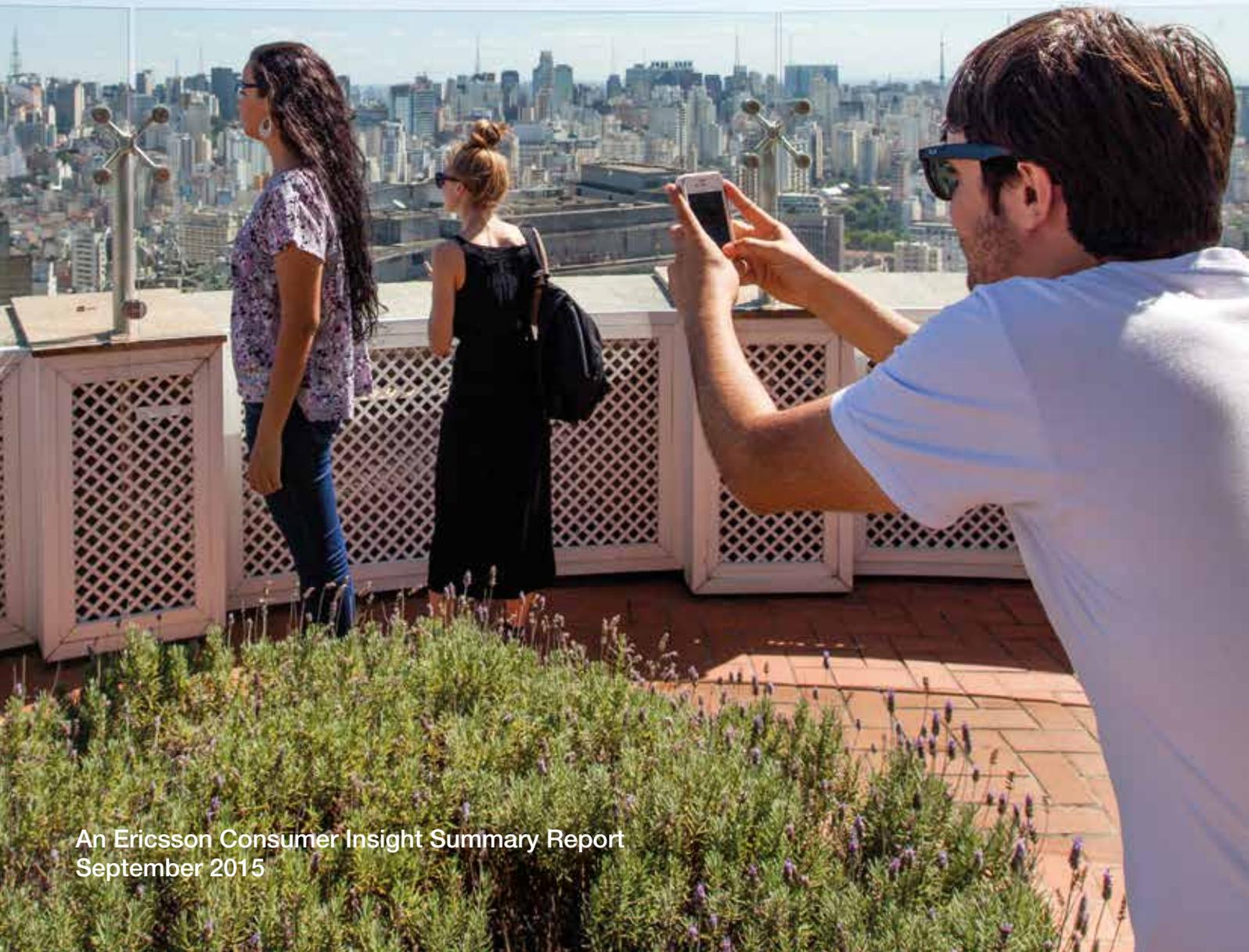


CONSUMERLAB



SHARING INFORMATION

The rise of consumer influence



An Ericsson Consumer Insight Summary Report
September 2015

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METHODOLOGY

This study was conducted in Q2 2015 through online surveys with 5,025 iPhone and Android smartphone users aged between 15 and 69. Respondents were from Berlin, Chicago,

Johannesburg, London, Mexico City, Moscow, New York, São Paulo, Sydney and Tokyo, representing 46 million urban citizens.



THE VOICE OF THE CONSUMER

Ericsson ConsumerLab has 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.

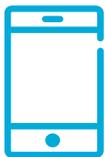
All reports can be found at: www.ericsson.com/consumerlab

INFORMATION SHARING DYNAMICS

In the age of the internet we often hear how companies, authorities and other organizations get access to our personal information. As a result, the topic of privacy is frequently debated.

What is sometimes overlooked is how we as individuals watch in return. We observe not only each other, but also companies and authorities – and we share what we see. Your neighbor searches the net about the family that just moved in next door. The traveler films his hotel and shares the video with other potential holidaymakers. A friend shares her experience about her employer on a social network.

As sharing online continues to grow, we are starting to see the impact on both our individual lives and society. In this report we begin to uncover how consumers perceive their influence – but also some issues that arise as a result.



Information sharing is impacting society



KEY FINDINGS

By sharing more information than ever, smartphone owners are increasingly acting like citizen journalists

- > Over 70 percent of all smartphone users share personal photos regularly. 69 percent share more than they did 2 years ago
- > 69 percent also read or watch other people's shared content more than they did 2 years ago

People report wrongdoings by businesses and authorities online

- > 34 percent of smartphone owners who have had bad experiences with companies say they usually share their experiences online. 27 percent repost other consumers' complaints on a weekly basis
- > Over half of smartphone users surveyed believe that being able to express opinions online about companies has increased their influence

Consumers expect shared information to have an effect on society and the world

- > 54 percent believe that the internet has increased the possibility for whistleblowers to expose corrupt and illicit behavior in companies and organizations
- > Furthermore, 37 percent of smartphone users believe that sharing information about a corrupt company online has greater impact than going to the police

With new power comes new challenges

- > 46 percent of smartphone users would like a verification service to check the authenticity of an online posting or news clip
- > 64 percent would like to be able to stop negative information about themselves circulating online
- > 1 in 2 says protecting personal information should be a priority on the political agenda, although only 1 in 4 says it is not

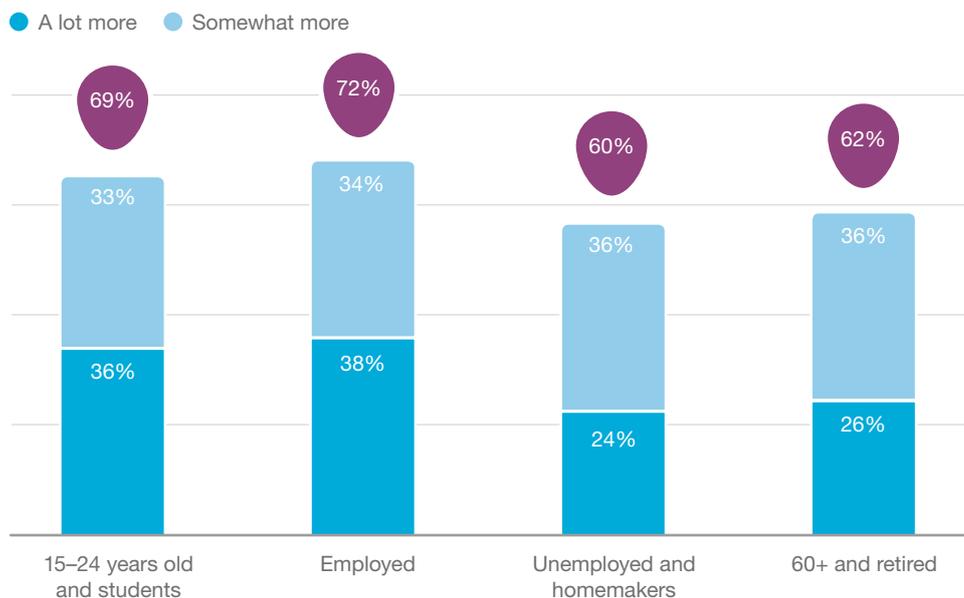
INFORMATION SHARING WITH INDIVIDUALS

The internet allows people to share experiences they find important with everyone around them. Over 70 percent of all smartphone users regularly share personal photos and 34 percent regularly share personal video clips online.

Many smartphone owners share information without hesitation or concern. 69 percent say they share a lot more or somewhat more than they did 2 years ago. Particularly among young people and those who are employed, we see a culture forming where ever more information is being shared.



Figure 1: Smartphone users' online sharing habits compared to two years ago



69% share more than they did 2 years ago

Source: Ericsson ConsumerLab, Sharing information, 2015
Base: All respondents

Growing curiosity

We share more today than ever before, but are people interested in what is shared? When asked, 69 percent say they view content that others share a lot more or somewhat more than they did 2 years ago. Among students and young people aged 15-24, that figure is 77 percent. Not only are we sharing more but other people are paying more attention.

When it comes to learning more, our curiosity doesn't stop with the people we regularly interact with. We also look up information about those we don't know. 1 out of 4 smartphone users regularly uses the internet to look up a new colleague, neighbor or acquaintance.

It is clear that there is an established audience for content shared online. In the sense that we report more about our experiences and surroundings in everyday life, we are becoming more journalistic. Our reach goes beyond family and friends to unknown people, as well as companies and authorities.



1 out of 4 smartphone users regularly uses the internet to look up details about others

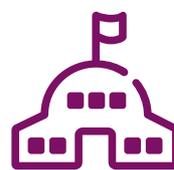
INTERACTING WITH BUSINESSES ONLINE



12% of smartphone users say they regularly write about brands online

When talking about sharing personal information, we are often referring to businesses or companies getting access to information from individuals. Many smartphone owners see the benefits of sharing information about themselves. 2 out of 5 would be interested in doing so in order to get personalized services and offerings, as well as improved services and lower prices. These are the areas where consumers are the most positive about companies using their information.

We have seen in previous Ericsson ConsumerLab studies that many people are open to the idea of sharing their personal information. However, certain expectations must be met – the receiving company must be transparent with the usage of their information, the information sharing should equally benefit the company and the consumer, and consumers want the possibility to opt out.



40% of smartphone owners would share personal information with businesses to get personalized and improved services

However, today, sharing is a two way street. Just as businesses use their customers' personal information, consumers are also sharing opinions and experiences about businesses and brands. When talking to consumers in different markets, about 12 percent of smartphone users say that they write about brands online on a weekly basis.

A STRONGER VOICE

When making decisions, we often seek advice from others. Finding reviews online to guide our decisions is easier than ever before. 38 percent of smartphone owners surveyed say that they regularly share or publish reviews of products or services they have bought or used. Likewise, 50 percent say that they view others' reviews of products and services.

Such reviews can have an impact for businesses. 34 percent of smartphone owners that have had a bad experience with a company due to a faulty product or service share that experience all or most of the time it happens. When sharing such experiences, others take notice. On a weekly basis, 29 percent say they read about bad experiences that others have had, and 27 percent share or repost complaints about companies or authorities that others have posted.

Therefore, word of a bad experience can spread widely. People expect this to drive change, and that using social networks or other online publication channels will have an impact on the behavior of companies. In fact, 32 percent believe that posting on a company's social network site or page is one of the best ways to make a company change, if it is not meeting our expectations.

Half of the smartphone users surveyed believe that being able to express opinions online about companies has increased consumer influence.



Figure 2: Share of smartphone owners who believe sharing opinions online about companies has increased the consumer's voice against companies



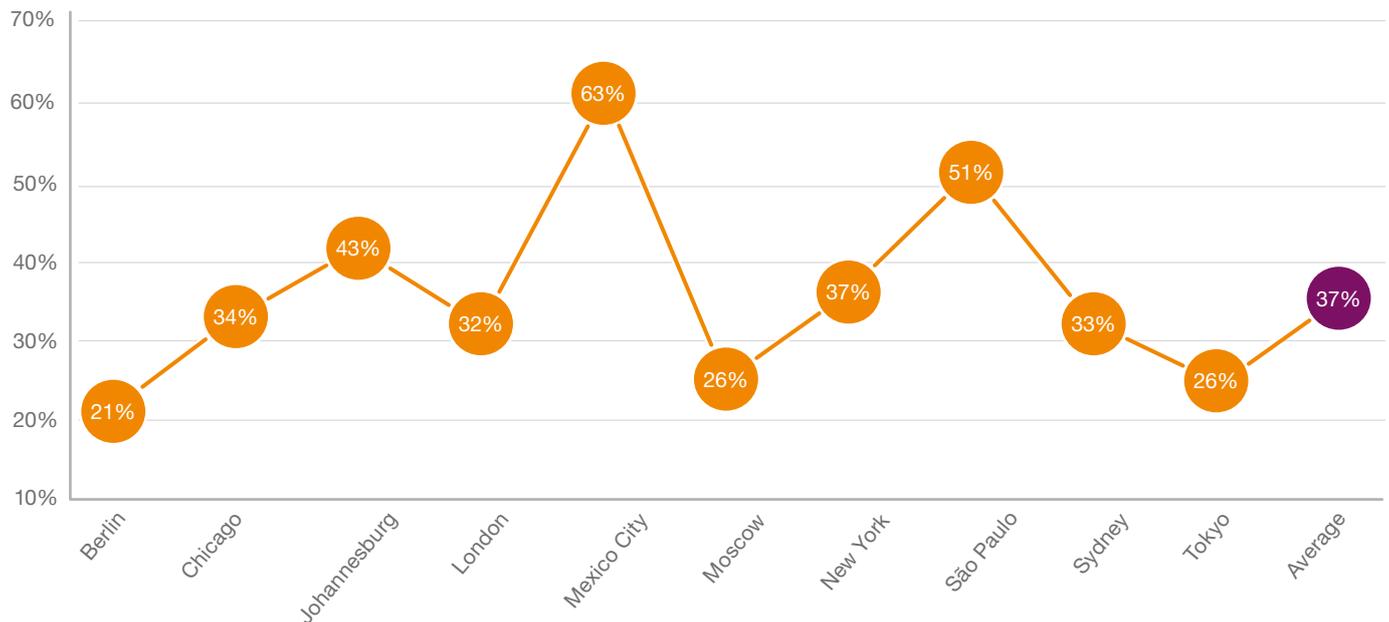
Source: Ericsson ConsumerLab, Sharing information, 2015
Base: All respondents

INFLUENCE ON SOCIETY

Consumers see that online tools create new opportunities to report illegitimate behavior within companies and authorities. With only small variations between life stages, 54 percent of smartphone owners surveyed believe that the internet has increased the possibility for whistleblowers to expose corrupt and

illicit behavior within companies and organizations. Furthermore, 37 percent believe that if an employee wants to expose a corrupt company, he or she will have a greater impact sharing it online than going to the police.

Figure 3: Share of smartphone owners who agree that exposing a corrupt company online has a greater impact than going to the police



Source: Ericsson ConsumerLab, Sharing information, 2015
Base: All respondents

But when asked about their own situation, 1 out of 3 smartphone users says that they would not share online if they were mistreated by their employer, or if they found out that their employer was doing illegal activities. However, almost a quarter of employed smartphone users say they would.

When it comes to influencing authorities or local government, sharing thoughts online is not believed to be as strong as when trying to influence businesses. In this case, contacting the authority's public representative, the person responsible within that authority, or a citizen's rights organization are seen as the top three ways to make an impact. 21 percent of smartphone owners also believe that contacting the media is a good way to influence the authorities.

Nevertheless, 21 percent of smartphone users believe that contacting authorities on their social media network page is a good way to drive change.

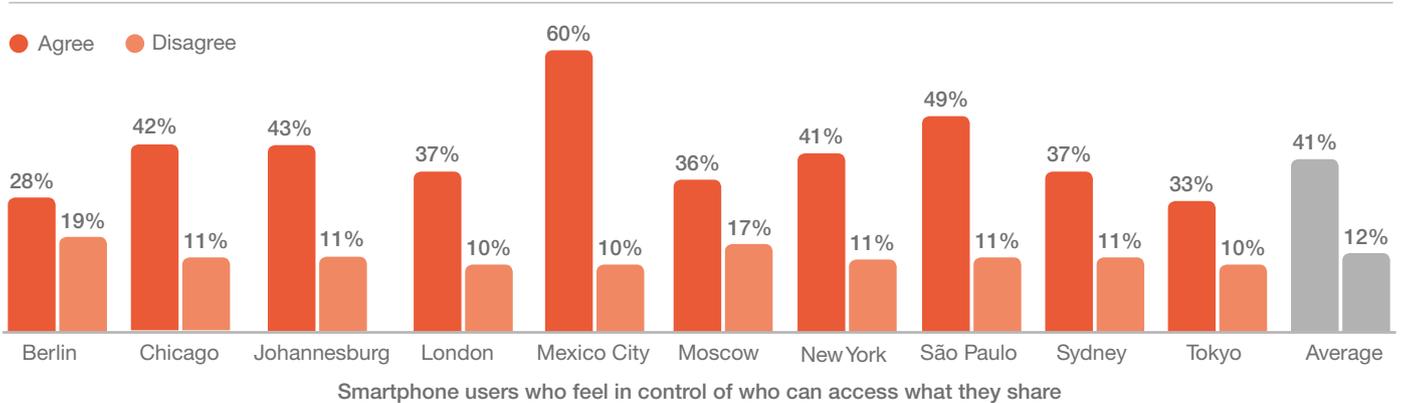
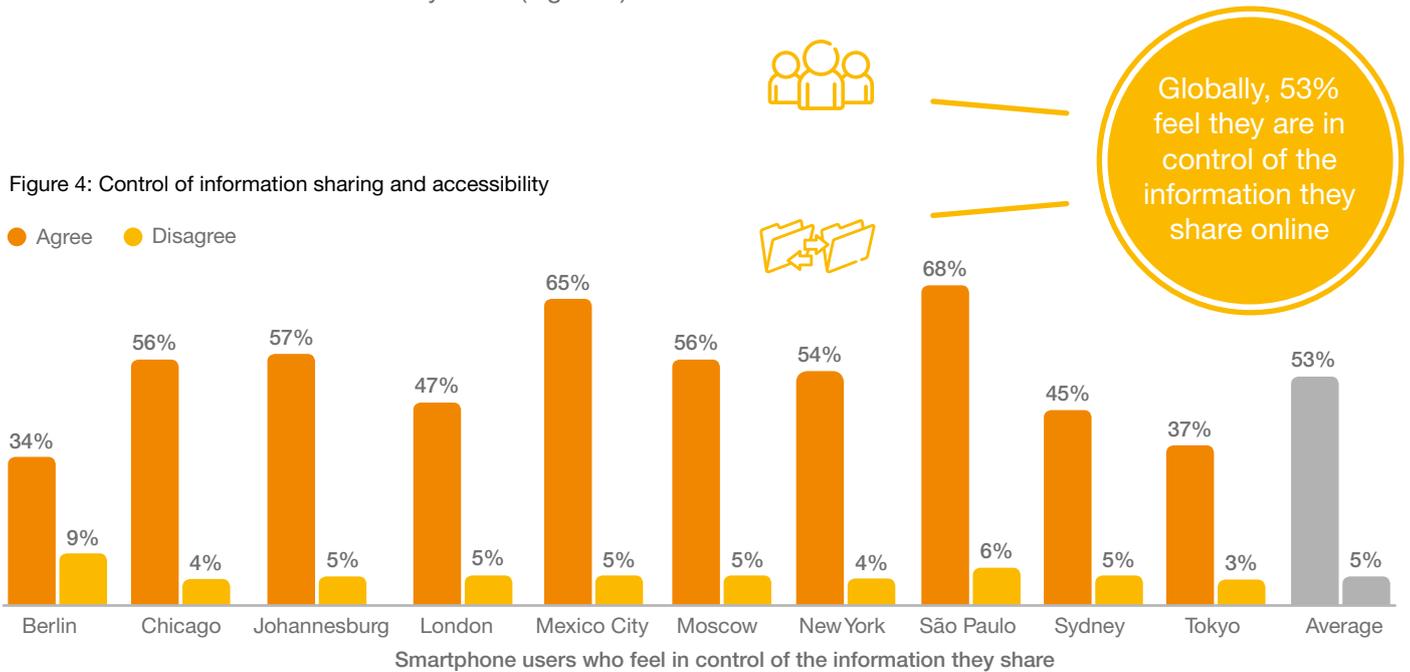
15 percent also think starting or joining an online petition is effective and 15 percent think that posting a video or picture depicting the wrongdoing can make a difference. Taken as a whole, these numbers indicate that smartphone owners are starting to see publishing their opinions on social networks as an influential tool.



SEPARATING FACT FROM FICTION

Consumers see a lot of possibilities with sharing information and experiences online. They also say that they are in control of the information they are sharing, as well as who can access what they share (Figure 4).

Yet there are some fundamental issues, especially when it comes to controlling information flow and determining the validity of information.



Source: Ericsson ConsumerLab, Sharing information, 2015
Base: All respondents

Sorting the rumors

As consumers, we try to control who can access our stories. The majority of smartphone owners use the “friends only” privacy setting on social networks. However, we do not have the same control over what others write about us.

Among students and young smartphone users aged 24 or under, 20 percent have had a false rumor or private information posted about them online.

23 percent say they don’t know if this has happened and 31 percent say they have had embarrassing pictures or videos of them spread online. Even though these numbers are lower for other age groups, there is a universal interest in tools that can help prevent this. 47 percent of smartphone users would be interested in an alert service allowing them to flag a story about them that has been shared online as false. Almost as many (46 percent) would like to have a service that uses facial recognition and alerts them if a picture of them is being shared online.



20% of young smartphone users say they regularly post a photo or video that includes people they don't know

Less concern about others

Although we want others to ask our permission before posting pictures of us, not all of us offer the same opportunity to others. 20 percent of students and young smartphone users up to the age of 24 say they regularly post a photo or video that includes people they don't know. This figure is similar among employed adult smartphone users at 19 percent. Furthermore, 28 percent of smartphone users that view others' photos or videos also say that they comment on content about people they don't know. Many of us freely share and comment on pictures of people unknown to us. 43 percent like or rate pictures of people they don't know and 20 percent say they share or re-post them.

52 percent think they have the right to know if a convicted criminal moves into their neighborhood.

However, when personal safety is not involved people have a different view about the privacy of others. A smaller percentage would be interested in services that give information on how much other people are earning and services that give them information on other people's medical history, at 17 percent and 15 percent, respectively.

True or false?

Verifying what is true or not is an increased need among consumers. This is not only the case when it comes to information that is being shared about them, but also when it comes to messages from companies or the media.



Almost half think it is acceptable to monitor the front of their house with a web cam

For instance, although consumers say they think the internet empowers the consumer voice against businesses and eases the way for whistleblowers, 46 percent of smartphone users would like a verification service that lets them check the authenticity of an online posting or news clip.

The privacy of others often takes a backseat to our own personal security. For example, 48 percent of smartphone owners think it is acceptable to set up a web camera to monitor their front door and the street outside.

Similarly, although consumers think the internet provides a better way to take action against misbehaving companies, 42 percent of smartphone owners also believe that the internet has made it easier for companies to sell bad products anonymously.

STOPPING FALSE RUMORS

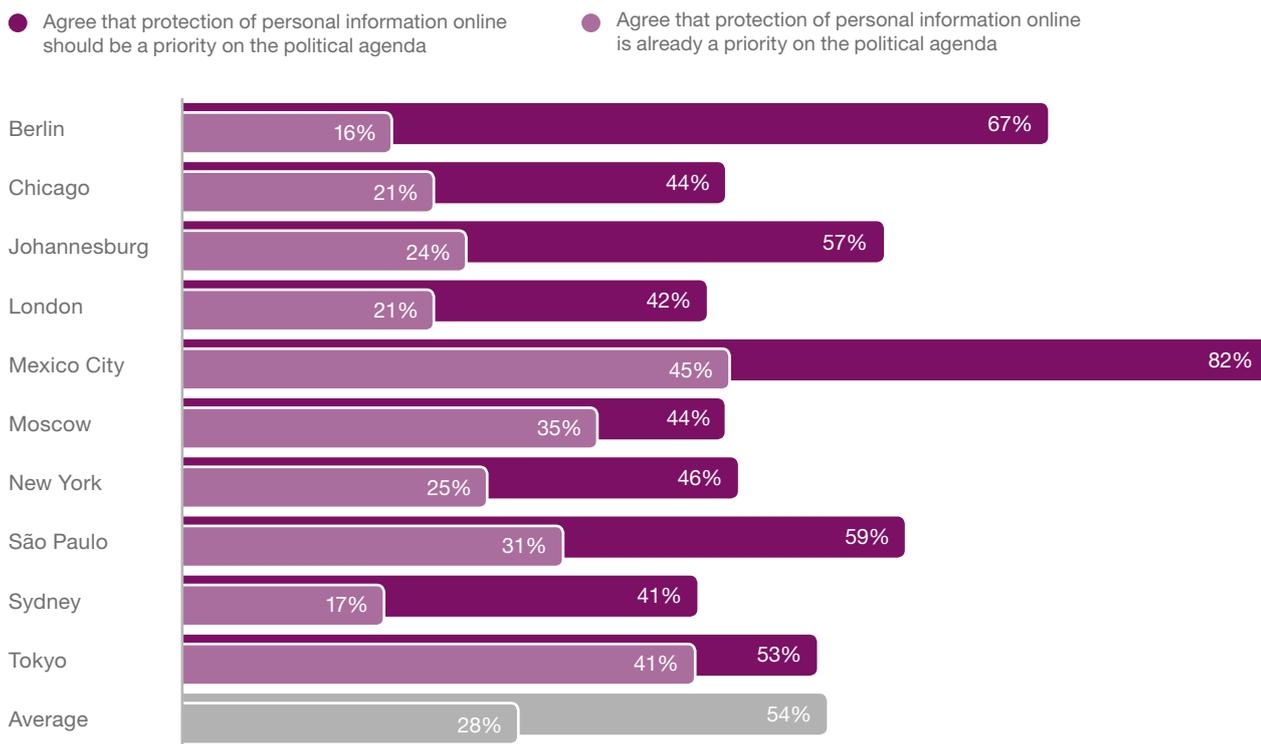
Consumers express a need to be in control over information and verify its authenticity. However, it is not always clear who is responsible for monitoring content. 64 percent say they have the right to stop negative information that is posted about themselves online. To do this, 63 percent of smartphone users say they would turn to the service provider where the information was shared. However, among those who have actually experienced being the subject of false or private information or embarrassing pictures or videos, only 30 percent had turned to the service provider. 45 percent say they fixed the issue themselves and 22 percent said that they did nothing and ignored the problem, indicating that there is a level of helplessness towards monitoring rumors spreading.

Who will take responsibility?

Even when feeling in control, consumers see a need for better handling of personal information. When asked who should be mainly responsible for protecting their personal information online, in almost all markets smartphone users believed that it should be the national government and companies. In Berlin, Tokyo and Moscow the police force were also seen as potential drivers.

Still, 1 in 5 smartphone owners don't know who should be responsible, indicating that responsibilities when it comes to protection of personal information are not always obvious for consumers.

Figure 5: Smartphone users' views on protecting personal information online



Source: Ericsson ConsumerLab, Sharing information, 2015
Base: All respondents

In any case, consumers undoubtedly want the protection of their personal online information to be a priority on the political agenda. 1 out of 2 states it should be a top priority, but only 1 in 4 says it is already a top political priority.



1 out of 2 people believes protecting personal information online should be a political priority

A SUSTAINABLE SHARING CULTURE

The topic of privacy is delicate and sometimes controversial. We often want to share and at the same time we want to maintain our privacy. This report shows that a majority is sharing more information than ever before and that consumers see that their voices can have an influence on society. In some ways this makes consumer reporting similar to that of journalistic activity, and the combined opinions of all individuals can have a large impact.

Although consumers may have good intentions when publishing or re-posting information, they could inadvertently create rumors that affect individuals, as well as businesses and other organizations. With the growing sharing culture, the spreading of rumors is increasing rapidly.



By continuously sharing what they want to change and by utilizing online tools, consumers will increase their influence

This can cause innocent individuals or organizations to be blamed by mistake, or lead to sensitive information being published in headlines across the internet. With widespread sharing, the use of smartphone cameras and a lower concern for the privacy of others, there is also a risk that people will start monitoring each other to the extent that it becomes detrimental to society.

As a driving force in making information sharing possible, the ICT industry should take an active role in leading other sectors on a responsible path. Privacy advocates and ICT companies need not have opposing interests. For example, GSMA's Personal Data initiative proactively tries to help digital service providers and consumers balance privacy, security and convenience; Apple encrypts all information on smartphones by default; and Facebook not only has an option for people to report a story as false, but also to automatically reduce distribution of stories that many delete.

It will be important to create a culture of sustainable information sharing where all can benefit, while maintaining personal integrity and privacy. Consumer influence will continue to grow as more people gain access to the internet, new tools for sharing are developed and more users see the benefits of sharing. As consumers are already well on the path towards a sharing culture, now is the time for a wider range of societal institutions and companies to actively engage in its formation.



A sustainable sharing culture should balance the risk of privacy loss and rumors with the benefits of increased consumer influence



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, business and society to fulfill 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 approximately 115,000 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 2014 were SEK 228.0 billion (USD 33.1 billion). Ericsson is listed on NASDAQ OMX stock exchange in Stockholm and the NASDAQ in New York.

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