### **Deloitte.**

### Digital Democracy Survey A multi-generational view of consumer technology, media and telecom trends



Eighth Edition Headlines www.deloitte.com/us/tmttrends #TMTtrends

### About Deloitte's Digital Democracy Survey

- This is the eighth edition of research commissioned by Deloitte's Technology, Media and Telecommunications (TMT) practice.
- Focusing on four generations and five distinct age groups, the survey provides insight into how consumers aged 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.
- Fielded by an independent research firm from 11/22/2013 to 12/5/2013, the survey employed an online methodology among 2,075 U.S. consumers.
- All data is weighted back to the most recent census to give a representative view of what U.S. consumers are doing.
- For meaningful changes, we look for differences in year-over-year tracking and generations of at least five percentage points.

### Talking About the Generations

The survey focuses on four generations, and five distinct age groups:



70

Millions of people 20 0 Millennials Xers \*2010 U.S. Census Bureau - Population Division

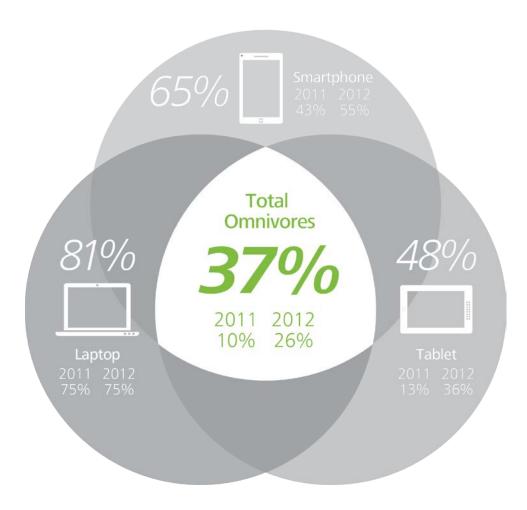


Copyright © 2014 Deloitte Development LLC. All rights reserved.

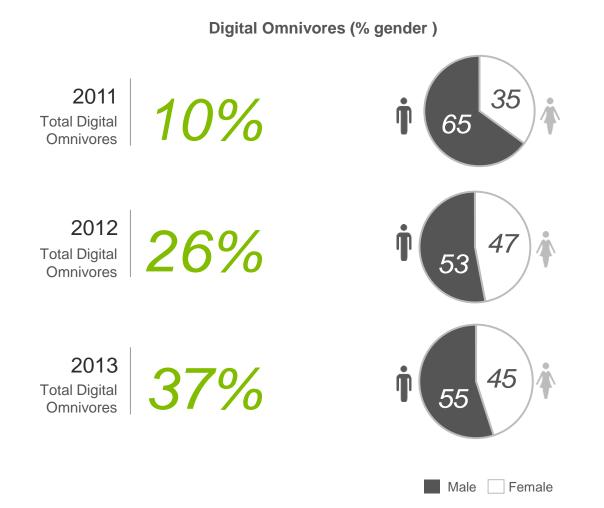
U.S. Interim Projections 2000-2050

# The Digital Omnivore

Over one-third of U.S. consumers are Digital Omnivores, consumers who own a trio of tablets, smartphones and laptops



Women, who made up just over one-third of Digital Omnivores two years ago, now account for 45% of this group



Evolving Consumption Models

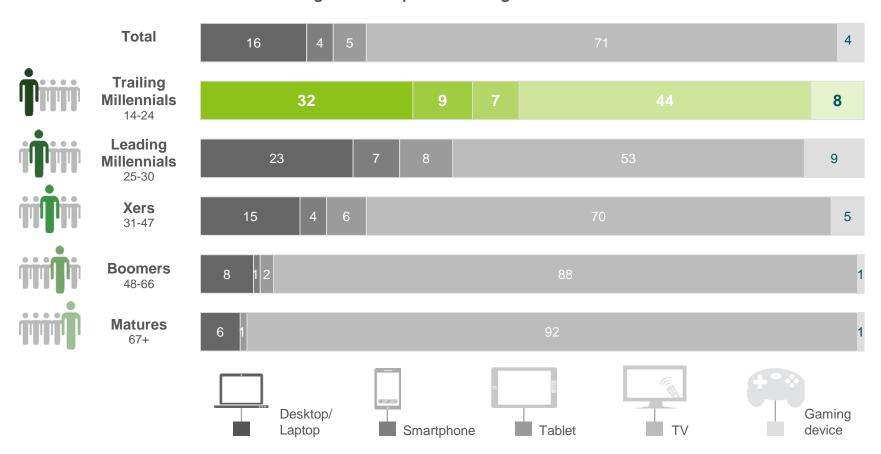
## Renting is preferred to owning 3:1; Interest in streaming has almost doubled in the last year

Q. Thinking about how you rent/purchase video entertainment, such as movies and television programming, how frequently will you do each of the following in the next 12 months?

			2013				
Among Total U.S. Consumers (%) Summary of Frequently (Everyday/Weekly)	2012	2013	Trailing Millennials 14-24	Leading Millennials 25-30	Xers 31-47	Boomers 48-66	Mature 67+
Rent (OVERALL)	28	42	58	65	50	26	15
*Watch digital video entertainment via an online subscription streaming service	17	32	49	58	36	17	9
Rent dvd/blu-ray via mail service	13	11	14	20	11	7	7
Rent dvd/blu-ray via rental machine or kiosk	10	10	11	16	15	5	1
*Rent digital video entertainment where digital file is downloaded to your device	6	6	8	20	7	2	0
Rent dvd/blu-ray at a physical rental store	6	6	9	11	9	3	2
Purchase (OVERALL)	12	13	19	32	14	6	3
*Purchase digital video entertainment via online service	8	8	12	23	8	2	2
Purchase dvd/blu-ray at a brick and mortar retail store	6	6	9	12	7	2	0
Purchase a physical dvd/blu-ray from an online retailer	6	6	9	15	7	2	1

\*2012: Rent digital video entertainment via online streaming service (i.e., not a hardcopy); Rent digital video entertainment where digital file is downloaded to your local system; Purchase video entertainment via online streaming service

Trailing Millennials are spending more time watching TV shows and movies on nontraditional devices than on TVs Q. Of the hours you spend watching movies and/or TV shows per week, what percentage of time is spent watching on the following devices?



Percentage of time spent watching movies and/or TV shows on each device

## U.S. consumers indicate they are largely content with their current Pay TV services

Q. Which of the following statements best describes you and/or your household with regard to pay television service?

			2013					
Among Total U.S. Consumers (%)	2012	2013		Trailing Millennials 14-24	Leading Millennials 25-30	Xers 31-47	Boomers 48-66	Matures 67+
I have paid television service and have no plans to cancel or change my paid television service within the next 12 months	69	67		65	63	62	70	80
I have paid television service and am considering changing to another paid television paid television service provider within the next 12 months (NOT cancelling altogether)	12	14		13	16	16	14	6
I have paid television service and am considering canceling my service within the next 12 months (I am considering cancelling my service altogether)	5	6		7	6	8	5	2
I have cancelled my paid service in the last 12 months (I no longer have any paid television service at my home)	3	3		4	5	4	2	1
I do not have paid television service and have not had paid television service within the last 12 months	12	10		11	10	10	9	11

### Interest in purchasing TV channel a la carte packages is equal to consumer interest in bundled cable packages, with both at 47 percent

Q. In terms of how you purchase paid television, what would be your preference of the choices listed below?

			2013				
Among Total U.S. Consumers (%)	2012	2013	Trailing Millennials 14-24	Leading Millennials 25-30	Xers 31-47	Boomers 48-66	Matures 67+
Subscribe to a package of channels even if I do not regularly watch them all	50	47	49	52	47	44	47
Subscribe only to the channels I watch regularly	42	47	46	43	46	49	48
Purchase only those individual shows and events I want to watch	8	6	5	5	7	7	5

# Multitasking on the Rise

# Up from 72% two years earlier, 86% of all U.S. consumers say they are multitasking while watching television

Q. Which are things you typically do while watching your home TV?

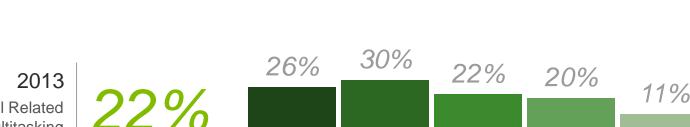
			2013				
Among Total U.S. Consumers (%) Summary of Always/Almost Always	Total 2012	Total 2013	Trailing Millennials 14-24	Leading Millennials 25-30	Xers 31-47	Boomers 48-66	Matures 67+
Browse and surf the web	27	35	52	51	35	26	10
Read email	26	30	35	39	29	30	16
Text message	23	26	51	41	25	13	3
Use a social network	23	26	48	48	26	14	5
Write email	19	22	25	33	22	19	12
Browse for products and services online	17	21	32	36	21	15	5
Play video games	16	18	25	26	20	13	8
Talk on the phone	17	18	21	27	22	14	6
Purchase products and services online	11	16	23	23	18	10	4
Microblogging	9	14	35	28	12	2	1
Read for pleasure	14	14	16	25	15	9	8
Read for work and/or school	12	13	24	27	14	3	1
Nothing else - just watch TV	19	14	7	9	12	16	27

#### Average number of additional activities while watching TV



However, fewer than one-quarter of multitasking activities are directly related to the programs that consumers are watching

Q. What percentage of your multitasking activities are directly related to the program you are watching?



Percentage of Multitasking Directly Related to Program

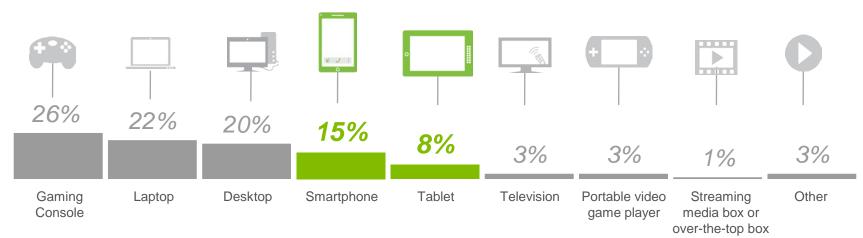
Total Related Multitasking



Gaming Beyond the Console

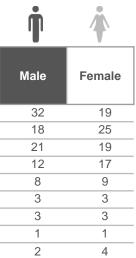
## Consumers are spending nearly a quarter of their gaming time on smartphones and tablets

Q. Of the time you spend playing games (all types of games), what percentage of time do you play games on the following devices?



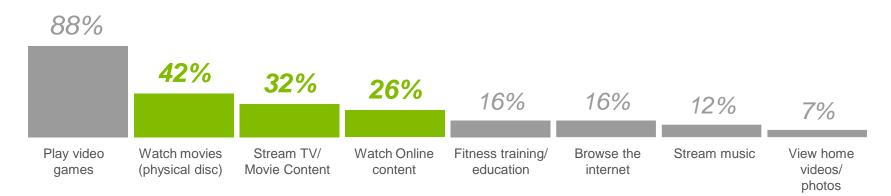
Among Gamers (%) Gaming time on each device	Total
Gaming console	26
Laptop	22
Desktop	20
Smartphone	15
Tablet	8
Television	3
Portable video game player	3
Streaming media box or over-the-top box	1
Other	3

Trailing Millennials 14-24	Leading Millennials 25-30	Xers 31-47	Boomers 48-66	Matures 67+
32	35	29	16	4
18	16	19	27	34
12	12	16	30	48
20	19	16	8	5
6	7	10	10	7
3	3	3	4	1
5	3	3	1	1
1	1	1	0	0
3	3	3	5	1



### The gaming console is increasingly being used as a content consumption device

Q. What top three activities are you doing on your gaming console?



Among Console Owners (%) Top three activities	Total	Trailing Millennials 14-24	Leading Millennials 25-30	Xers 31-47	Boomers 48-66	Matures 67+
Play video games	88	90	91	89	82	91
Watch movies (physical disc)	42	41	49	46	31	11
Stream TV/Movie content	32	39	38	32	21	9
Watch online content	26	43	20	20	18	6
Fitness training/education	16	14	18	14	21	17
Browse the Internet	16	18	12	13	22	26
Stream music	12	16	16	11	8	8
View home videos/photos	7	3	6	8	9	12

ļ	4
Male	Female
92	85
42	41
34	30
28	23
10	22
16	16
12	13
6	7

### **Social Media Influences All**

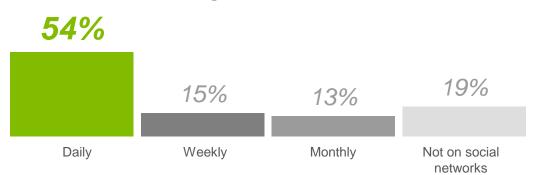
Personal recommendations, including those from within social media circles, continue to play a major role in buying decisions Q. To what degree do the following influence your buying decisions?

#### Total U.S. Consumers 2013 (%)

Television ads205171Online review or recommendation from someone within your social media circle224668Online review by someone you do not know in real life144660A reseller or channel partner website134457Magazine ads104757Products or services mentioned/featured in a TV show or movie1243Manufacturer or vendor website1242Newspaper ads104151An email from a company/brand103848Gaid ads63743In-theater advertising (pre-movie)103343Billboards and posters63642Video game advertising (all forms of games)122530	Recommendations from a friend/family/known acquaintance	44 42 <mark>86</mark>
Online review by someone you do not know in real life144660A reseller or channel partner website134457Magazine ads104757104755124355124254Newspaper ads104151An email from a company/brand1038486374363710334364272734368223030	Television ads	20 51 71
A reseller or channel partner website Magazine ads Products or services mentioned/featured in a TV show or movie Manufacturer or vendor website Newspaper ads An email from a company/brand Radio ads In-theater advertising (pre-movie) Billboards and posters Ads delivered through social media platforms Video game advertising (all forms of games) 13 44 57 10 47 57 12 43 55 12 42 54 10 41 51 10 38 48 6 37 43 6 36 42 7 27 34 8 22 30	Online review or recommendation from someone within your social media circle	22 46 <b>68</b>
Magazine ads104757Products or services mentioned/featured in a TV show or movie124355Manufacturer or vendor website124254Newspaper ads104151An email from a company/brand103848Radio ads63743In-theater advertising (pre-movie)103343Billboards and posters63642Ads delivered through social media platforms72734Video game advertising (all forms of games)82230	Online review by someone you do not know in real life	14 46 <b>60</b>
Products or services mentioned/featured in a TV show or movie Manufacturer or vendor website Newspaper ads An email from a company/brand Radio ads In-theater advertising (pre-movie) Billboards and posters Ads delivered through social media platforms Video game advertising (all forms of games)	A reseller or channel partner website	13 44 <b>57</b>
Manufacturer or vendor website124254Newspaper ads104151An email from a company/brand103848Radio ads63743In-theater advertising (pre-movie)103343Billboards and posters63642Ads delivered through social media platforms72734Video game advertising (all forms of games)82230	Magazine ads	10 47 <b>57</b>
Newspaper ads104151103848103848103743103343103343103343103642103642103442103642103734103836103734103836103736103734103836103836103848103848103848103848103848103848103848103848	Products or services mentioned/featured in a TV show or movie	12 43 <mark>55</mark>
An email from a company/brand Radio ads1038486374363743633436364272734Video game advertising (all forms of games)322	Manufacturer or vendor website	12 42 <b>54</b>
Radio ads63743In-theater advertising (pre-movie)103343Billboards and posters63642Ads delivered through social media platforms72734Video game advertising (all forms of games)82230	Newspaper ads	10 41 <mark>51</mark>
In-theater advertising (pre-movie) Billboards and posters Ads delivered through social media platforms Video game advertising (all forms of games)	An email from a company/brand	10 38 <b>48</b>
Billboards and posters63642Ads delivered through social media platforms72734Video game advertising (all forms of games)82230	Radio ads	6 37 <b>43</b>
Ads delivered through social media platforms 7 27 34 Video game advertising (all forms of games) 8 22 30	In-theater advertising (pre-movie)	10 33 <b>43</b>
Video game advertising (all forms of games) 8 22 30	Billboards and posters	6 36 <b>42</b>
	Ads delivered through social media platforms	7 27 34
SMS/Text Message ad 6 10 25	Video game advertising (all forms of games)	8 22 <b>30</b>
	SMS/Text Message ad	6 19 <b>25</b>
Ads delivered on mobile apps, including location-based ads 5 20 25	Ads delivered on mobile apps, including location-based ads	5 20 <b>25</b>
A tweet/post by someone you do not already follow (NOT an ad) 4 20 24	A tweet/post by someone you do not already follow (NOT an ad)	
A tweet/post by company/brand you do not follow 4 19 23 • High • Medium	A tweet/post by company/brand you do not follow	4 19 <b>23</b> • High • Medium

## Checking social networks is a daily habit for 54% of U.S. consumers

Q. How often do you update/check your profile/social network?



#### Among Total U.S. Consumers

	2013							
Among Total U.S. Consumers (%)	2013	Trailing Millennials 14-24	Leading Millennials 25-30	Xers 31-47	Boomers 48-66	Matures 67+	Male	Female
1-3 times/day	33	37	37	39	27	21	31	34
4-10 times/day	12	21	20	13	5	2	11	12
10-20 times/day	6	13	9	4	3	0	5	6
More than 20 times/day	3	9	7	2	1	1	3	4
Weekly	15	8	14	18	16	14	17	12
Monthly	13	5	7	11	20	23	13	13
Not on social networks	19	8	6	14	28	39	20	18

### **Contact Us**

Anisha Sharma Public Relations Deloitte +1 917 464 3713 anissharma@deloitte.com

Kelly Williams Hill & Knowlton Strategies +1 310 633 9443 kelly.williams@hkstrategies.com

## **Deloitte**.



Professional Services means audit, tax, consulting and financial advisory services.

#### About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Copyright © 2014 Deloitte Development LLC. All rights reserved. 36 USC 220506 Member of Deloitte Touche Tohmatsu Limited