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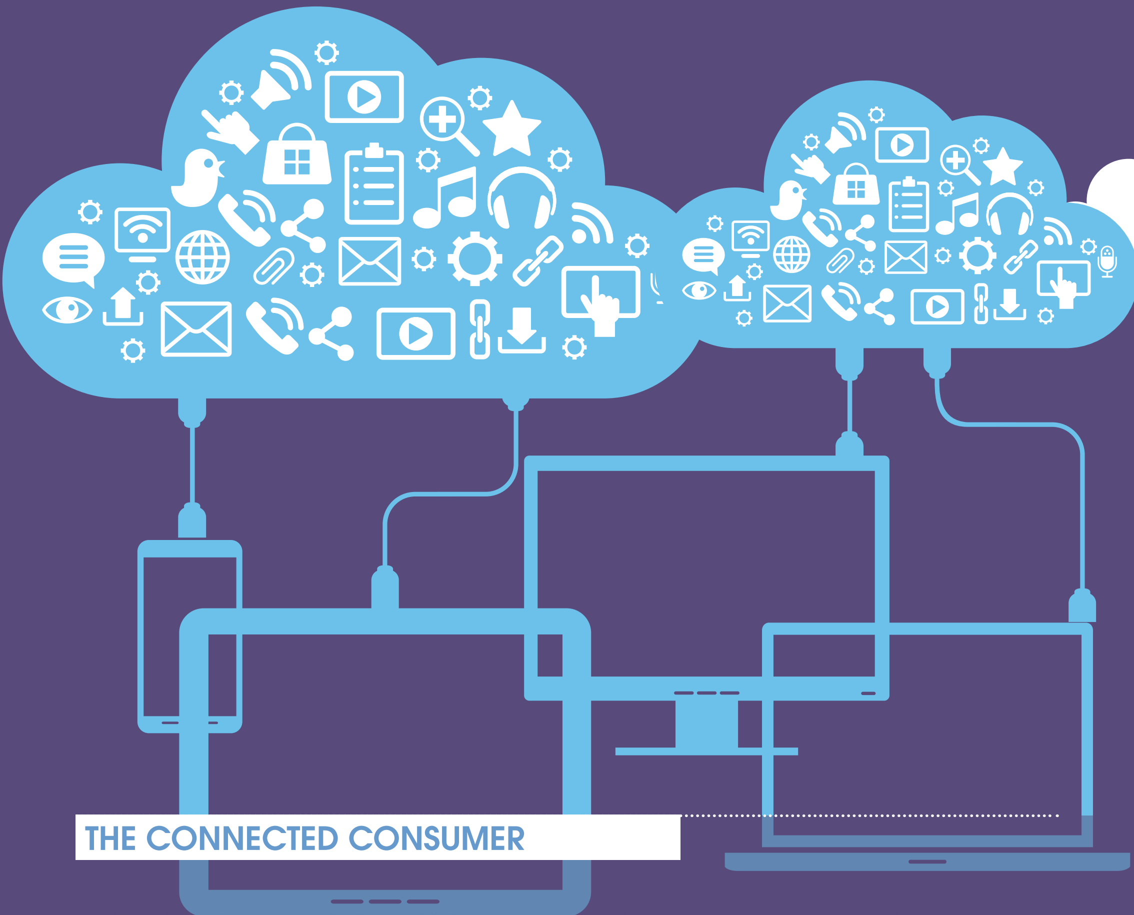

THE CONNECTED CONSUMER

Global Village Technology

Bite Sized Thought Piece **2014**

In recent years, key emergent disruptive technologies and improvements to existing ones have transformed day-to-day experiences for many of us. Homes across the nation are rapidly adopting superfast broadband whilst 4G mobile internet is now available from all mobile network operators. What was once the smartphone revolution is now an everyday necessity for a significant percentage of the population, and tablets, originally perceived to be a niche luxury good, have penetrated a significant proportion of households, many with more than one device in each.

This combination of extremely fast internet distributed via Wi-Fi, coupled with a plethora of always-online consumer devices owned in the household, is powering a new device-centric environment known as the connected home. But as the pervasive influence of the internet extends its reach into our daily lives, consumers' attitudes towards technology will naturally be expected to change.

At Ipsos MediaCT we have been investigating the "connected consumer" in more detail via our Global Trends Study, for which we undertook two waves of more than 16,000 online interviews across 20 markets. Following this study we segmented connected consumers, from the least connected who are only connecting via a PC, to the most connected who are connecting using a mobile, tablet and potentially via the TV too.

As the number of devices owned increases, a strong correlation appears with positive attitudes towards technology. Almost two thirds of the least connected consumers feel that technology makes their lives better, which rises to 4 out of

5 of the most connected. However, as individuals become more tech savvy, mistrust towards companies anonymously gathering information on them also grows. Only 10% of those who just use a PC to connect to the internet were happy with companies engaging in this practice which dropped by half to 5% of individuals using PCs, smartphones, tablets and smart TVs.

THE POSITIVE INFLUENCE OF TECHNOLOGY

The majority of people surveyed felt that technology has had a positive impact on the world and this sentiment resonated especially with BRIC (Brazil, Russia, India and China) countries where 72% said it could make a significant difference in solving future problems. In such regions where technology can still make a significant impact and consumers are still positive about the benefits, optimistic opinions are usually prevalent. The BRIC countries, (particularly China & India), now also heavily rely on science and engineering jobs to boost their economies which would be further fuelled by investment in electronics and telecommunications. Whilst 57% of Western Europeans feel that technology can "make a difference" as many as 71% feel it can "make life better more generally". As consumers here tend to be more highly connected and across a wider range of devices, the perceived value of pleasure and utility received also increases accordingly. It would be wise for brands to take into account regional differences such as these when setting the tone for campaigns, perhaps using advertising which highlights core functionalities in Eastern territories versus that which focuses on "fun" and "added value" features in Western regions.

DIGITAL INFORMATION

As we now own more internet connected mobile devices, so the amount of digital information we are being exposed to is also increasing exponentially. It should come as no surprise that a great many people find it harder to “switch off”, surrounded by so much technological bombardment these days, especially in Britain, Asia and America where 60% of the online population are “always on”. If a new product is to be released in this saturated market, cultivating an unobtrusive and organic image would go a long way towards separating it from the pack, an approach that would even be appropriate in the design stages. However, despite how the public feels towards tech overexposure, there is a good appetite towards finding out about new technology (68% interest). Informative campaigns would be just as powerful in the context of this data as those focusing on idealised product depictions. The percentages for this statement were also highest in BRIC countries at 81% and these territories remain golden opportunities for advertisers and marketers to capitalise on a hungry marketplace.

THE INTERNET

Of all modern technology, people are most reliant on the internet, with 64% of Europeans saying they cannot imagine life without it, and in GB this extends to as many as 3 out of 4 consumers. An Ofcom European Broadband Scorecard (March 2013) ranked Britain first out of all major EU countries for both standard and mobile broadband coverage which correlates strongly with our high internet dependence. However, our superfast broadband coverage was only average,

so those providers who take the lead in extending these services to domestic customers have the most to gain from a market that loves its internet.

COMPUTERS AND SMARTPHONES

Both the computer and smartphone have similar levels of attachment, with around 30% saying that they would miss them if they no longer had access to either. Equal dependence on smartphones and laptops reflects a seismic and swift shift in increasing importance of the smartphone and decreasing importance of the computer in our lives. For marketers and advertisers, this means that campaigns need to work on both formats and, if necessary, be created from the ground up as separate entities to maximise potential both from a content and design standpoint.

TELEVISION

Television attachment is in most cases as high, if not higher, than that for smartphones or computers. TV is here to stay and in fact the experience of watching it today has been greatly enhanced by extra companion devices that viewers are interacting with during the broadcast through multi-screening. Indeed, though it would seem that the steadfast popularity of TV combined with the rise in devices on which to view it would shift the context of viewership, according to BARB (2013) the UK continues to watch live TV 90% of the time. Traditional television advertising should then still remain a priority when considering the budget allocation of campaigns.

A TOUGH MARKET WITH HIGH POTENTIAL

Whilst the rate of consumer tech advancement is increasing exponentially and its importance in our everyday lives is growing in kind, many people are finding it difficult to adapt to both the pace of change and the greater dependence we now put on our devices. On the whole, we feel that technology has made a positive difference to the way we live and especially given us more ways to have fun, but at the same time constant reliance on our devices has made it harder to truly relax. Nevertheless, we still want to know as much as we can about what technological changes are looming on the horizon and this desire to know, as well as general tech optimism, is particularly strong in up and coming BRIC countries.

Not unexpectedly, the internet is the technology we most need but, more surprisingly, we feel that smartphones and computers are equally important to us nowadays whilst the television is still just as relevant to us as ever.

The technology boom has not died down and there is still a great appetite amongst the public for any new product that can make a difference in their lives both by providing utility and bringing more joy to their daily experiences. However, as the range of offerings increases, brands will face a struggle for a share of the limited amount of time consumers have to give to each device, and new entries into this competitive field need to really stand out if they want to succeed.

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