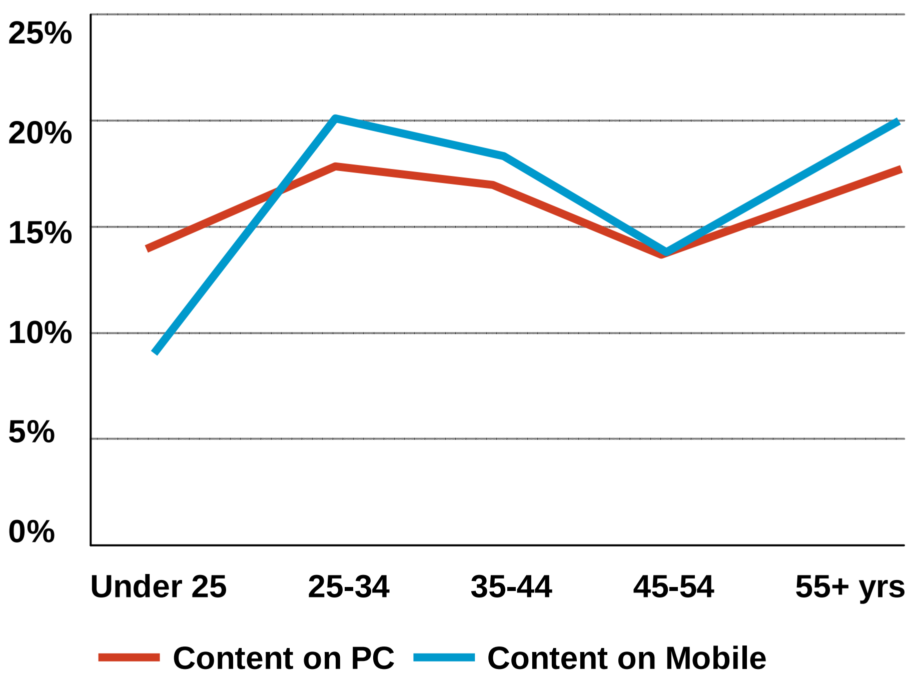
A strong correlation between number of channels and number of programs indicates that viewers are jumping from channel to channel to find what they want, often watching the same program on different networks





Youth still lead, but older groups are catching up

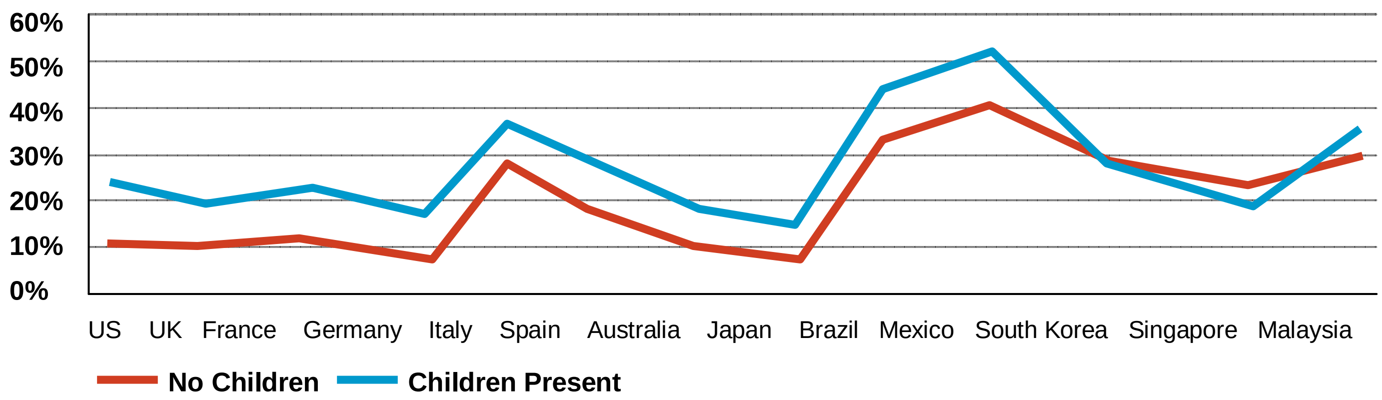
- The under 25 age group still leads in overall interest in and adoption of digital content; 58% would watch content on a mobile device
- While just 33% of those over 55 would watch mobile content, that is 2.5x as many as last year



Households with children are more likely to be excited about, and spend money on, new content options

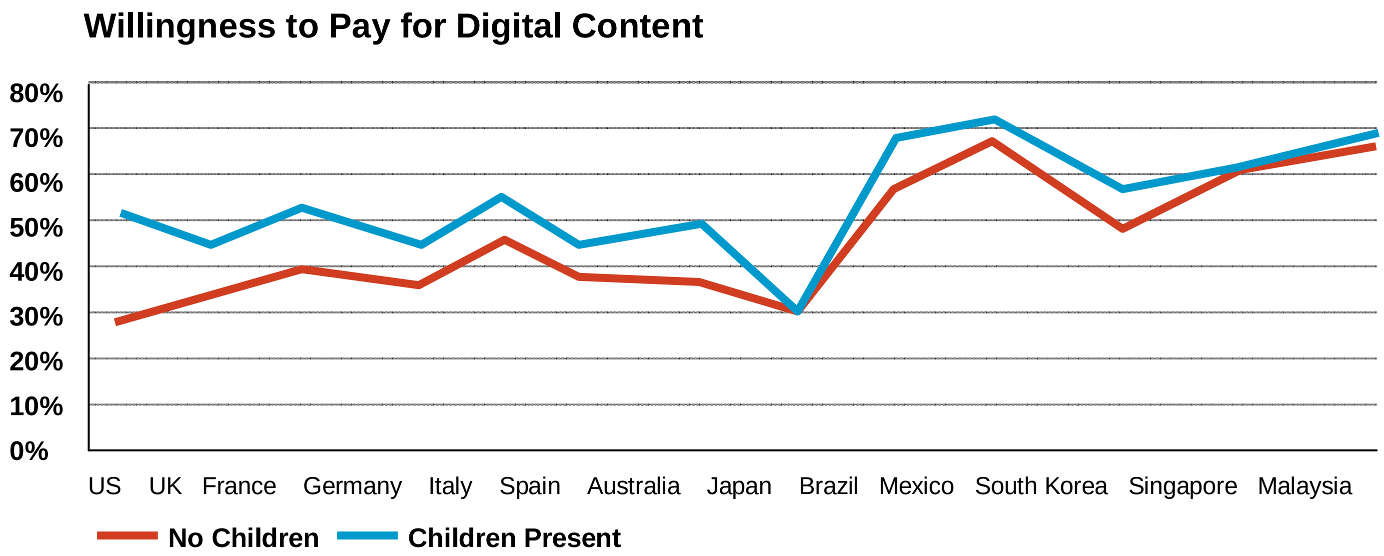
- Parents' higher enthusiasm may be learned from tech-savvy children, and also because services meets their needs, such as time- or place-shifting

Interest in Digital Consumption Opportunities



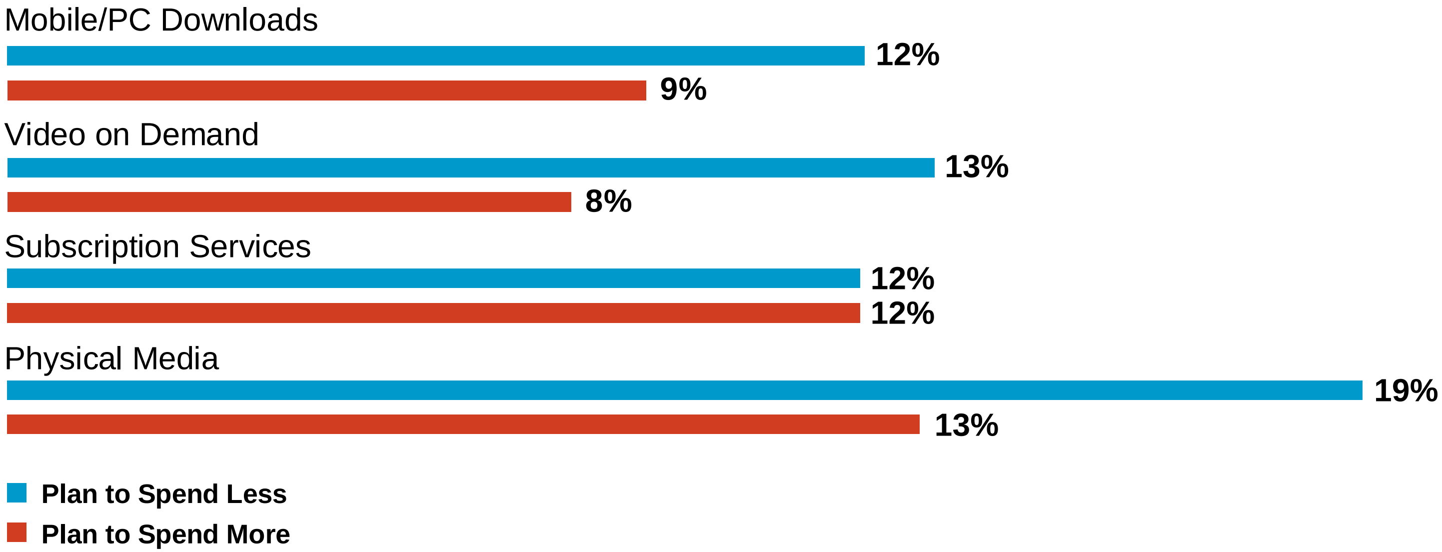
Households with children are more likely to be excited about, and spend money on, new content options

- Children also correlated with an increased willingness to pay, but had no effect on interest in viewing ads



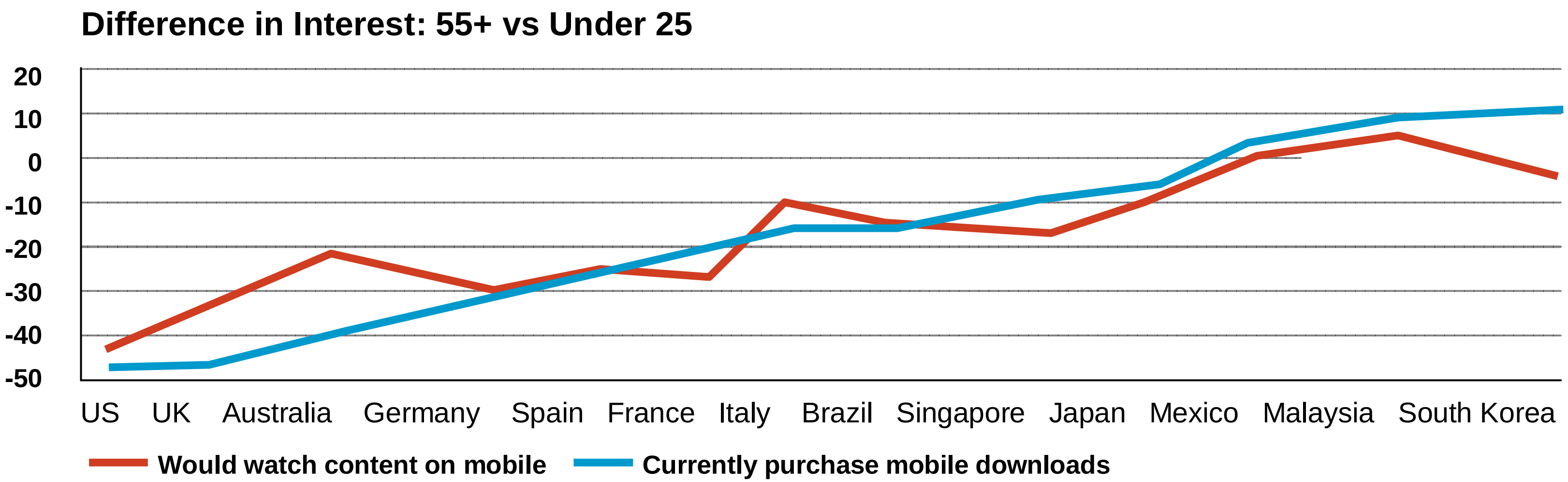
Subscription models seem more resilient than paid downloads or physical media

Net spending change for subscriptions was 0 points; for physical media: -6



Findings differ based on the quality and diversity of "legacy" television offerings

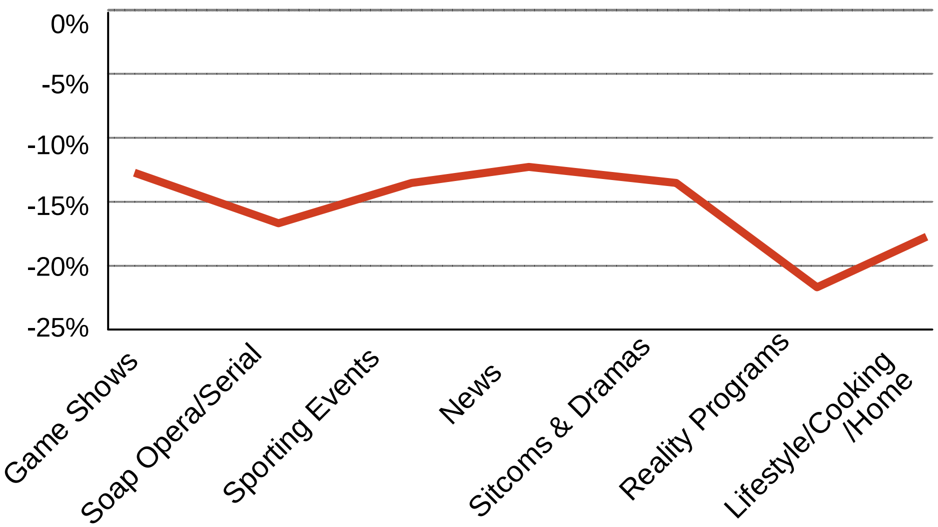
Older consumers were far less likely to be interested in mobile content if they came from a country with a long history of television use



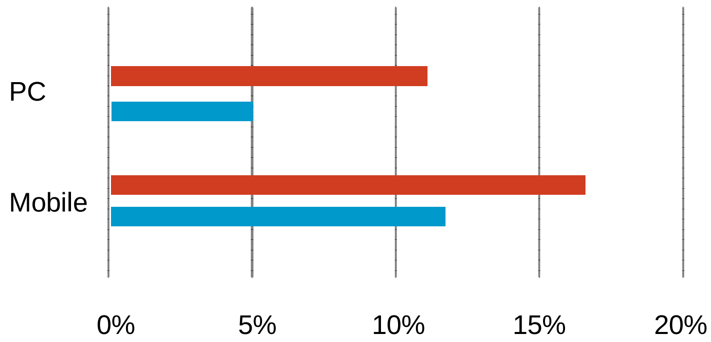
Consumers are making up their minds quickly, based on the quality of today's products and services

- In nearly all questions and for nearly all countries where comparisons can be made, fewer "Don't Know" responses were received.
- Consumers are becoming more familiar with – and making choices about – their preferred content products.

Live vs. DVR/On Demand by Genre:
Net Change in "Don't Know/No Preference" from 2008



Interest in PC/Mobile Content:
"Don't' Know" Responses



Summary

Our research shows that consumer preferences are evolving quickly. Decisions about how and where content is used are being made today, and vary widely depending on country, age group, and target device.

Help your viewers find content they will enjoy

- Are you using targeted messaging, cross-device awareness capabilities, and integrated networks of friends and family to break the content discovery bottleneck?

Streamline your product development lifecycle

- Can you be nimble enough to experiment on new content products?
- Are you leveraging customer preferences to help define what products you offer?

Create and automate a true Digital Content Supply Chain

- Are you developing and managing content specific for each target device?
- Can your pipeline handle the diversity of formats, specifications, and metadata?

Support multiple business models – subscription, ad supported, and purchased

- Are you managing and exploiting your rights to content?
- What relationships do you have to help manage these diverse business models?