



# Video in the bigger picture

The debate about **whether or not consumers are ready** for video telephony has surfaced again. To understand this, we must look at not just new video communication but also the ongoing fragmentation of communication and the blurring of borders between **different communication services**. Video plays a key role in this development.

**T**ODAY, NOT ONLY DO CONSUMERS have a wider palette of communication services to choose from, but they also use them for different purposes. Different groups prefer different communication solutions in different contexts. Luckily, there are some easily discernible patterns. In the US, for example, the most popular way of communicating is to call people on a mobile phone. However, for consumers aged 40 or older, landline phones are still preferred when communicating with authorities and for business purposes. Overall, voice-over-IP (VoIP) is still significantly less popular than the other more established means of making voice calls. But there is a clear tendency for those in the 15–24 age group to use VoIP – especially when calling partners and close friends.

When it comes to text communication, e-mail

is the preferred option in all age groups. In fact, for users below the age of 40, e-mail is the second most popular means of communicating in any form. In the 40+ age group, e-mail lags behind landline phones in terms of popularity. E-mail use is, however, not homogeneous across age groups. In the 15–24 age group, social networking is the preferred means of communicating with acquaintances and even close friends. SMS – closely followed by social networking (SMS) – is the preferred channel for communicating with partners and siblings. In the 25–39 age group, e-mail is preferred across the board, although it is closely followed in popularity by social networking and SMS. In the 40+ age group, e-mail is the most popular text-communication channel across the board – and there is no real competitor. ▶

In 2010, 13 percent of respondents in the US said they *used a device other than a phone for long-distance calls*. In France, 18 percent were using non-phone devices.

► Simply put, in the US today people like to call each other on mobile phones. This explains why a recent survey of iPhone and Android smartphone users found that the last thing they wanted to give up if their battery was running low was voice telephony.

However, younger users also favor new communication alternatives – such as social networking and, to a degree, VoIP – and older users stick to older communication services, notably land-line phones and e-mail.

Furthermore, intimate relationships with partners and friends tend to rely more heavily on newer communication channels, whereas formal communication and communication across generations tend to rely on older communication channels.

**A BLURRING OF BORDERS**

In a 2008 10-country survey of advanced internet users that focused on media and communication use, Ericsson ConsumerLab found that behaviors across devices varied more than we had previously thought.

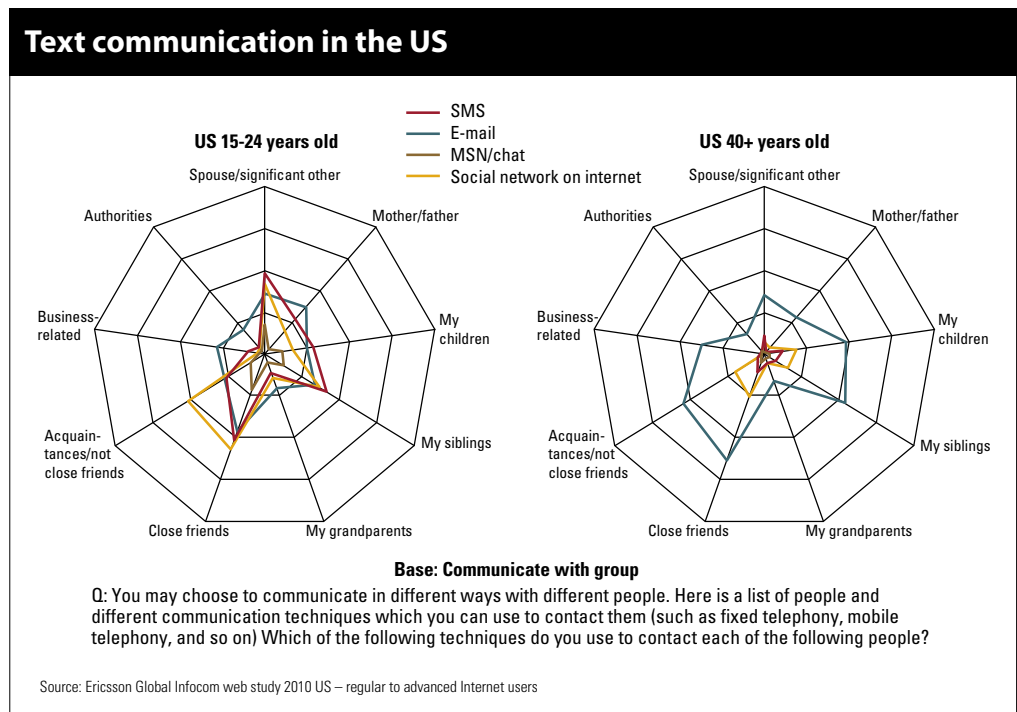
On nearly all devices, music was the most common media type. For example, we found that users more often played music on their portable game consoles than games. However, we also

found that most devices were also used as phones. Fully one-third of netbooks were used to make calls, as were a quarter of all laptops and almost 10 percent of iPod Touches. Five to 10 percent of portable game consoles and other portable media players were used for voice conversations.

In 2008, the internet was still mainly a PC-based affair. In our 10-country infocom survey of that year, 44 percent of general internet users were using instant messaging, 38 percent were already using Facebook and similar social-networking services, and 10 percent were using IP telephony such as Skype – all on a weekly basis.

Between 2008 and 2009 there was a blurring of borders between instant messaging and social networking. As a result, there has been a significant drop in standalone instant-messaging activity as users have moved this behavior over to social-networking sites. Simultaneously, voice calls are being made on an ever greater number of devices. In a voice-behavior study Ericsson ConsumerLab did in 2010, 13 percent of respondents in the US said they used a device other than a phone for long-distance calls. In France, 18 percent were using non-phone devices.

In 2010, the iPhone/Android smartphone explosion started to have a real impact, with around one-fifth of respondents in the Ericsson Consumer-



Lab infocom survey of industrialized countries stating that they owned a smartphone.

Users who rack up the most minutes-of-use (MoU) on mobile phones also fall into the group that uses the greatest number of communication services. In other words, people who talk a lot on the phone are also heavy users of SMS, MMS, e-mail, IM, social networking sites and blogging tools. Even though total MoU in the US declined between 2008 and 2010, MoU has increased among those who use four or more text-communication services on mobile phones. A great number of people in this group are also smartphone users, who have brought their internet-communication habits to their phones.

#### A NATURAL PART OF THE MIX

When Apple announced the most popular iPhone apps in 2010, Facebook was – not surprisingly – the most frequently downloaded free app globally. However, with internet communication via phones becoming more popular, we will inevitably see a blurring of borders between telecom-based communication services and internet-based services. In this light, it is not surprising that Skype was the fourth most popular iPhone app in 2010.

Internet-related habits will continue to spread and consumers are increasingly willing to communicate via video. As the borders between communication and media blur, people are finding it increasingly natural to express themselves using language previously only common to celebrities and journalists. They also see that video communication engenders feelings of intimacy and emotion similar to that of face-to-face interaction. As a result, more than 30 billion pieces of content are shared via Facebook each month.

As the internet evolves from an information-based medium to a communication-centric one, communication channels have started to blur. It is increasingly difficult to determine what constitutes a voice call as consumers mix traditional telephony with IP telephony, voice and video chats and web calls. Similarly, the lines between e-mail and webmail, SMS and online chat, online chat and social networks are becoming less distinct. In addition, consumers are increasingly integrating media into their communication when using services such as social networks. This is only natural as media have always been used as a conversation starter, but one result of all this convergence is that video will play an increasingly large part in communication. ●

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