

# Understanding the digital natives

They don't behave like your traditional customers, and they're about to enter your market and your workplace – the digital natives. Blurring the boundaries between work and private life, they are tomorrow's most powerful media consumers and professionals. You better get to know them now.

**“I WAKE UP** at 07.00. I use my mobile alarm. I get ready for school and put on some music – can't wake up without music. I call my friend to check which bus we should take. I access news on my mobile on the bus – the mobile internet.”

This is how Joel, a 22-year-old Swede, starts a typical day according to his diary detailed in a recent consumer project. And he goes on:

“Listen to MP3s. Surf the net most of the day in school. I sent some MMS, made a short video clip on my mobile phone. I chat with friends on MSN Messenger during the day. When I'm bored or miss my friends I send some SMS during the day. I sent an SMS to my mom telling her I couldn't make it for dinner. Surfing the web and sent some SMS. At home I watched TV and did some chatting on the internet. I sent SMS to two of my friends. To bed around 23.00.”

The behavior of digital natives has been thoroughly analyzed by Ericsson ConsumerLab, because they are in the forefront of a rapid evolution in consumer habits. Today in their early 20s, they were born into digital technology. They are motivated by other things than previous generations and have gathered a media and communication experience like no generation before them.

## A major shift in user behaviour

For digital natives, the internet, mobility, and related technologies have always been available. Networked media and

communication make up the foundation of their lives. They are used to the immediacy of hypertext, downloaded music, phones in their pockets – which are on 24/7; a library on their laptops/computers, and connectivity anytime, anywhere. They've been networked most or all of their lives. Being always connected is something natural to them, and they have conversations constantly going with their social networks via text messaging and instant messaging.

## A typical 21-year-old has, on average:

- sent and received 250,000 e-mails, instant messages, and SMS (short message service) text messages
- used a mobile phone for 10,000 hours
- played video games for 5,000 hours
- spent 3,500 hours social networking online

These experienced multimedia users are now entering the career phase of their lives. Not only do they expect to have communication and consumption tools available constantly during their free time, as consumers, but they expect these tools to support them in work. This represents a major shift in user behavior as well as a major business opportunity. Service providers that can

satisfy the round-the-clock need for connectivity and services can establish close interaction with this user group. They want a lot of services, and now they are becoming capable of paying for this richer lifestyle.

With even more advanced multimedia services becoming available, the types of services used will be more innovative.

Let us exemplify with Sofia, 21 years old and living in Stockholm. She works as an event project manager and is a big music lover. Sofia is a digital native, having grown up with advanced information and communications technology (ICT) tools, and she expects to have a high level of functionality always available.

## Connected around the clock

Imagine Sofia waking up on a Friday. It is a normal workday that will be followed by a concert by her favorite artist in the evening. She turns to her mobile phone on the bedside (naturally switched on since she does not want to miss any calls or messages that might arrive during the night) and immediately turns on her mobile TV client to see if there is any news about the concert. She finds a channel in the program guide that is dedicated to the artist and has a music video currently running.

Sofia sees a prompt appear with the offer to meet and greet the artist in person. The first 25 people to register can get a five-minute meeting and autograph an hour before the show. She immedi-

If you have been networked most of your life,  
hypertext is a natural thing, so is downloading  
and social networking



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ately returns an entry in the contest . . . but does not win. In direct correlation to the notification she receives some extra info – a personalization pack (ringtone plus video screensaver) for only USD 1,

Currently one out of every 15 internet visits in the US goes to the top 20 Social Networking websites (source: Hitwise 2007)

and she can forward this special offer to two friends, something she immediately does.

With more than 170 mobile TV launches in place globally, and over 150 of them running on mobile networks, this is not a future scenario – it is happening now.

Before leaving for work Sofia sits for a while in front of the IPTV screen to check the address for her first customer meeting and gets a view of the agenda for the workday. She also goes on her favorite local community to chat with friends who will be joining her for the concert. While chatting she realizes she is late for work so shifts over to continue the chat session on her mobile as she leaves for the bus.

### What's that song?

On the bus to work, Sofia gets an instant message from her colleague with the updated figures that she needs for the customer meeting. She also finds a message from her boss regarding some important details she needs before lunchtime, which Sofia sends off immediately.

She is early for the customer meeting

## quote

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and uses the time to prepare for a video-conference in the afternoon. She pulls together the last few details in the presentation and publishes the material in the collaboration tool.

After work Sofia meets one of her friends in a bar near the office. The bar plays a local radio channel, playing five songs in a row, and she hears a song in the middle that sounds like her idol, but it is not one she has heard before – it is probably a new remix! She uses Track ID to find out what song it is, records a snippet of it, and sends it to a music recognition service, which returns the name of the artist, song title, and an option to purchase the song from the service provider's music service.

The two friends leave for the concert. To pick up a third friend calling them from downtown, they enter her coordinates in the mobile GPS service and get driving directions. Halfway to the concert, Sofia gets an urgent request from

Of all mobile users, 44 percent want music recognition in their phone (Source: Ericsson ConsumerLab 2007)

her work to participate in an office meeting. Fortunately she brought her laptop and joins the videoconference using her computer's built-in camera.

At the concert, after the first three songs have been performed, she texts and photos up her rating of the songs onto her mobile blog.

Then she remembers some of her best friends who were not able to make it to the concert and decides to start her video cam in the mobile phone so they can pick it up on their phones. She gives them all a short remote concert experience, live.

### IT managers must wake up

This special day in Sofia's life easily generates several megabytes of traffic, all chargeable, and we have not considered advertising opportunities that could either replace her spend or increase the

revenue potential. This potential is largely untapped and driven by a very advanced demand from this growing user group.

People in their career-life are both consumers and professional users, moving in and out of these two roles during the 24 hours of every day, balancing their private and professional lives. Communication and consumption services on different devices are becoming part of their lives in both areas. And the boundaries between them are not as distinct as they used to be.

Service providers in the multimedia market will see two major consequences of the digital natives entering the workforce:

1. A high demand for multimedia services from a group willing and able to spend more on these services.
2. A requirement for tools to support the group's advanced way of communicating both in their personal and professional lives, in turn raising demand on enterprise communications and IT managers to support them.

Service providers that can give this user group the right tools and services to boost their productivity at work, meanwhile allowing their spare-time communications creativity to flourish, will gain a competitive advantage in the marketplace.

But this requires new ways of thinking. In the enterprise domain, most IT managers have a conservative view of the benefits that new technology can bring to business users. Recent multimedia market research by the analyst firm IDC

There were 655,000 active mobile bloggers worldwide by year-end 2006 (Source: ABI Research, Dec 2006)

shows that 79 percent of young consumers in the survey are using communities and 52 percent are actively adding content – this in sharp contrast to the 30 percent of IT managers in the survey

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who use communities in their private lives.

The survey shows that almost 50 percent of IT managers do not use functions such as wikis, blogs, RSS, social networking, communities, or user-generated content in their private lives.

### Enhanced decision making

About 60 percent of IT managers are familiar with functions such as wikis, blogs, RSS, social networking, communities, and user-generated content, but only 30 percent encourage the use of it within their enterprises.

Figures from KnowlegdeStorm/Universal McCann show that 69 percent of business professionals use social networks “primarily for business network-

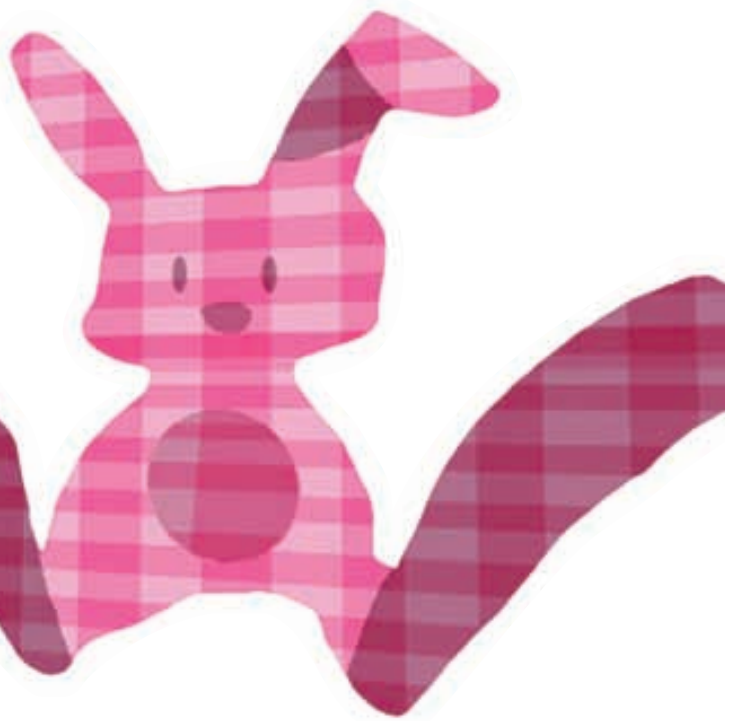
ing and development” where they meet and collaborate with similar-minded business people, share knowledge and ideas, troubleshoot technological issues, and enhance decision-making capabilities.


One example of business networking is the Ericsson Service Support Plaza, where service technicians from third-party companies join forces.

This initiative has shown that professionals are very interested in meeting people from other organizations to share ideas, experiences, and insights.

The community consists of 1200 technicians from 90 countries, and 9 out of 10 actively contribute to the discussions and problem solving. It is an appreciated meeting place, drawing such positive comments as: “A great way to interact with other people working on similar tasks. It makes my work easier when I know that I can post a question and get an insightful answer from highly skilled persons dealing with these questions themselves.”

Increasingly, young businesspeople are bypassing directives from their IT departments regarding what is allowed or not, and bringing in privately owned devices and applications they use outside



the office. They do this because they see great productivity or convenience gain. In this lies a very important message to operators, service providers, and employers going forward. 

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