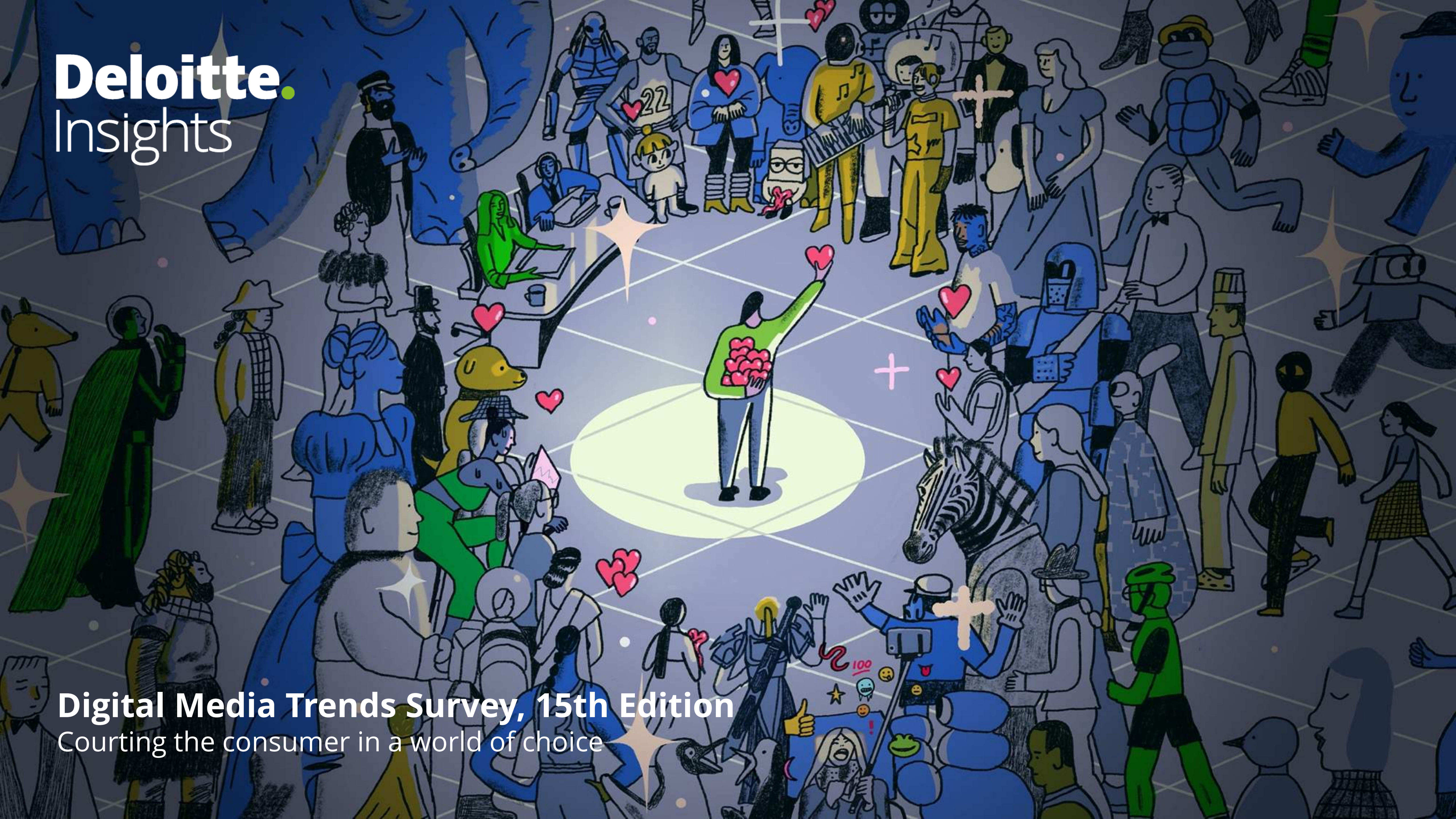

Deloitte.
Insights

Digital Media Trends Survey, 15th Edition

Courting the consumer in a world of choice

About Deloitte's US Digital Media Trends Survey

- This is the fifteenth edition of research commissioned by Deloitte's Technology, Media and Telecommunications (TMT) practice.
- Focusing on five generations, the survey provides insight into how consumers ages 14 and above are interacting with media, products and services, mobile technologies, the Internet, attitudes and behaviors toward advertising, and social networks.
- The US survey was fielded by an independent research firm in February 2021 and employed an online methodology among 2,009 US consumers.
- All data is weighted back to the most recent census data to give a representative view of what consumers and other respondents are doing
- For meaningful changes, we look for differences in year-over-year tracking and generations of at least five percentage points

Talk about the generations

Gen Z

Born 2007–1997

Age 14–24

Millennials

Born 1996–1983

Age 25–38

Gen X

Born 1982–1966

Age 39–55

Boomers

Born 1965–1947

Age 56–74

Matures

Born 1946 and prior

Age 75+

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Everyone on the dance floor

Choice for consumers, competition for providers

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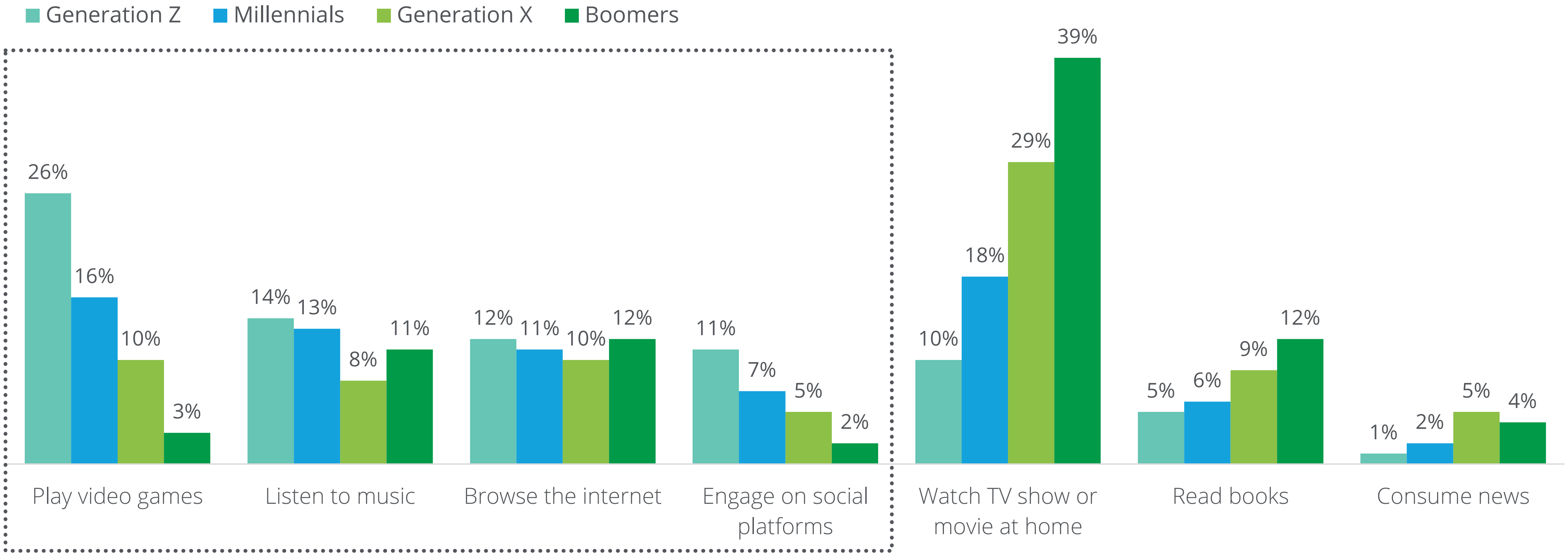
Although watching video at home is an overall favorite – gaming, music, and social platforms are favorites for younger generations

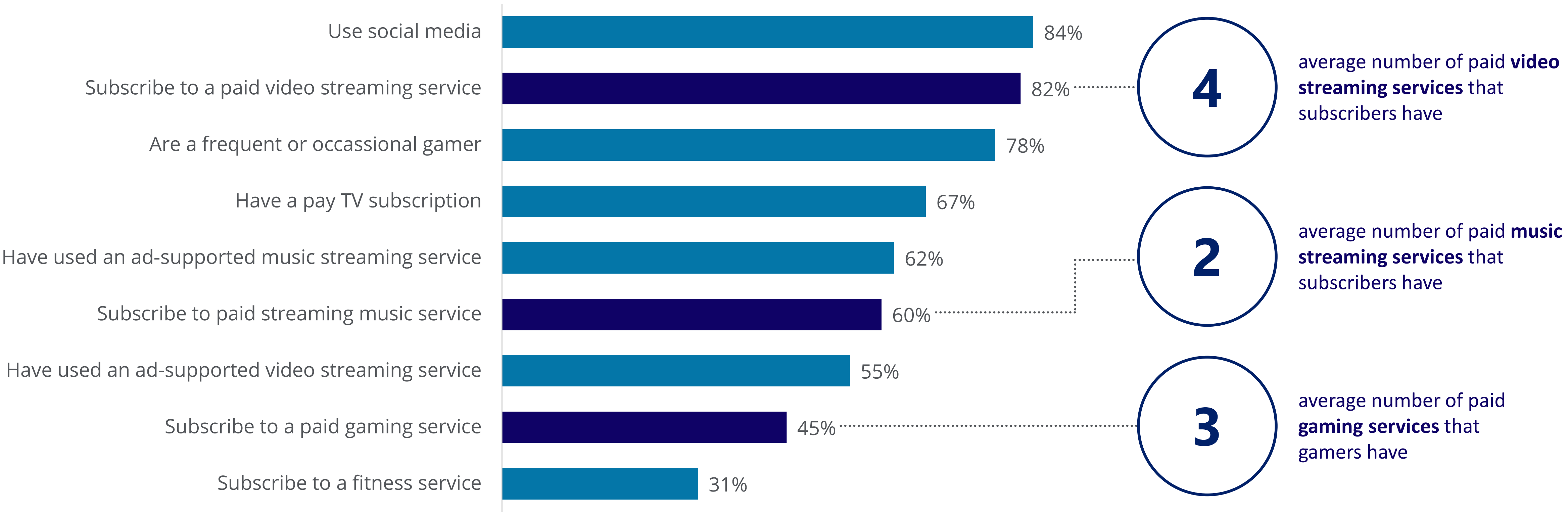
% ranking as their #1 favorite entertainment activity



Source: Digital Media Trends survey, 15th Edition, Deloitte

Consumers are engaging with lots of entertainment options that are all vying for their time and money

Percentage of consumers who:

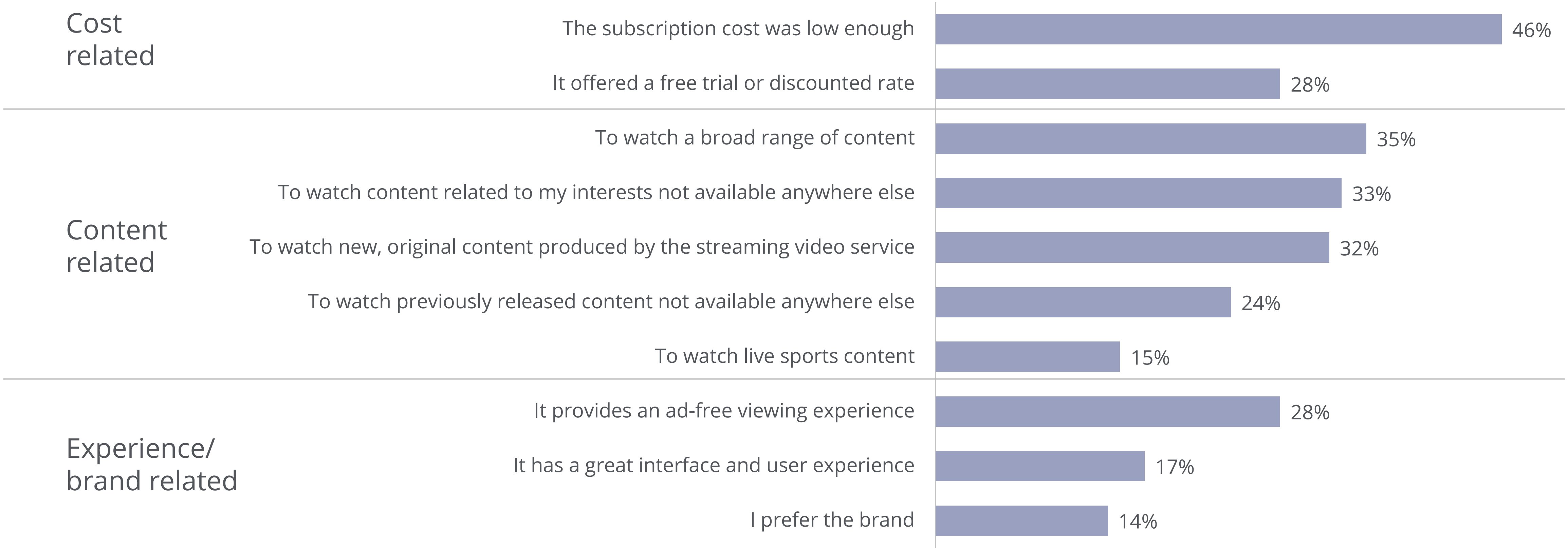


Source: Digital Media Trends survey, 15th Edition, Deloitte

Entertainment services
Courting the customer with cost and content

A balance between cost, content and ad-tolerance – with cost the top factor

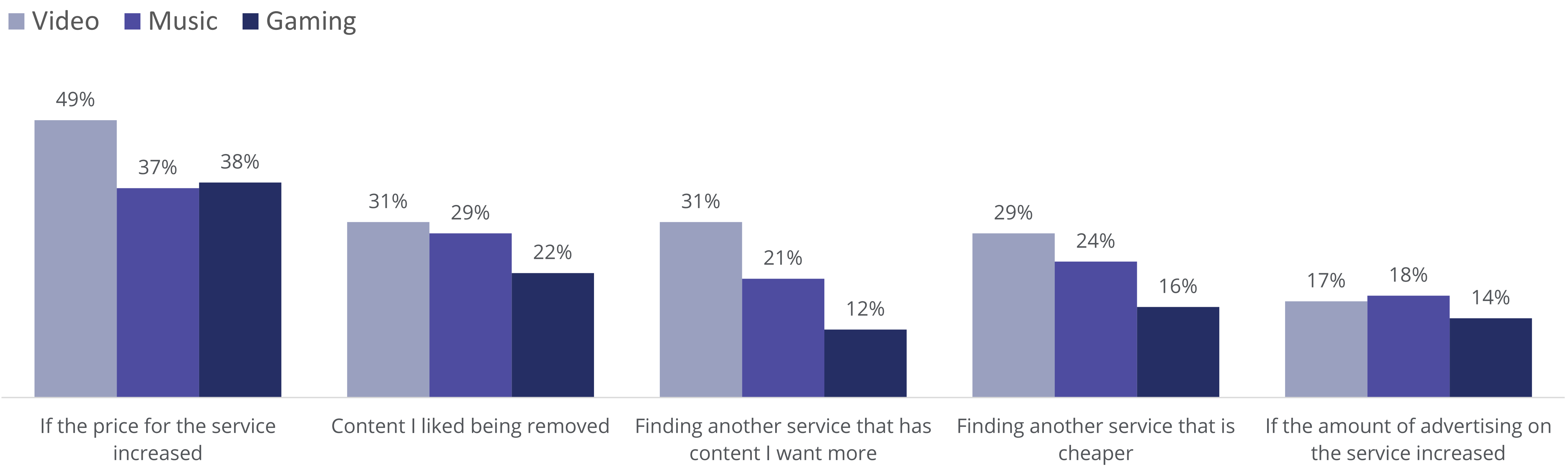
Most important factor for decision to subscribe to a brand-new paid streaming video service



Source: Digital Media Trends survey, 15th Edition, Deloitte

Subscribers cite an increase in price as the biggest reason they would cancel a paid video, music, or gaming service

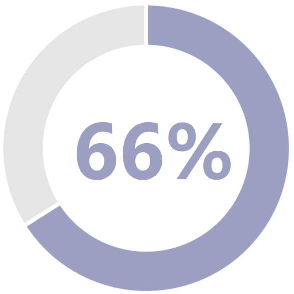
Which would most likely cause you to cancel or stop using a paid service



Source: Digital Media Trends survey, 15th Edition, Deloitte

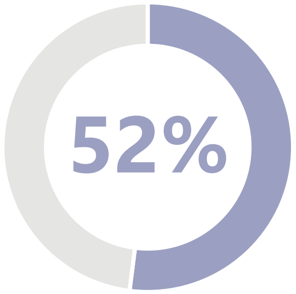
Consumers can suffer from fragmentation – leading to frustrations around losing content, finding and accessing content, and bad recommendations

Losing content



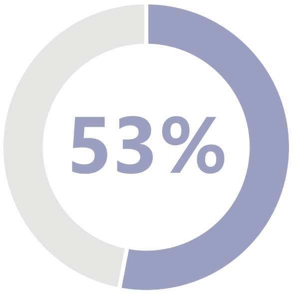
Are frustrated when content they wanted to watch is **no longer available** on their streaming video services

Content discovery



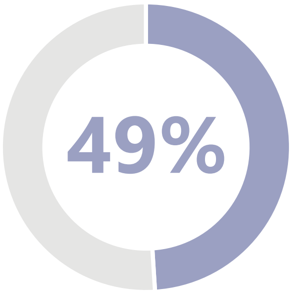
Find it **harder to discover** the content they want to watch when content is spread across multiple streaming video services

Needing many subscriptions



Are frustrated they **need multiple subscriptions** to access the content they want to watch

Poor recommendations

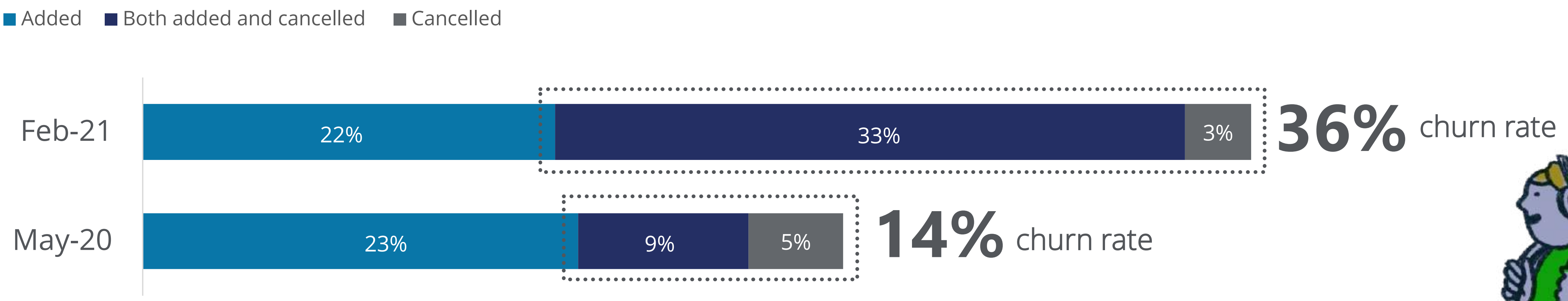


Are frustrated when **content recommendations** on video streaming services are not relevant

Source: Digital Media Trends survey, 15th Edition, Deloitte

A more competitive market across entertainment services, price sensitivity and frustrations may potentially drive more churn for streaming video providers

Changes in paid streaming video services since pandemic began



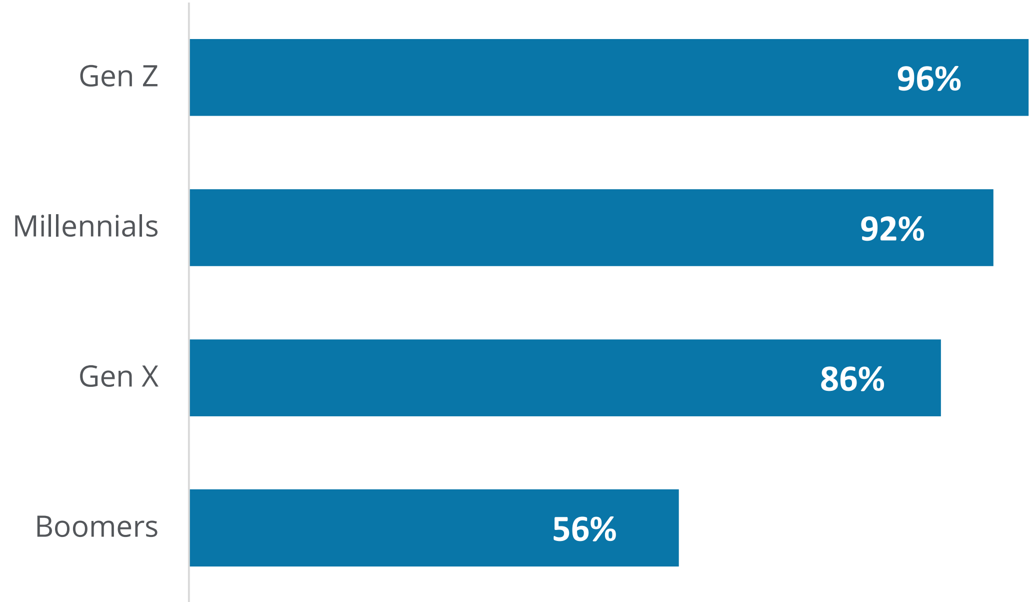
38% intend to reduce the number of entertainment subscriptions they have in the next year

36% plan to reduce the number of streaming video services they subscribe to

Source: Digital Media Trends survey, 15th Edition, Deloitte
Digital Media Trends COVID-19 Pulse Survey, May 2020, Deloitte

The vast majority of Gen Z, Millennials and Gen X are gaming – with many playing on various devices daily

Who is gaming?



Gaming frequency by device

Device	Frequency	Total	Gen Z	Millennials	Gen X
Smartphone	Daily	**40%**	46%	52%	50%
	Weekly	**18%**	25%	20%	20%
Gaming console	Daily	**35%**	36%	40%	40%
	Weekly	**30%**	31%	33%	30%
Portable gaming device	Daily	**30%**	24%	36%	32%
	Weekly	**32%**	29%	35%	35%

Source: Digital Media Trends survey, 15th Edition, Deloitte

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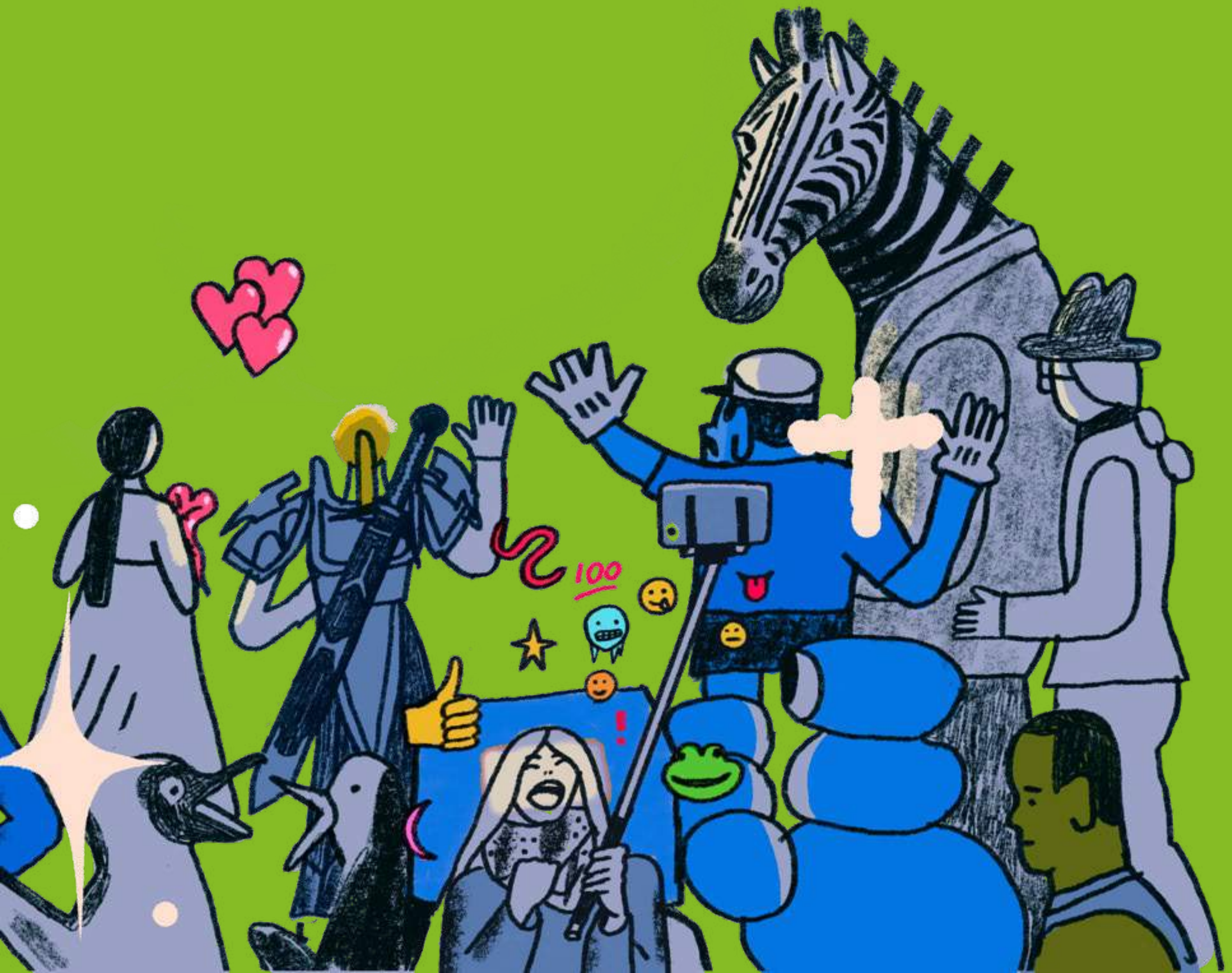
For younger generations, many see video games as a source of support and connection – and they take away from other entertainment time

Statements about video games

Net of strongly agree or Agree (in %)	**Total**	Generation Z	Millennials	Generation X
Playing video games is my favorite way to pass time	**63%**	63%	76%	67%
Video games have helped me get through a difficult time	**61%**	65%	75%	68%
Playing video games helps me stay connected to other people	**53%**	66%	65%	61%
Video games have taken away from other entertainment time	**46%**	42%	59%	55%

Source: Digital Media Trends survey, 15th Edition, Deloitte



Social media

Everyone is at the party, but where is the trust?

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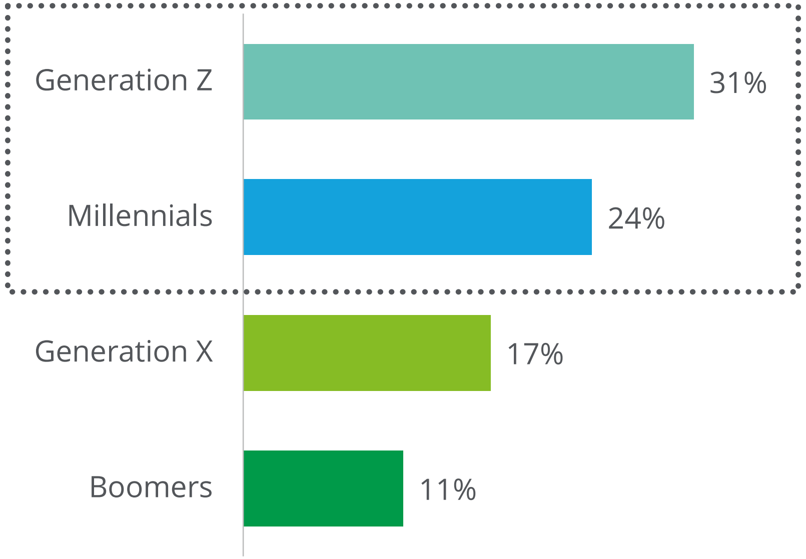
Social media is a gateway for the consumption of, and a way to connect with, all types of entertainment for younger generations

Engaging on social platforms is a top 3 entertainment activity



84% of all consumers say they use social media platforms

Top activities on social media

Total		Generation Z		Millennials		Generation X	
Listen to music	**26%**	Listen to music	44%	Listen to music	37%	Read or watch news	31%
Read or watch news	**24%**	Play video games	34%	Watch TV shows and movies	33%	Listen to music	25%
Watch TV shows and movies	**21%**	Follow channels I subscribe to	30%	Read or watch news	29%	Play video games	24%
Play video games	**20%**	Watch TV shows and movies	27%	Play video games	25%	Watch TV shows and movies	23%

Source: Digital Media Trends survey, 15th Edition, Deloitte

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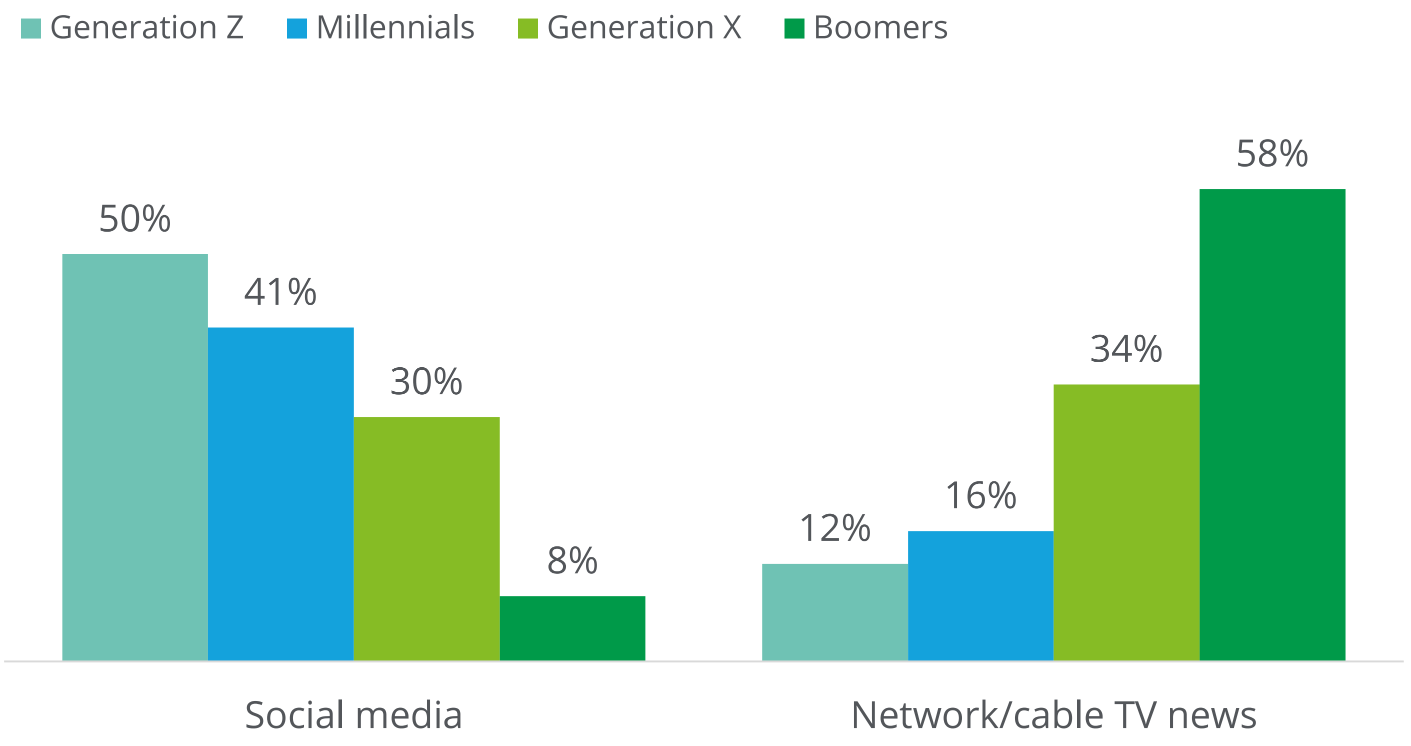
Social media channels are also a primary source of news and current events for younger generations

Most preferred way to stay updated on news and current events



Source: Digital Media Trends survey, 15th Edition, Deloitte

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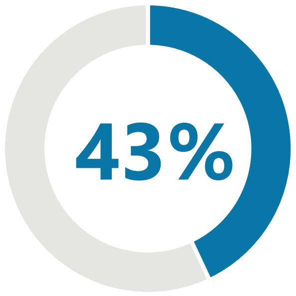
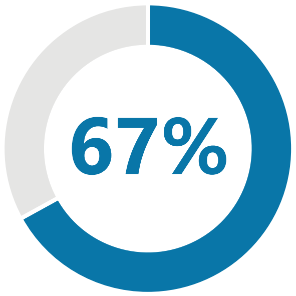
Consumers want a focus on managing misinformation, building trust, and responsibility from social media platforms

Mindful about misinformation



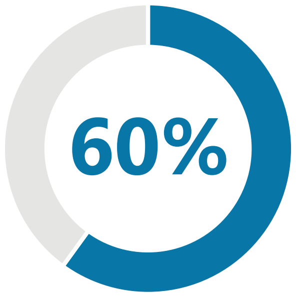
Said social media companies **did a good job managing misinformation** during the 2020 Presidential election

Lack trust



Don't trust news on social media platforms (vs. 44% who don't trust news from traditional news organizations

Expect responsibility

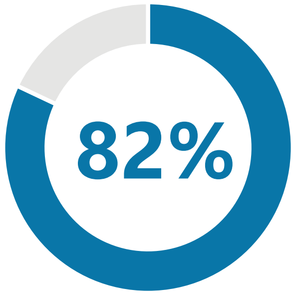


Agree **social media companies are responsible** for the things people post on their platforms

Source: Digital Media Trends survey, 15th Edition, Deloitte

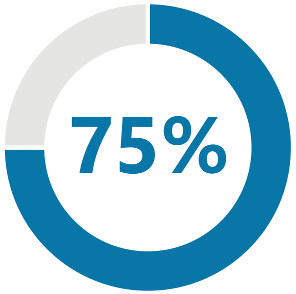
Consumers are also looking for more control, protection, and regulation around their personal data

Control



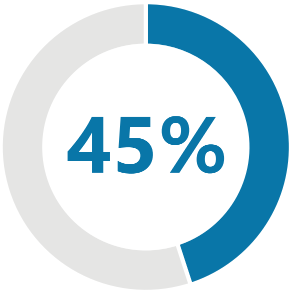
Agree they should be able to **view and delete the data** companies collect

Protection



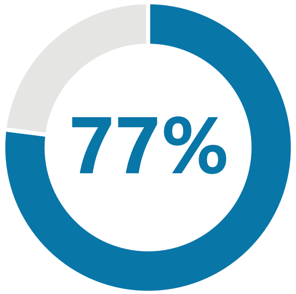
Agree that platform companies and service **providers are responsible for protecting** their personal data

Willingness to pay



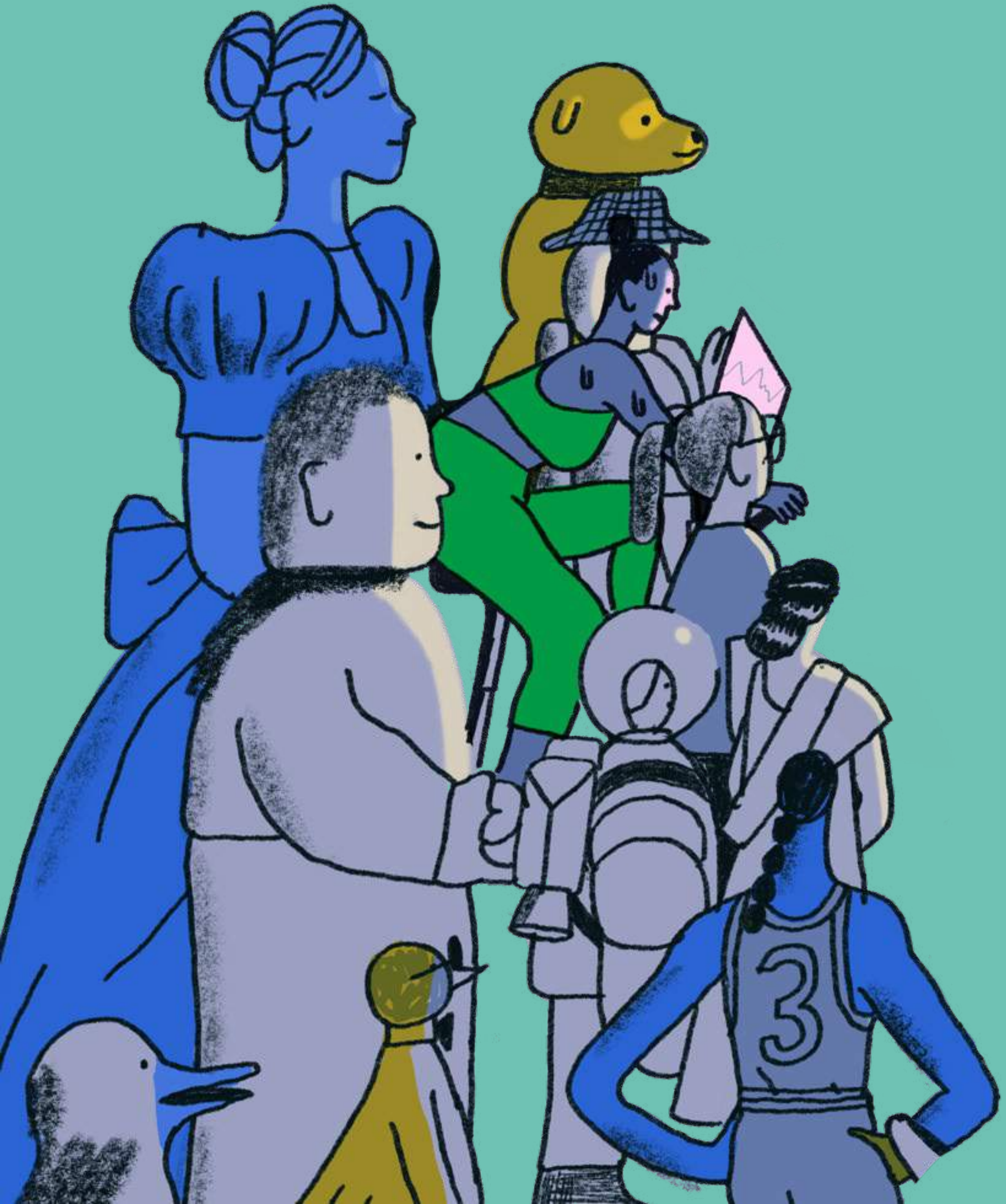
Would be willing to **pay to access a social media platform** if it didn't collect any personal data

Regulation



Believe that the **government must do more to regulate** data collection and use

Source: Digital Media Trends survey, 15th Edition, Deloitte

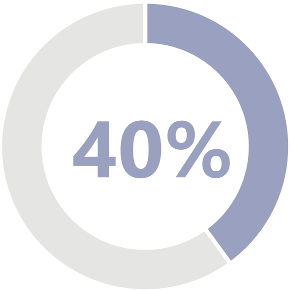


Advertising

From tolerance to personalized engagement

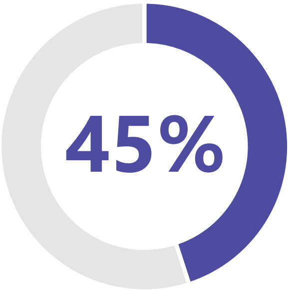
Advertisers should consider differences in consumer ad-tolerance and relevance across entertainment types

Video



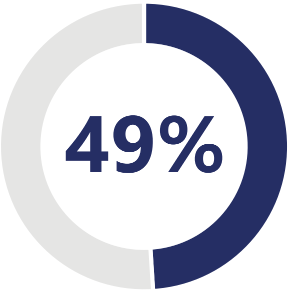
Prefer a **video streaming subscription service with no ads** and pay a $12/month subscription fee

Music



Would **rather pay than have ads** on their music streaming service

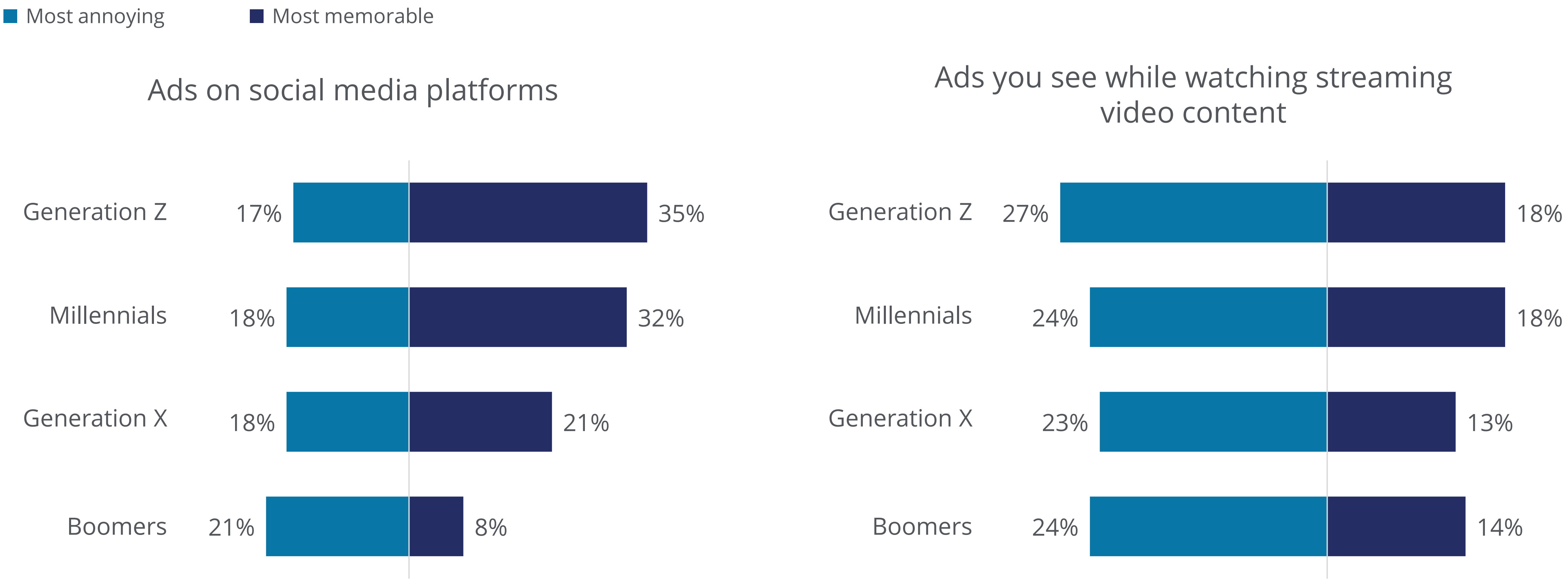
Gaming



Would rather **pay to avoid advertising** on their gaming service

Source: Digital Media Trends survey, 15th Edition, Deloitte

Younger generations generally like ads on social media, more so than ads in streaming video and gaming content



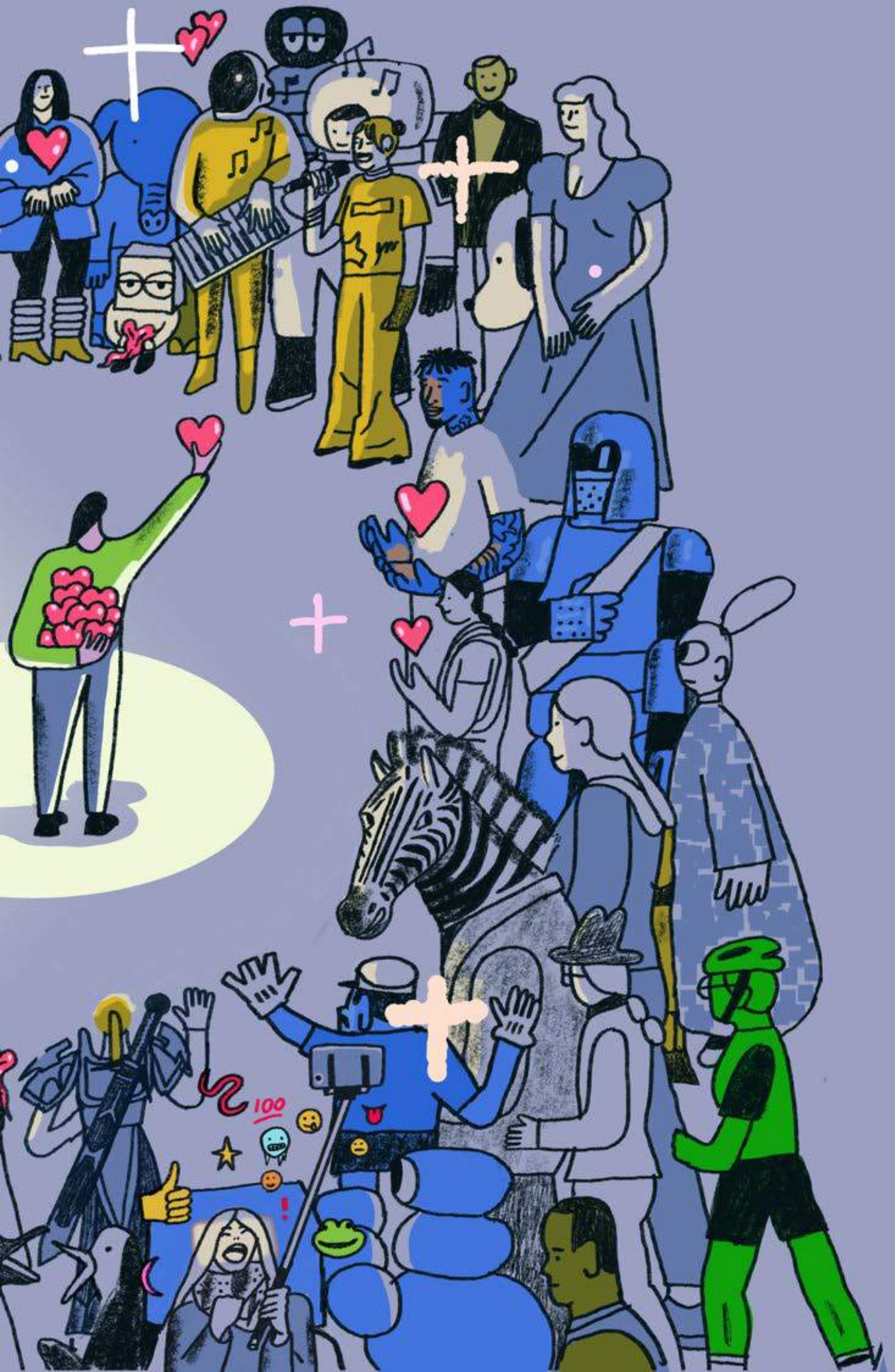
Source: Digital Media Trends survey, 15th Edition, Deloitte

How can social media and advertisers balance personalized ads, use personal information effectively and enable brand protection?

Percentage of consumers who agree

		Total	Gen Z	Millennials
Personalization	On social media platforms, I would **rather see ads personalized** to my likes and activity than generic ads.	**54%**	62%	72%
	I would be **willing to provide more personal information** online to receive advertising more targeted to my needs and interests.	**40%**	43%	60%
Brand protection	If I saw **hate speech** posted on a social media platform, I would **associate nearby ads with the post**.	**43%**	39%	54%

Source: Digital Media Trends survey, 15th Edition, Deloitte



Thank you.

PR Contact:

Anisha Sharma

PR Lead – Technology, Media & Telecom | Deloitte Services LP
Email: anissharma@deloitte.com
Phone: +1 201.290.9119