TV & MEDIA 2015

The empowered TV & media consumer’s influence

Ericsson ConsumerLab

Anders Erlandsson, Senior Advisor
Zeynep Ahmet, Senior Advisor

ERICSSON CONSUMERLAB ANNUAL RESEARCH

REPRESENTING
1.1 BILLION
PEOPLE

100,000
RESPONDENTS

MORE THAN
40
COUNTRIES

15
MEGACITIES
STUDIED

REPRESENTING >680 MILLION CONSUMERS

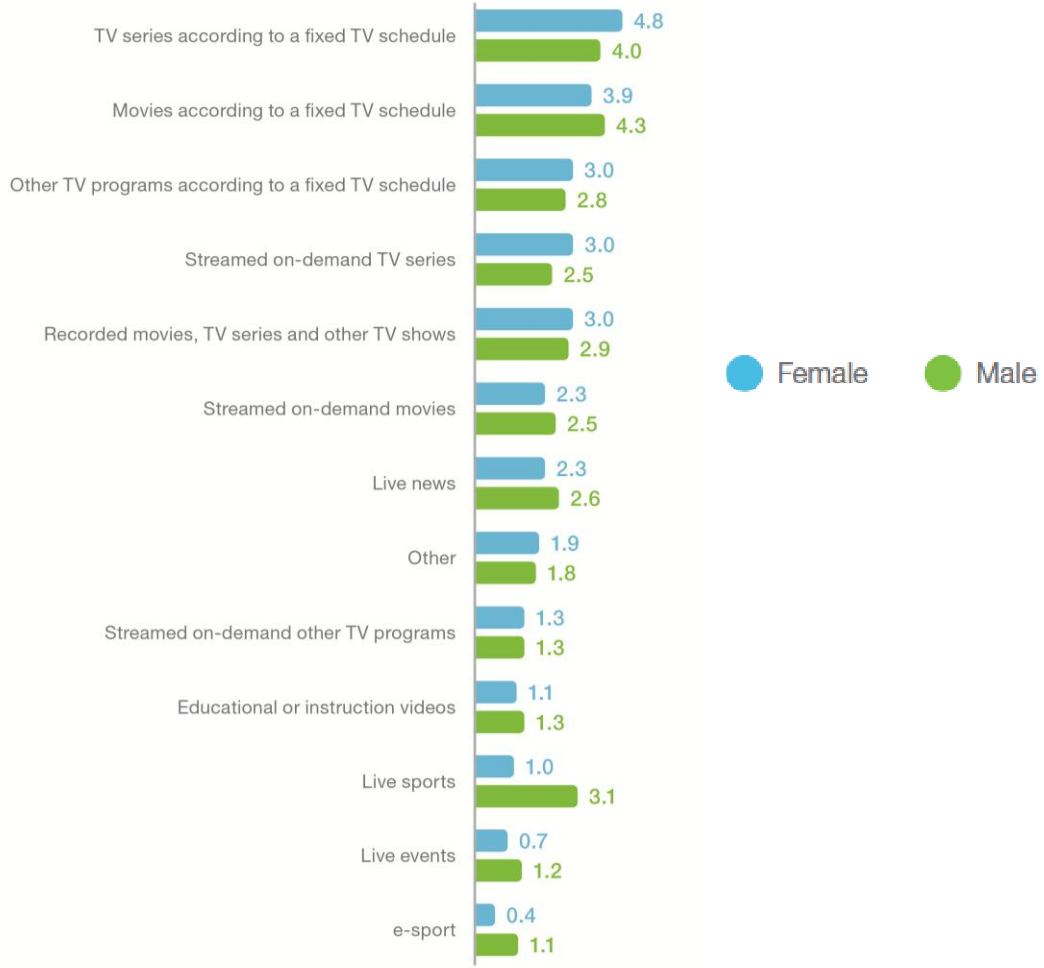
- Qualitative and quantitative
- Quantitative

Qualitative: 30 in-depth interviews (San Francisco, Mexico City, Paris & Stockholm)
Quantitative: 20 000 online interviews (1000/country) age 16-59 + booster >2500 online interviews age 60-69
Base 20 Markets: Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US

Source: Ericsson ConsumerLab TV & Media 2015 Study

HALF OF VIEWING TIME IS TV SERIES & MOVIES

Average number of self-reported weekly hours of active TV/video viewing, by gender:



"Family movies. More than series, family movies, funny movies. Sometimes I like to mix, start with children movies and then go on with action movies and closing with a funny movie to go to sleep happy."

- Veronica, 40 years, Mexico

30 HOURS

per week is the average weekly active viewing time

BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US

Source: Ericsson ConsumerLab TV & Media 2015 Study

TV SERIES IS THE NEW BLACK

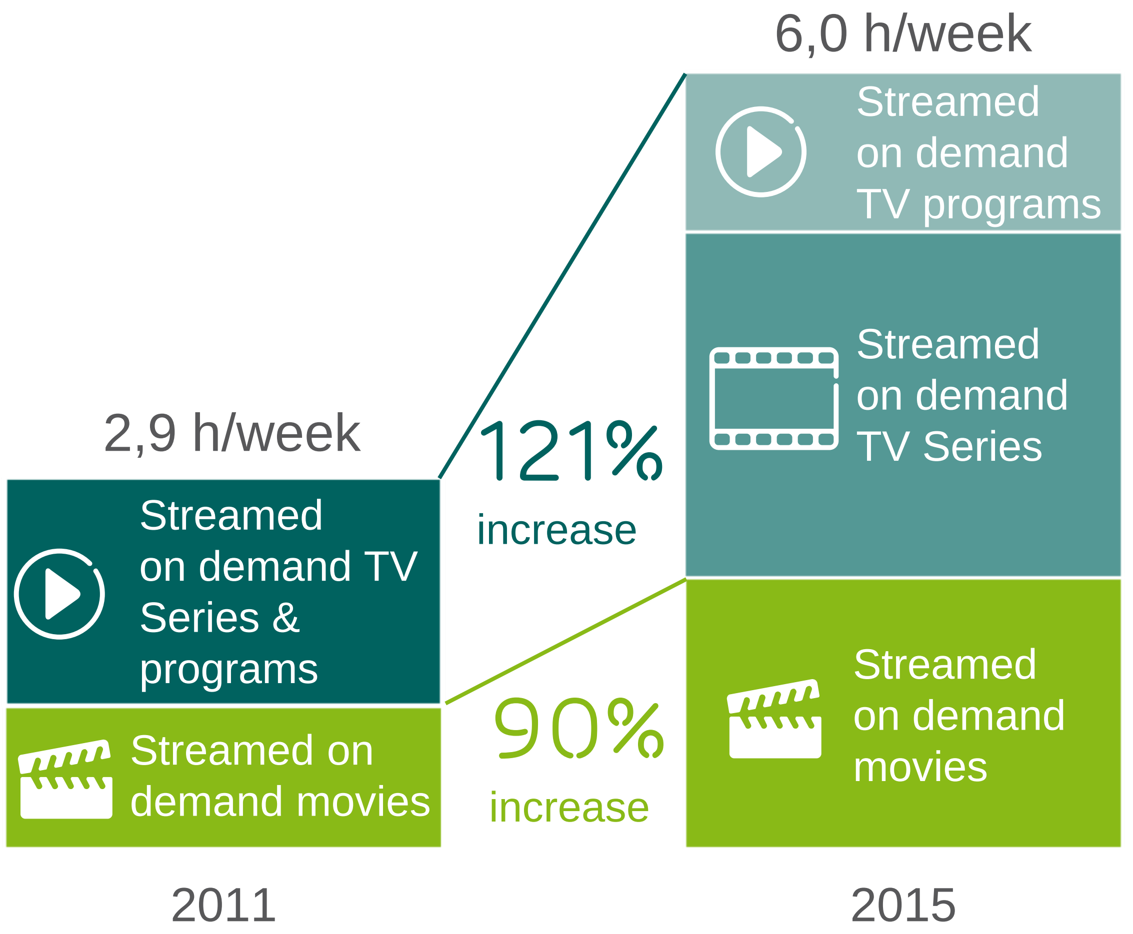
45%

of streamed on demand viewing of long content is TV series

“The world of series is so, so huge now, there’s so many of them. And that’s taken over from normal films from cinema.”

- Anne, 38 years, France

Average number of self reported weekly hours of active TV/video viewing:

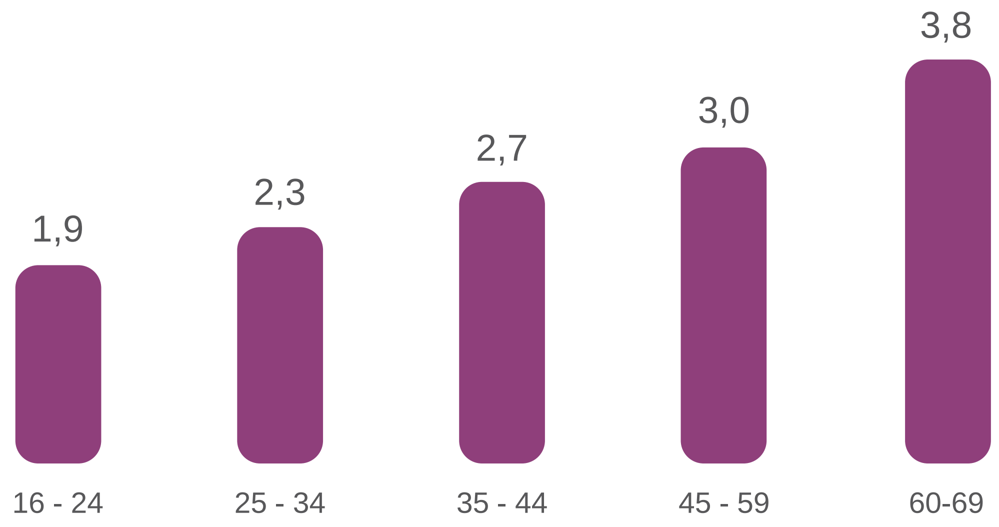


BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, China, Germany, Spain, South Korea, Sweden, Taiwan, UK, US

Source: Ericsson ConsumerLab TV & Media 2011 & 2015 Study

SENIORS LOVE THEIR LIVE NEWS

Average nr of self reported hours watching live news per week per age group



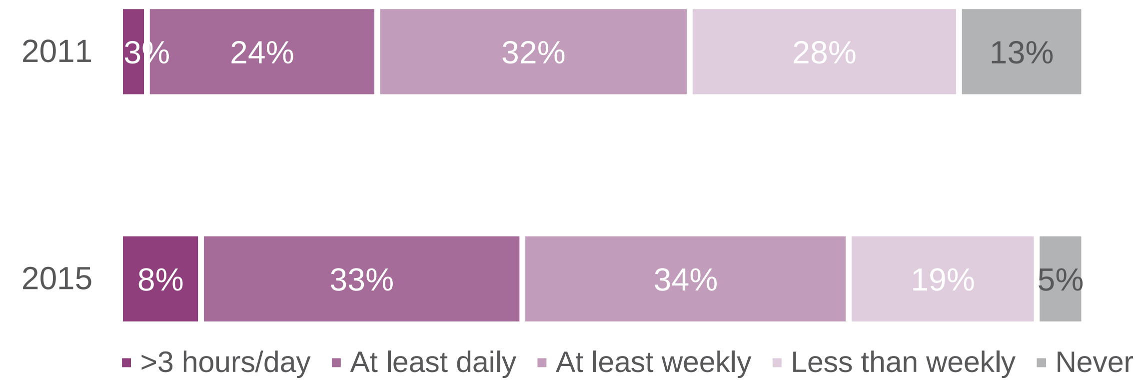
>80%

higher average viewing time of live news for 60-69 year olds, than for millennials (those aged 16-34)

BASE: Population aged 16-69 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US
Source: Ericsson ConsumerLab TV & Media 2015 Study

YOUTUBE GROWS IN IMPORTANCE

Percentage of consumers watching YouTube with different frequency
[global self reported frequency of viewing]



"My wife fixed our iPad and our dishwasher by watching YouTube instruction videos. If a nuclear reactor started leaking, she would go to YouTube and then volunteer to fix it."

- Simon, 44 years, USA

30%
Watch how-to videos each week

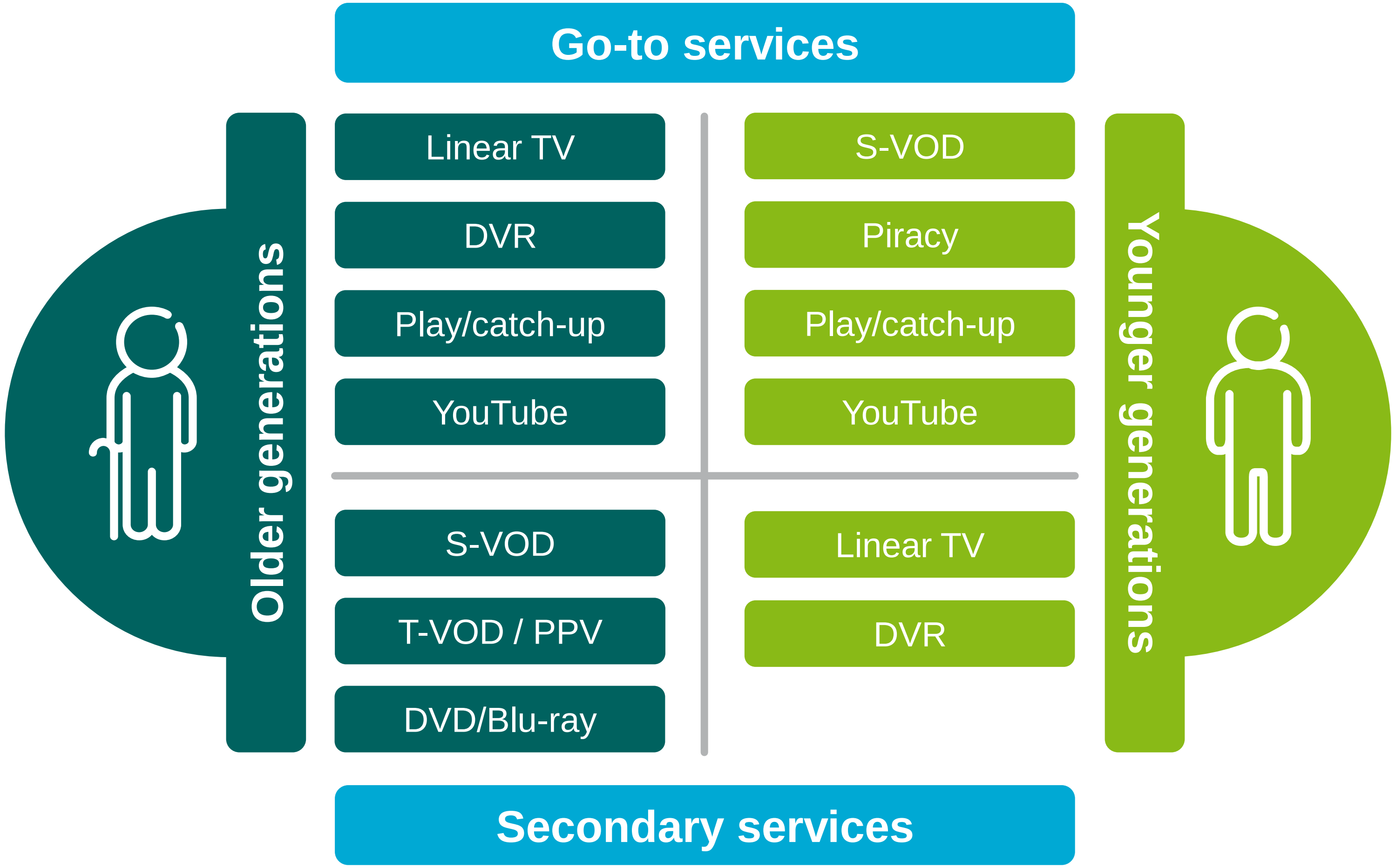
18%
Watch gaming videos each week

BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, China, Germany, Spain, South Korea, Sweden, Taiwan, UK, US
Source: Ericsson ConsumerLab TV & Media 2015 Study

THE ROLE OF SERVICES VARIES BETWEEN GENERATIONS

Television is most important. And YouTube."

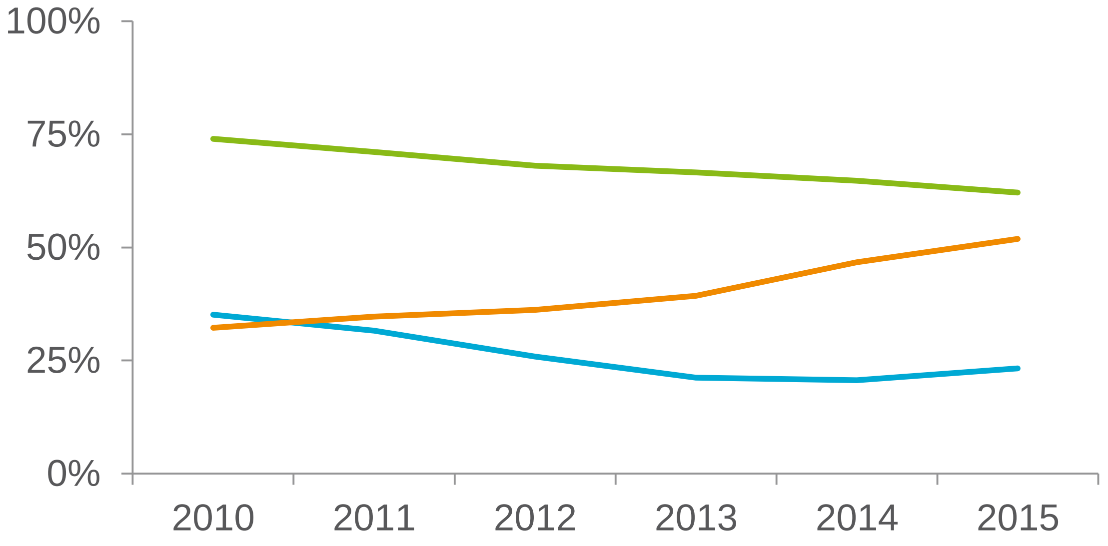
Colette, 61 years old, France



DAILY MEDIA HABITS

Percentage of people watching different media types at least once per day (global average of self reported frequency of viewing)

- Scheduled linear TV
- Recorded linear TV
- Streamed on demand video (YouTube, short clips, movies, TV-series & programs)



~8 IN 10

Teenagers watch streamed on demand TV and video at least once per day

~8 IN 10

60-69 year olds watch scheduled linear TV at least once per day

BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil*, China, Germany, Spain, South Korea*, Sweden, Taiwan, UK, US,
** excluded in 2010 figures, ** 3 years moving average ¼, ½, ¼*
[Showing: Use once per day or more]
Source: Ericsson ConsumerLab TV & Media 2010-2015 Study

S-VOD DRIVES BINGE VIEWING

87%

of S-VOD users binge view at least once per week, compared to 74% of non-SVOD users

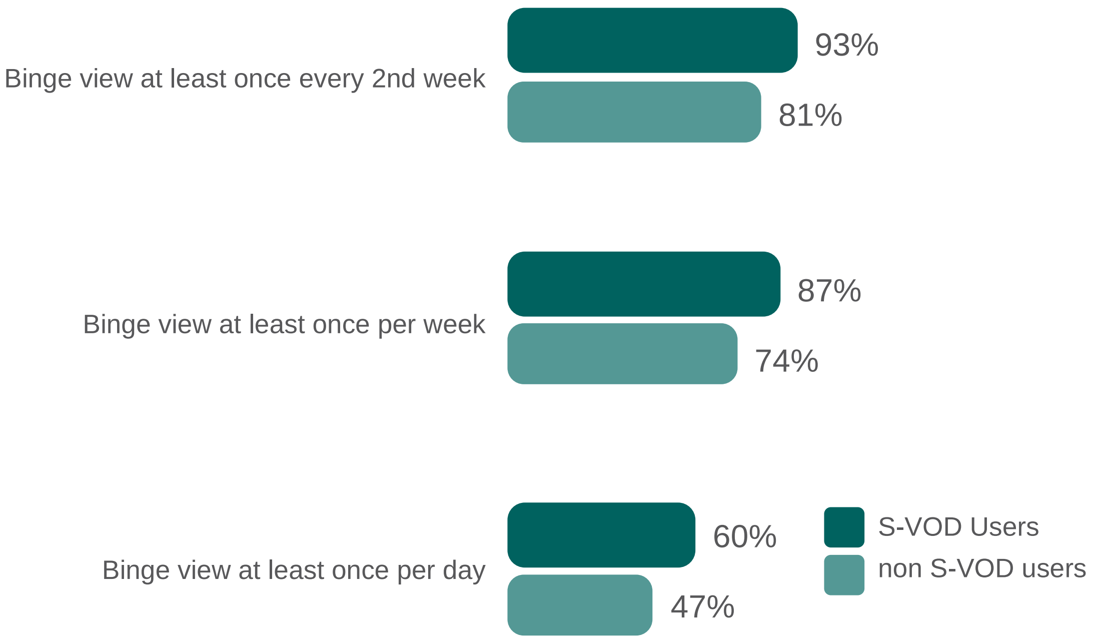
>50%

binge daily

5%

never binge

Self reported frequency of watching several TV series, other TV programs or user generated content (UGC) episodes in a row (so called binge viewing)

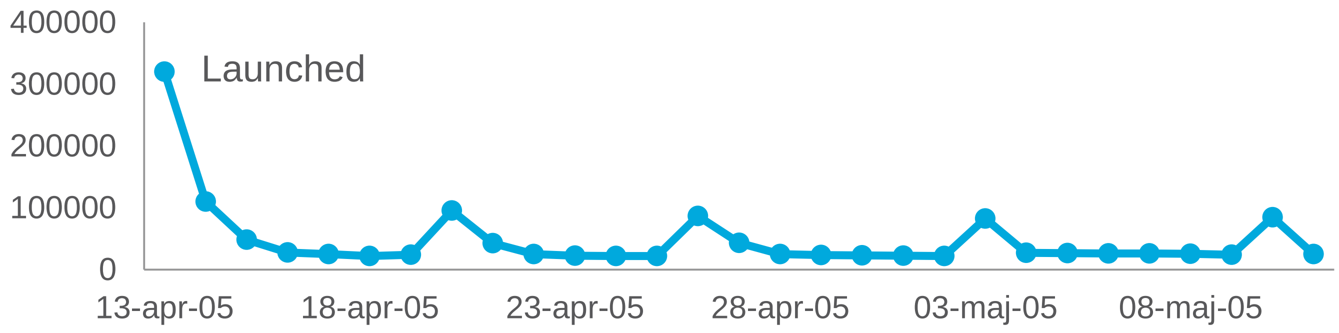


BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US

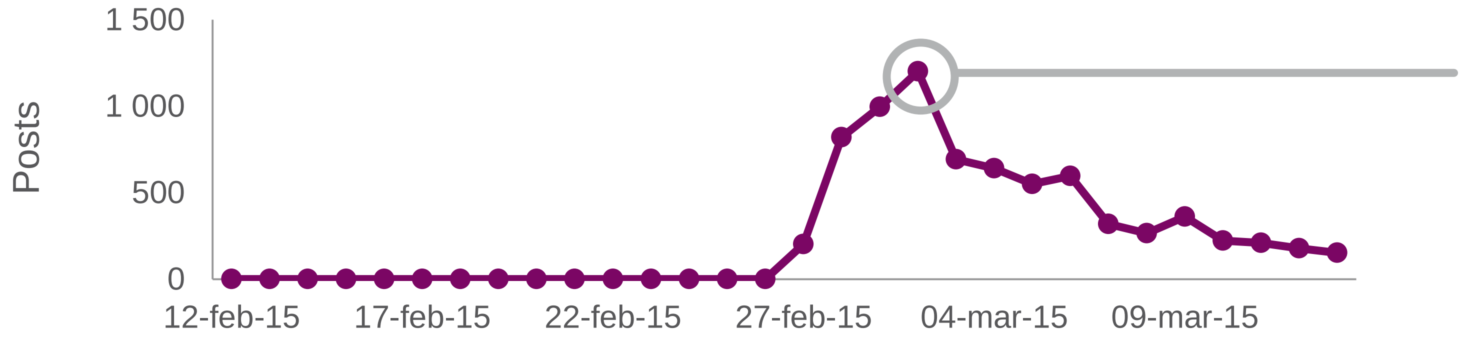
Source: Ericsson ConsumerLab TV & Media 2015 Study

DIFFERENT VIEWING CYCLES

'Game of Thrones' related tweets over 30 days



Mentions of watching all 13 episodes of 'House of Cards'



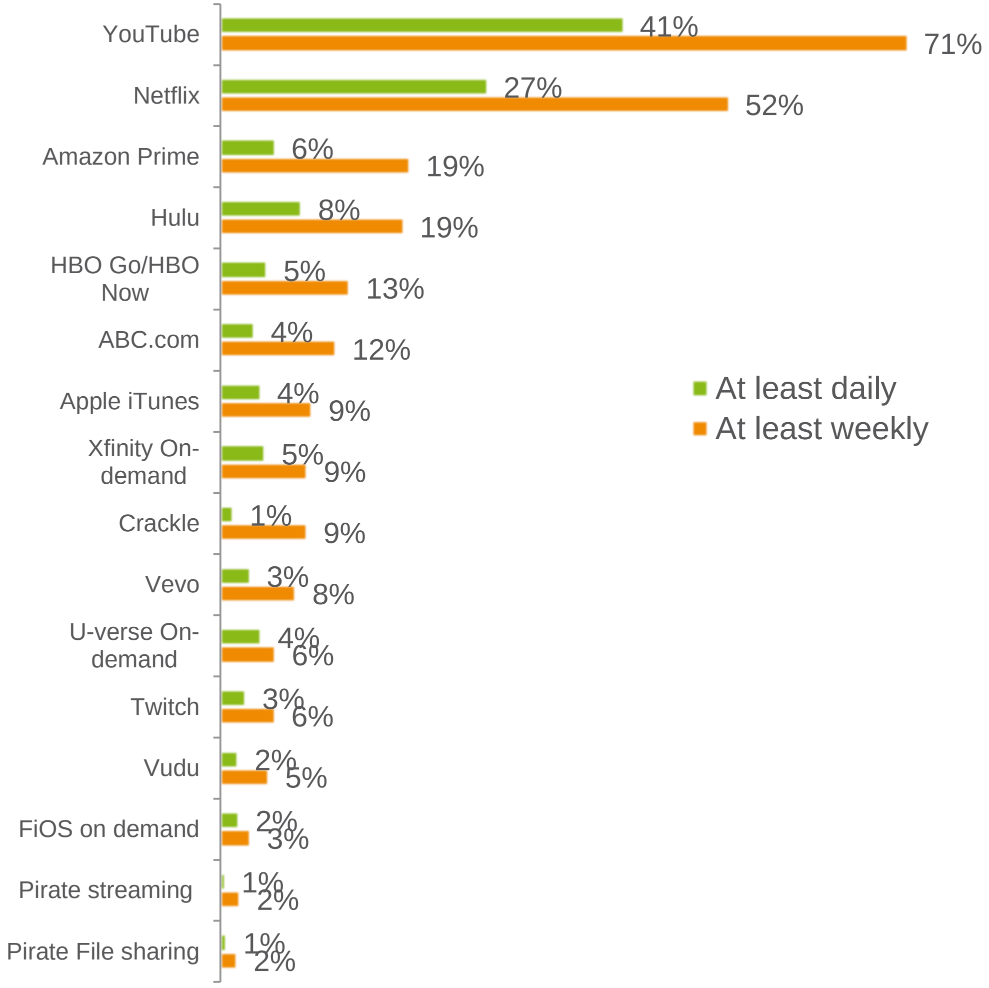
- Content drives viewing habits
- Popular content has a higher influence
- TV series that release all of a season's episodes at once are popular and drive S-VOD subscriptions

Over 3,000 people tweeted that they had finished the entire season within 4 days

Source: Ericsson ConsumerLab TV and media 2015 [Social media scanning, Twitter.com]

ON-DEMAND FREQUENCY US

Percent of people using each on-demand service on a daily vs. weekly basis, US 2015 [self-reported]



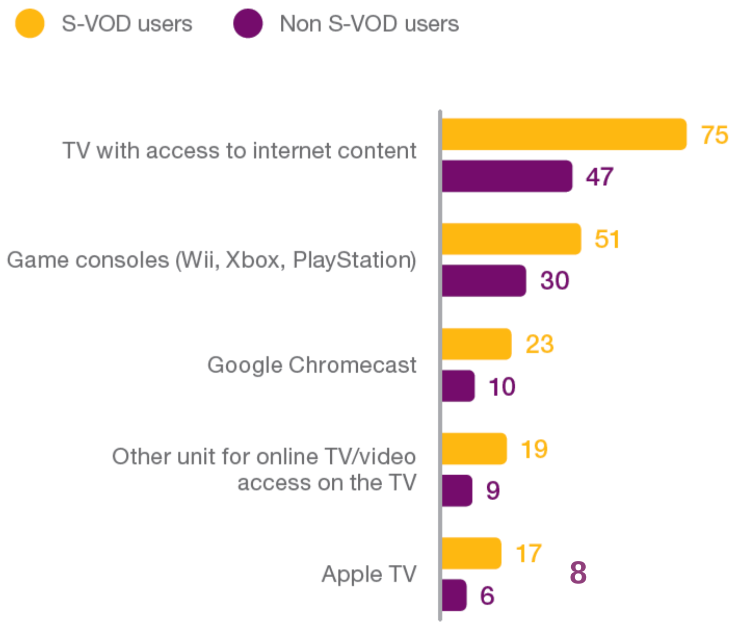
>50%

of the studied US population use Netflix at least once a week

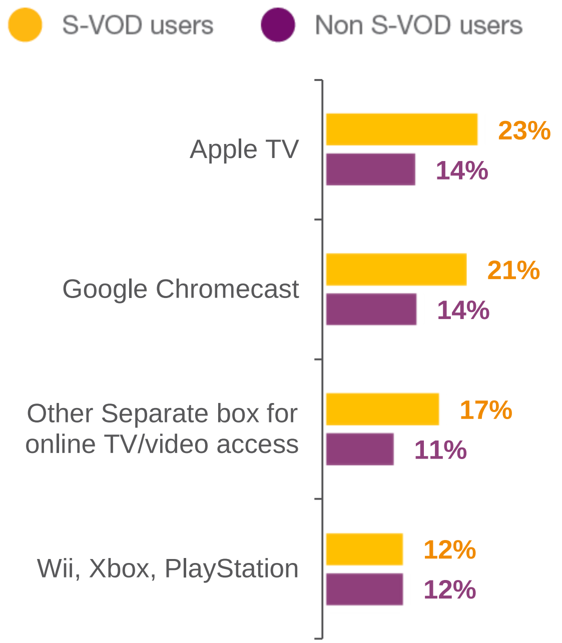
BASE: US Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly
Source: Ericsson ConsumerLab TV & Media 2015 Study

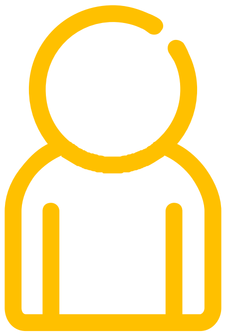
CONNECTED TV SCREENS

Percentage of consumers that have and use each device [Self-reported]:



Percentage of consumers that do not have, but plan to get each device [Self-reported]:





67%

are able to watch internet content on their TV screens at home, and

89%

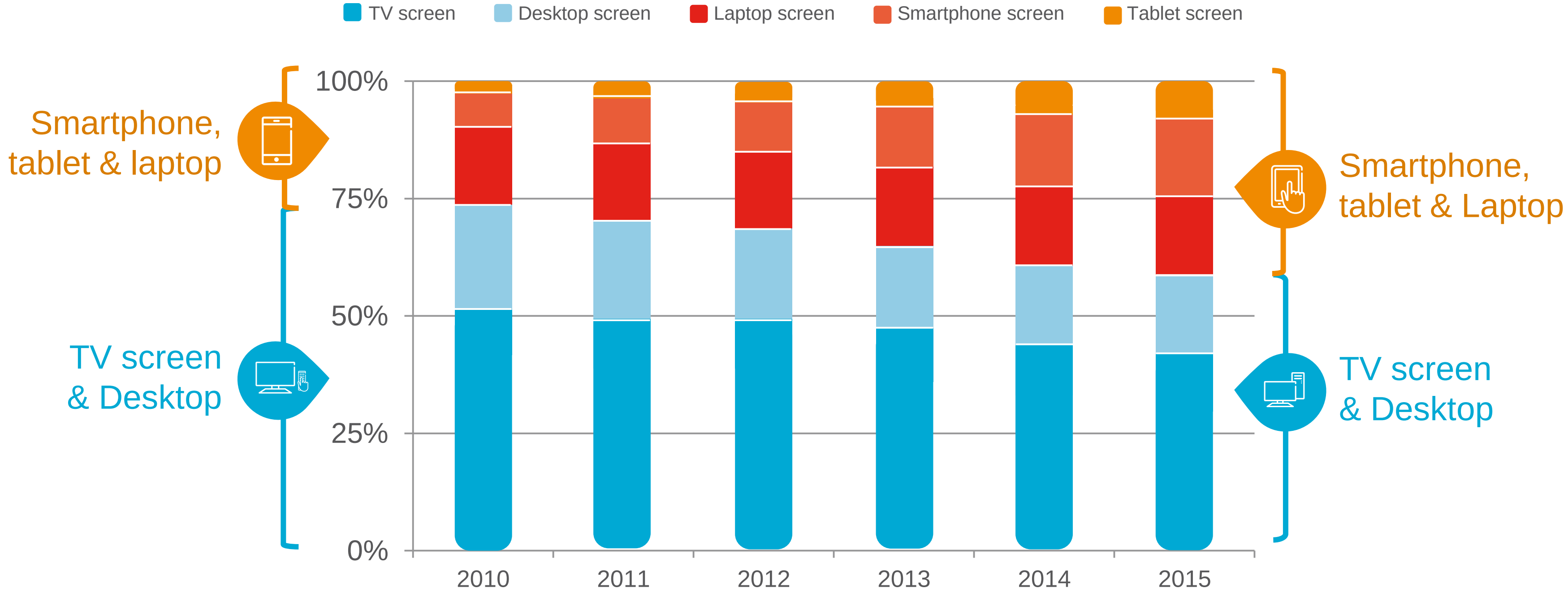
of these feel they can access all or most apps and services they want!

BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US

Source: Ericsson ConsumerLab TV & Media 2015 Study

A SHIFT FROM FIXED TO MOBILE DEVICES

Share of self-reported total weekly TV/video viewing time, per year, done on respective device **



61%

of consumers watch TV & video on their smartphones, an increase of 71% since 2012

42%

think it is very important to watch their TV & video content wherever they are

BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil*, China, Germany, South Korea*, Spain, Sweden, Taiwan, UK and US. * *excluded. in 2010 figures, ** 3 years moving average ¼, ½, ¼*

Source: Ericsson ConsumerLab TV & Media 2010-2015 Study

SMARTPHONE VIDEO VIEWING

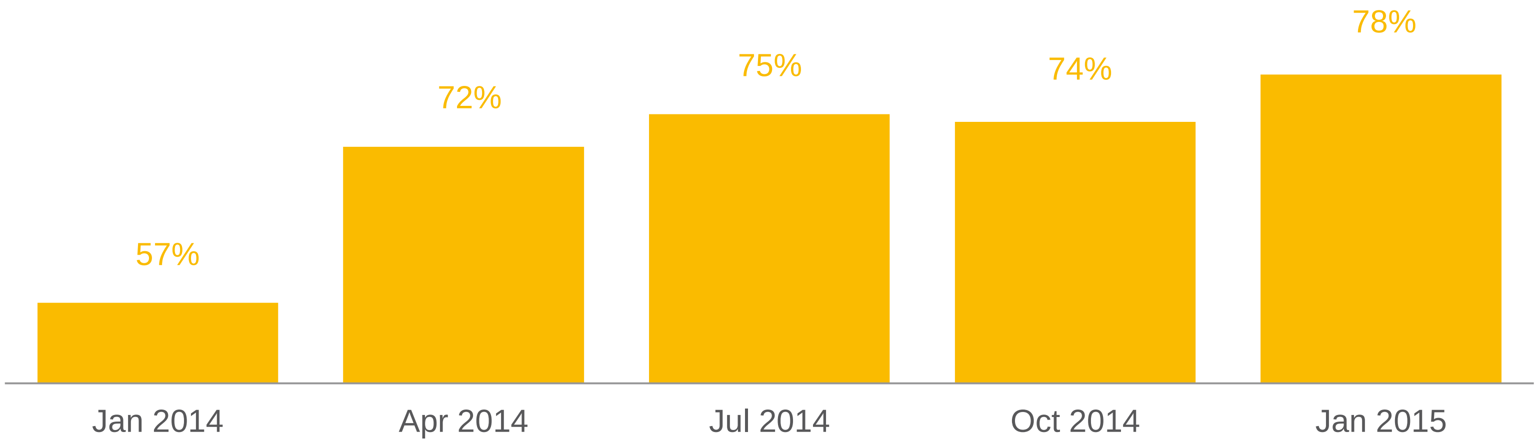
Proportion of smartphone users who watch video content on their smartphone, ODM measurements

- Majority of smartphone users watch some or the other video content on their smartphone
- The phenomenon is typically dominant in South Korea where smartphone is the way of life among its users

Base: Android smartphone users in US, UK and South Korea
Source: Ericsson ConsumerLab TV & Media 2015 Study, [ConsumerLab Analytical Platform, On-device metering data]

A CHANGE IN ACCESSING TV CONTENT

Quarterly measurements of smartphone users in the US who access TV apps (such as ABC, HBO GO, CBS Mobile) at least once on their smartphones

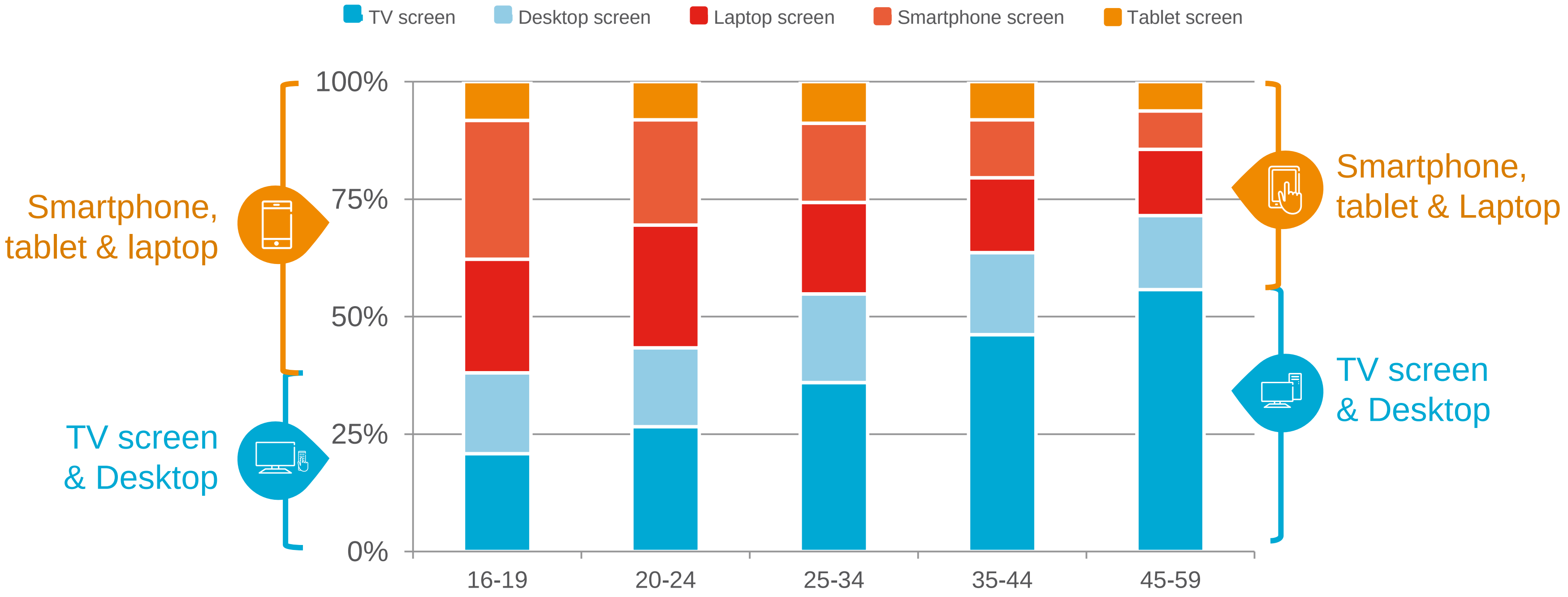


- TV content is being increasingly accessed via smartphones, and its reach has grown significantly over the past year

Base: US, Users accessing Entertainment TV content online via smartphones
Source: Ericsson ConsumerLab TV and media 2015 [comScore MobileMetrix Jan 2015]

MILLENNIALS = MOBILE DEVICE VIEWING

Self-reported share of total TV-time by age group, done on respective device **



>60%

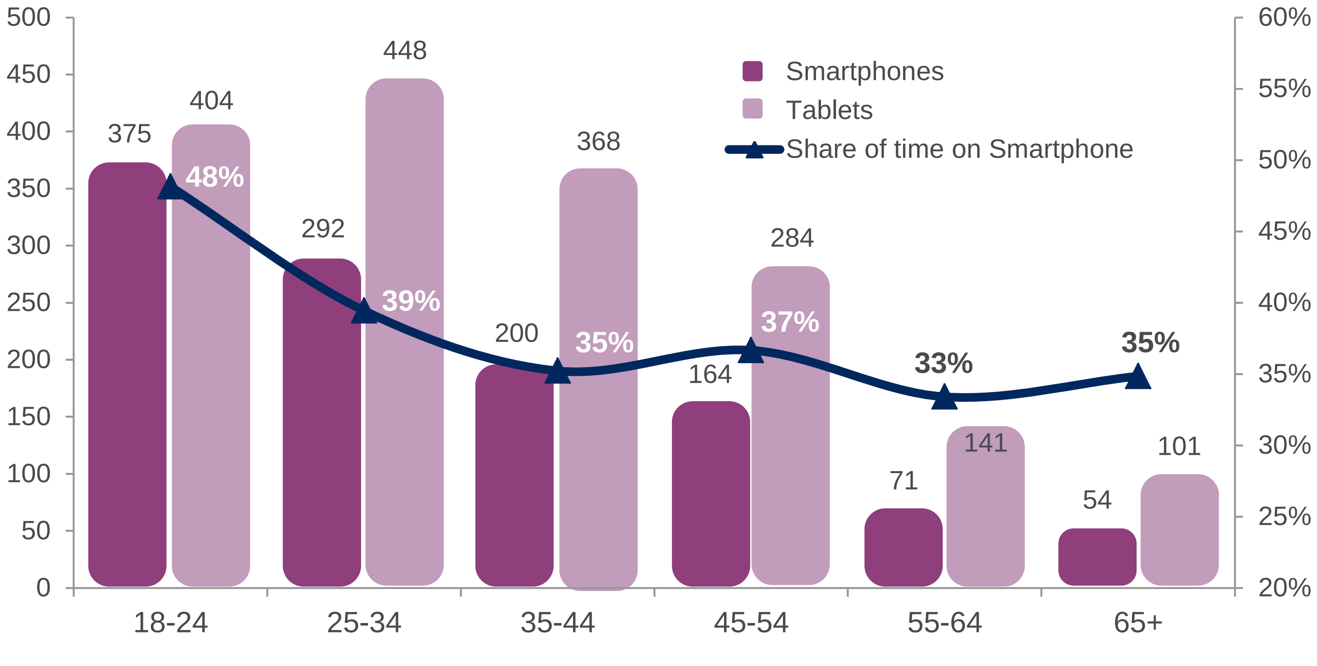
of all TV/video viewing hours are spent on a Mobile device screen among teenagers

BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, South Korea, Spain, Sweden, Taiwan, Turkey, UK, Ukraine and US

Source: Ericsson ConsumerLab TV & Media 2015 Study

MILLENNIALS USE THE SMARTPHONE TOO

Measured average minutes per visitor and month as well as Share of Time by Age Groups – Entertainment Multimedia*



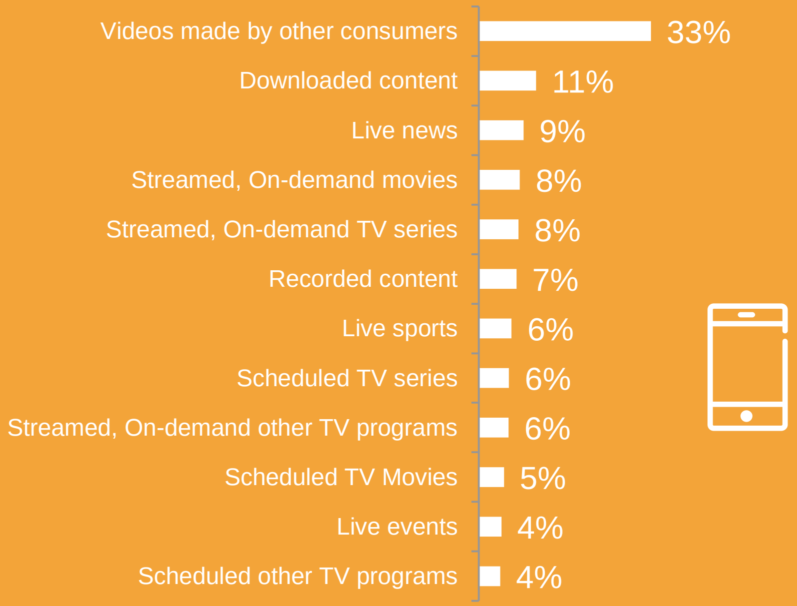
*Entertainment –Multimedia category in comScore encompasses all paid and free on-demand video services

- Entertainment-Multimedia services are accessed more by younger consumers on mobile devices
- Though more time is spent on tablets across age groups, share of time on smartphone is higher for younger consumers

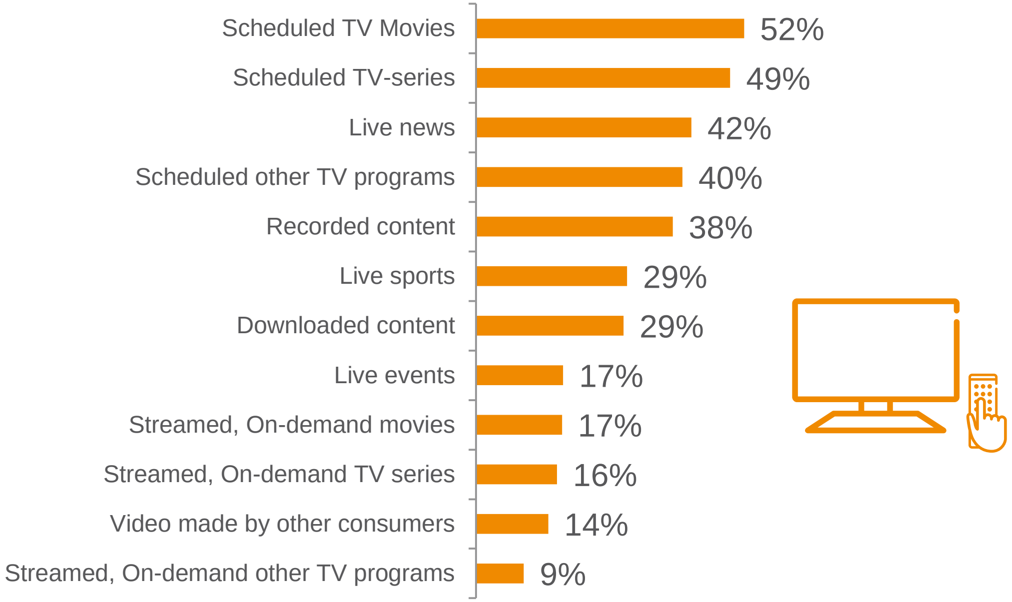
Base: Users accessing Ent-Multimedia content online via smartphones and tablets
Source: Ericsson ConsumerLab TV & Media 2015 Study
[comScore MobileMetrix Jan 2015]

UGC STILL DOMINATE MOBILE VIEWING

Percent of consumers that watch each content type on the Smartphone [self-reported]



Percent of consumers that watch each content type on the TV Screen [Self-reported]

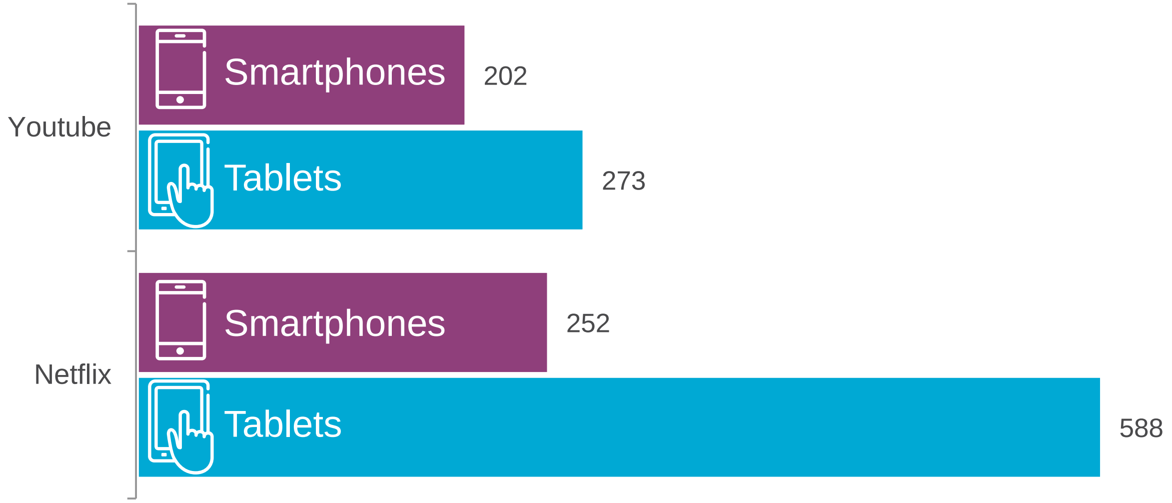


Mobile viewing is set to change due to the rapid growth of S-VOD

BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, South Korea, Spain, Sweden, Taiwan, Turkey, UK, Ukraine and US
Source: Ericsson ConsumerLab TV & Media 2015 Study

SMARTPHONE AND TABLET ON EQUAL FOOTING IN TERMS OF SHORT VIDEO

Measured average minutes per visitor and month on On-Demand/Streaming Services [Smartphone Vs. Tablets]



- Tablets and smartphone are equally preferred for watching shorter video content
- However, Tablets are preferred for watching longer format content like Netflix

Base: Users accessing YouTube and Netflix via smartphones or tablets respectively
Source: Ericsson ConsumerLab TV & Media 2015 Study
[comScore MobileMetrix Jan 2015]

SEAMLESSNESS EXPECTED

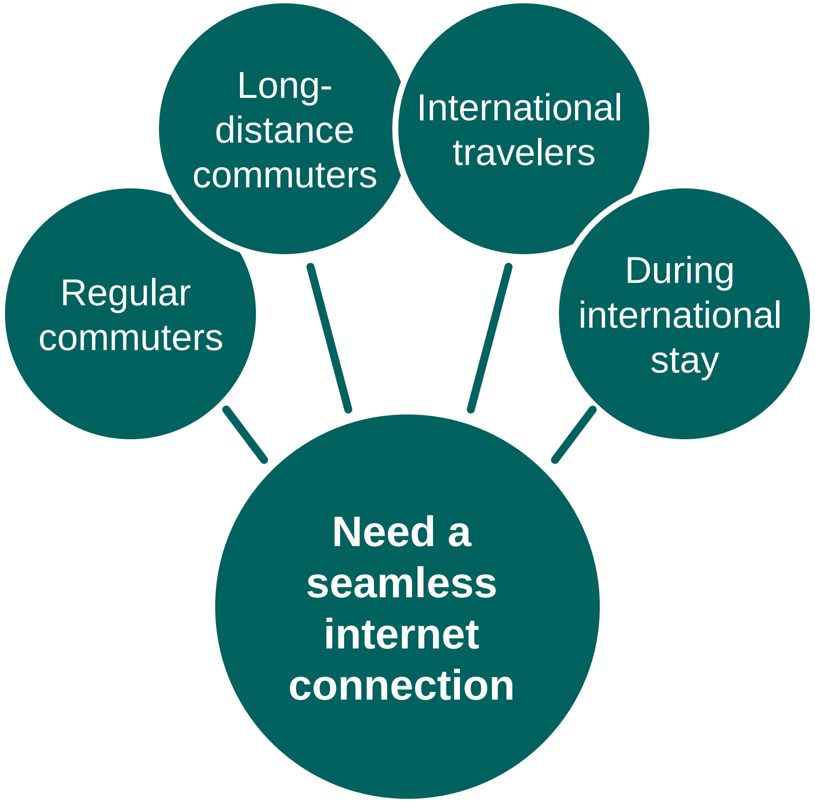
“There better be Wi-Fi on my flight... can't cope with 13 hours without @Netflix.”

Follow #Netflix #Holidays

“Literally on the longest bus ride and my 3G keeps cutting out so I can’t watch @Netflix”

Follow #Netflix #Traveling

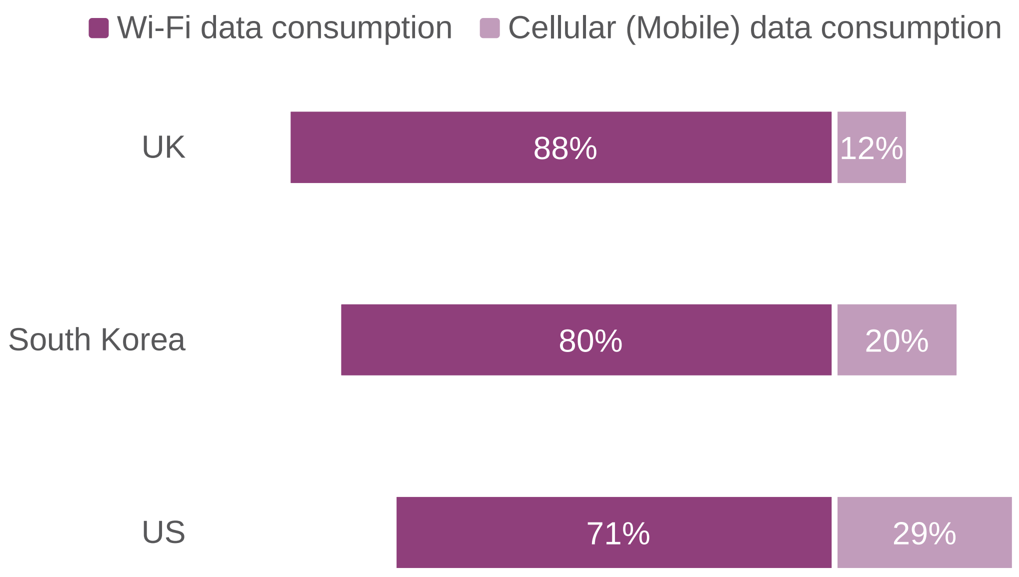
Coping strategies
- Upgrade to unlimited data plans
- Look for Wi-Fi everywhere
- Watch offline/downloaded content



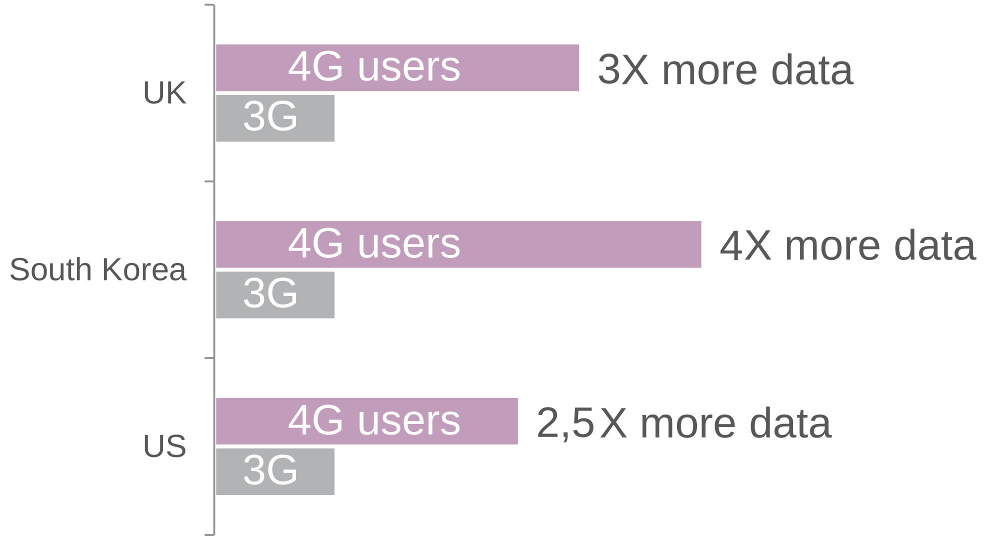
Source: Ericsson ConsumerLab TV and media 2015 [social media scanning, Twitter.com]

NETWORK IMPACT FROM VIDEO USAGE

Measured proportion of Wi-Fi vs Cellular data being used for TV and Video apps amongst smartphone video viewers

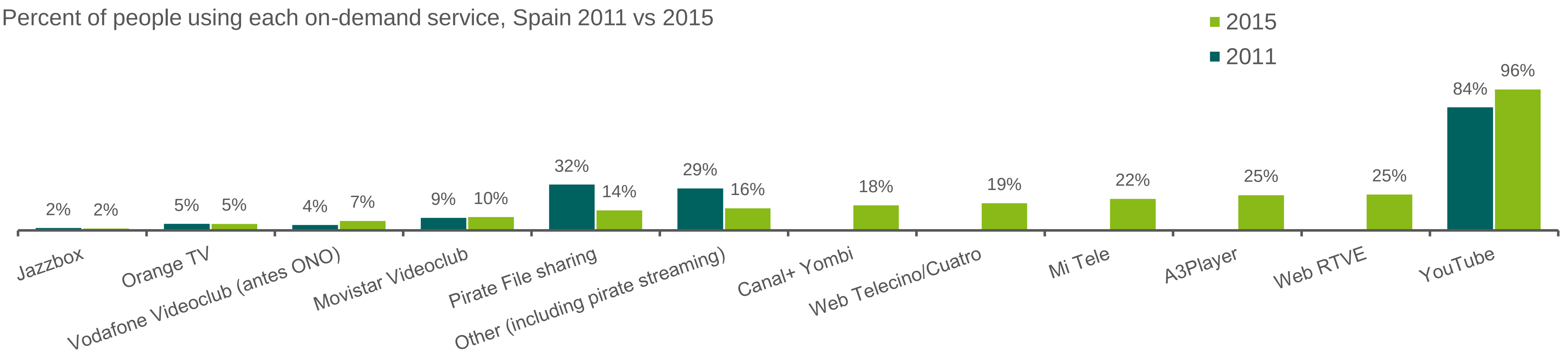


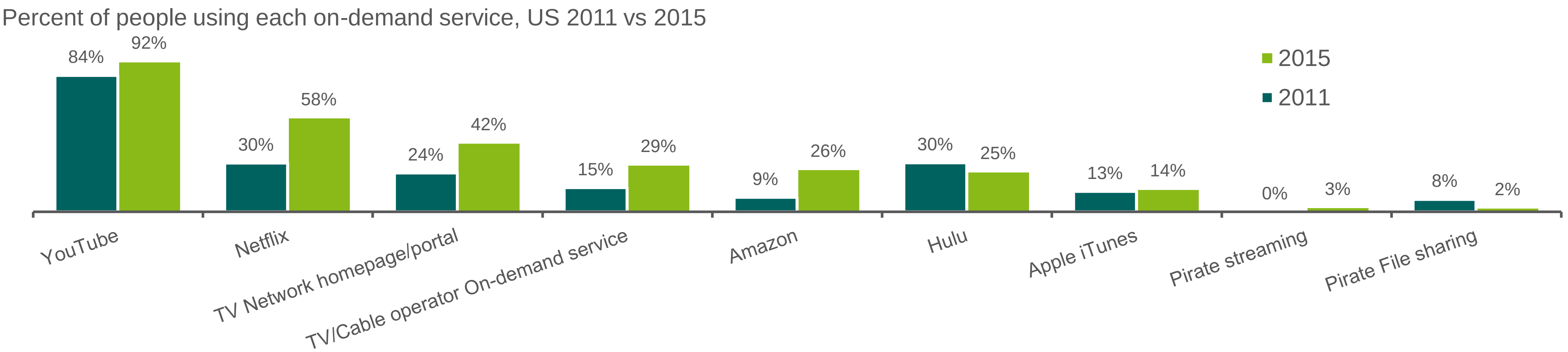
Measured cellular (mobile) data usage ratio for TV and Video apps amongst smartphone video viewers with 3G vs 4G connections:



Base: Android users that watch video content on their smartphones
Source: Ericsson ConsumerLab TV & Media 2015 Study
[ConsumerLab Analytical Platform, On-device metering data]

PIRACY CAN BE BEATEN





BASE: US and Spain Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly
Source: Ericsson ConsumerLab TV & Media 2014-2015 Study

THE DECISION PROCESSES

The different decision-making processes
when choosing TV or video content to view

More contextually influenced process

More active and intentional process

Situational

The situation influences the viewing choice

- What options are available? What can I watch? What should I pay for?
- Situation > devices available > possible services > accessible content

Device governed

The device used influences the viewing choice

- Viewing linear TV creates continued random channel surfing
- Being on-the-go with only the smartphone at hand drives YouTube viewing

Service governed

The service used influences the viewing choice

- Using an on-demand service drives binge watching, and the refined search for the perfect content for the moment

Content governed

Consumer content preference influences viewing choice

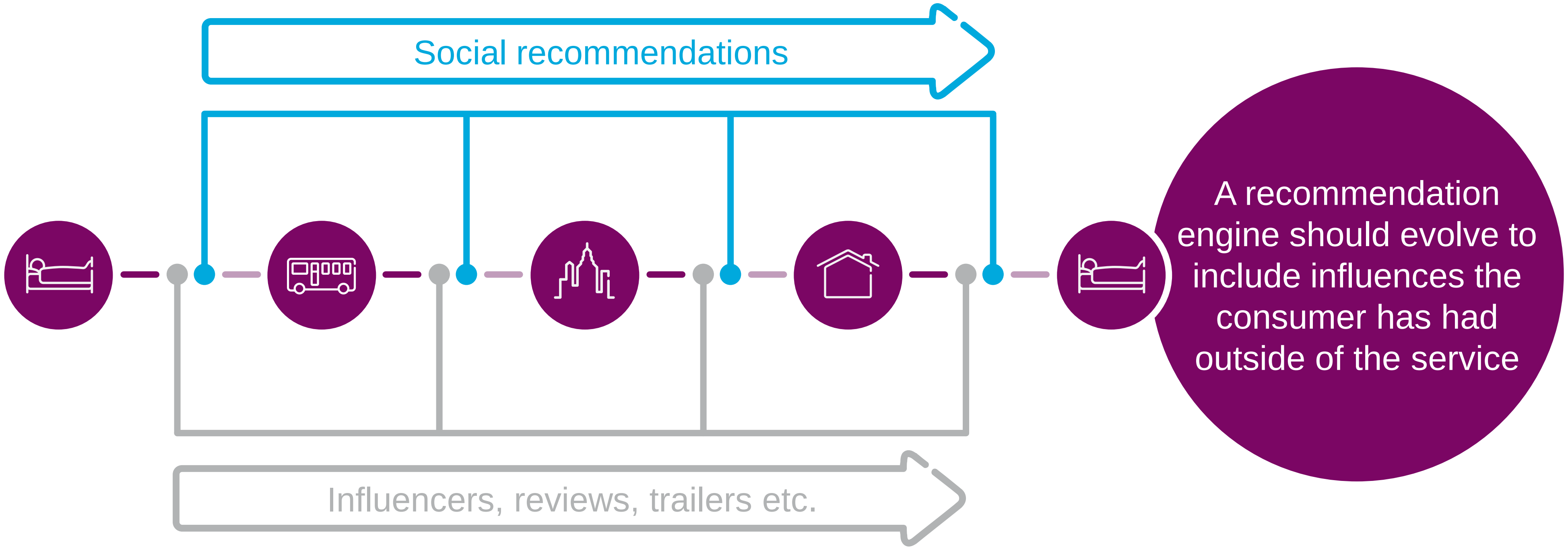
- What series should I watch? What service should I subscribe to?
- Pre-defined idea about content, drives the consumer to a specific device and service where the content can be accessed

Source: Ericsson ConsumerLab TV & Media 2015 Study

DISCOVERING AND REMEMBERING CONTENT

Today, most consumers receive constant TV and video recommendations from friends, reviews, etc. This means that the challenge is not necessarily just discovering content, but remembering what to look for at the moment of viewing.

The content discovery process throughout a day



Source: Ericsson ConsumerLab TV and media 2015

RECOMMENDATION ENGINES FAIL TODAY

- Recommendation engines are **not perceived as smart enough** when recommended titles have already been watched, are seemingly relevant, that are too obvious or appear completely weird and un-related
- Personal recommendations are **not perceived as personal** but rather relatively general
- **Similar recommendations** keep recurring over and over again
- The recommendations **fail to surprise and inspire**
- **Social recommendations** are perceived as more useful and reliable

“It’s like 1 in 10 recommendations that you get on Netflix that’s actually relevant for you…

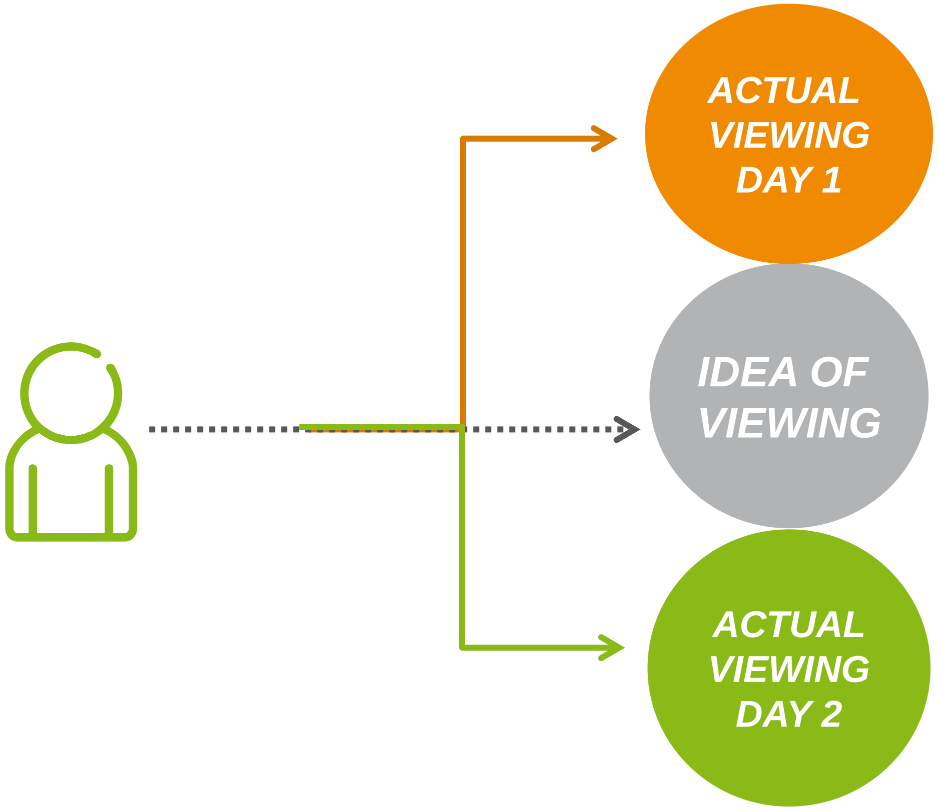
- Johan, 38 years, Sweden

“But also people do post like if they're into like new shows and stuff like that. They'll be like oh my God this episode is crazy. And I do trust those. I got into new genres through that.”

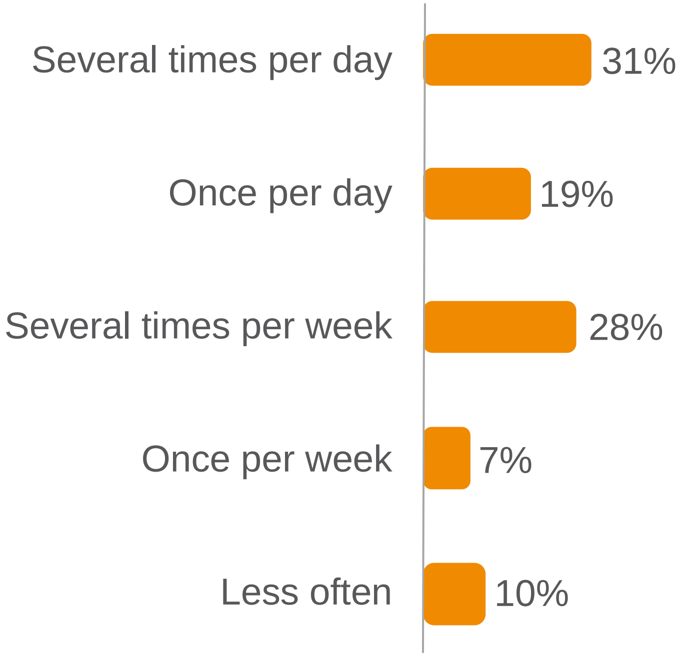
- Melinda, 28 years, USA

Source: Ericsson ConsumerLab TV & Media 2015 Study

CONSUMERS 'DEFAULT' WHEN FINDING CONTENT IS TOO DIFFICULT



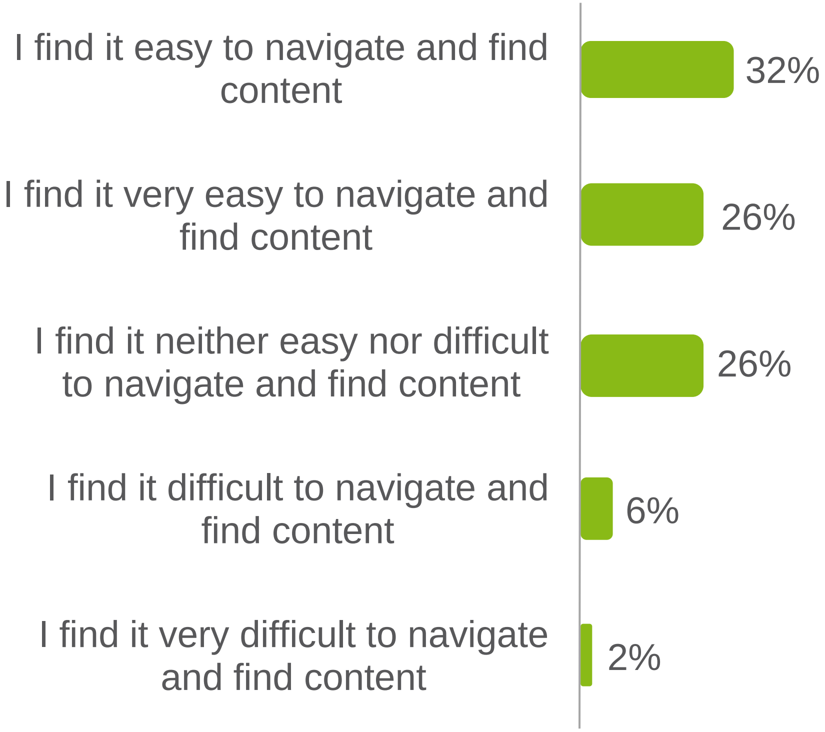
The consumer stated frequency of difficulty in finding something to watch on their traditional broadcast TV service:



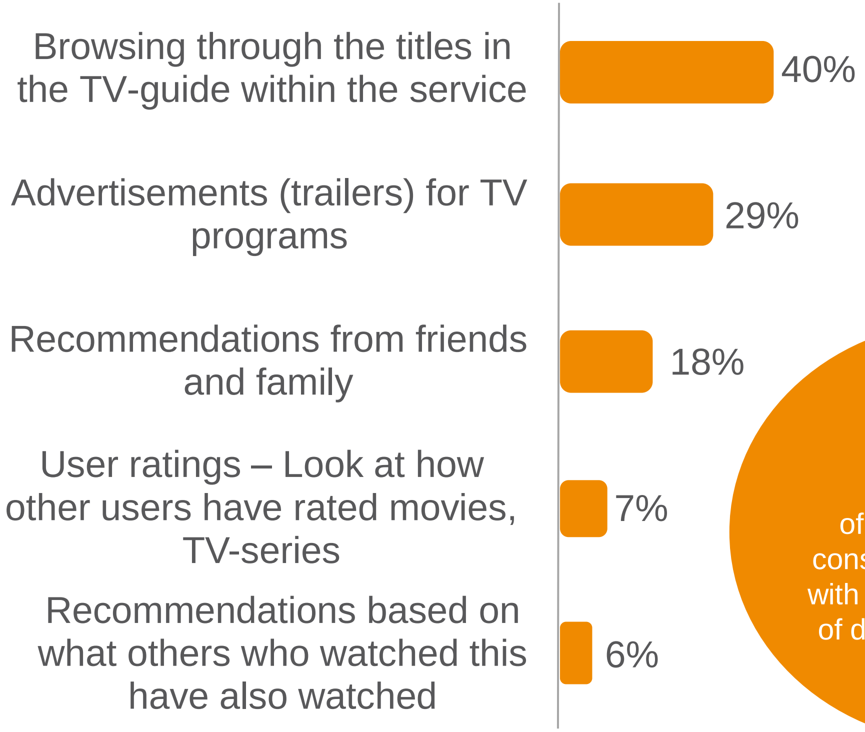
BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US
Source: Ericsson ConsumerLab TV & Media 2015 Study

THE GUIDED CONSUMER IN TRADITIONAL BROADCAST TV

Consumers' perception of the ease of navigating in their broadcast TV service [Self-reported]:



The greatest influences for consumers in deciding what to watch on their broadcast TV service:

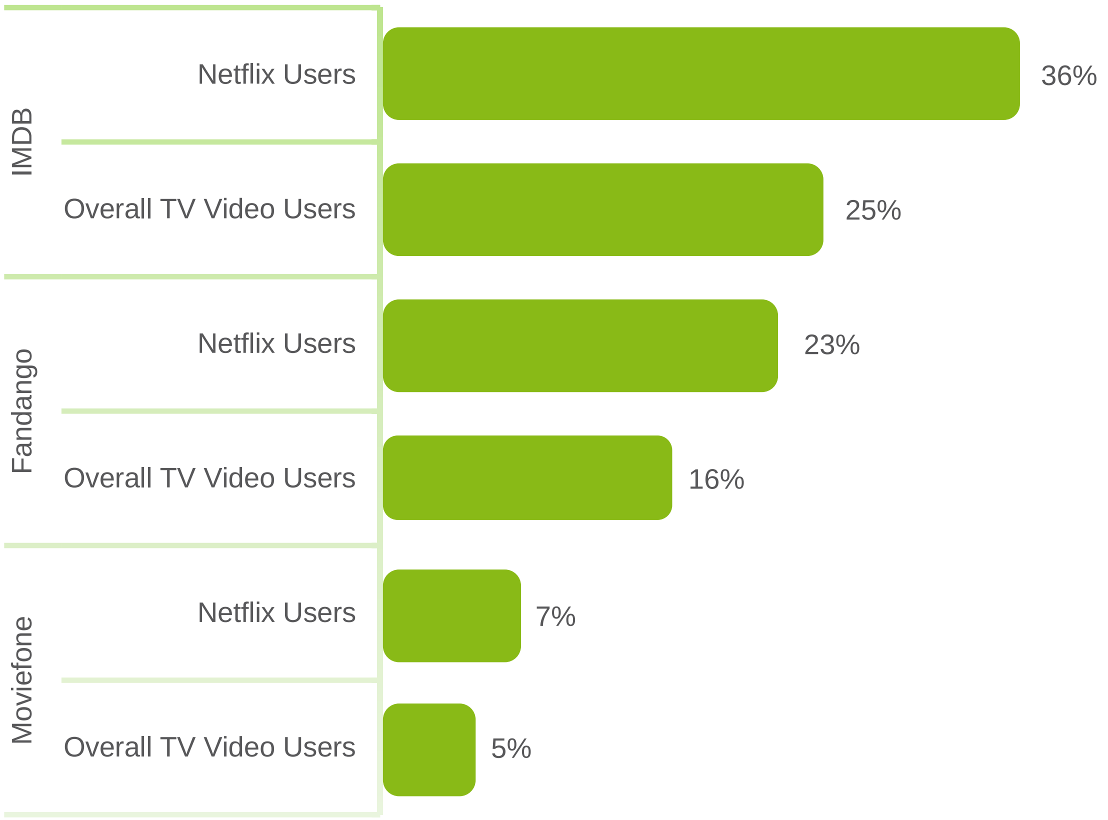


Only
29%
of the broadcast TV consumers are satisfied with the quality and level of detail in their current TV guide

BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US
Source: Ericsson ConsumerLab TV & Media 2015 Study

RELIANCE ON AID FOR CONTENT DISCOVERY

Measured percentage of smartphone users that watch Netflix or watch TV video on their smartphones and access different content discovery sites:



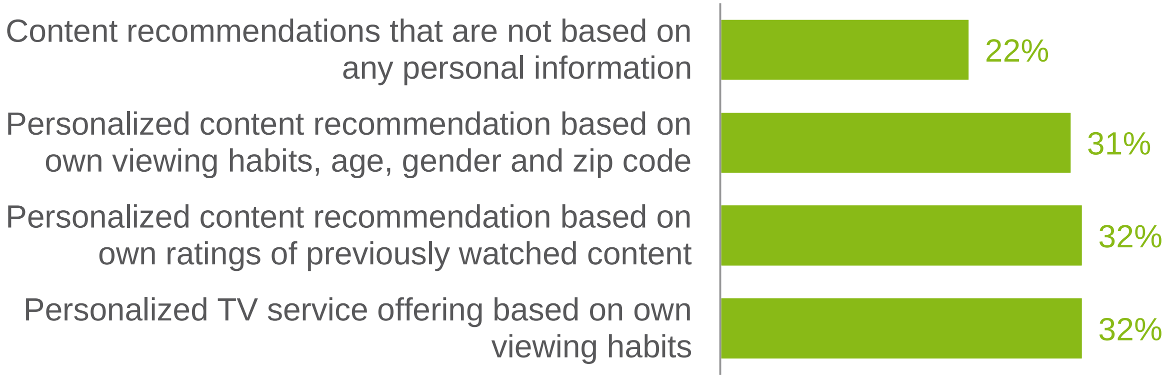
Netflix users are more likely to be dependent on content discovery sites

Base: 18+ Smartphone Users who visit Netflix or consume TV/Video via their Smartphones (Browser or App)
Source: Ericsson ConsumerLab TV & Media 2015 Study
[comScore MobileMetrix Jan 2015]

THE PRICE OF PERSONAL INFORMATION

- OK with out-of-service behavioral tracking
- Actively provide personal information
- OK with in-service behavioral tracking
- OK with providing preferences when opting into the service

1 in 4 TV/video consumers are open to providing personal data to get more accurate recommendations



Percentage of consumers who are interested in different recommendation features for content and TV services (self-reported)

Base: Population aged 16–59 with broadband at home who watch any type of TV/video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US

Source: Ericsson ConsumerLab TV & Media 2015 Study

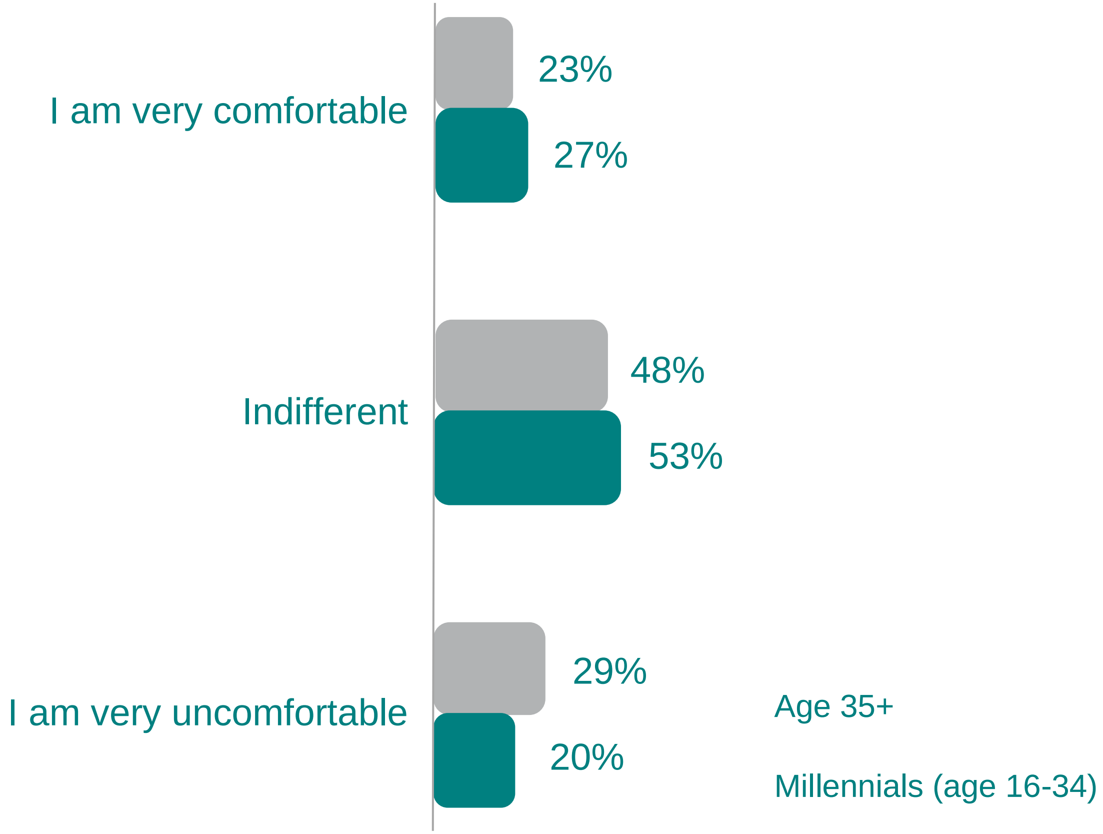
ENOUGH TRUST TO PROVIDE PERSONAL DATA

1 IN 2

consumers trust that their current TV service provider handles their personal data securely and responsibly

Millennials have the highest acceptance to providing personal information to improve recommendations

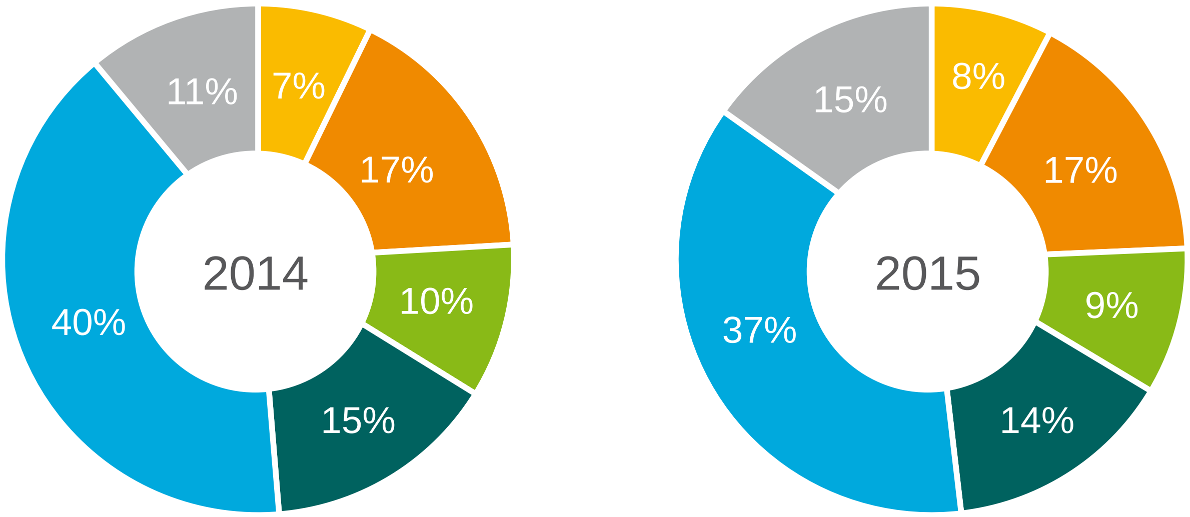
Comfort level for consumers with regards to information tracking about behaviors and preferences , in order to receive an improved viewing experience [Self-reported]:



BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US
Source: Ericsson ConsumerLab TV & Media 2015 Study

CORD CUTTING REMAINS THE SAME

Self-reported changes in household spending on managed TV services, in the past 12 months, 2014 answers compared to 2015:



Cord-cutters over a year ago
Those who once paid for managed TV but eliminated spending over 12 months ago

Cord-cutters past 12 month
Those who once paid for managed TV but eliminated spending last year

Cord-shavers past 12 month
Managed TV subscribers who have decreased spending

Cord-nevers
Those who have never paid for managed TV

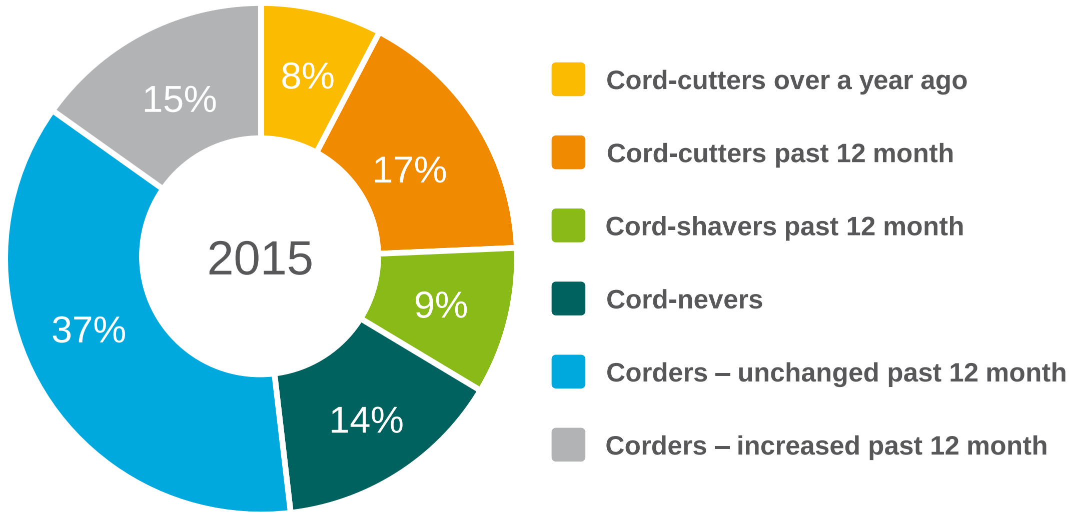
Corders – unchanged past 12 month
Managed TV subscribers who have not changed spending

Corders – increased past 12 month
Managed TV subscribers who have increased spending

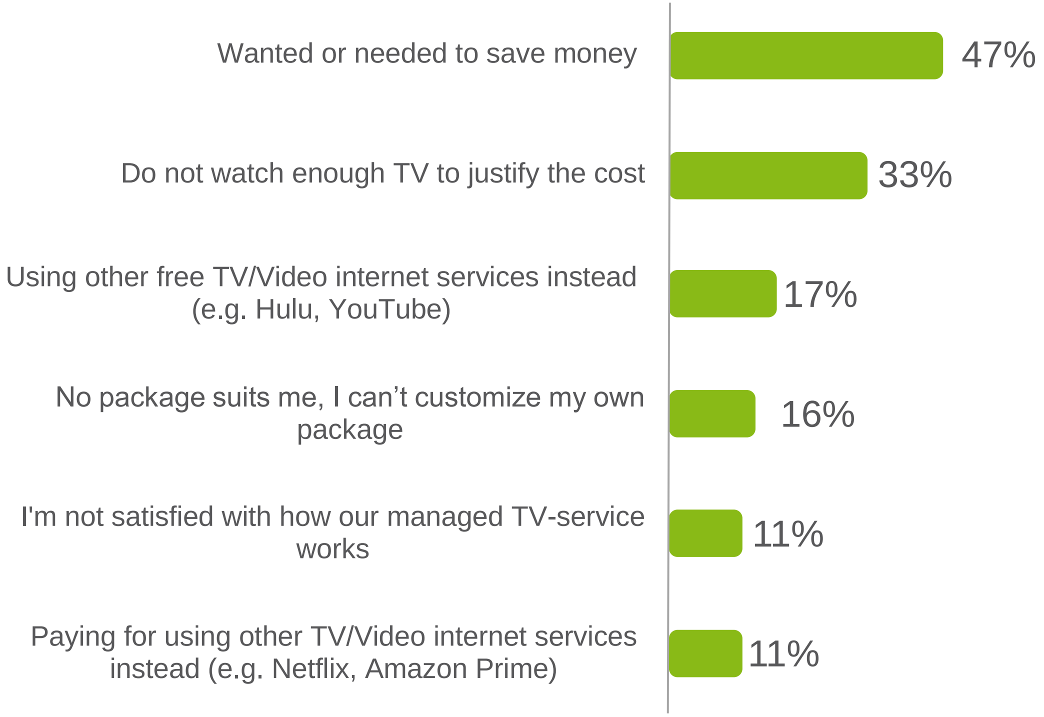
Base: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, China, Germany, Spain, South Korea, Sweden, Taiwan, UK, US
Source: Ericsson ConsumerLab TV & Media 2014 & 2015 Study

REASONS TO REDUCE OR CUT

Self-reported changes in household spending on managed TV, in the past 12 months:



Reasons to eliminate the household managed TV package:



BASE left graph: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, China, Germany, Spain, South Korea, Sweden, Taiwan, UK, US
BASE right graph: : Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly, and have reduced or eliminated their managed TV package in Brazil, China, Germany, Spain, South Korea, Sweden, Taiwan, UK, US
Source: Ericsson ConsumerLab TV & Media 2015 Study

CORD CUTTING - AN EASY CHOICE

"Apple TV is worth every penny. Makes cord-cutting so easy!!"

Follow #AppleTV

"I'll ditch cable if Apple releases a TV streaming service. Might consider Sling TV, @Hulu and @Netflix too!"

Follow #Apple #SlingTv #Netflix

"Decided that TV isn't important. I'm cutting the cord! Can you send me your Netflix password?"

Follow #Netflix

- An exploding number of options are available to viewers who want to ditch their traditional TV subscriptions but not forsake their television-watching habits
- With a broadband subscription and a streaming device, people have more freedom to pay for what they want to watch and decide how they want to watch it

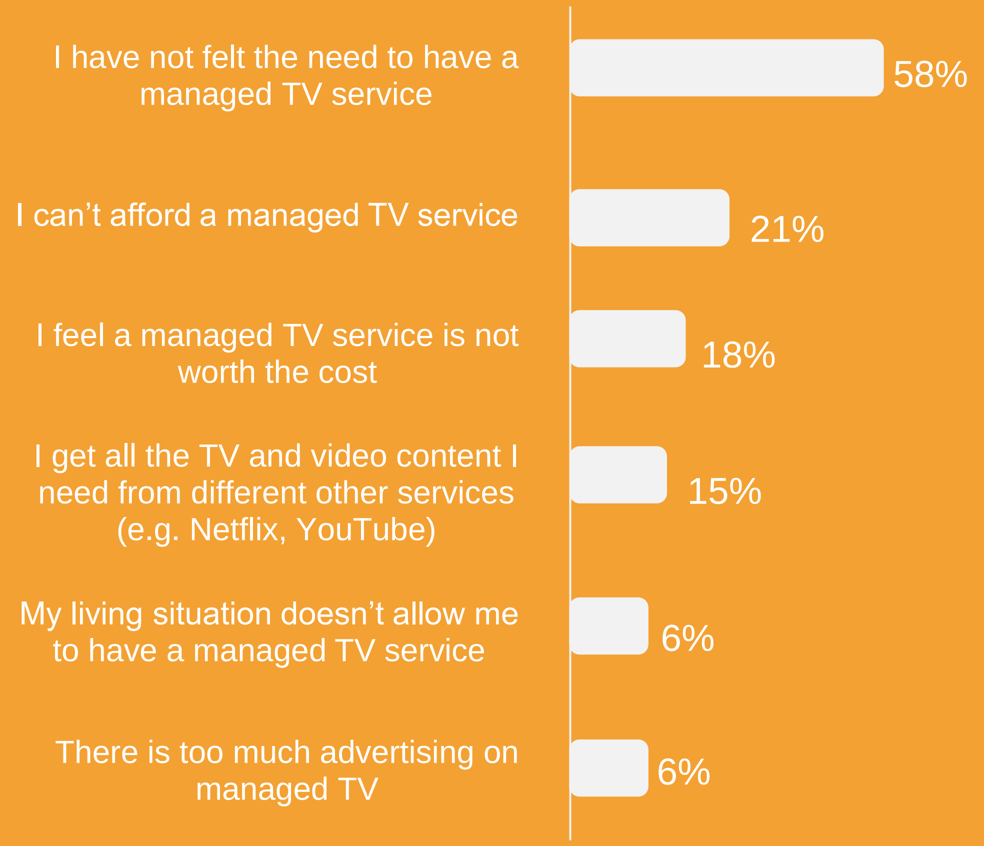
Source: Ericsson ConsumerLab TV and media 2015 [Social media scanning, Twitter.com]

NO CLEAR VALUE FOR CORD NEVERS

REASONS TO AVOID

- TV providers give little value for money
- Save money
- Limited habits of viewing linear TV
- Linear TV can easily become a time thief in everyday life
- OTT services are readily available
- Weariness with TV advertising

Reasons for never paying a managed TV service:



BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US [those who have never paid for a managed TV service]

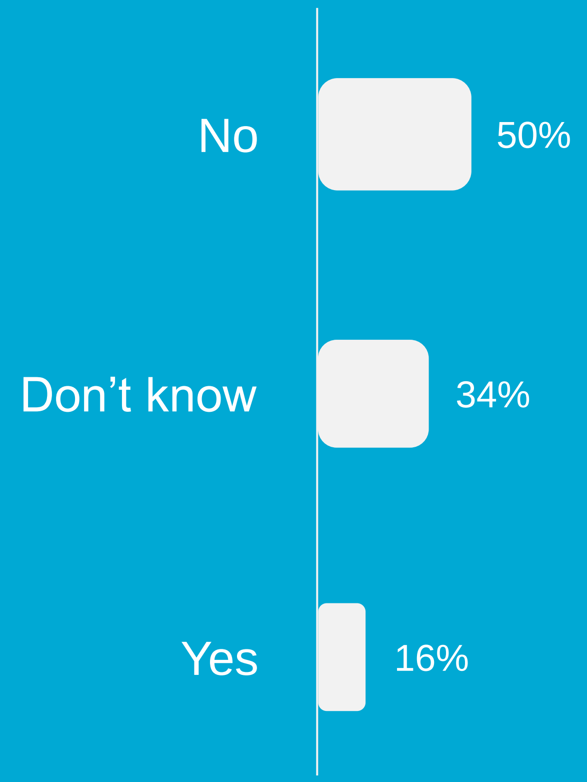
Source: Ericsson ConsumerLab TV & Media 2015 Study

CONTINUING WITHOUT A CORD

BARRIERS TO PAYING FOR MANAGED TV

- OTT on demand services already cater to core needs
- Managed TV feels redundant
- Limited perceived value in increased TV and video viewing
- More value for money with OTT options
- No acceptance to having binding contracts

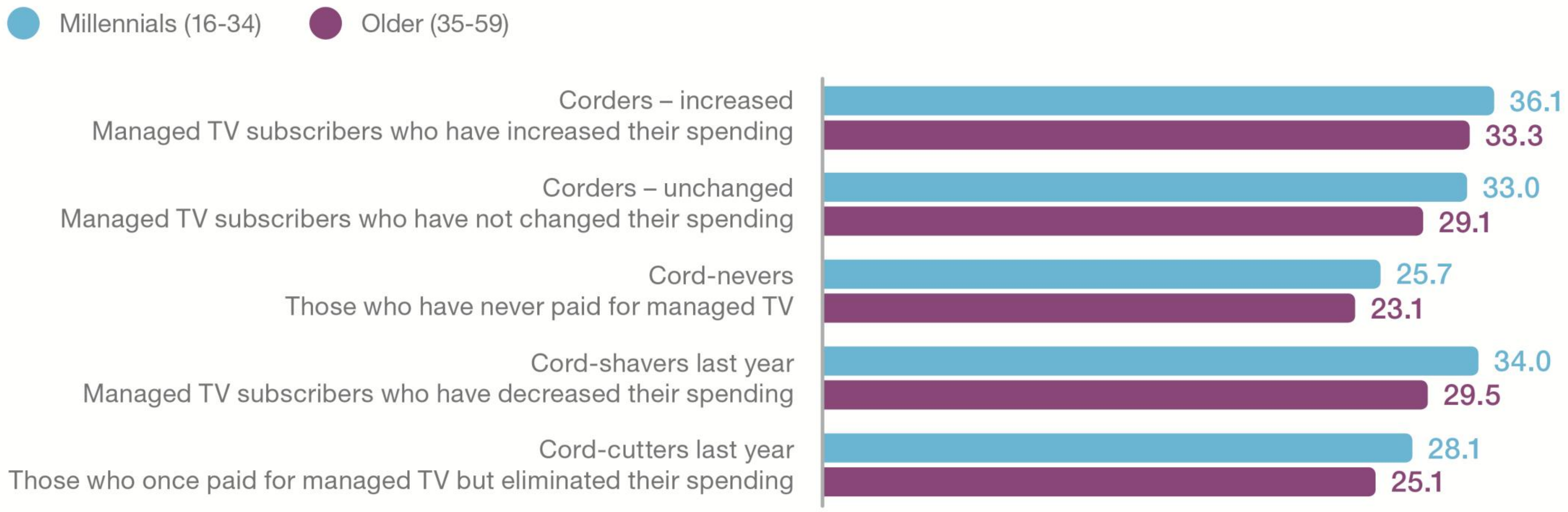
Percentage of cord-nevers that may or may not pay for traditional managed TV services in the future [Self-reported]:



BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US [those who have never paid for a managed TV service]
Source: Ericsson ConsumerLab TV & Media 2015 Study

CORD NEVERS CONSUME LESS

Average number of hours (per week) of active TV/video viewing,
split by age and whether they pay for managed TV (over the last 12 months)



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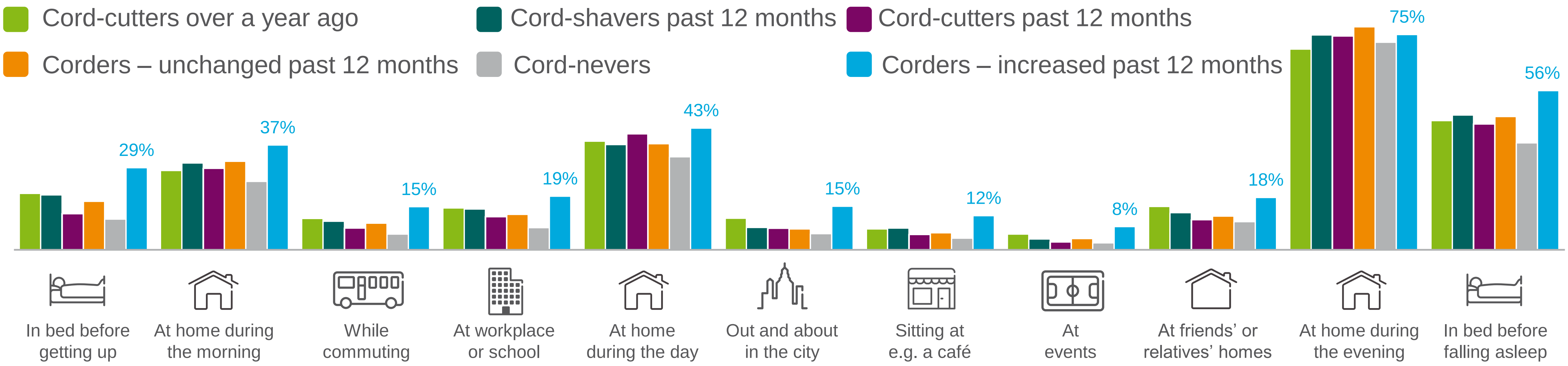
Source: Ericsson ConsumerLab TV & Media 2015 Study

THE HABITS OF CORD-NEVERS

In comparison with managed TV consumers, on a daily basis cord-nevers:

- Spend **one hour less** watching scheduled broadcast movies, series and other programs, as well as live content
- Spend **less** time viewing downloaded or streamed on-demand series, movies and other programs
- Watch YouTube clips almost **as often**



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Source: Ericsson ConsumerLab TV & Media 2015 Study

PROMINENT CORD-CUTTER HABITS

ADDING NEW SERVICES

› When managed TV is not an option, consumers actively search for other services that can cater to their needs, therefore, their devices may contain numerous apps and services

"I only watch @HBO Now movies. What's regular TV?"

Follow #HBO

"A cord-cutter's dream: Tivo Roamio + Sling TV. Make it happen!"

Follow #TivoRoamio #SlingTV #CordCutting

TABLETS RULE

› More convenient than laptops
› Larger screen than smartphones
› Easy to move around
› Fewer distractions that interrupt viewing

NEW NEWS CHANNELS

Facebook
› Get updates from their network and watch videos

Twitter
› Follow those who post news and watch news clips

YouTube
› Watching highlights on YouTube

Source: Ericsson ConsumerLab TV and media 2015

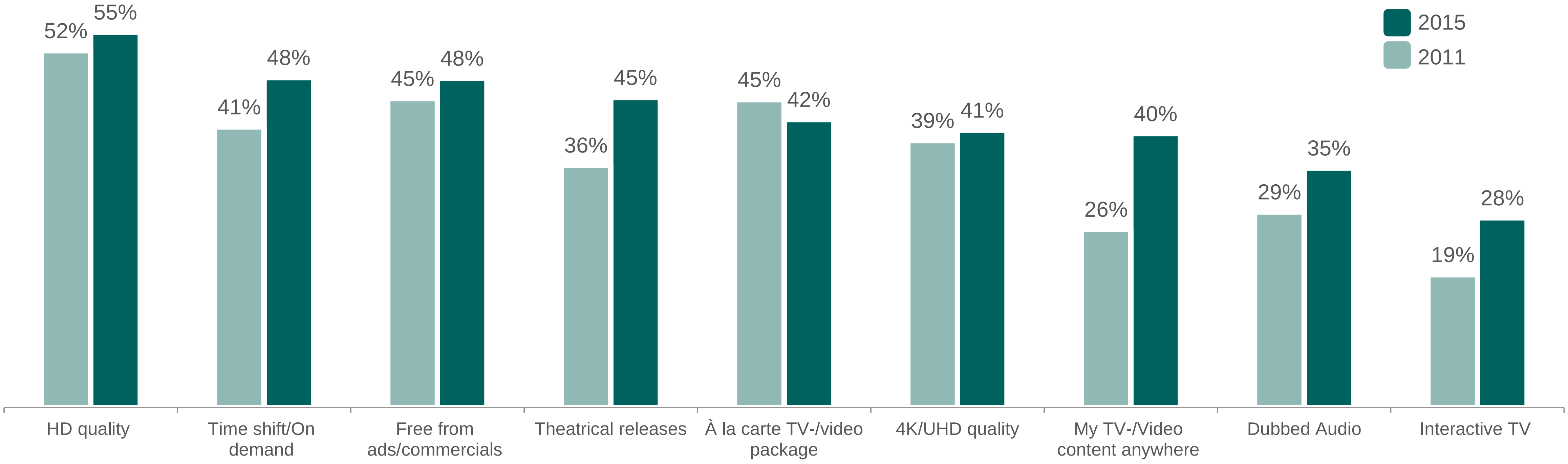
RATIONALES FOR KEEPING THE CORD

Even though managed TV is up for negotiation in many households, there are a number of arguments to keep it.

Source: Ericsson ConsumerLab TV and media 2015

IMPORTANCE OF TV MEDIA FEATURES- TRENDS

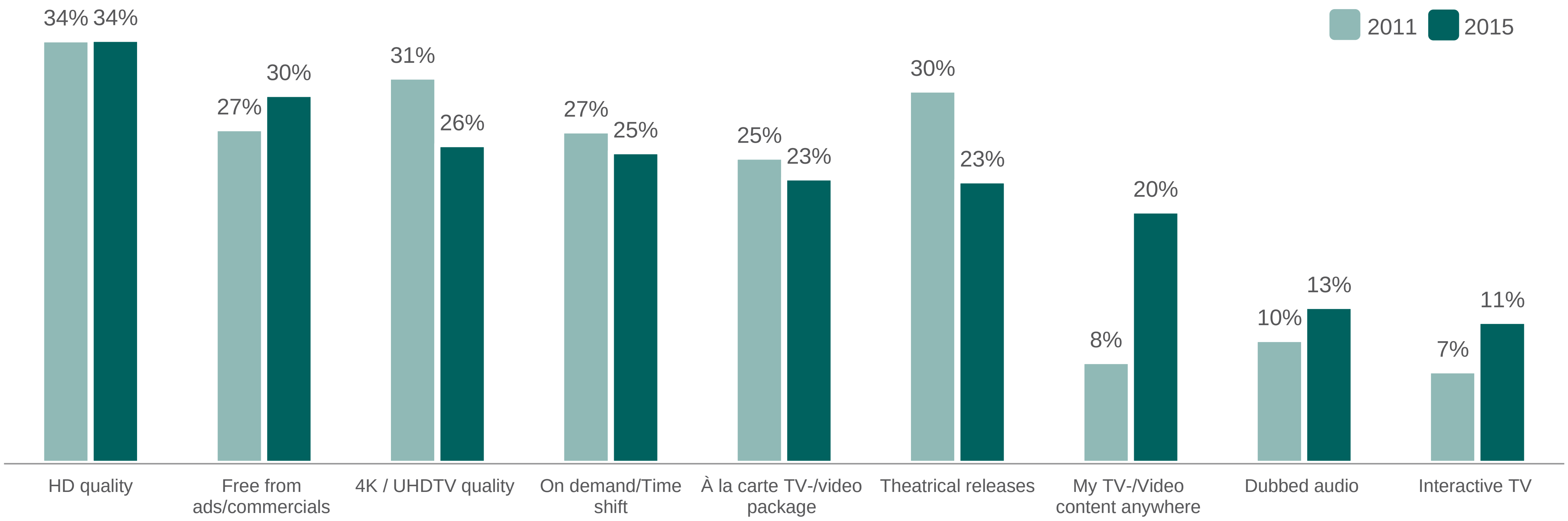
Percentage of consumers that say each TV Media feature is important
(Showing top 2 answers on 7-graded scale):



BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, China, Germany, Spain, South Korea, Sweden, Taiwan, UK, US [Interest, top 2 answers on 7-graded scale]
Source: Ericsson ConsumerLab TV & Media 2015 Study

TV MEDIA FEATURES WORTH PAYING FOR – TRENDS

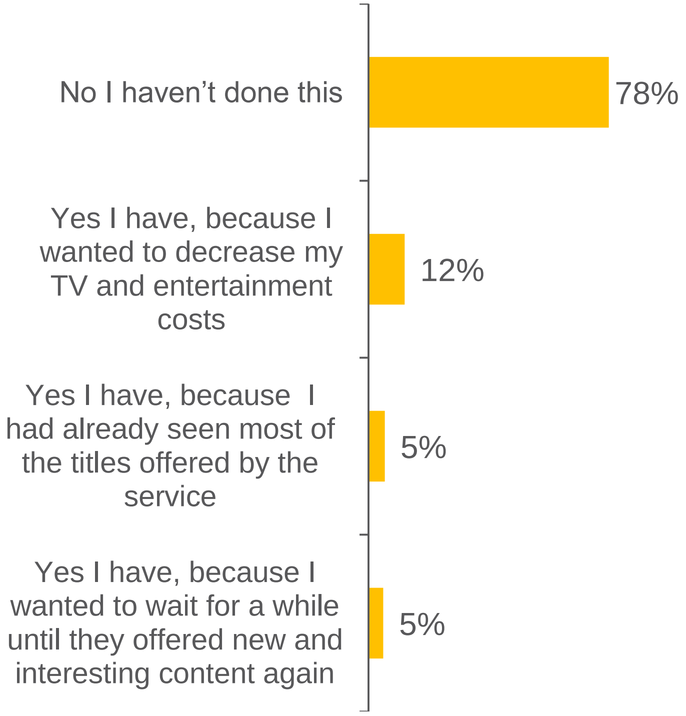
Percentage of consumers that say each TV Media feature is worth paying extra for:



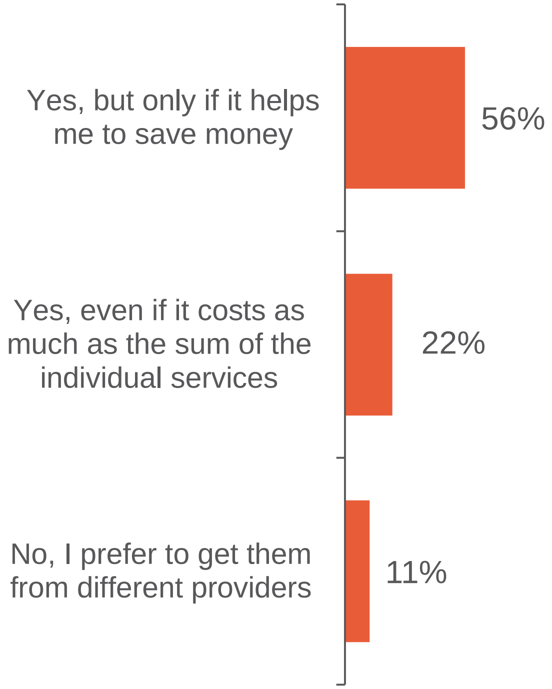
BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, China, Germany, Spain, South Korea, Sweden, Taiwan, UK, US
Source: Ericsson ConsumerLab TV & Media 2011 & 2015 Study

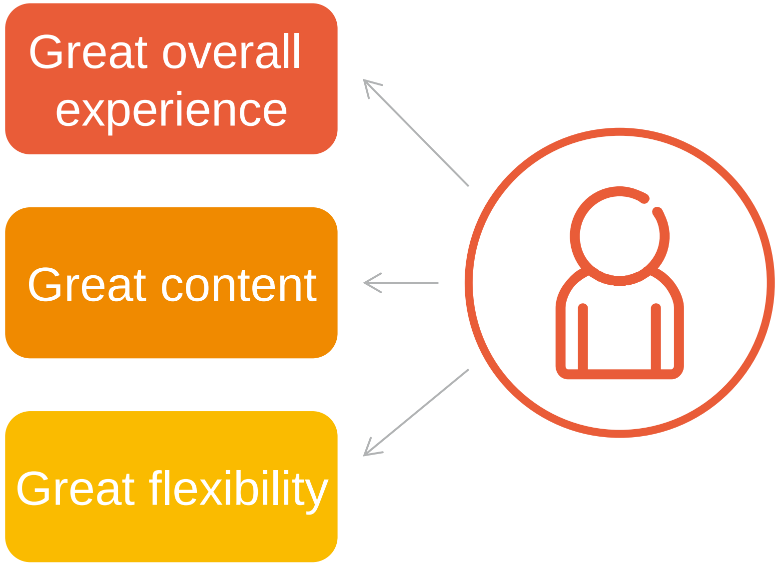
IN SEARCH OF A NEW EXPERIENCE

Percentage of consumers pausing or making any changes to their OTT subscription for a period of time [Self-reported]:



Percentage of consumers preferring to receive their TV-service, internet and mobile service from the same provider [Self-reported]:





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Source: Ericsson ConsumerLab TV & Media 2015 Study

EXPECTATIONS ON ADVERTISING

HIGHER DEMANDS ON THE TV EXPERIENCE

- Ads ruin the otherwise high quality experience of watching priority content on the big TV
- Focused viewing on scheduled linear TV is too interrupted by ads

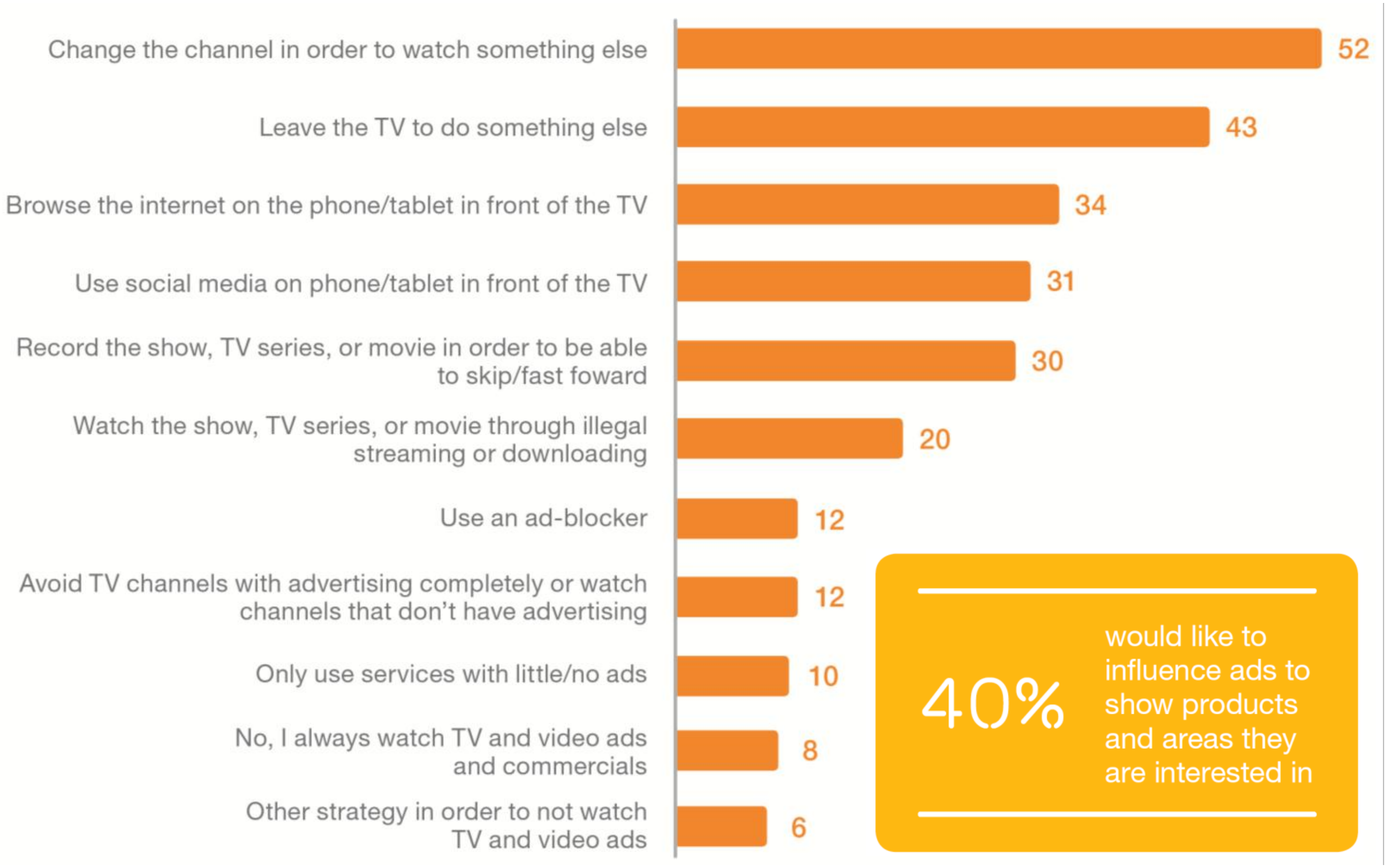
EASIER TO COPE WITH ONLINE ADS

- Possible to skip ads
- Ad blockers available
- Fewer breaks and often only at the beginning

ONLINE ADS ARE MORE RELEVANT

- Online ads have a tendency to be slightly more relevant/personal
- Online ads are slightly more varied and thus bearable

Percentage of consumers engaged in other activities in order to avoid watching ads [Self-reported]:



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Source: Ericsson ConsumerLab TV & Media 2015 Study

PREFERRED TYPES OF ADVERTISING

43%

of consumers prefer to watch personalized ads based on viewing habits and demographics

"YouTube has advertisements but you can skip them in three to five seconds which is pretty convenient. And I think because I've just been such an Internet person from early childhood, I'm pretty good at tuning out advertisements in general."

- Melinda, 28 years, USA

BASE: Population aged 16-59 with broadband at home who watch any type of TV/Video at least weekly in Brazil, Canada, China, Colombia, France, Germany, Greece, Ireland, Italy, Mexico, Portugal, Russia, Spain, South Korea, Sweden, Taiwan, Turkey, UK, Ukraine, US
Source: Ericsson ConsumerLab TV & Media 2015 Study

THE TV/MEDIA BUDGET

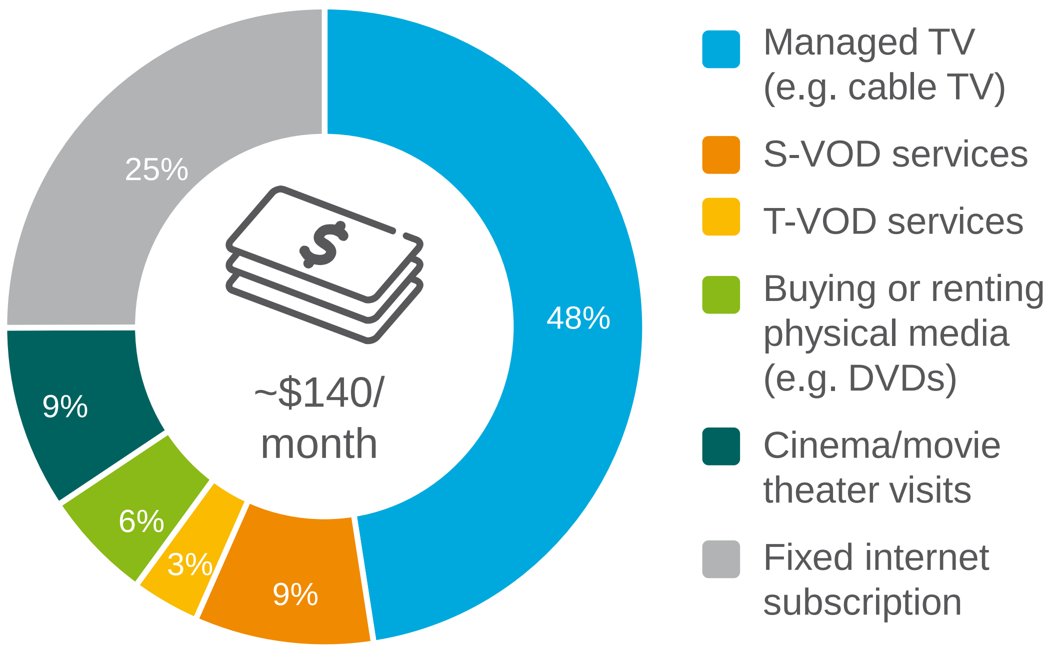
For consumers that are not yet OTT users, the notion of a TV/video budget seems irrelevant, yet heavy OTT users feel that they have to keep track of all the services they pay for and the total cost.

MULTIPLE OTT SERVICES
Budget is important

TV PROVIDER + 1 OTT
Budget is not a main concern

TV PROVIDER ONLY
Budget is irrelevant

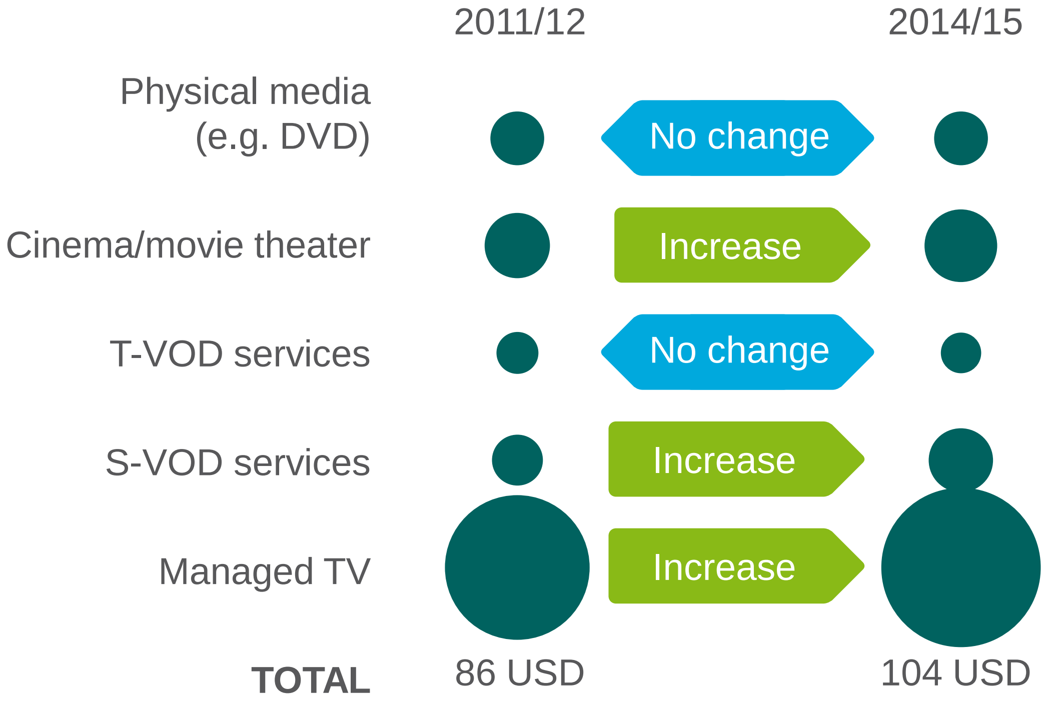
Self-reported household monthly spending on TV and video related services



Base: US Population aged 16–59 with broadband at home who watch any type of TV/video at least weekly
Source: Ericsson ConsumerLab TV and media studies 2011–2015

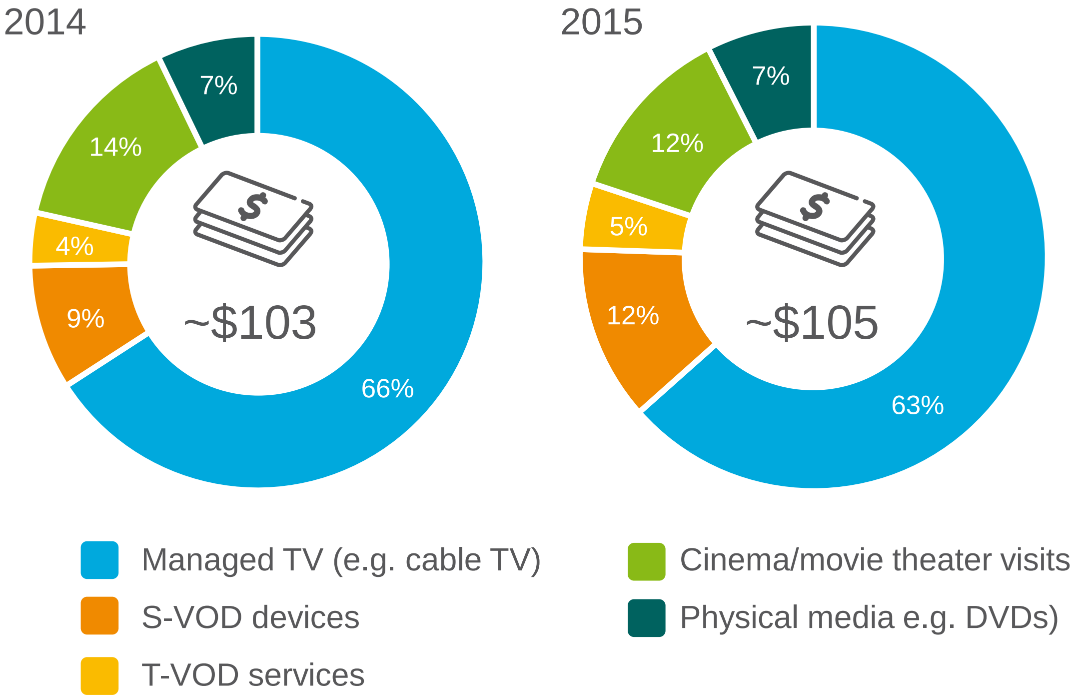
MONTHLY MEDIA SPENDING EVOLUTION

Self-reported estimated monthly spending evolution – US



Self-reported estimated monthly spending breakdown – US

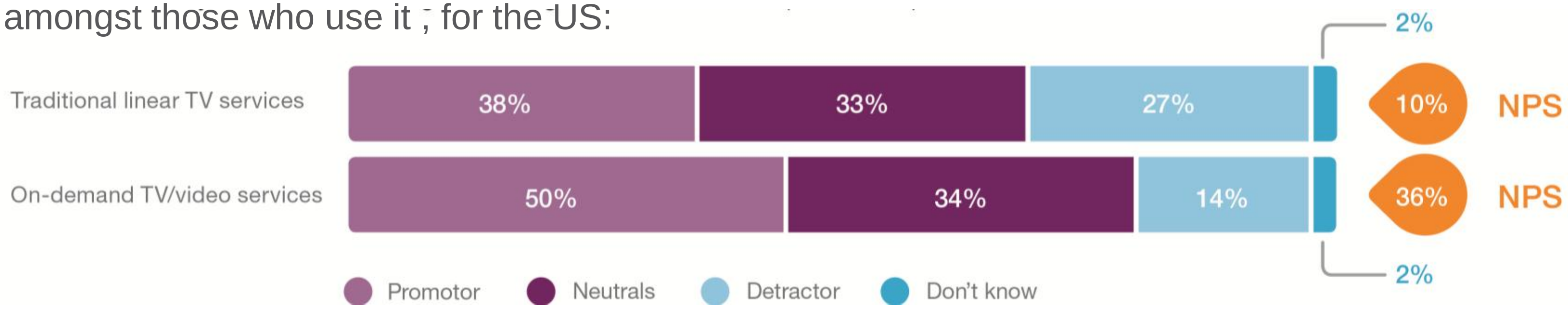
(excluding fixed internet subscriptions)



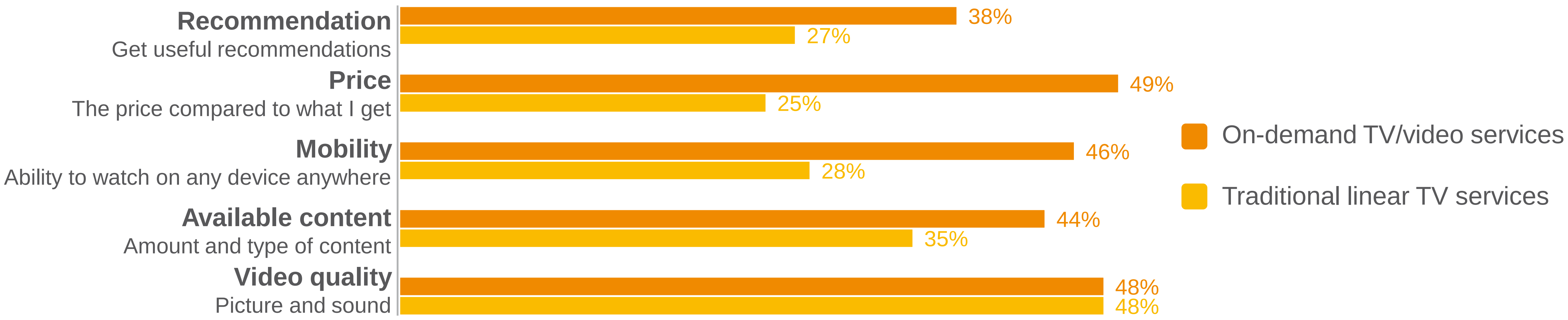
Base: US Population aged 16–59 with broadband at home who watch any type of TV/video at least weekly
Source: Ericsson ConsumerLab TV and media studies 2011–2015

SATISFACTION WITH ASPECTS OF TV

Likelihood to recommend each type of TV/video service to e.g. a friend or colleague, amongst those who use it , for the US:

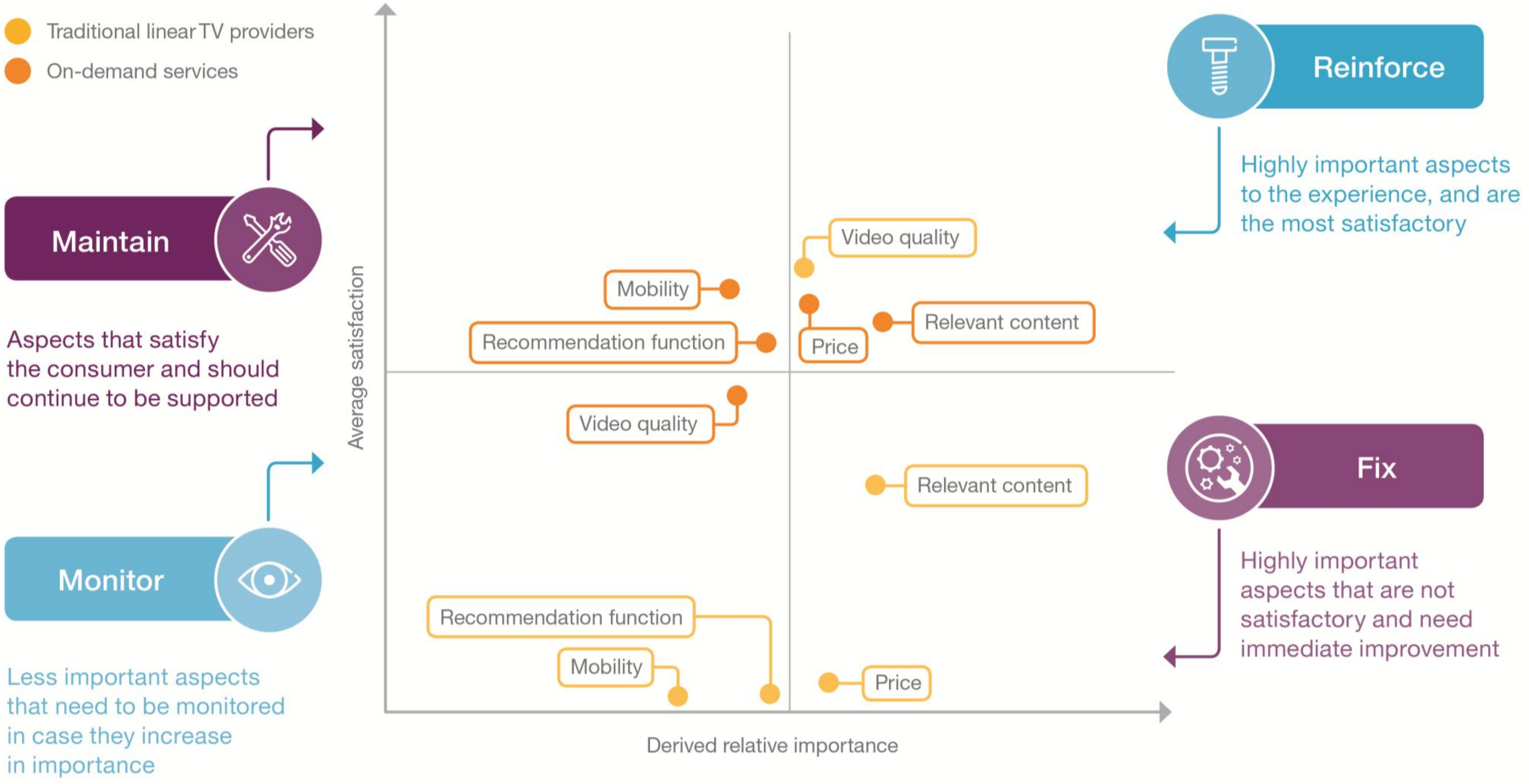


Satisfaction with quality, content, mobility, price and recommendations among those who use it, anonymized distribution for the US:



Base: US Population aged 16–59 with broadband at home who watch any type of TV/video at least weekly
Source: Ericsson ConsumerLab TV and media studies 2011–2015

TRADITIONAL TV SERVICES VS ON-DEMAND SERVICES



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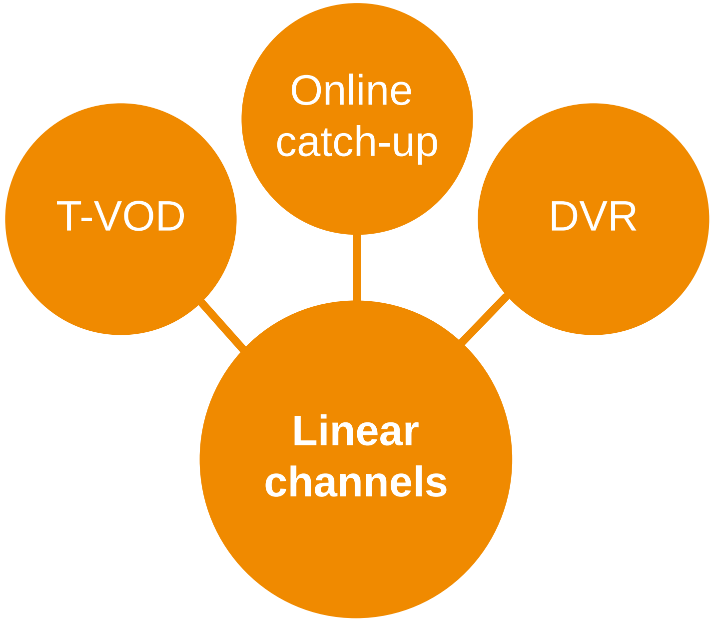
Source: Ericsson ConsumerLab TV & Media 2015 Study

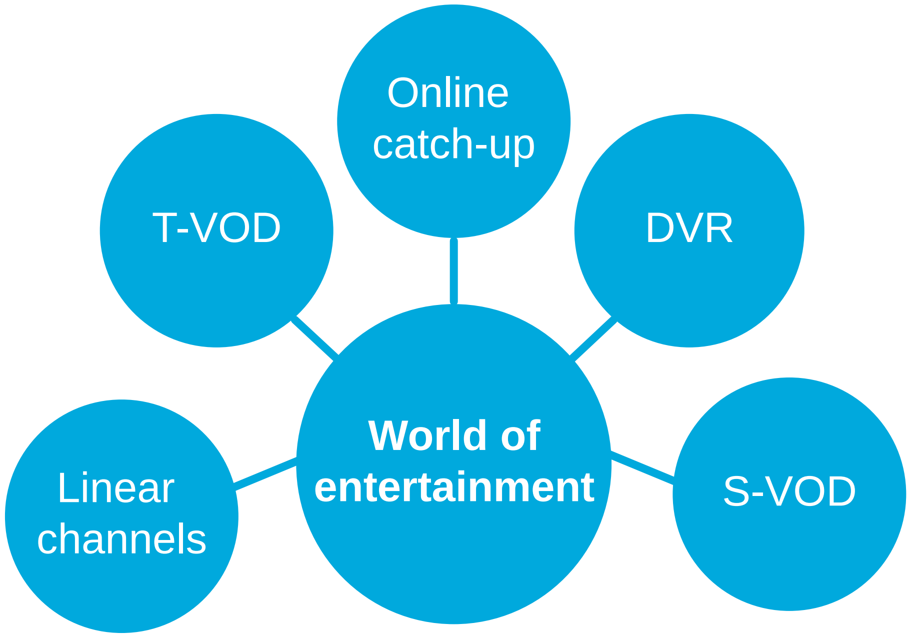
THE WORLD OF ENTERTAINMENT

TV has become a combination of linear, on demand capabilities and catch-up services, which is consequential for managed TV users.

TRADITIONAL USER EXPERIENCE



USER EXPERIENCE RATIONALE TODAY



Source: Ericsson ConsumerLab TV and media 2015

EMBRACING THE SEAMLESS EXPERIENCE

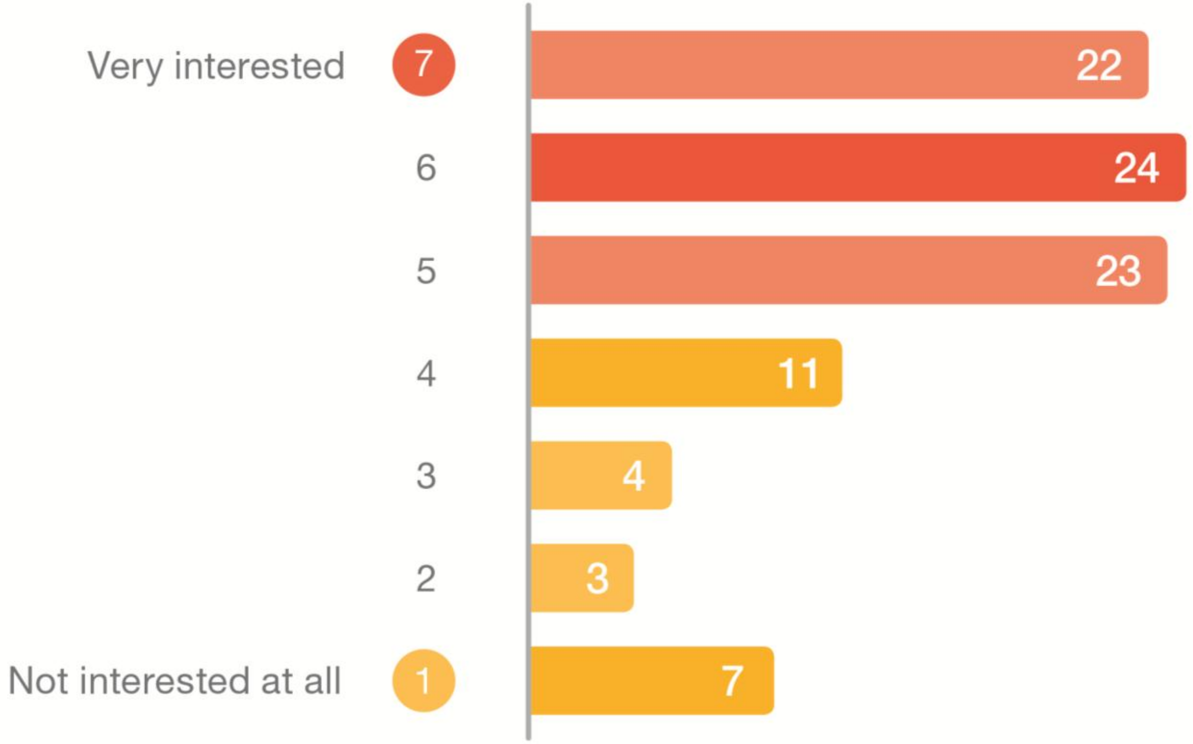
TV/video consumers are growing increasingly weary of tech, devices, boxes, remote controls and cables. There's little added value in having TV/video technology on display.

Everything should be compatible with everything

As little 'intermediary' technology as possible

The 'parts' of the technology and hardware setup should preferably not be visible

Percentage of consumers interested in a TV/video service that combines live TV with On-demand services on every screen in an integrated experience including getting everything on one monthly bill:



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Source: Ericsson ConsumerLab TV & Media 2015 Study

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