

CONSUMERLAB



LIBERATION FROM LOCATION

Consumers developing
place-agnostic internet habits

An Ericsson Consumer Insight Summary Report
October 2014

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METHODOLOGY

The data presented in this report was gathered from 47,167 interviews representing 1.1 billion people in 23 countries across the world: Argentina, Austria, Bolivia, Brazil, Canada, China, Denmark, Egypt, El Salvador, Germany, India, Italy, Japan, Mexico, Nigeria, Russia, South Africa, South Korea, Sweden, UK, Ukraine, Uruguay and USA. Interviews were conducted face-to-face and online, with consumers aged 15-69 years old.



THE VOICE OF THE CONSUMER

Ericsson ConsumerLab has close to 20 years' experience of studying people's behaviors and values, including the way they act and think about ICT products and services. Ericsson ConsumerLab provides unique insights on market and consumer trends.

Ericsson ConsumerLab gains its knowledge through a global consumer research program based on interviews with 100,000 individuals each year, in more than 40 countries and 15 megacities – statistically representing the views of 1.1 billion people.

Both quantitative and qualitative methods are used, and hundreds of hours are spent with consumers from different cultures. To be close to the market and consumers, Ericsson ConsumerLab has analysts in all regions where Ericsson is present, developing a thorough global understanding of the ICT market and business models.

All reports can be found at:
www.ericsson.com/consumerlab

THE NEED TO KNOW

Consumers have an inherent need to stay up-to-date with events taking place anywhere in the world. This need for immediate information and communication leads to consumers using devices in new ways. It has also caused them to switch screens in order to access services and content across different locations, irrespective of time and place. The work and personal lives of consumers are blurring as they use their devices in more places.

This report shows how consumers take a location-agnostic approach towards device usage. The tendency to perform diverse tasks irrespective of location, be it indoors at home, work, school, or outdoors while commuting, is consistently seen across the 23 countries studied.

CONSUMERS SWITCH SCREENS for immediate information



KEY FINDINGS

Globally, consumers use the internet in similar ways, although they often use different devices

- > More than 60 percent of smartphone users access social networks and browse the internet on their phone several times a week

Consumers increasingly perform tasks across multiple locations

- > 12 percent of the working population who use the internet shop online at work several times a week and 23 percent perform work-related tasks in the evening

As the number of locations where tasks are being performed increases, so does the number of screens that consumers use

- > 21 percent of consumers who use social networking in one location switch screens
- > This number rises to 44 percent for those who use social networking in at least 3 locations

People spend the majority of their day indoors, and therefore place a higher value on indoor connectivity

- > 36 percent of consumers consider indoor connectivity to be good when accessing video-related content, compared to only 14 percent when out and about. Still, 50 percent are keen to spend more on improving indoor connectivity



CONVERGING HABITS

Consumers expect to be able to access the internet and use their devices anywhere to meet their personal and work-related requirements. This Ericsson ConsumerLab study found that 40 percent feel a strong need to be constantly updated as well as to be in-the-know.

This desire leads to a change in where consumers connect and how they use their devices, which in turn affects everyday life. For instance, the boundaries between work and personal life are disappearing. Around 26 percent of consumers stated that connected devices like smartphones have blurred the distinction between work and private time.

Along with greater connectivity, consumers are also demanding more flexibility and the freedom to use multiple devices to perform any task – irrespective of location. People now perform what were previously thought of as location-specific activities where it suits them, such as social networking at work or banking from home.

Around 12 percent of the working population shop online several times a week at work and 25 percent indulge in some form of social networking many times a week at the office. This behavior is also reflected at home, where 23 percent of internet users who are employed said that they performed work-related tasks in the evening.

Consumers place a higher premium on convenience, using devices to free up time by liberating activities from the confines of a fixed location. For example, consumers can watch a film when commuting, make a bill payment while waiting at the bus stop or book tickets sitting at home. Our research revealed that 39 percent of consumers who listen to music in 3 or more locations switch between devices. Similarly, while browsing the internet in more than 3 locations, around 44 percent of consumers switch screens.

Figure 1. Consumers are performing tasks across locations several times a week

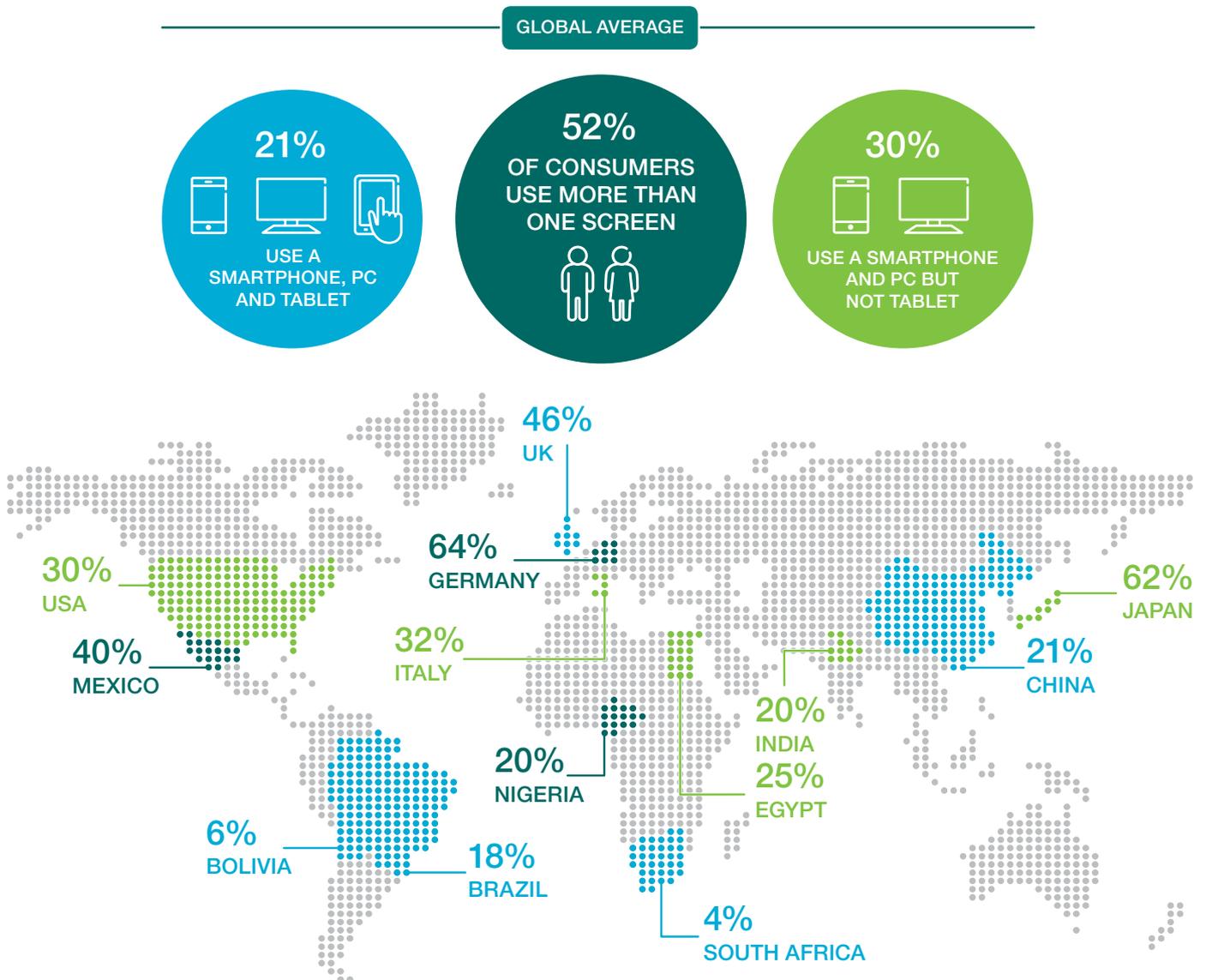


Source: Ericsson ConsumerLab, Liberation from location, 2014
Base: Internet users who work full or part-time, 23 countries

When looking at ownership of smartphones, tablets and PCs, our research shows that 52 percent of consumers surveyed globally own and use more than 1 of these 3 screens. Interestingly, all of these consumers also switch between their screens for at least one activity. Switching screens refers to when a person regularly and interchangeably uses two or more screens for the same activity. The number of consumers who switch screens varies for each activity and country, and is related to overall device

ownership. For example, 50 percent of Bolivians who send messages switch screens to do this, but only 14 percent of people in Nigeria do the same. The difference can also be seen for online shopping. 43 percent in South Korea have switched screens while shopping online but only 2 percent in El Salvador. The most popular activity for using more than one screen is social networking, which 35 percent of Americans and 26 percent of Argentinians do.

Figure 2. Smartphone, tablet and PC usage



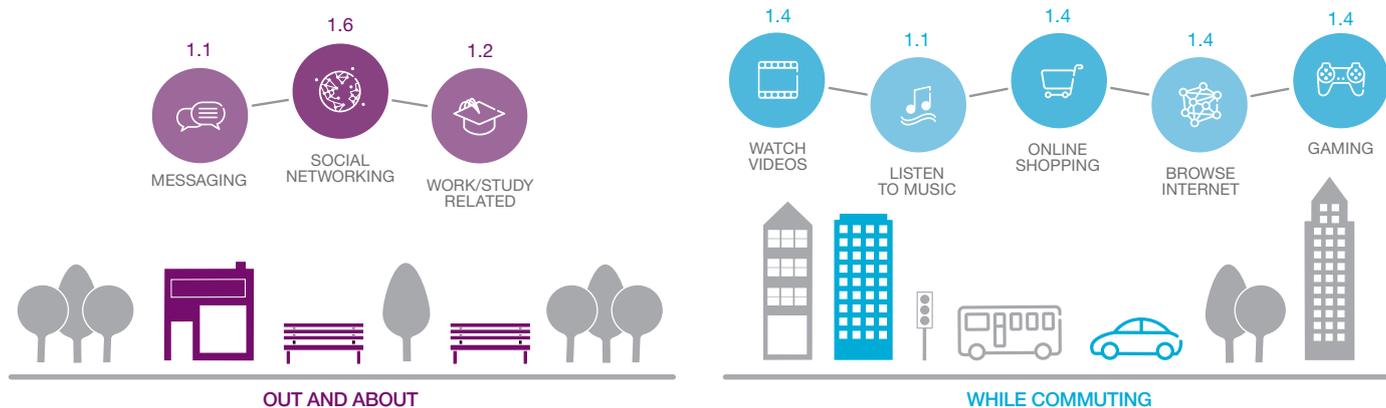
Source: Ericsson ConsumerLab, Liberation from location, 2014
 Base: Overall population, 23 countries

FREEDOM FROM LOCATION

Our research showed that across the 23 countries studied, consumers aged between 15–29 have a penchant for performing a number of activities that traditionally take place indoors – such as at work, home or school – when they are outdoors or commuting. Figure 3 shows that young people use many different

online services when out and about or commuting. For example, 40 percent of the overall population watched videos while commuting, therefore 64 percent of young users do the same. Activities such as browsing the internet, social networking and listening to music are popular with this demographic when outdoors.

Figure 3. Over-representation of young users (15-29 years) compared to the overall population for each activity



Source: Ericsson ConsumerLab, Liberation from location, 2014
Base: Internet users using mobile phone, tablet or PC, 23 countries

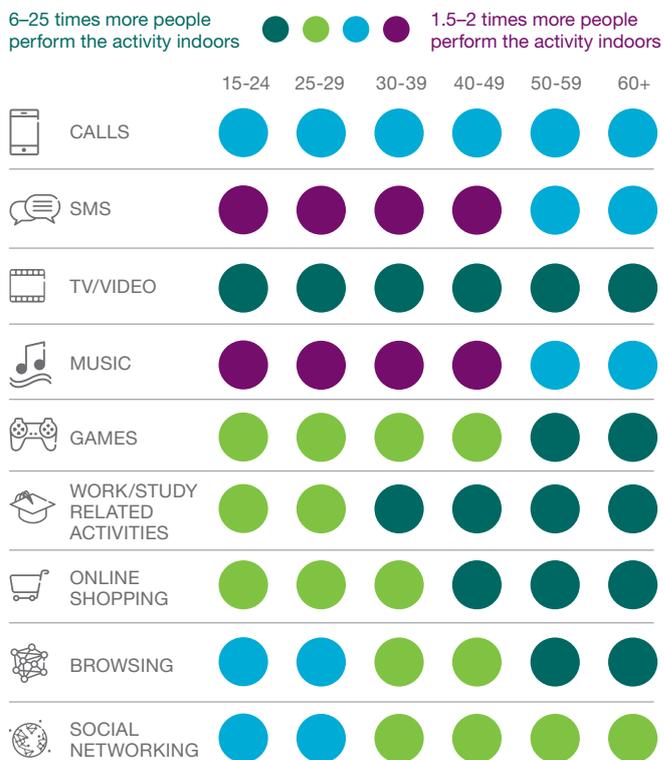
The insider

Although consumers are no longer confined to a specific location, across age groups there is an inclination to perform more tasks indoors, be it at the office, at school or at home. Figure 3 shows that apart from calls and messaging, consumers perform more digital activities, such as watching tv/videos, work or study related activities and online shopping, while indoors.

This preference for connecting indoors is influenced by the fact that people are spending a major part of their time indoors. In fact, the ratio of time spent indoors versus outdoors is 7:1.



Figure 4. The proportion of people performing the following activities indoors compared to outdoors at least several times a week



Source: Ericsson ConsumerLab, Liberation from location, 2014
Base: Internet users using mobile phone, tablet or PC, 23 countries

Ranking the connected experience

A major factor that influences consumers' preference to access digital services indoors is the overall connectivity experience. Globally, the overall experience with connectivity is extremely variable across countries, but consumers largely rated indoor connectivity as better than outdoor.

OUTDOORS VS. INDOORS

Figure 5 provides evidence supporting the positive ratings for indoor connectivity. Consumers across 23 countries agreed that they had a better experience indoors when performing high and low data intensive activities, such as watching online videos, TV or films or accessing social networks. However, their satisfaction with indoor connectivity is generally lower when they perform data-intensive tasks. That being said, indoors still scores higher on both counts than outdoors for a better overall experience.

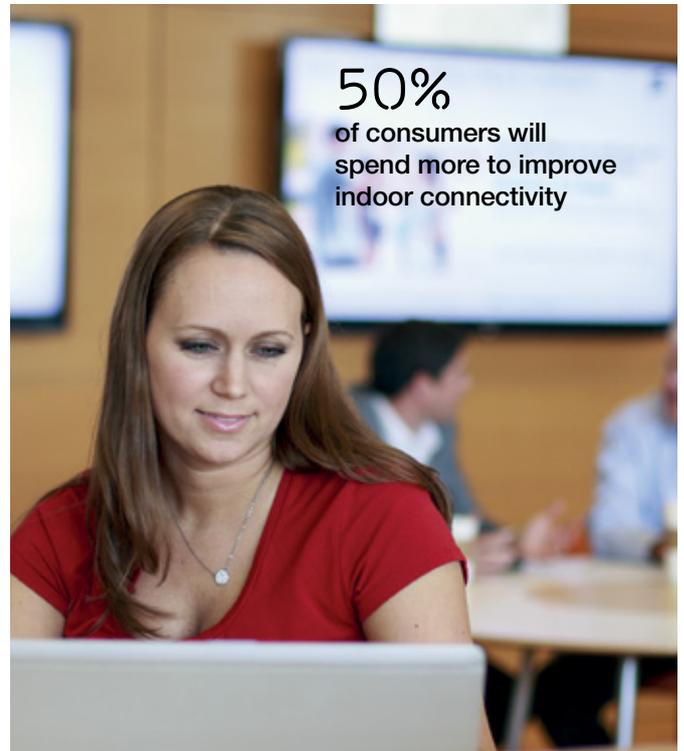
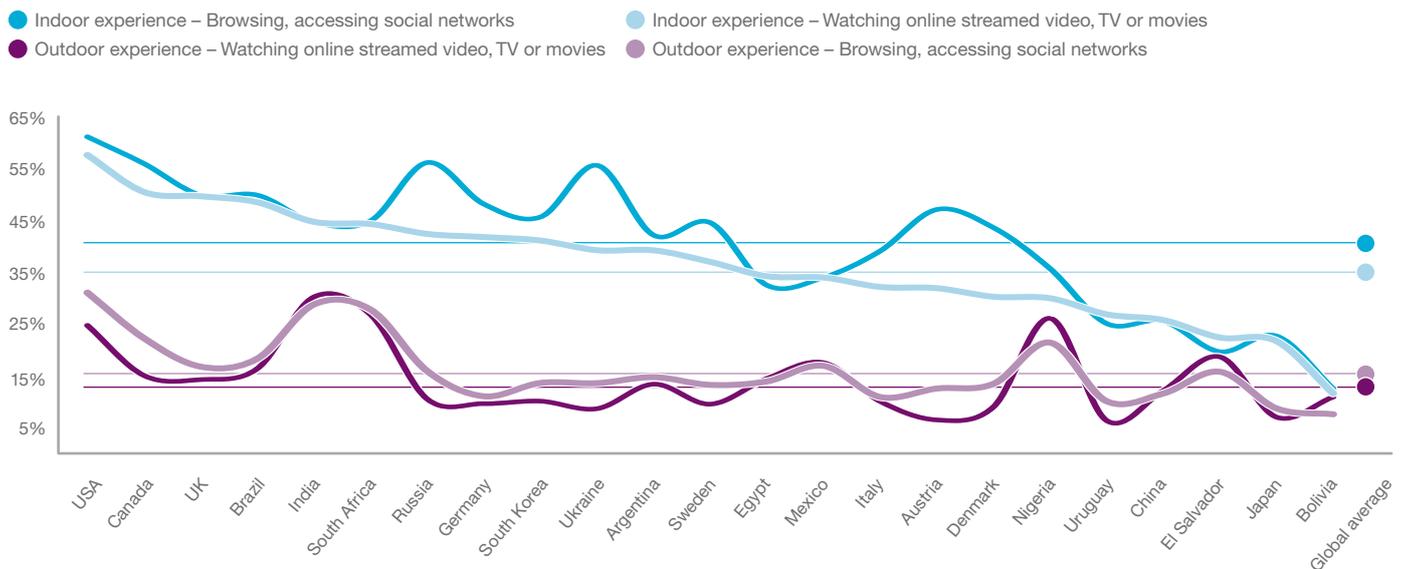


Figure 5. Consumer satisfaction – outdoors vs. indoors



Source: Ericsson ConsumerLab, Liberation from location, 2014
 Base: Users of respective services on smartphone, tablet or PC, 23 countries

Consumers' preference towards indoor connectivity is strong enough that, despite giving it a high rating, they are willing to spend more to improve their

connectivity. Around 50 percent are keen to spend more on improving indoor connectivity, whereas only 30 percent are willing to do the same for outdoors.

MULTISCREEN USAGE

The freedom to carry out activities across a number of locations affects the number of devices people use. Consumers' preference to use more than one screen to meet their requirements is connected to their need to complete multiple tasks and the amount of time they are willing to spend on the task.

For instance, consumers in the US demonstrate a high level of multiscreen usage to perform various online activities. Our analysis of Comscore on-device measurement (ODM) data for the US shows that around 55 percent of smartphone users perform entertainment-related activities, such as music, watching videos and gaming across different devices, and 53 percent use social networking and shop on multiple screens.

These days, any activity could be performed in a number of locations. For example, a consumer could download a video on their laptop at home, then watch it on their smartphone while travelling to meet friends, and then share the video with a group of friends on their tablet.

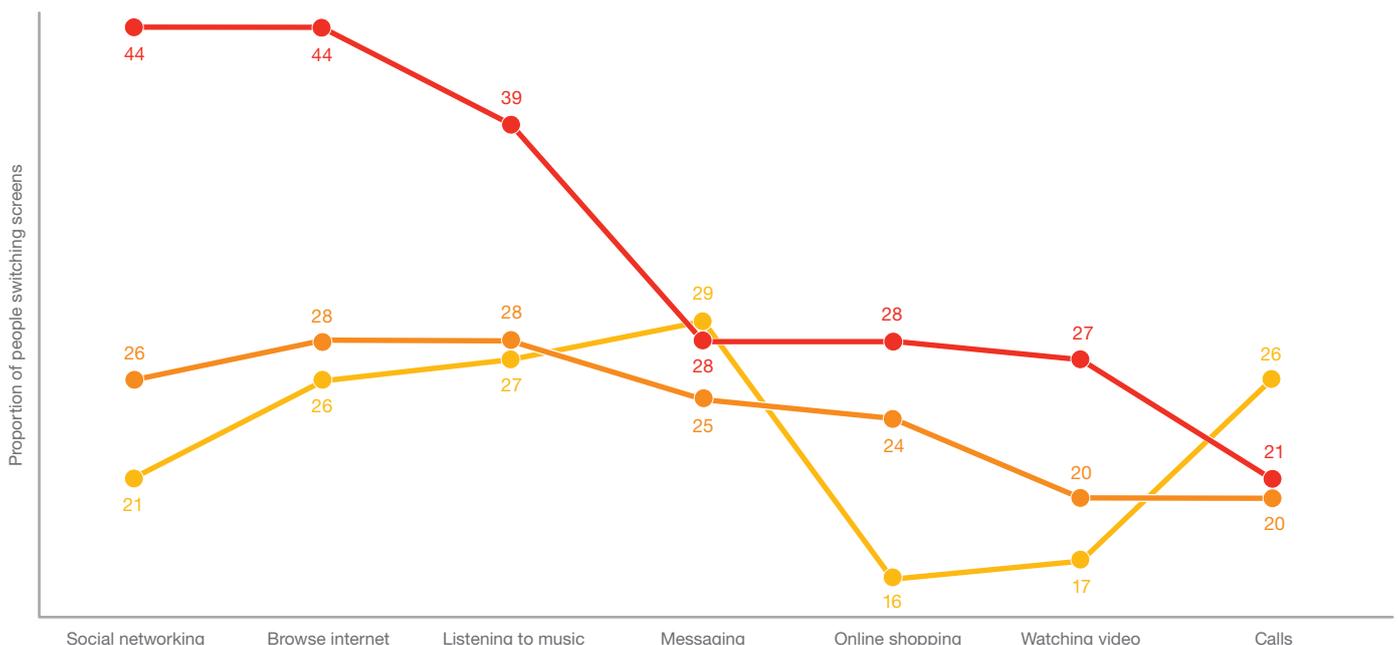
As the number of locations where people can accomplish an activity increases, the proportion

of people switching between different devices to complete the task also goes up, as shown in Figure 6. For example, 26 percent of consumers who do social networking in two locations, such as at home and while commuting, switch between devices. But this goes up to 44 percent when people access social networking at 3 or more locations, such as at home, work/school, commuting, or out and about.



Figure 6. Proportion of people who switch screens for a particular activity and the number of places they perform the activity

● One location ● Two locations ● Three or more locations



Source: Ericsson ConsumerLab, Liberation from location, 2014

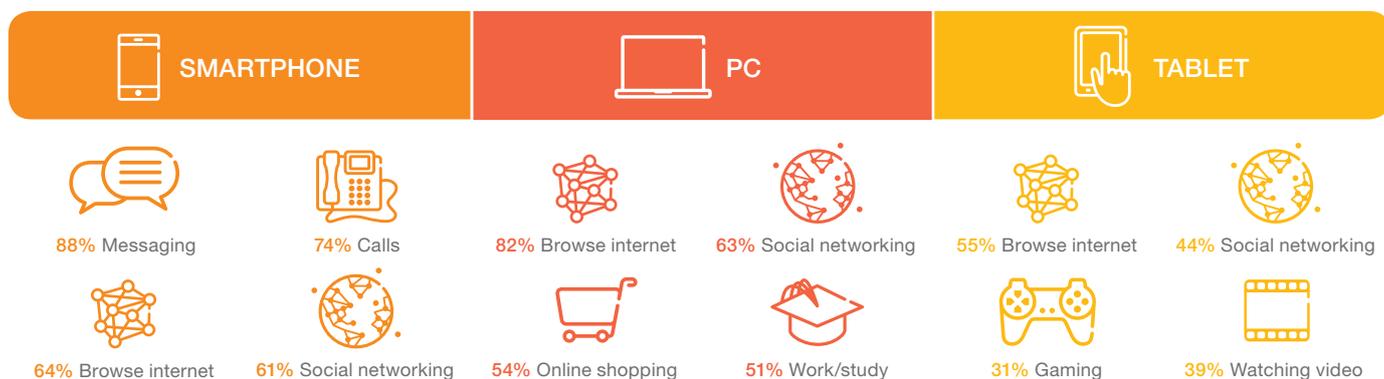
Base: People who use respective digital services on mobile phone, tablet or PC in one, two or three locations, 23 countries

Screen resonance

Consumers have clear preferences when it comes to the selection of screens to perform particular activities, be it work or entertainment. Figure 7 shows that browsing the internet and social networking are common activities across all devices. However, when

it comes to communication, smartphones are the preferred device, whereas shopping and work/study related activities are more commonly performed on PCs, with tablets being used for more video-centric activities such as gaming and watching videos.

Figure 7. Top four services and the proportion of people performing each activity on a particular screen several times a week

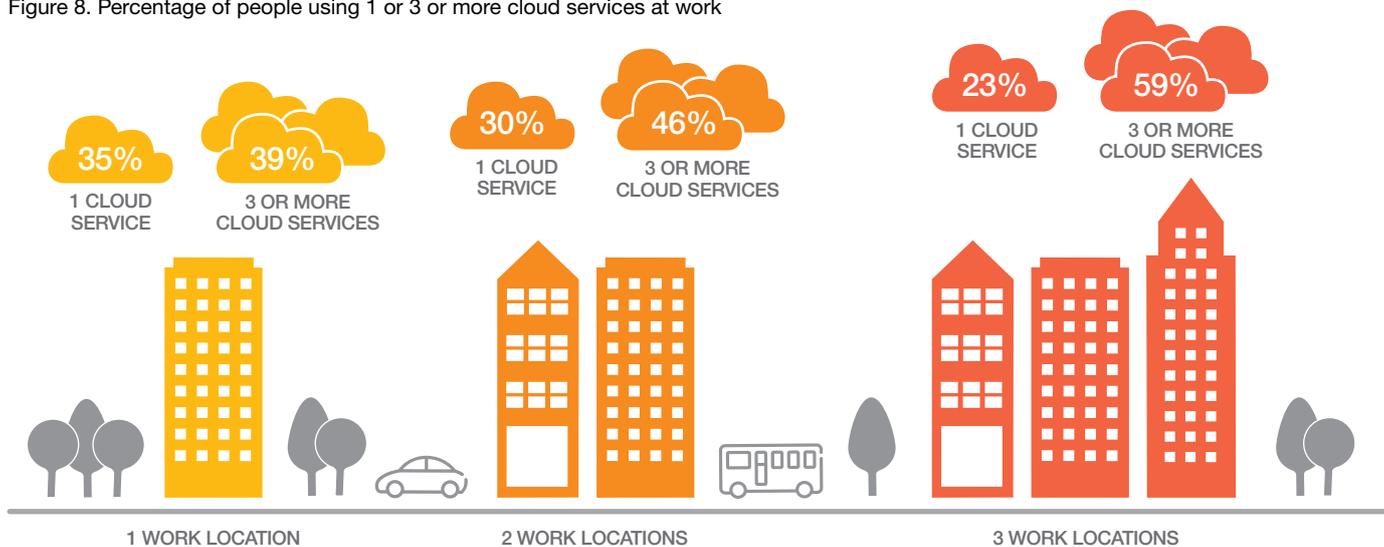


Source: Ericsson ConsumerLab, Liberation from location, 2014
Base: People who use respective devices, 23 countries

Being reliant on multiple screens to meet their daily content needs, consumers have built up an appetite for the cloud, such as personal cloud storage, media playback state saving and synchronized apps. Figure 8 indicates that the more locations people work in, the

more they use cloud services. When working from one location, 39 percent use 3 or more cloud services. This rises to 59 percent for people who work in 3 or more different locations, such as at home, work or commuting.

Figure 8. Percentage of people using 1 or 3 or more cloud services at work



Source: Ericsson ConsumerLab, Liberation from location, 2014
Base: Internet users using mobile phone, tablet or PC and who work full or part-time, 23 countries

GLOBAL BEHAVIOR

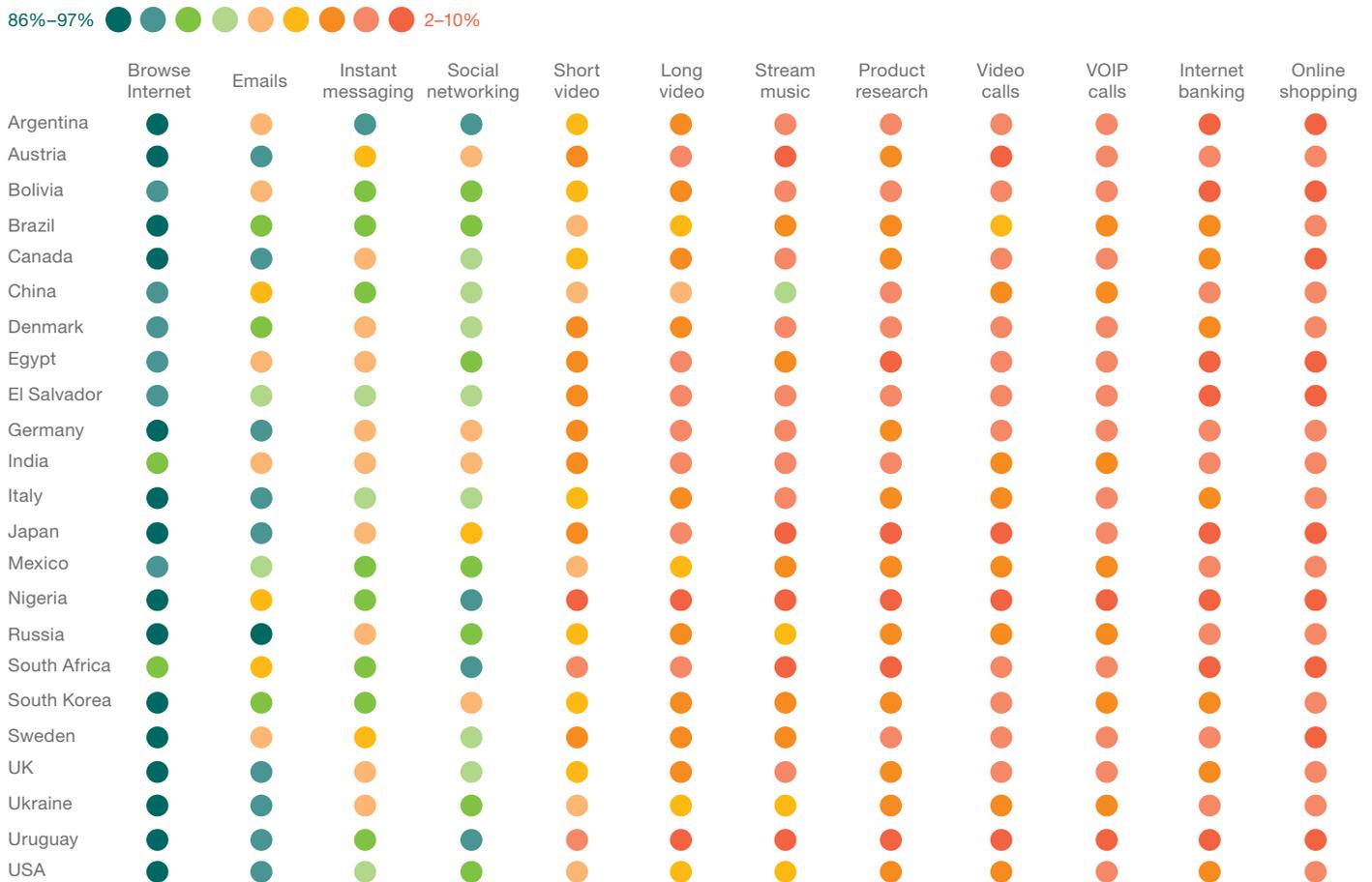
Access and availability of different types of technology and connectivity sets countries apart in terms of their device usage and behavior. What our study highlights in this area is an interesting phenomenon – the globalization of consumer behavior in the digital sphere. Figure 9 shows a consistent pattern in people’s usage of digital devices for 12 activities in 23 countries. The study showed that activities such as browsing the internet, social networking and instant messaging were being done by a large proportion of consumers, while certain other tasks such as online shopping and video calls found relatively few takers.

Across countries, consumer behavior remains consistent among those who use internet-based services on any kind of device on a daily basis. Geographical constraints do not present a major barrier to internet usage behavior among the

populations of different countries. Therefore, the behaviors presented in Figure 9 are not only present among those who access the internet on any device at least once a day – it can be replicated across the broader population as well.

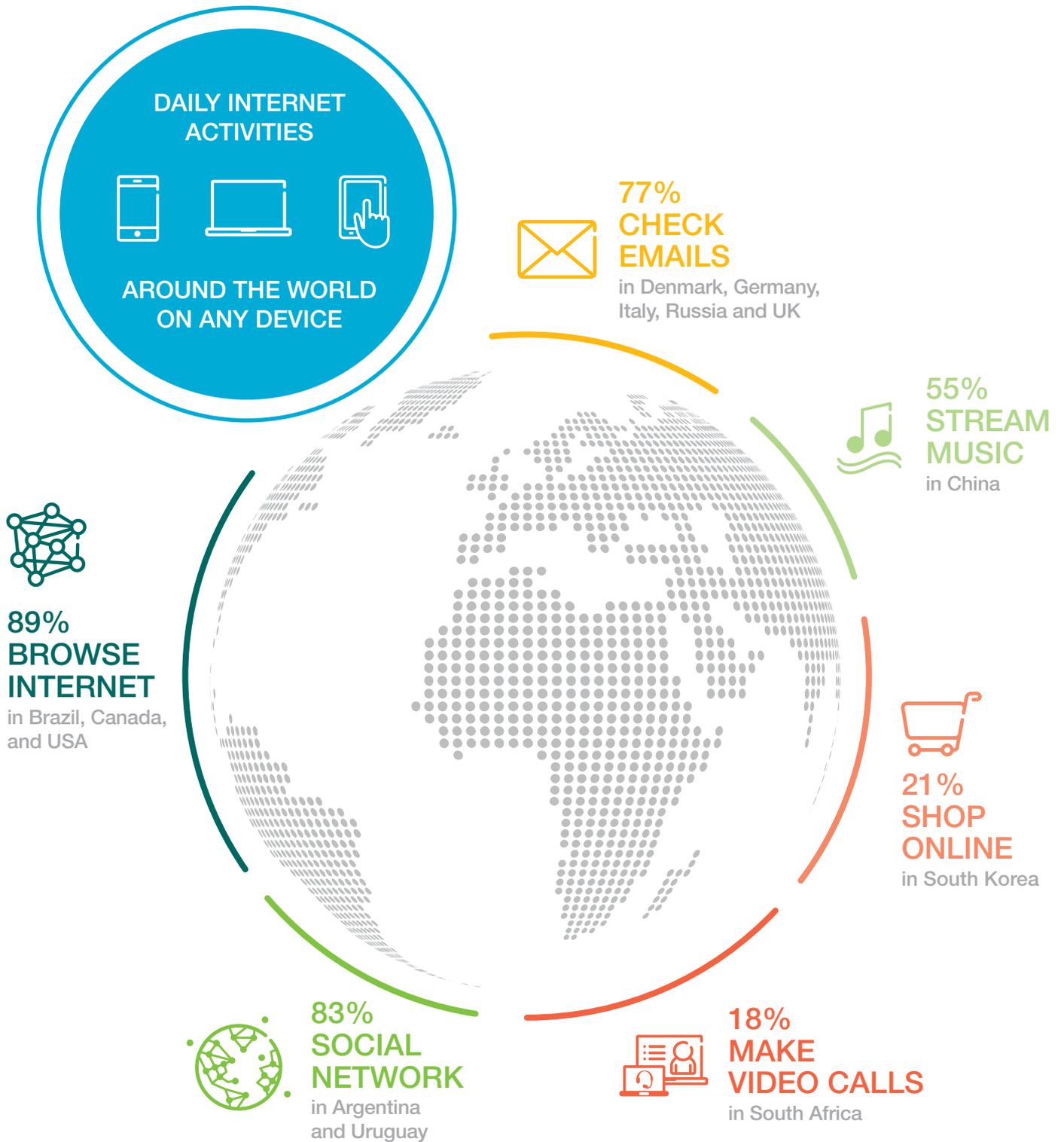
This global report has brought to the foreground evidence of a willingness on the part of consumers to invest in improving their indoor connectivity experience. It has also made a strong case for consumer movement towards a location-agnostic approach to device usage across 23 countries. Whether performing work-related tasks at home or social networking in the office, there is evidence that location has become less important to consumers’ usage habits. Instead, consumers put a higher value on the freedom to use digital devices as and when they want, to meet their needs and requirements.

Figure 9. Activities performed daily by consumers around the world on any device



Source: Ericsson ConsumerLab, Liberation from location, 2014
 Base: Daily internet users on any device, 23 countries

Figure 10. Typical activities performed daily by consumers around the world on any device



Source: Ericsson ConsumerLab, Liberation from location, 2014
Base: Daily internet users on any device, 23 countries

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.

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