CONSUMERLAB

ERICSSON

10 HOT CONSUMER TRENDS 2015

www.ericsson.com/consumerlab

1. THE STREAMED FUTURE

All around the world, internet users are increasingly sharing one culture. In an Ericsson ConsumerLab survey of 23 countries, we found that more than three-quarters of consumers browse the internet and half use social media every day.

Media use patterns are also globalizing. Since 2011, we have been following 9 countries to observe media behaviors and attitudes. In 2011, 83 percent were watching broadcast TV more than several times a week, with only 61 percent viewing streamed content on demand. However, this behavior is now changing. Viewers are shifting towards easy-to-use, on-demand services that allow cross-platform access to video content. Regardless of whether you watch your favorite show in the US, China or Spain, the future is streaming.

As seen in Figure 1, 2014 saw the popularity of streaming overtake broadcast TV among those aged 16-45, with 80 percent in this age group watching streamed video several times a week or more. 77 percent of the total sample population watched broadcast content, compared to 75 percent who favored streaming services, but this is set to change during 2015. The year will be historic, as we will watch streamed content more often than broadcast TV.

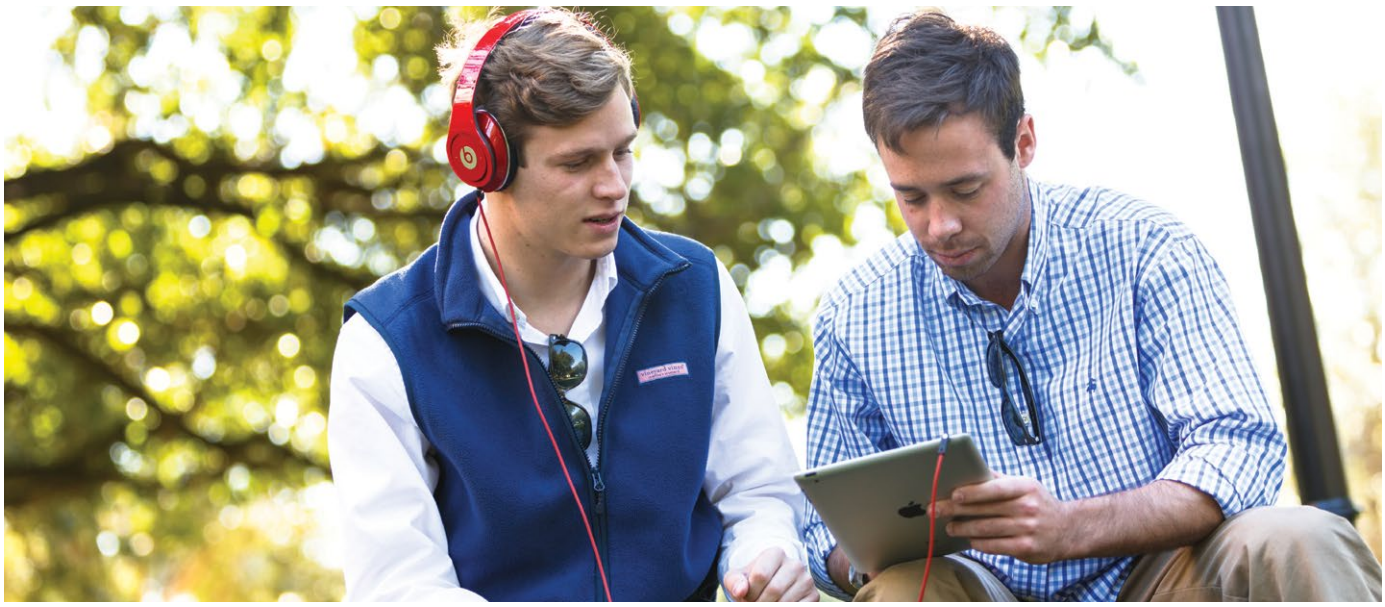
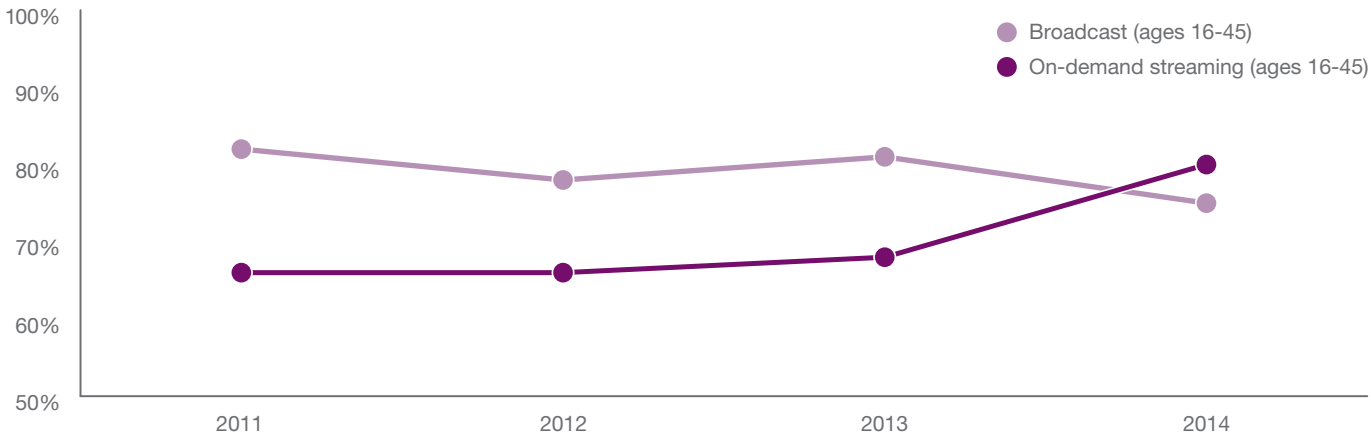


Figure 1: Percentage of people watching TV on a more than weekly basis



Source: Ericsson ConsumerLab TV & Media report, 2014
Base: Brazil, China, Germany, South Korea, Spain, Sweden, Taiwan, UK, US

2. HELPFUL HOMES

With continuously rising fixed broadband adoption and the fast global uptake of smartphones with mobile broadband subscriptions, our lives are becoming more connected than ever before. However, despite this connectivity, houses are not increasing in intelligence at the same pace. This is now set to change, as consumers show a strong interest in having their homes help them.

For example, Figure 2 shows that 55 percent of the smartphone owners we surveyed are interested in water sensors that warn you if there is danger of flooding due to rain, a malfunctioning washing machine, a leaking water pipe or a clogged drain. Half of those surveyed also want to remotely check their refrigerator's temperature, and whether they remembered to turn off the coffee machine.

In addition, consumers want their homes to make them aware when family members come and go. 48 percent of the smartphone owners we asked were also interested in a bathroom mirror that shows data about how well they have slept, and displays a calendar, news and reminders. 47 percent would even like their toothbrush to give advice on how to brush effectively.

Figure 2: Percentage of consumers interested in various smartphone services for their home

Source: Ericsson ConsumerLab Analytical Platform, October 2014
Base: 5,024 iPhone/Android smartphone users in Johannesburg, London, Mexico City, Moscow, New York, San Francisco, São Paulo, Shanghai, Sydney, Tokyo

3. MIND SHARING

Consumers have embraced an ever-increasing array of communications options. Just over a decade ago phone calls, SMS and email were the only commonly available options, but now we use MMS, instant messaging, micro blogging, social networking, VoIP and video calls – even messages that delete themselves once they have been seen.

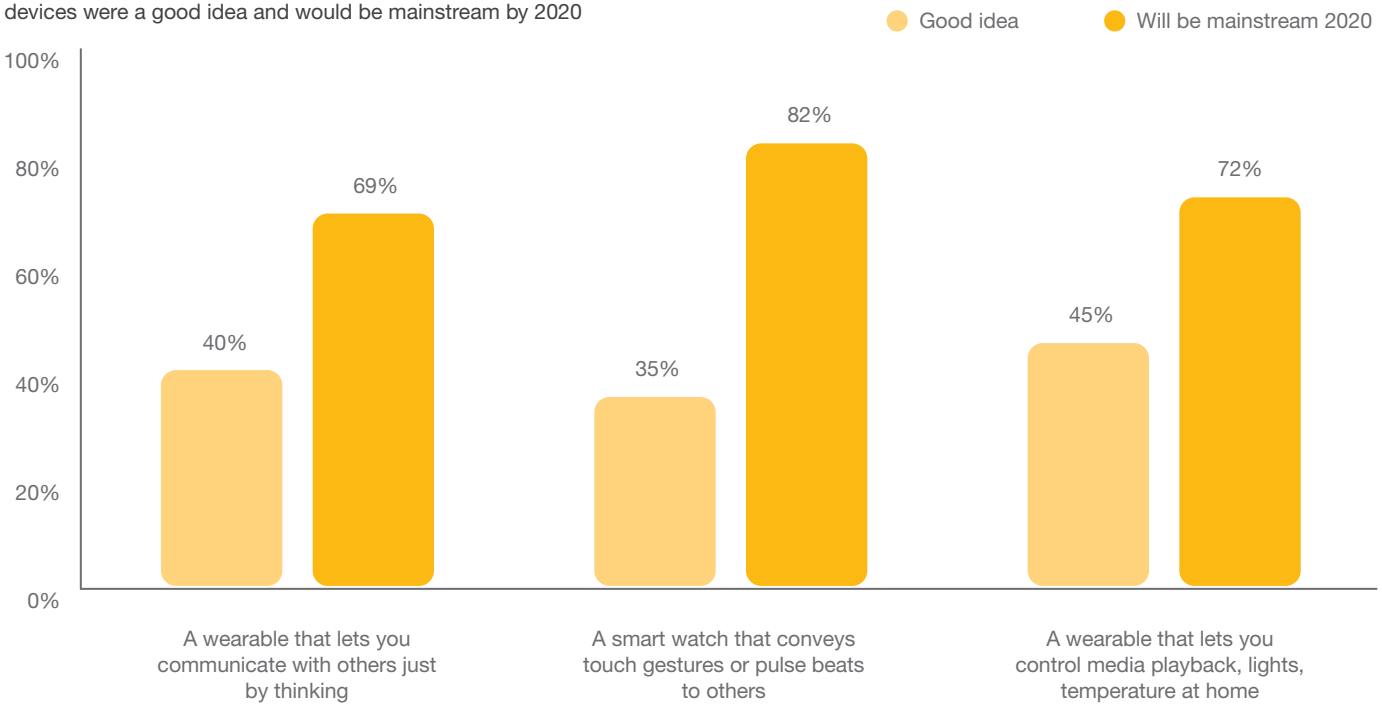
But what's to say that this rapid development is about to stop now?

New means of communication will continue to appear, offering us even more ways to stay close to our friends and family. Over a third of consumers are interested in using a smart watch that conveys touch gestures or their pulse to others. Interestingly, 40 percent of smartphone users would like to use a wearable device to communicate with others directly through thoughts – and more than two-thirds believe this form of communication will be commonplace by 2020.

We won't always need to look for the TV remote either, as 72 percent of those surveyed think we will also use our thoughts to control household appliances by 2020.

40% would like a wearable device to communicate via thoughts

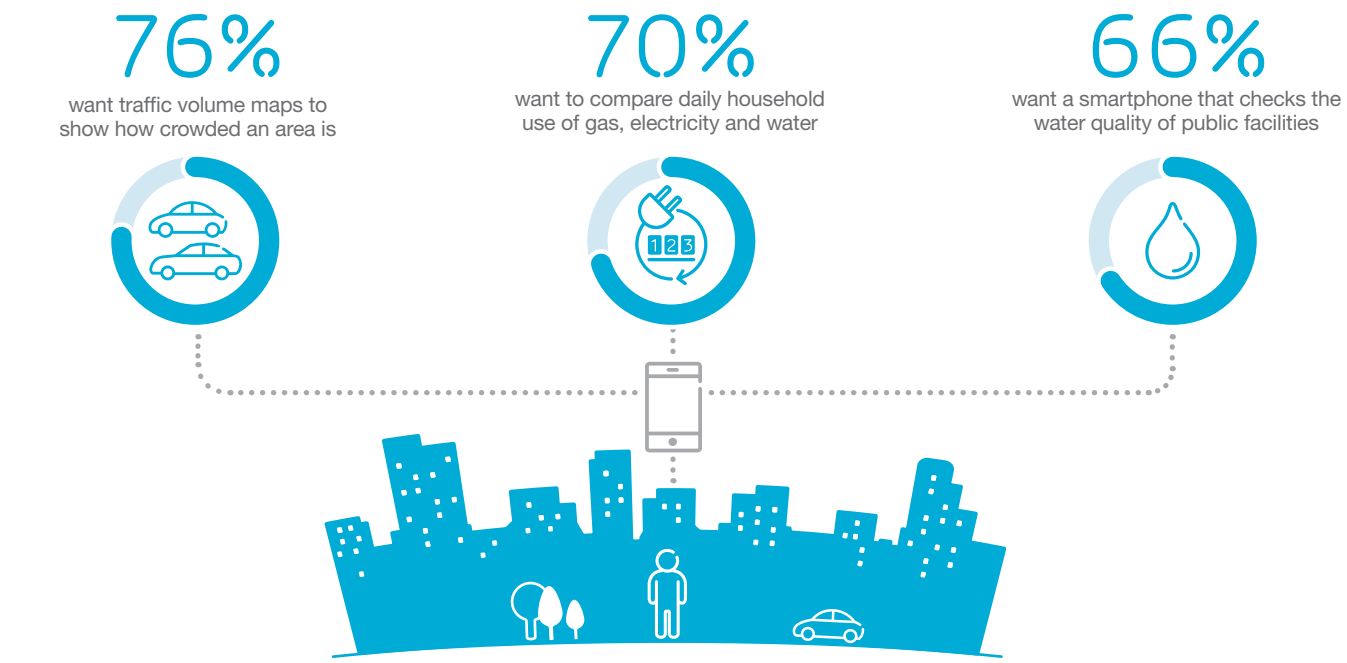
Figure 3: Percentage of consumers who thought wearable communication devices were a good idea and would be mainstream by 2020



Source: Ericsson ConsumerLab Analytical Platform, October 2014
Base: 5,024 iPhone/Android smartphone users in Johannesburg, London, Mexico City, Moscow, New York, San Francisco, São Paulo, Shanghai, Sydney, Tokyo

4. SMART CITIZENS

Figure 4: Percentage of consumers who thought proactive city apps would be useful



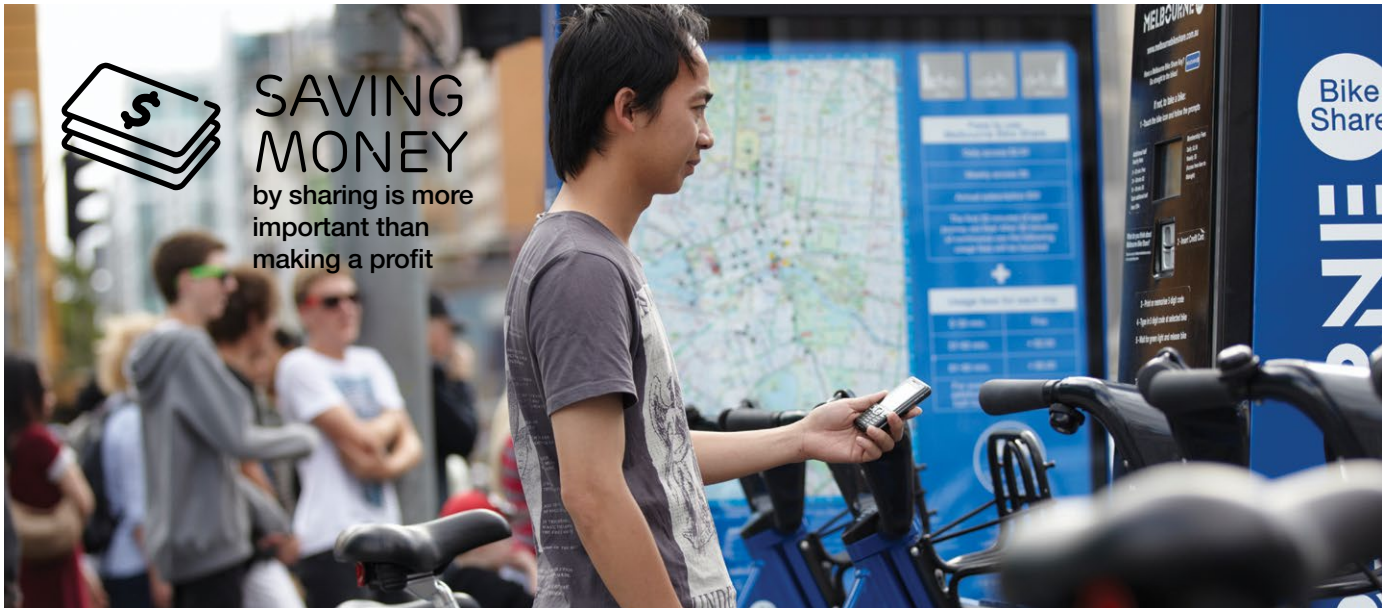
Source: Ericsson ConsumerLab Analytical Platform, September 2014
Base: 9,030 iPhone/Android smartphone users in Beijing, Delhi, London, New York, Paris, Rome, São Paulo, Stockholm, Tokyo

The idea of smart cities is intriguing – but a lot of that smartness will emerge as a side effect of the changing everyday behaviors of citizens. As the internet makes us more informed, we are in turn making better informed decisions. When citizens turn smart, so will the cities they inhabit.

We asked smartphone owners in nine major cities to evaluate concepts that enable people to take a more proactive and participatory role in city life. Figure 4 shows that 76 percent of smartphone owners want traffic volume maps for streets, pavements and public areas to report how crowded the area is. 70 percent want to compare daily household use of gas, electricity and water with their neighbors, and 66 percent say a smartphone that checks the water quality of public facilities and compares it with similar facilities nearby would be useful. Over 70 percent think that these concepts will be mainstream by 2020.

We are becoming smart citizens. Through our changing behaviors, efficient practices and smarter social norms are developing in our cities, and in the process they are making cities organically grow smarter too.

5. THE SHARING ECONOMY



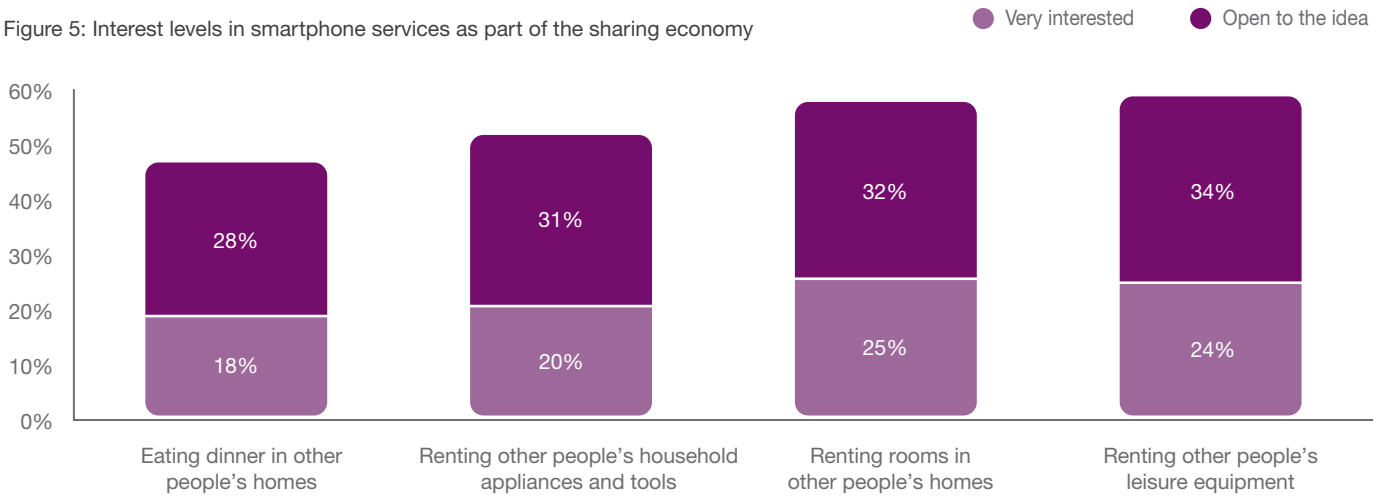
Sharing cars and bikes is a much talked about idea, and in a recent Ericsson ConsumerLab survey, we have seen that as many as three-quarters of smartphone owners are interested in this.

As the internet enables us to efficiently share information with unprecedented ease, the idea of a sharing economy is potentially huge. It could enable consumers to enjoy the benefits of use without the hassle of ownership in many other areas beyond transportation.

In our research we found that more than half of smartphone owners are already open to renting other people's leisure equipment, rooms and household appliances, as seen in Figure 5. 46 percent could even imagine using a smartphone app to book a dinner in someone else's home.

Letting other people use our things when we don't need them will save resources, but consumers are more motivated by the convenience of not having to own. It appears that saving money by sharing is also ultimately more important than making money from the process.

Figure 5: Interest levels in smartphone services as part of the sharing economy



Source: Ericsson ConsumerLab Analytical Platform, October 2014
Base: 5,024 iPhone/Android smartphone users in Johannesburg, London, Mexico City, Moscow, New York, San Francisco, São Paulo, Shanghai, Sydney, Tokyo

6. THE DIGITAL PURSE

Of the smartphone owners we surveyed, 48 percent say they would prefer to use their phone to pay for goods and services, while a third believe that smartphones should replace cash.

However, making purchases entails much more than the transaction of money. Our purses and wallets are brimming over with a collection of loyalty cards, discount coupons, commuting tickets, receipts and scribbled notes – all of which need to remain part of the shopping experience.

80 percent of consumers believe that the smartphone will become a replacement for their entire wallet or purse by 2020, so it is time to think broader than just mobile payments.

Already evident today, 55 percent of consumers would like their smartphones to save their receipts, with 72 percent desiring a function to disable payment functionality remotely, in case their phone gets lost.

Figure 6: Consumer attitudes to paying with a phone

Source: Ericsson ConsumerLab Analytical Platform, October 2014
Base: 5,024 iPhone/Android smartphone users in Johannesburg, London, Mexico City, Moscow, New York, San Francisco, São Paulo, Shanghai, Sydney, Tokyo

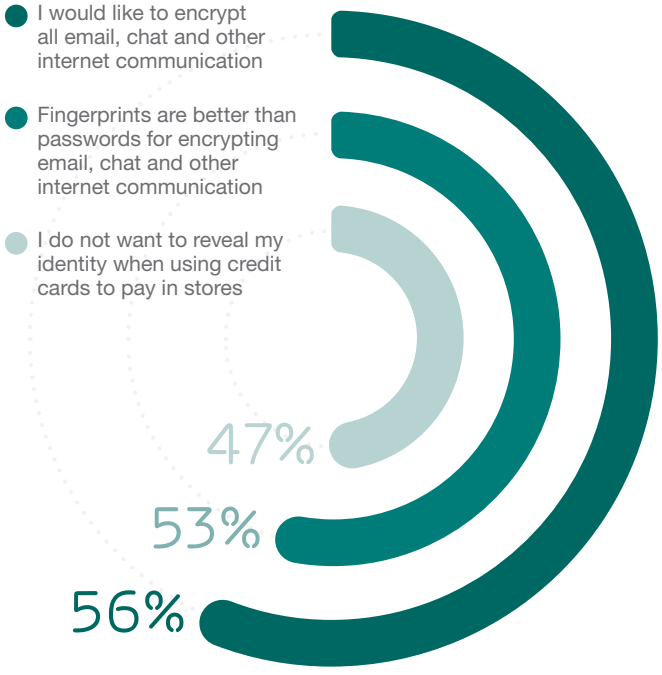
7. MY INFORMATION

In a number of Ericsson ConsumerLab studies, we have seen that consumers do not mind sharing personal information when they believe they are getting something of value in return. However, giving away personal information without consent and for no obvious reason is something that is disliked by most people.

For this reason, there are areas where people would prefer to keep their information to themselves, and not have to divulge personal details in order to complete everyday tasks. Paying with cash does not automatically lead to the dissemination of personal information, and therefore avoids exposure to subsequent unwanted advertising or spamming from the seller. 47 percent of smartphone owners would like to be able to pay electronically in a similar way – without an automatic and unavoidable transfer of personal information.

Another area where consumers feel entitled to their own privacy is personal communication. 56 percent of smartphone owners would like all email, chat and other internet communication to be encrypted. Over half agree that using fingerprints would be better than passwords for this.

Figure 7: Percentage of consumers who agree with information encryption



Source: Ericsson ConsumerLab Analytical Platform, October 2014
Base: 5,024 iPhone/Android smartphone users in Johannesburg, London, Mexico City, Moscow, New York, San Francisco, São Paulo, Shanghai, Sydney, Tokyo

8. LONGER LIFE

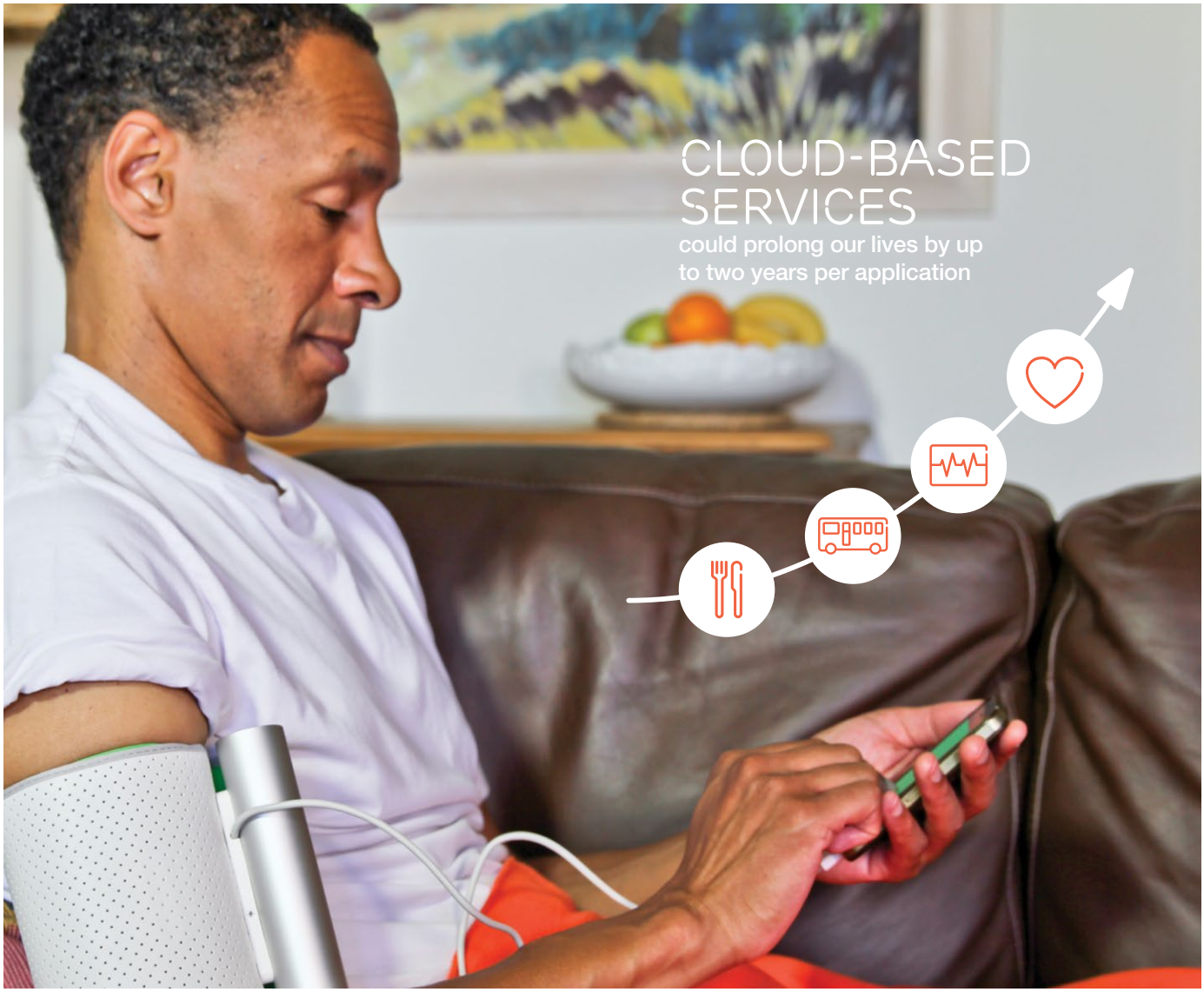
Wearable technology has been popular among consumers for some time, but now it is time to shift the emphasis from the novelty of wearing technology to what the advantages may be. Important benefits include the ability to monitor and regulate activities. Our research shows that smartphone owners see cloud-based services of various kinds giving them the potential to live healthier and longer lives – whether the technology can be worn or not.

Urban consumers think wearables regulating stress levels could give them an extra 2 years of life on average, and wearables that help with physical activity will have the second largest potential impact, with an addition of 1.9 years on average.

However, help with monitoring goes beyond wearables. Cups and plates that measure the intake of calories, salt and unhealthy ingredients are believed to increase life expectancy by 1.8 years and those that identify food allergies would give an extra 1.3 years on average.

Pillows and sheets that monitor sleep patterns and medicine jars that regulate medicine intake would potentially add 1.1 years each.

Finally, the idea of self-driving cars and internet-regulated traffic is expected to add an extra six months on average to life expectancy.



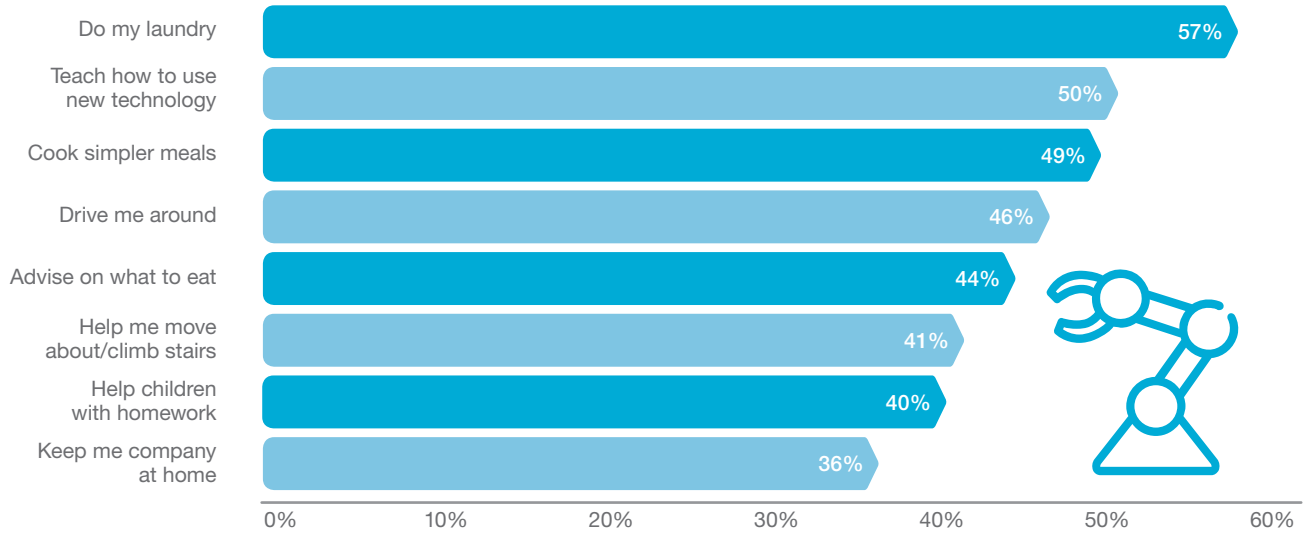
9. DOMESTIC ROBOTS

The first recorded concept of androids – automatons in the form of human beings – originally appeared in an English encyclopedia around the 1730s, and started to emerge in US patents as early as 1863. Now, we have Android smartphones and seem to be warming to the idea of robots helping out with a growing variety of everyday chores.

With 57 percent of consumers wanting a domestic robot to do their laundry, it's easy to see what chores people would like to avoid. Over 40 percent of surveyed smartphone owners would like a domestic robot that could teach them how to use new technology, how to cook healthier meals, give them advice on what to eat, and help them move around at home – even drive them to places. Robots could also help out with tasks beyond the purely functional. More than a third of those asked say that a robot could keep them company.

Of those open to the concepts we tested, 64 percent thought all of these robot types will be common in households by 2020. With artificial intelligence becoming cloud-based, the cost of making smart robots is set to decrease dramatically, so the next five years could potentially see drastic changes.

Figure 8: Domestic chores that consumers would use robots to help with



Source: Ericsson ConsumerLab Analytical Platform, October 2014
Base: 5,024 iPhone/Android smartphone users in Johannesburg, London, Mexico City, Moscow, New York, San Francisco, São Paulo, Shanghai, Sydney, Tokyo

10. CHILDREN CONNECT EVERYTHING

For those who did not grow up using the internet, it may still be perceived as an abstraction – a cyber-domain beyond the grasp of our hands and beyond intuitive understanding.

However, for younger generations, the internet is an integral, concrete part of the physical world we live in, with many having grown up using tablets and smartphones. 40 percent of smartphone owners state that the younger children are, the more they rely on the internet for everything. Almost as many respondents believe that children's experiences relate to the internet in one way or another. For example, 45 percent say that children primarily read from the internet, as opposed to in printed form.

Children will continue to drive the demand for a more tangible internet, where the physical world is as connected as the screens on their devices. 46 percent of smartphone owners say that those who are exposed to tablets as babies will expect all objects to be connected when they are older. Using information technology will be less abstract in 2020 and beyond.

Figure 9: Percentage of consumers who agree children are adept at using internet and devices

Source: Ericsson ConsumerLab Analytical Platform, October 2014
Base: 5,024 iPhone/Android smartphone users in Johannesburg, London, Mexico City, Moscow, New York, San Francisco, São Paulo, Shanghai, Sydney, Tokyo

Ericsson is the driving force behind the Networked Society – a world leader in communications technology and services. Our long-term relationships with every major telecom operator in the world allow people, businesses and societies to fulfil their potential and create a more sustainable future.

Our services, software and infrastructure – especially in mobility, broadband and the cloud – are enabling the telecom industry and other sectors to do better business, increase efficiency, improve the user experience and capture new opportunities.

With more than 110,000 professionals and customers in 180 countries, we combine global scale with technology and services leadership. We support networks that connect more than 2.5 billion subscribers. Forty percent of the world's mobile traffic is carried over Ericsson networks. And our investments in research and development ensure that our solutions – and our customers – stay in front.

Founded in 1876, Ericsson has its headquarters in Stockholm, Sweden. Net sales in 2013 were SEK 227.8 billion (USD 34.9 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

Ericsson
SE-126 25 Stockholm, Sweden
Telephone +46 10 719 00 00
www.ericsson.com

EAB-14:069506 Uen