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EMBRACING DATA SHARING

Understanding the perceived value of shared data plans among smartphone users

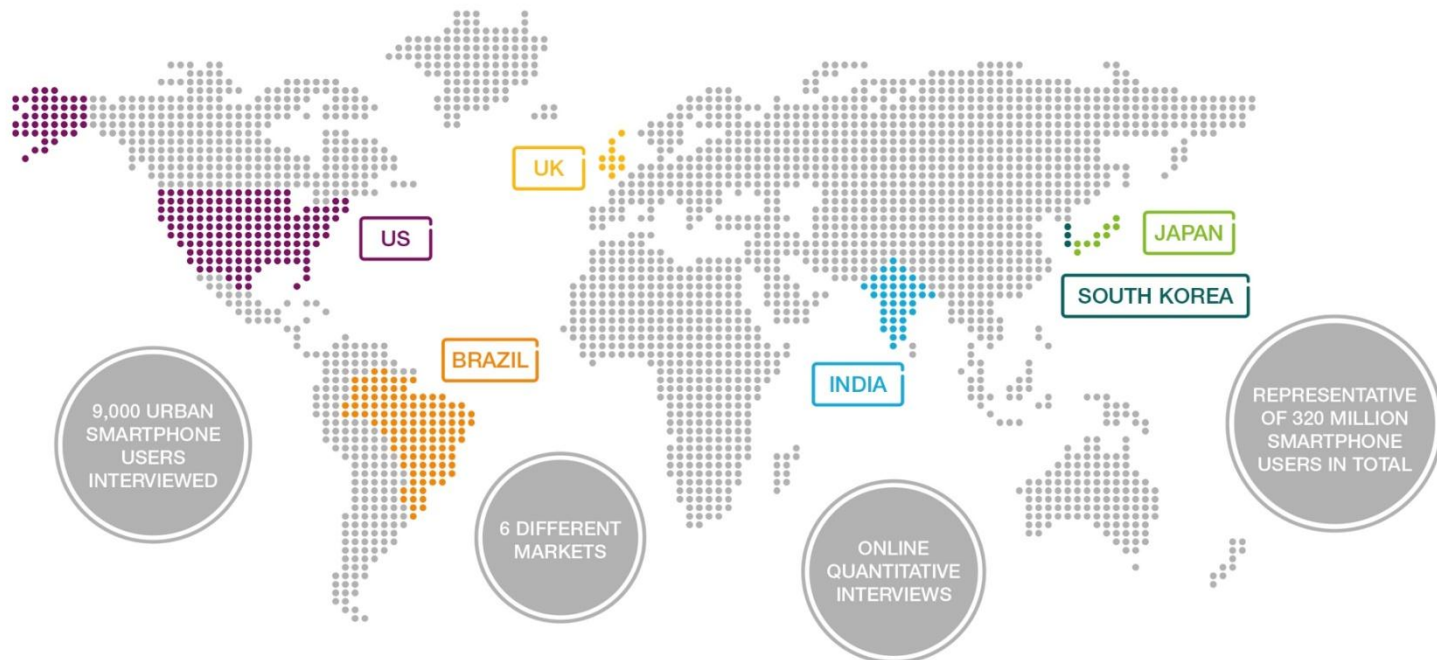
Ericsson ConsumerLab
January 2015

BACKGROUND AND OBJECTIVES



Objectives

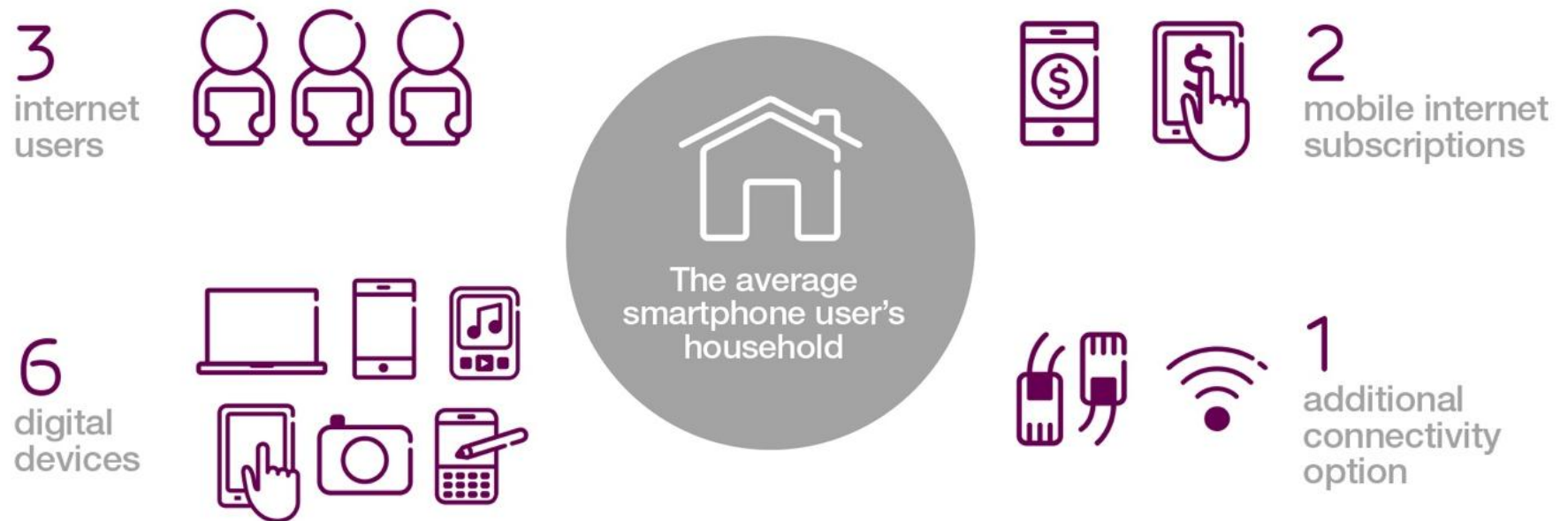
- › Understand the perceived value of innovations such as **shared data plans** among consumers
- › Assess how the introduction of shared data plans has impacted **consumer behavior**
- › Discover the specific **triggers and barriers to adoption**
- › As mobile data traffic accelerates, consider how **consumer expectations** around these plans are changing



THE DIGITAL CONNECTIVITY CONUNDRUM



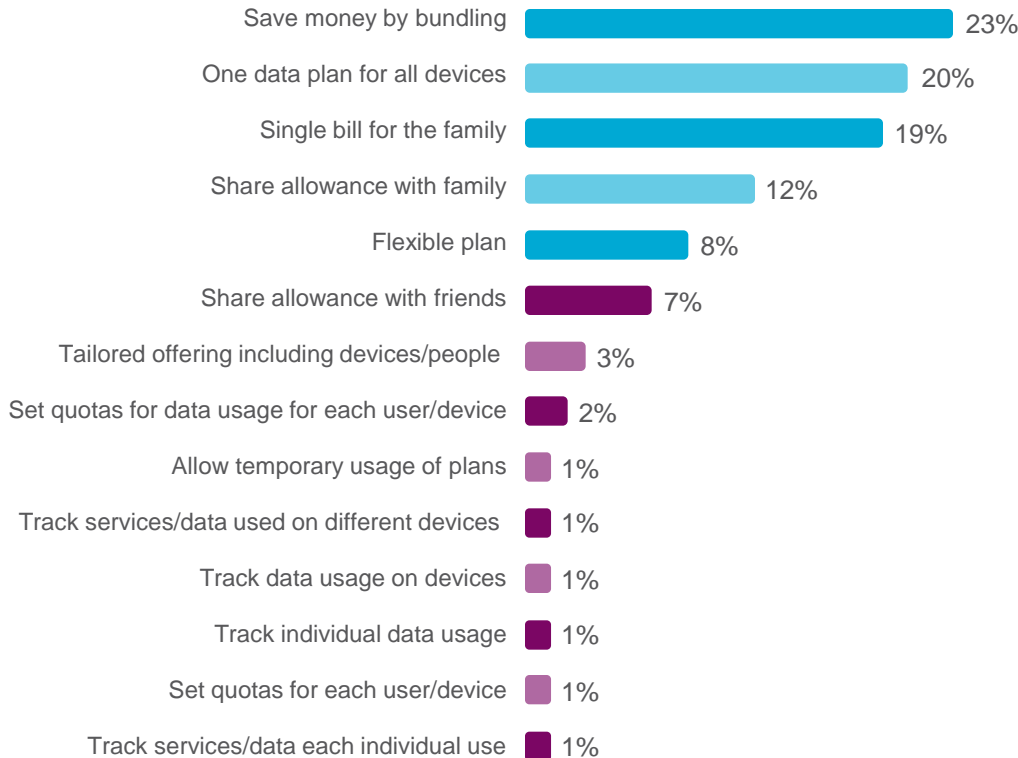
The growing number of options available is creating a high level of complexity in managing multiple subscriptions within households.



CONSUMERS FEEL SHARED DATA OFFERINGS CAN HELP



The figure below show the main reasons for acquiring a new shared data plan.



COST
Ability to optimize mobile data spending



DEVICES
Consolidating devices within a single data plan



FAMILY
Adding members and sharing from a common data pool



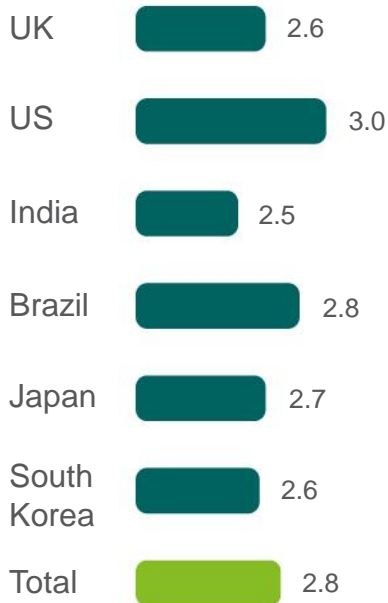
FLEXIBILITY
Adding or removing devices or family members as required

DEVICES ON SHARED DATA PLANS

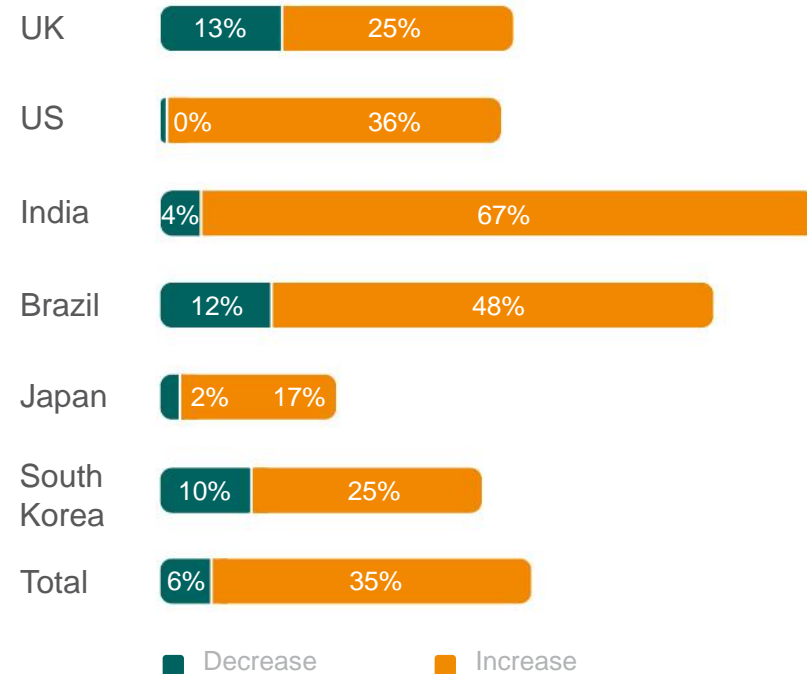


On average, three devices are added to shared data accounts.

Average number of devices on a shared data plan



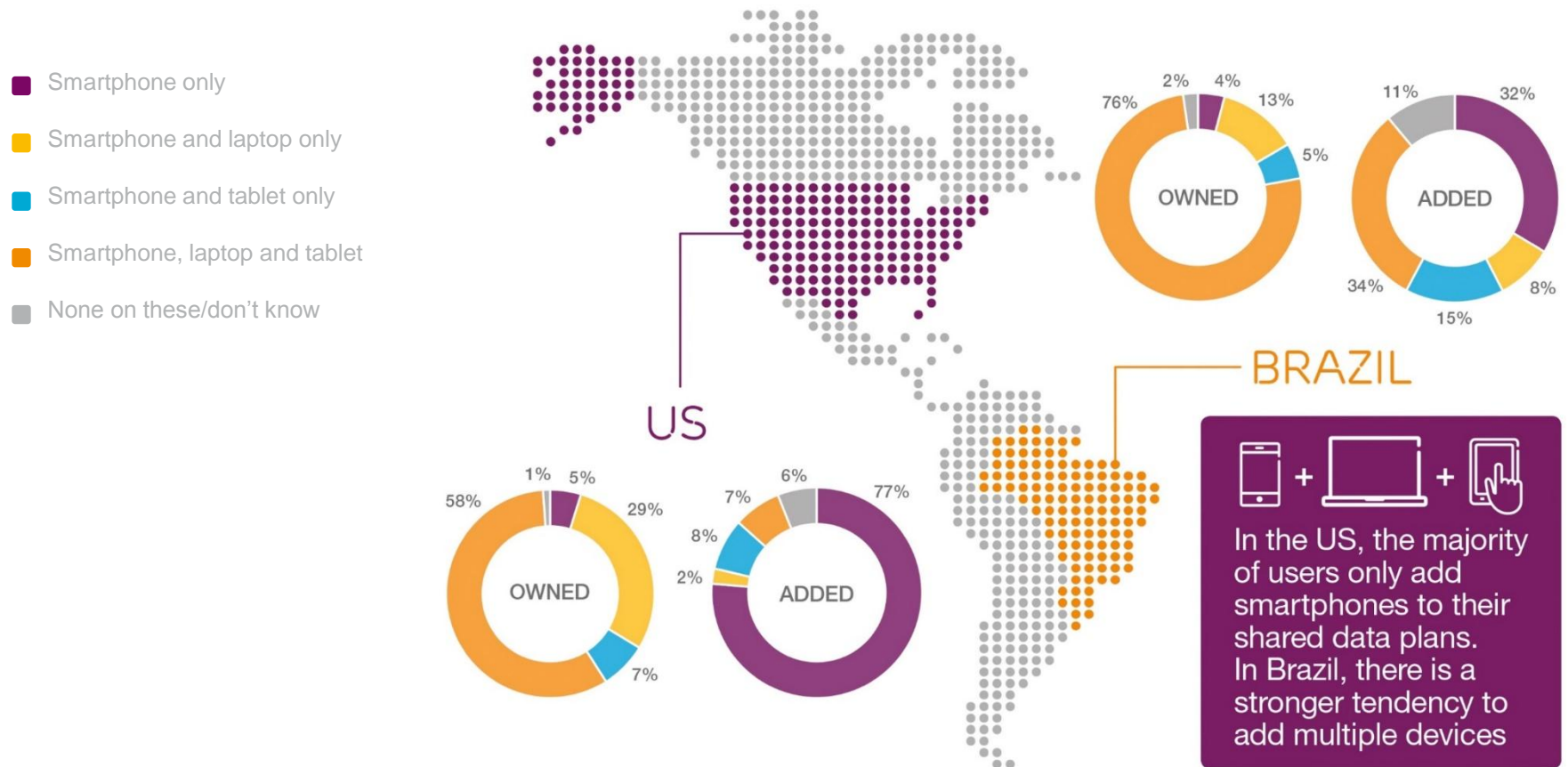
Average increase/decrease to the number of devices added to mobile data plans after subscribing to a shared data plan



SMARTPHONES FORM THE MAJORITY



The figure below shows the devices owned and added to shared data plans in the US and Brazil.



IMPACT ON LOYALTY



47%

claim shared data plans are more **flexible**



54%

indicated that they intend to **continue** with their plans and existing providers



This leads to an increase in **positive perception** and loyalty to the service provider



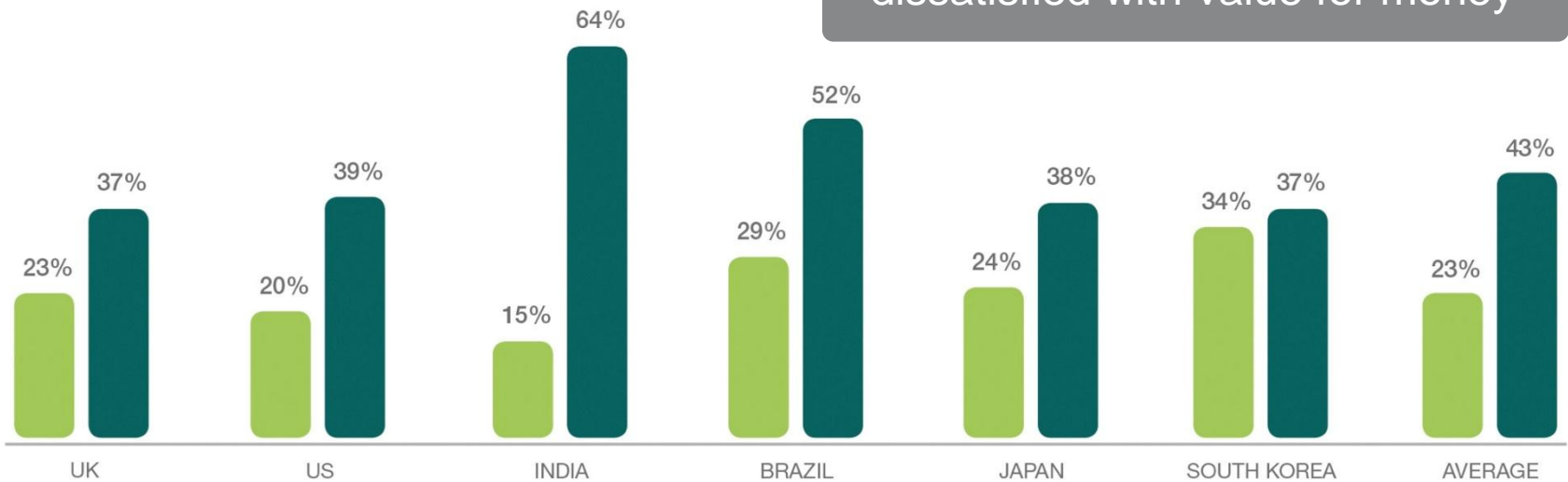
PERCEIVED RISE IN COST



Some users perceive a rise in costs since switching to a shared data plan. This perception is particularly visible in high growth markets like India and Brazil.

■ Not expensive ■ Expensive

2 out of 5 shared data users are dissatisfied with value for money

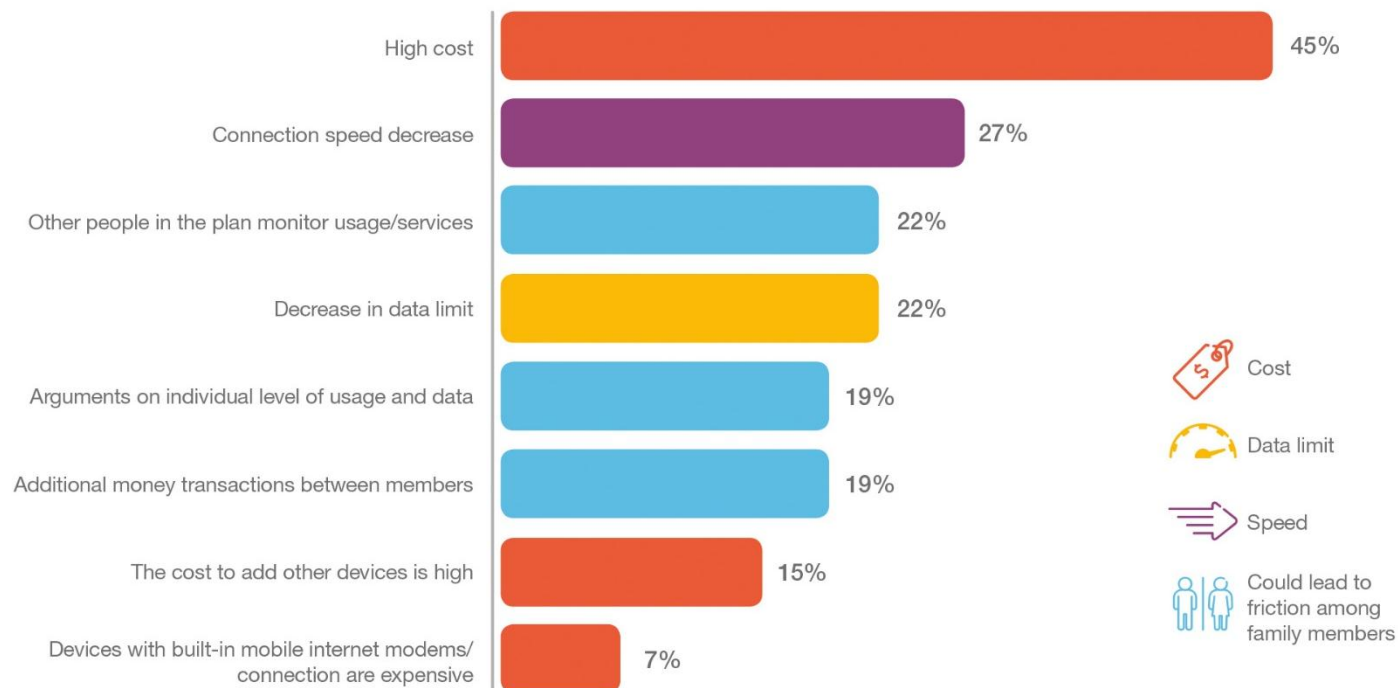


BARRIERS TO ADOPTION



The central barriers preventing some users from taking up shared data plans are:

- › Perceived higher costs
- › The belief that sharing will lead to slower connection speeds



Source: Ericsson ConsumerLab, Embracing data sharing, 2015
Base: Smartphone users in Brazil, India, Japan, South Korea, the UK and the US, who are aware of shared data plans but do not have one

SMARTPHONE USER PROFILES



Smartphone users can be segmented into six different user groups based on:

- › What type of applications and services they use
- › How often they use them

Power users consume twice as much data on average per month than other smartphone users

LIGHT DATA USERS



UTILITY USERS



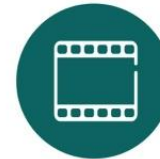
BROWSER-CENTRIC USERS



SOCIAL MEDIA-CENTRIC USERS



VIDEO-CENTRIC USERS



POWER USERS



LOW FREQUENCY USAGE

HIGH FREQUENCY USAGE



DEVELOPED AND HIGH GROWTH MARKETS

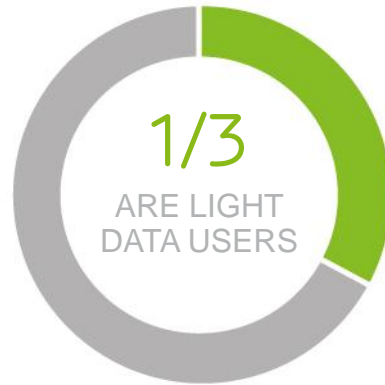


Developed markets in the US

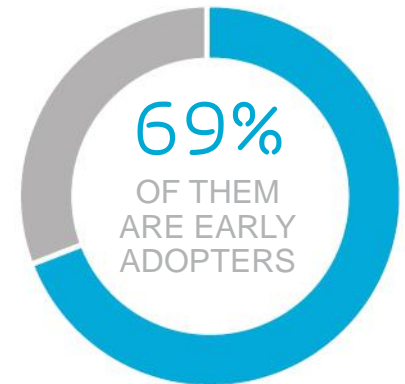
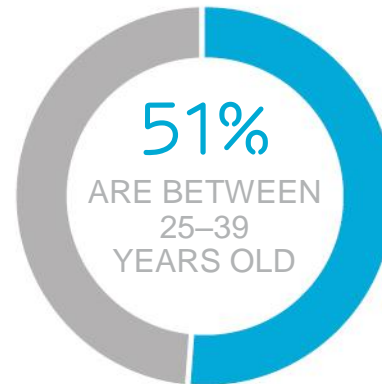


2 IN 5

are married
adults between
40–59 years old



High growth markets in Brazil



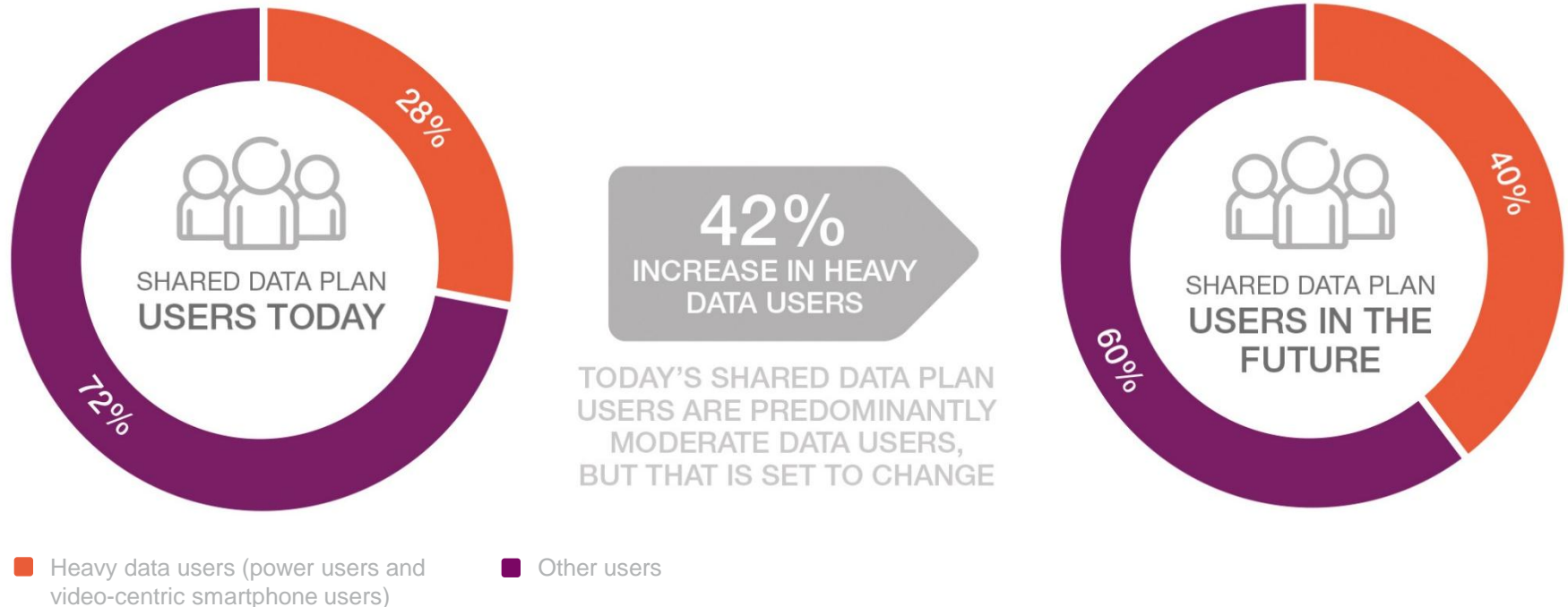
1/3

are power users and
video-centric app users

USERS TODAY AND IN THE FUTURE



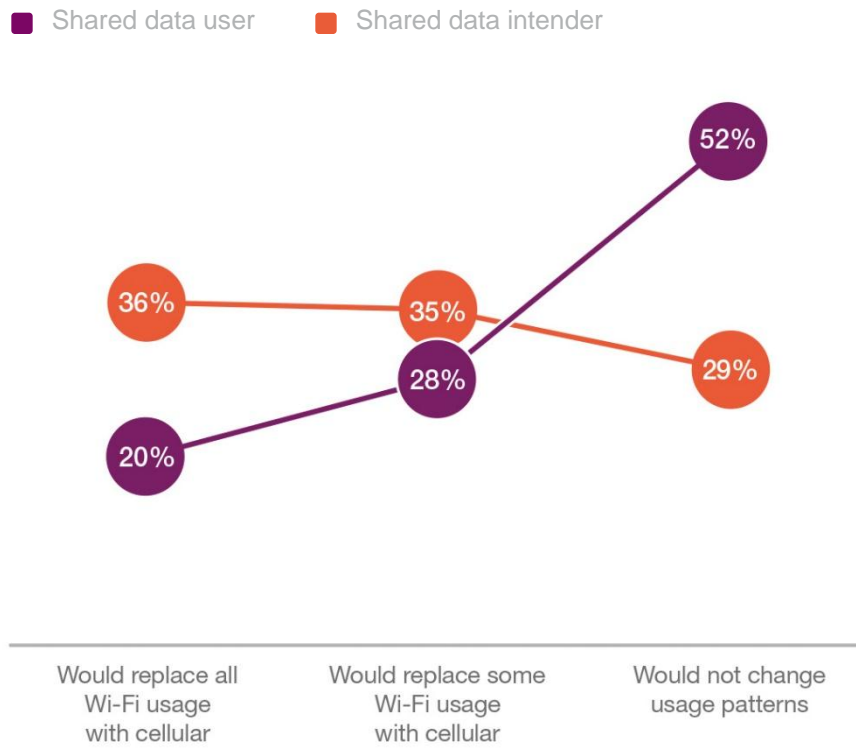
Shared data plans in the future must be designed to cater for heavy data users, since they will have very different expectations from the users of today.



COULD SHARED DATA REPLACE WI-FI USAGE?



Existing shared data users are less inclined to replace Wi-Fi, however intenders express a higher interest.



55%

would replace their Wi-Fi usage with a **SHARED DATA PLAN**



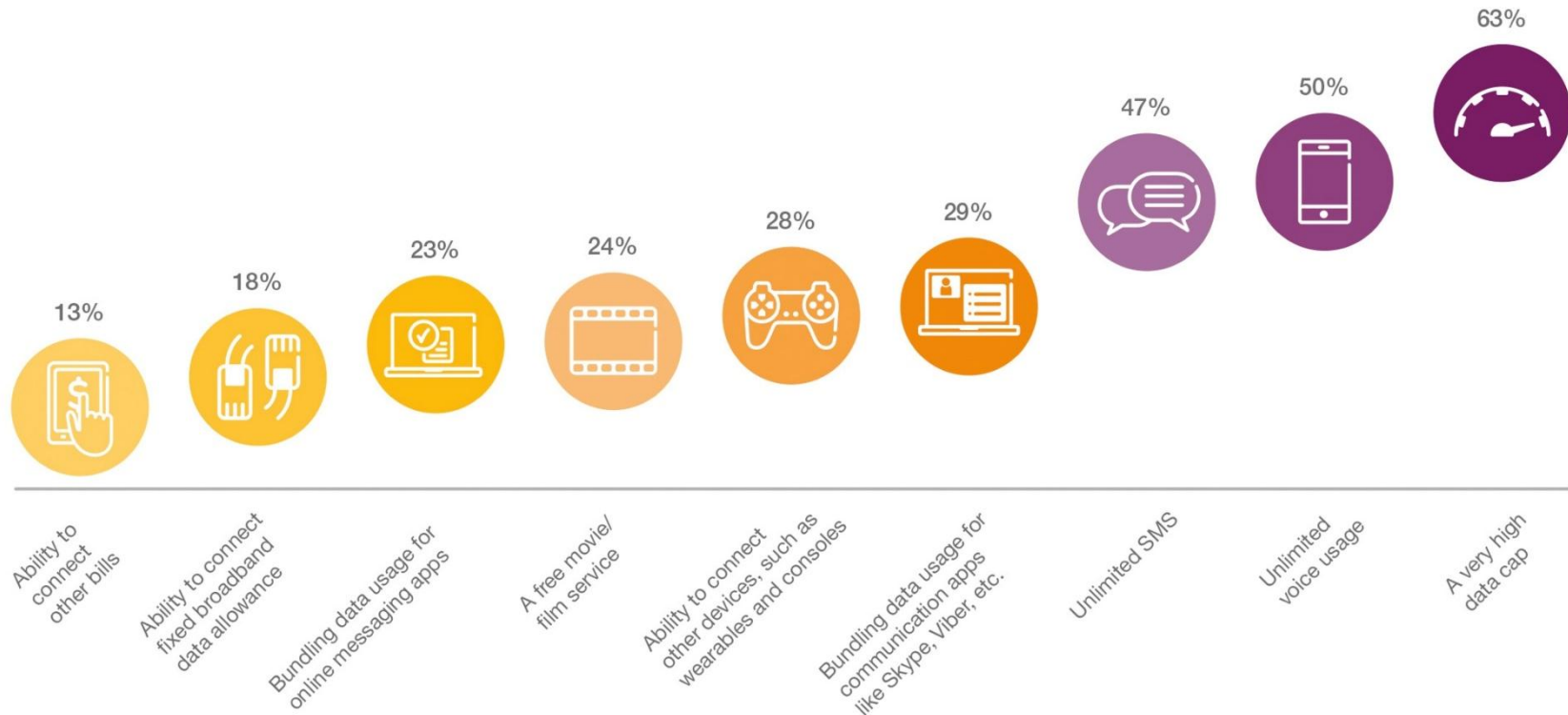
if the cost was **EQUAL OR LOWER** than Wi-Fi combined with an individual subscription.

SHARED SATISFACTION



While high data allowances are the most sought-after element of a shared data plan, unlimited voice and texting are also appealing.

Elements that users and intenders consider critical to a shared data plan

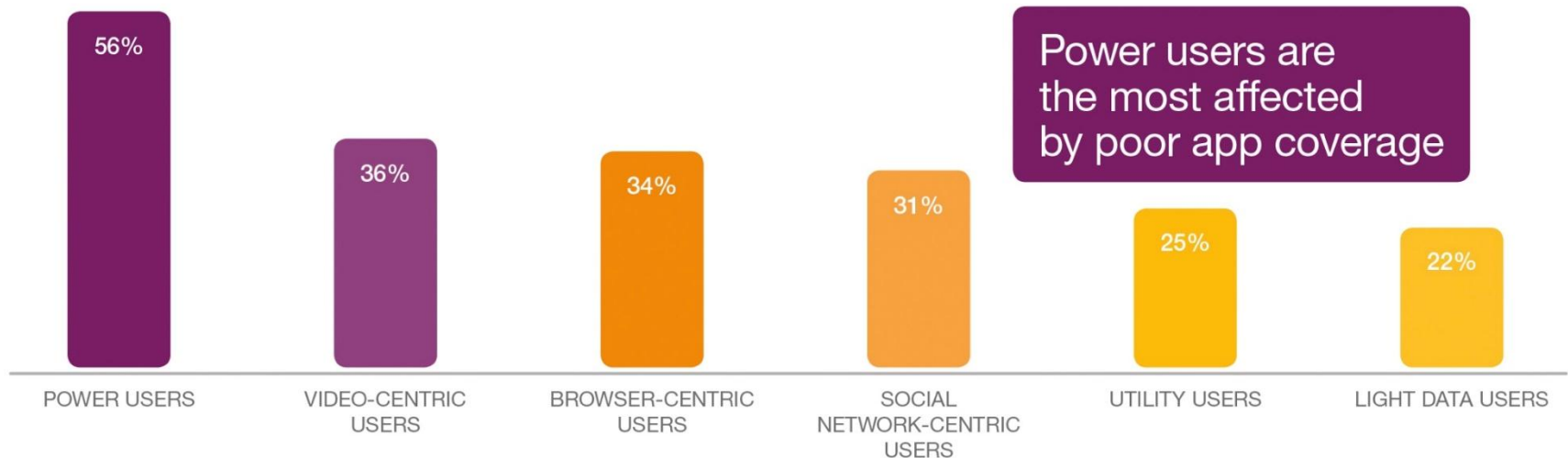


APP COVERAGE MUST IMPROVE



- › 40 percent of future shared data users are likely to be power and video-centric app users
- › It is critical that app coverage is improved, or these customers will not experience the benefits

Percentage of smartphone users who have stopped using apps due to bad coverage

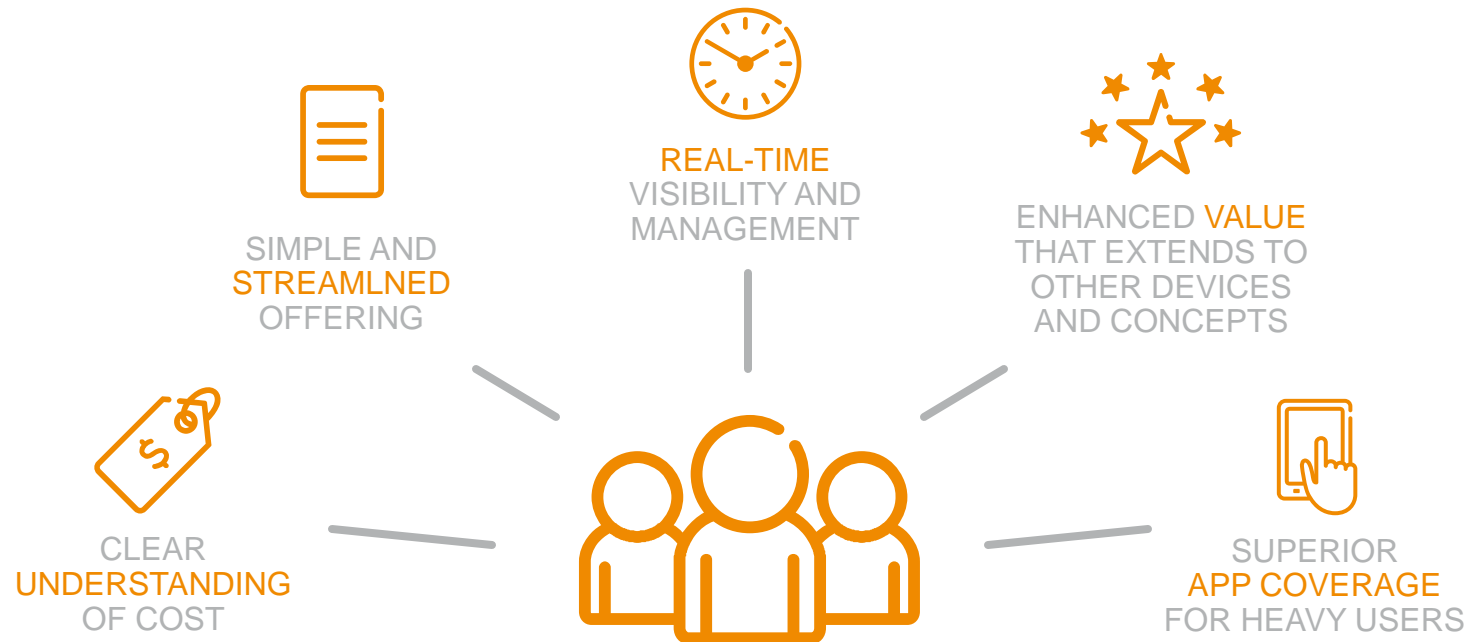


SUMMARY



As consumer needs continue to rapidly shift, so the need for innovation increases when it comes to mobile data plans.

WHAT DO CONSUMERS EXPECT?





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