



MEDIA CONSUMPTION TRENDS

WIVE WP 2 QUARTERLY REPORT

APRIL-JUNE 2018

ÅBO AKADEMI UNIVERSITY SCHOOL OF BUSINESS AND ECONOMICS

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June 2018



MEDIA CONSUMPTION TRENDS Q2 2018

The second quarter of 2018 introduces several new reports and industry insights that summarize year 2017 and depicts future trends. Digital news consumption is placed in the spotlight, as Reuters Institute publishes its annual comparison between different countries (including Finland). Trust in online content and in news media keeps dominating the discussion within the media industry. In addition, we can observe an increasing popularity of podcasts and a continued focus on mobile video consumption in both industry reports and related discussions (blogs, articles). For instance, and related to mobile videos, Instagram is launching a long-format video service, which is set to compete directly with YouTube. Also, virtual and augmented reality continue to be viewed as dark horses of future media consumption.

In Finland, Finnmedia has conducted extensive research in order to map out the current state of the media industry as well as upcoming changes and trends. Identified change drivers cover everything from technology development and opportunities of augmented and virtual realities in media content and education, to the threats of major global actors like Google, Apple, Facebook, and Amazon. Concrete tools as well as guiding questions are provided to support media industry actors in their endeavors to reach new growth and develop their activities.

Another trend highlighted in this report is the diminishing generational gaps in media use. Older generations are rapidly embracing media consumption patterns that earlier have been associated with youngsters and young adults. As lines between generations are beginning to blur, we see a continuous trend of increased mobile and digital media consumption. The majority of Finns already own a smartphone, and these devices keeps affecting our everyday lives in many ways. For example, mobile shopping and new AI-based mobile technology is becoming an important part of digital consumer journeys and engagement processes.

Turku, 29th June 2018



REUTERS INSTITUTE DIGITAL NEWS REPORT

INDUSTRY REPORT: Digital News Report 2018

Reuters Institute, Newman et al., 14th June 2018

This seventh annual digital news report explores the changing news media environment across several countries based on an extensive survey, focus groups, and intelligence from experts. Focus this year lies on “fake news”, trust, and the role of social media in news consumption. A selection of key findings:

The use of social media for news is falling in a number of key markets. This is primarily due to the decline in discovery, posting, and sharing of news in Facebook. Concurrently, the use of messaging apps like WhatsApp for news is increasing.

The average level of trust in news media in general remains relatively stable, however 54 % admit that they are concerned about what is real or fake on the internet.

News apps, email letters, and mobile notifications continue to gain in importance, but some users feel they are being bombarded with too many messages.

Television still remains an important source of news for many, but as audiences steadily decline questions arise concerning the role of public broadcasters and their ability to attract the next generation of viewers.

Podcasts are becoming more popular, especially among young people.

In Finland, digital subscriptions are increasing, and the willingness to pay among non-subscribers is also on the rise. The use of print newspapers and magazines continue to decrease, whereas news consumption on smartphones continue to rise sharply.

Source: http://media.digitalnewsreport.org/wp-content/uploads/2018/06/DNR_2018-FINAL_WEB.pdf?x89475



ERICSSON MOBILITY REPORT

INDUSTRY REPORT: Mobility Report June 2018

Ericsson, Cerwall et al., 12th June 2018

The latest Ericsson Mobility Report covers recent insights on worldwide mobile subscriptions and mobile traffic, as well as predictions for the coming six years. The authors expect 2018 to go down in history as the start of a new era of 5G and IoT. A selection of key insights:

The number of mobile broadband subscriptions is growing about 20 % per year. In Q1 2018, the total number of mobile subscriptions reached around 7.9 billion. Subscriptions associated with smartphones account for about 60 % of all mobile phone subscriptions.

First commercial launches of 5G will take place in 2018. By the end of 2023, according to predictions, over 1 billion 5G subscriptions will be reached. That would account for 12 % of all mobile subscriptions.

Mobile data traffic grew 54 % between Q1 2017 and Q1 2018. This growth is driven by the rising number of smartphone subscriptions and increased viewing of mobile video content at increasingly higher resolutions.

Understanding the relationship between customer satisfaction, customer experience, and network performance is the key to designing customer network loyalty. The top five criteria for customer satisfaction concerns 1) time taken to open webpage, 2) time taken to transfer photos and videos in chat apps, 3) time taken to download e-mail attachments, 4) time taken for a streaming video to start, and 5) how often streaming freezes.

Source: <https://www.ericsson.com/assets/local/mobility-report/documents/2018/ericsson-mobility-report-june-2018.pdf>



DIGITAL MEDIA TRENDS SURVEY

INSIGHT REPORT: A new world of choice for digital consumers

Deloitte Insights, Westcott et al., March-April 2018

The 12th edition of Deloitte's Digital Media Trends Survey acknowledges that consumers are increasingly in control; they enjoy unparalleled freedom in selecting media and their expectation are at an all-time high. The report features key trends that illustrate major shifts in media use.

Streaming video crosses the chasm. The adoption of video streaming subscriptions continues to grow, fueled by consumers' desire for original content and for consuming media whenever and wherever.

Pay TV's "value gap" is expanding. Following the growth of video streaming, there is a widening gap between expectations on and what is actually delivered in pay TV subscriptions.

Emergence of "MilleXZials". Older generations are rapidly following in younger media users' footsteps. Especially Generation X (age 35-51) now closely mirror the media behavior of Generation Z (age 14-20) and Millennials (age 21-34). Combined they constitute the highly impactful "MilleXZials".

Personal data is increasingly a concern - and an opportunity. As consumers become more protective of personal online data, opportunities are created for providers to give their customers more control over their personal data.

Understanding the power of mobile video is crucial. Content providers need to reassess their business models to take advantage of market opportunities in the mobile video arena.

Source: <https://www2.deloitte.com/insights/us/en/industry/technology/digital-media-trends-consumption-habits-survey.html>



FINNISH MEDIA 2030

STRATEGY WORK: Strategic directions for the Finnish media industry

Finnmedia (Medialiitto), May 2018

Finnmedia has published extensive materials analyzing the current and future state of the Finnish media industry. The strategy work includes reports, strategic tools, practical examples and interviews, designed to support media actors' change and growth aspirations.

Drivers of change in the Finnish media industry are identified as change in demographics, urbanization, technological development (AI, VR, AR, consumption moving to digital platforms etc.), disruptive forces (e.g., the influence of the GAFSA-companies Google, Apple, Facebook and Amazon and their extension into new industry fields), and social change forces (changes in work life, trust in both media and personal abilities, increased focus on visual content and visual storytelling). Based on the drivers of change, a set of scenarios have been identified.

An average Finn's personal media day in 2017 consisted of 215 minutes Internet, 119 minutes television, 76 minutes radio, 24 minutes books, 33 minutes newspapers, and 10 minutes magazines.

In 2017, 77 % of Finns owned a smartphone. Almost all under 55-year-olds were smartphone owners, whereas only 15 % of over 75-year-olds owned a smartphone. Noteworthy is that smartphones are really common among children and youngsters. For instance, 90 % of 11-year-olds have smartphones.

Source: <https://www.media2030.fi/> (in Finnish)



CURRENT TRENDS IN THE NORDIC COUNTRIES

PRESS RELEASE: Digital barometer 2018: Finland ranked third Ministry of Transport and Communications, 6th June 2018

In the annual Digital Barometer survey, where the utilization of digital capabilities is measured in more than 20 different countries, Finland is ranked third. Norway continue to hold the first place, while Sweden is ranked fifth and Denmark sixth.

Finland's step down from second place in 2017 to third in 2018 is not a sign of digital recession, rather a sign of a slightly more rapid development in the closest reference countries. The biggest challenge in Finland at the moment is rethinking business models from a digital opportunity perspective.

Source: <https://www.lvm.fi/en/-/digital-barometer-2018-finland-ranked-third-976169>

Full report available at: http://www.digibarometri.fi/uploads/5/8/8/7/58877615/digibarometri_2018.pdf (in Finnish)

Press release: http://www.digibarometri.fi/uploads/5/8/8/7/58877615/digibaro2018_tiedote.docx (in Finnish)

NEWS LETTER: Media trends in the Nordic Countries Nordicom, April 2018

Newspaper trends in the Nordic countries feature a decreasing circulation of daily newspapers and a continued drop in industry revenue. Still, online rankings are high, especially in Norway.

Nordvision, the Nordic public service partnership, reports a record-breaking year in 2017. A new strategy for strengthened cooperation on especially Nordic drama productions was made to meet the competition from global streaming giants.

Additional links can be found in the newsletter.

Source: http://www.nordicom.gu.se/sites/default/files/mediefakta-dokument/Nyhetsbrev_Norden/nordicom_mediarender_1_2018.pdf



GENERATIONAL GAPS IN MEDIA USE?

REPORT: Teens, social media and technology 2018

Pew Research Center, Anderson & Jiang, 31st May 2018

Teens' (age 13-17) social media use is changing. YouTube (85 %), Instagram (72 %) and Snapchat (69 %) are the most popular online platforms among US teens. In 2015, Facebook was the most popular social media at 71 %, in 2018 the corresponding number dropped to 51 %.

Smartphones has become an ever-present part of teens' lives as 95 % report they have a smartphone or have access to one. 45 % of teens say they are online almost constantly.

31 % say social media has a positive impact on their life, 24 % say the impact is mostly negative. 45 % believe the impact of social media is neither positive nor negative.

Source: <http://www.pewinternet.org/2018/05/31/teens-social-media-technology-2018/>

ARTICLE: Generation Z is already killing Facebook, and 6 more industries could be next

Rachel Premack, 29th May 2018

Generation Z (teens and young adults born roughly between 1995 and 2010), is on track to kill Facebook. Only 9 % of Gen Zers says their preferred social media platform is Facebook.

Other industries that are predicted to struggle when this generation comes of age, are classic refined brands, traditional department stores, any kind of print media, and luxury goods.

Gen Z prefers YouTube over television. Cable TV is watched for the purpose of spending time with family, keeping up with what's going on in the world, and for falling asleep.

Source: <https://nordic.businessinsider.com/generation-z-things-gen-z-are-killing-facebook-ralph-lauren-2018-5>



ARTICLE: Millennials stand out for their technology use, but older generations also embrace digital life

Pew Research Center, Jingjing Jiang, 2nd May 2018

Millennials (age 22-37) have been known to lead the adoption and use of technology, but older generations are rapidly closing in, especially Gen Xers (age 38-53) and Baby Boomers (age 54-72).

92 % of Millennials own smartphones, compared with 85 % of Gen Xers and 67 % of Boomers. Gen Xers have outpaced Millennials in tablet ownership. Millennials are still more likely to adopt new social media platforms, but comparable shares of Millennials and Gen Xers report using Facebook. Technology adoption rates among Baby Boomers have grown rapidly in recent years.

Source: <http://www.pewresearch.org/fact-tank/2018/05/02/millennials-stand-out-for-their-technology-use-but-older-generations-also-embrace-digital-life/>

INSIGHT REPORT: It's a connected world, and that's a boon for TV viewers

Nielsen Insights, 13th June 2018

The demographic landscape is changing. In the increasingly fragmented media ecosystem, younger generations, who are more diverse and more tech friendly than their parents, are driving the growth of broadband-only (BBO), over-the-air (OTA) and virtual multichannel video programming distributors (vMVPDs).

Gen Z and Millennials are leading the way in growth of video streaming devices and services.

Technology advances have changed how different generations access video content and the devices they use. Younger users love streaming and own multiple devices, older generations are beginning to embrace these preferences as well.

Source: <http://www.nielsen.com/us/en/insights/news/2018/it-s-a-connected-world-and-that-s-a-boon-for-tv-viewers.html>



SOCIAL MEDIA TRENDS IN 2018

REPORT: Social media use continues to rise in developing countries but plateaus across developed ones

Pew Research Center, Poushter et al., 19th June 2018

There has been a steady increase in internet use over the past five years among emerging and developing economies. Similar trends can be detected in smartphone use and social media engagement. These markets are fast approaching levels seen in more advanced economies, where the growth rates are slowing down.

Still, digital divides persist, between countries as well as within countries, as preconditions are uneven and interest in embracing new technology and engaging in social media is dispersed.

Source: <http://www.pewglobal.org/2018/06/19/social-media-use-continues-to-rise-in-developing-countries-but-plateaus-across-developed-ones/>

ARTICLE: Reddit beats out Facebook to become the third-most-popular site on the web

Digital Trends, Chuong Nguyen, 30th May 2018

Reddit has surpassed Facebook in popularity among media users in the US, now ranking third after Google and YouTube. While Reddit does not attract the same amount of traffic as Google or YouTube, users do spend more time browsing the site.

#Reddit overtaking Facebook is a sign of changing social media behavior among Facebook users, following a number of recent scandals.

In Finland Reddit can be found at a fifth place, after Google (Finnish version), YouTube, Google.com, and Facebook.

Source: <https://www.digitaltrends.com/computing/reddit-more-popular-than-facebook-in-2018/>

See also: <https://www.talouselama.fi/uutiset/kayko-facebookin-kohta-kalpaten-nyt-ohi-kiilasi-reddit/3986886d-1901-318d-8ca4-62d48f0e6bff> (in Finnish)



BLOG: Where is video headed in 2018?

Paul Astbury, 17th April 2018

Digital video consumption is exploding, and advertisers are looking to keep up with rapidly altering viewer habits. Users are increasingly watching digital video content on mobile devices. 1.87 billion individuals across the globe will use a mobile device to watch digital video in 2018, an 11,9 % increase from 2017.

Video advertising is increasingly turning towards formats suited for mobile screens and in-app environments. For example, vertical video content aligns with how 94 % of users hold their smartphone, resulting in 15-25 % higher click-to-play-rates than traditional horizontal videos.

Shorter more impactful video ads cater to the decreasing attention spans and rapid scroll behaviors among mobile users.

Source: <https://www.marketingtechnews.net/news/2018/apr/17/where-video-headed-2018/>

ARTICLE: With IGTV, Instagram takes aim at YouTube

Matsakis & Goode, 20th June 2018

In line with changing viewing behavior among mobile users and the rapidly growing trend of vertical videos and smartphones, Instagram is launching a new app for long-form video called IGTV. IGTV will mimic Instagram's standalone app Boomerang (for creating 1 second video loops) and exist both as its own app but also as a feature in the main app.

IGTV's long-form vertical videos can be up to ten minutes, with some exceptions for creators with massive audiences that can post up to 60 minutes of video content. Thus, both from a consumption and a content-creation perspective, IGTV is going directly up against YouTube.

While Instagram predicts a vast popularity for IGTV among its 1 billion users, they are likely to face similar challenges with controversial content and moderating as YouTube has in the past.

Source: https://www.wired.com/story/with-igtv-instagram-takes-aim-at-youtube/amp?_twitter_impression=true



MOBILE IS TRANSFORMING OUR SHOPPING BEHAVIOR

ARTICLE: Shops aren't for shopping anymore

Courtney Coffman, 19th June 2018

Smartphones are changing the role of the traditional retail store, shifting customers' focus from goods on racks and shelves toward apps, social media platforms, and influencers.

Retailers are struggling to invent new reasons and methods for shopping, and to develop elevated in-store experiences that seamlessly mesh with online platforms. Focus is shifting towards telling customers what brands and products are worthy of hashtags and shares. But there is a crucial difference between selling images in social media and selling actual products.

Pop-up stores and events has become a popular way of gaining the attention of the customers and getting them to both buy products and to share the brand message.

Consumers are becoming more nuanced and are expecting more from brands and products. Purchase decisions has expanded from merely deciding whether or not to buy something, to deciding also whether or not to share or (re)post in social media.

Source: <https://www.theatlantic.com/technology/archive/2018/06/shops-arent-for-shopping-anymore/563054/>

ARTICLE: PayPal's CEO says digital payments will replace credit cards

Jamie Toplin, 8th May 2018

While mobile payment is on the rise, credit cards still hold a strong position among consumers. However, PayPal's CEO Dan Schulman predicts that credit cards will be obsolete in 20 years and replaced by more convenient digital methods.

Source: http://www.businessinsider.com/paypal-ceo-expects-credit-card-obsolence-2018-5?IR=T&utm_medium=newsletter&utm_source=Triggermail&utm_campaign=BI%20Daily%202018.5.8&utm_term=BI%20Intelligence%20Daily%20-%20Engaged%2C%20Active%2C%20Passive%2C%20Disengaged



INSIGHT REPORT: Beyond smartphone shopping – the rise of smart assistants

Ericsson Consumer & IndustryLab, May 2018

This insight report features the rise of AI-based assisted shopping. The results are based on an online survey carried out in January 2018 among 5000 urban early adopters aged 15 to 69. As the smartphone offers consumers all of the world's shopping literally at their fingertips, the explosion of choice drives a new trend of digital shopping assistants helping consumers to choose. This concerns routine household purchases as well as more aspirational shopping.

Direct smartphone shopping is peaking, as 43 % of the respondents are already smartphone shoppers that make purchases directly using their phone every week. 67 % regularly pay with their phone in stores.

Digital shopping assistants shift the focus from the choice to the chooser. 47 % of smartphone shopper would like a service that automatically restocks everyday items. 63 % think that most people will use personal shopping assistants in three years.

63 % of smartphone shoppers want help with price comparisons, and 48 % want help with making shopping decisions easier.

Physical stores need to transform, or they will disappear. 69 % of AR and VR users think technology will give smartphones all the benefits of stores in three years' time.

36 % of smartphone shoppers believe that bargain prices should go offline, you should pay lower prices in physical stores than online if you take the trouble to actually go there.

Source: https://www.ericsson.com/assets/local/networked-society/consumerlab/smartphone_shopping_consumerlab_rgb_screen_aw_10052018.pdf



THE ACADEMIC STAGE

Media fragmentation in the context of bounded social networks: How far can it go? Riles, Pilny & Tewksbury, *New Media & Society*, Vol. 20(4), 1415–1432, April 2018

If offered a broad variety of choice, people choose the programming and information that most closely fit their personal needs and preferences; selective media consumption patterns across varying media platforms is associated with personal traits such as age and education.

The research empirically prove that strong friendship ties lead to shared favourite television programs. Social ties are thus associated to media-use patterns.

Source: <http://journals.sagepub.com/doi/abs/10.1177/1461444817696242>

New organizations' use of native videos on Facebook: Tweaking the journalistic field one algorithm change at a time

Tandoc & Maitra, *New Media & Society*, Vol. 20(5), 1679–1696, May 2018

When Facebook tweaked its algorithm in 2014 to favor videos uploaded to the social media platform, it led news organizations to increase their social video production. The study shows how an agent external to the journalistic field puts pressure on media actors.

Source: <http://journals.sagepub.com/doi/abs/10.1177/1461444817702398>

Does online technology make us more or less sociable? A preliminary review and call for research

Waytz & Gray, *Perspectives on Psychological Science*, May 2018

The article explores the relationship between use of online technology (the Internet, social media, and virtual reality) and sociability (emotion recognition, empathy, perspective taking, and emotional intelligence).

The results show that online technology benefits sociability when it complements already-deep offline engagement with others, it impairs sociability when it replaces deeper offline engagement for superficial online engagement, and it enhances sociability when deep offline engagement is otherwise difficult to attain.

Source: <http://journals.sagepub.com/doi/10.1177/1745691617746509>



Useful links

Yle toimintaympäristökatsaus #4 19th April 2018

<https://bit.ly/2qKdhjH> (www-version)

<https://bit.ly/2qN7klQ> (pdf-version)

Yle toimintaympäristökatsaus #5 17th May 2018

<http://bit.ly/2GrxLU7> (www-version)

<http://bit.ly/2IoN71H> (pdf-version)

Yle toimintaympäristökatsaus #6 13th June 2018

<http://bit.ly/2JGZAxB> (www-version)

<http://bit.ly/2l3rW75> (pdf-version)

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