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IT'S ALL ABOUT EXPERIENCING



ERICSSON CONSUMERLAB

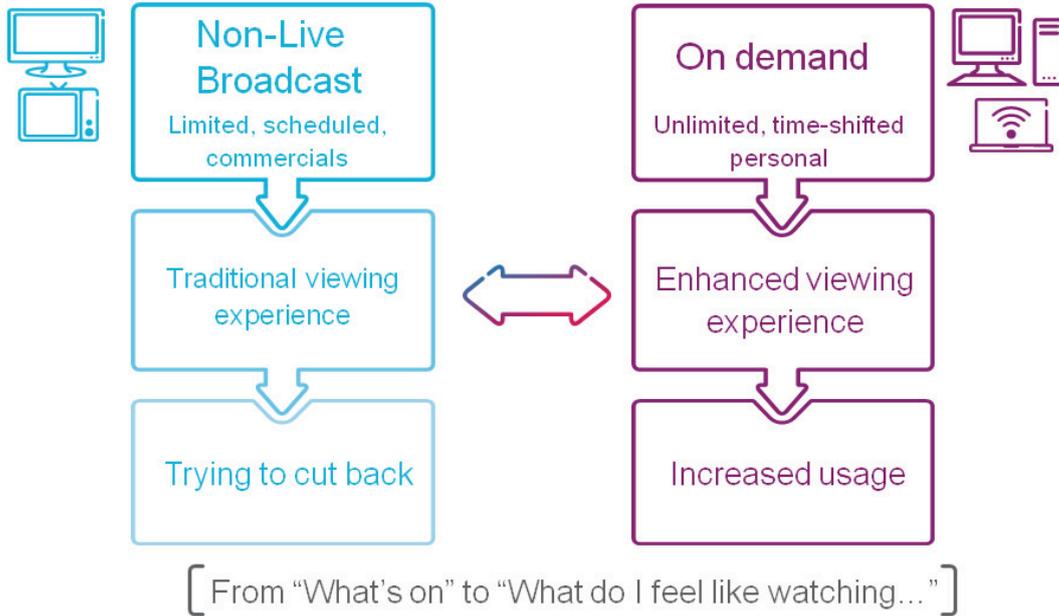
- > The voice of the consumer into Ericsson since 1995
 - Research representing opinions of more than 1.1 billion people
 - Use consumer insight to improve
 - > Products and services
 - > Strategy
 - > Marketing
 - > Our customers' products and services



SAMPLE REPRESENTATIVE FOR MORE THAN 300 M CONSUMERS

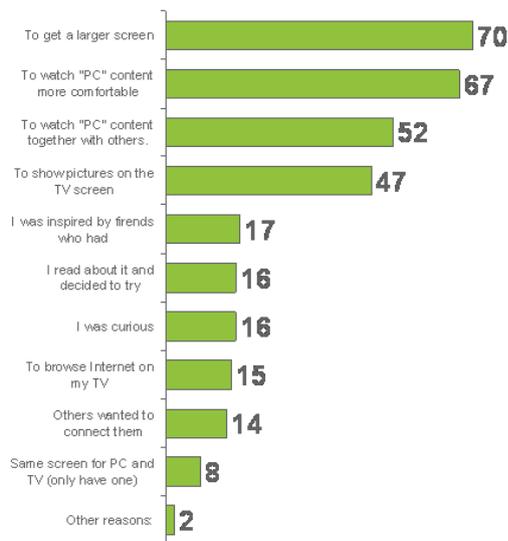
	China	Germany	Spain	Sweden
Population aged 15-59:	550 M	48 M	26 M	5 M
Representativity of sample (15-59) in %:	11%	82%	80%*	90%
Representativity of sample (15-59) in size:	60 M	39 M	20 M	4,6 M
	Taiwan	UK	US	Total**
Population aged 15-59:	16 M	51 M	183 M	880 M
Representativity of sample (15-59) in %:	70%*	86%	86%	38%
Representativity of sample (15-59) in size:	11 M	44 M	157 M	336 M

ON DEMAND'S ATTRACTIVENESS SPURS CONSUMPTION



Source: Ericsson ConsumerLab MSMC-study 2010
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DRIVERS FOR CONNECTING PC AND TV



[Experience and social aspects are heavy triggers for merging the TV and PC]

Source: Ericsson ConsumerLab MSMC-study 2010
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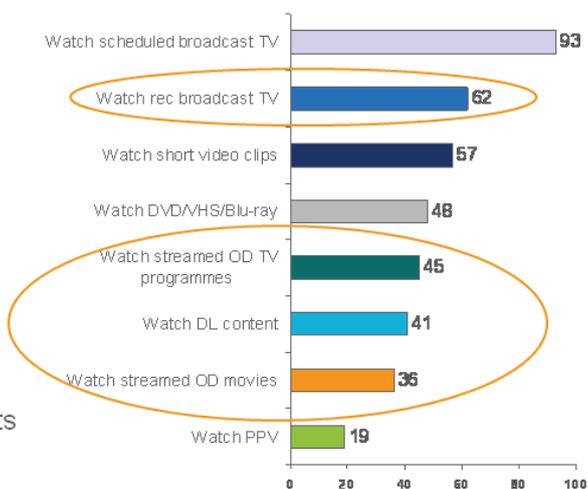
ON DEMAND IS HERE TO STAY...

> More than 70 % are “time-shifting” on a weekly basis
(streaming, downloading or watching recorded broadcast TV)

> More than 50% are using internet based on demand TV/video every week

> Google search results...
 – “Online TV shows free”: 677 million hits
 – “Web TV free”: 495 million hits

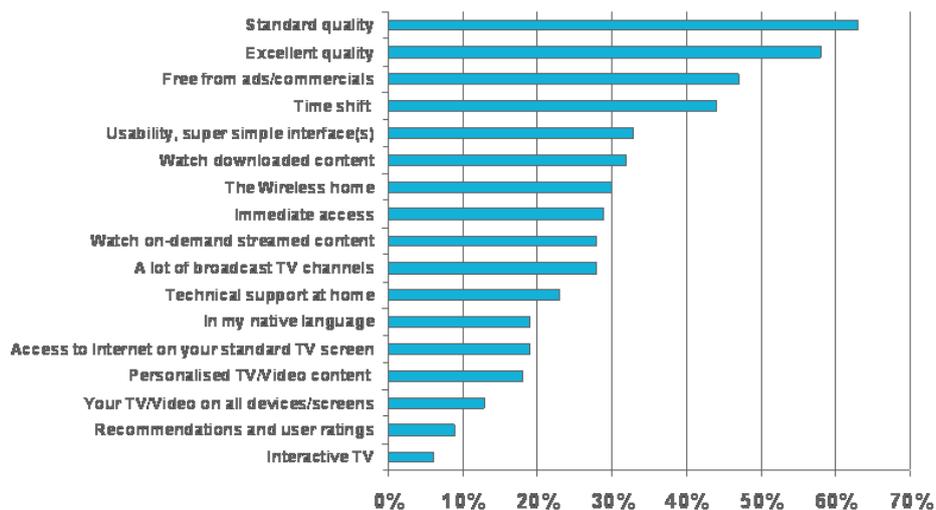
Weekly use of different TV/video distribution channels (%)



[Consumption of on demand content is growing rapidly - and there is no return...]

Base: ALL
 Source: Ericsson ConsumerLab MSMC-study 2010
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MOST IMPORTANT FEATURES

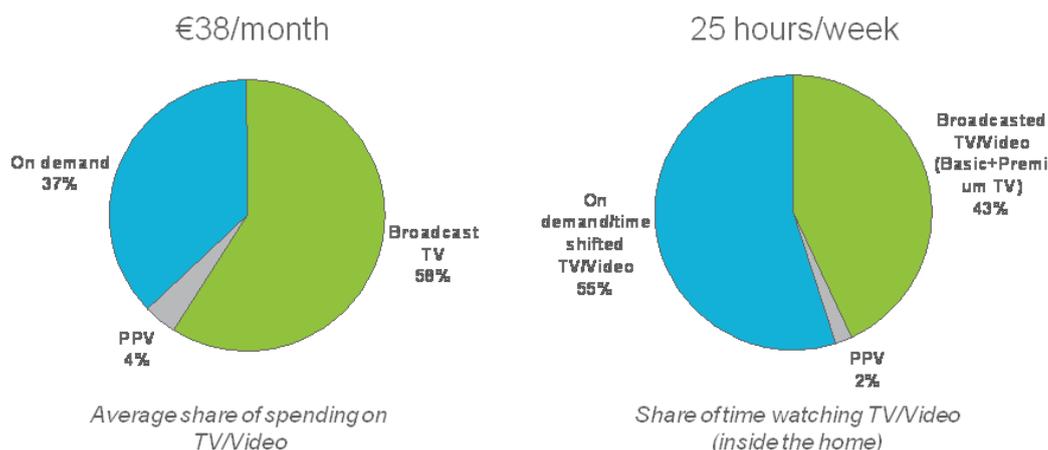


[The consumers are requesting an easy to use, high quality, on demand service with no commercial brakes as their next TV service]

Base: ALL
 Source: Ericsson ConsumerLab MSMC-study 2010
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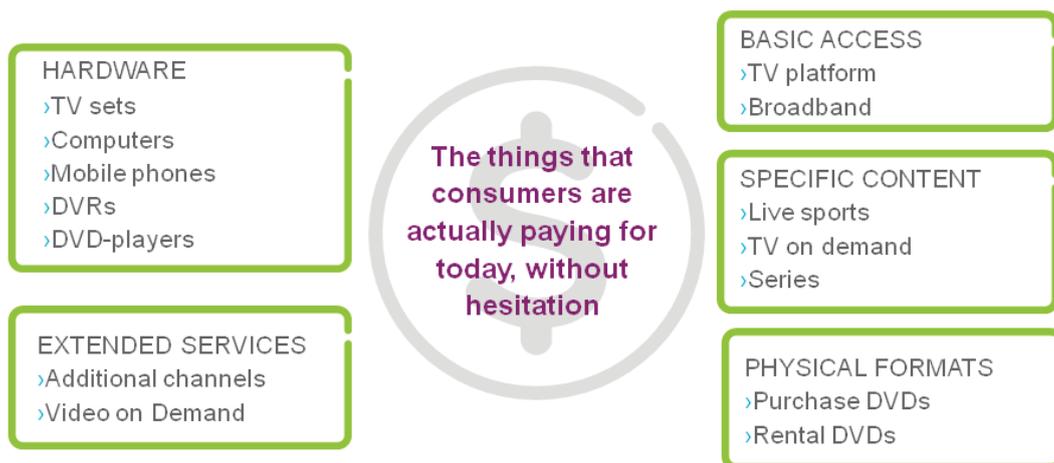
SHARE OF TIME VS. SHARE OF WALLET

- › The investments in money is not in proportion to invested time
- › Future share of wallet will more likely resemble the actual share of time



Base: ALL
 Source: Ericsson ConsumerLab MSMC-study 2010
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WHAT IS WORTH PAYING FOR TODAY?



- › Average monthly spending on TV/video: €38
- › Average monthly spending on Internet: €22
- › Compulsory monthly TV license: €10

▶ **~ €70/month**

Base: ALL
 Source: Ericsson ConsumerLab MSMC-study 2010
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NEW VALUES IN A NEW LANDSCAPE

› Low willingness to pay for online content today

- Internet mindset
- Consumption on PC



› Future values

- From owning content to **always access** to content
 - › 40% thinks immediate access is very important
- Reintroducing the **social dimension**
- Guidance, **super simplicity**
 - › More than 50% think simplicity is very important

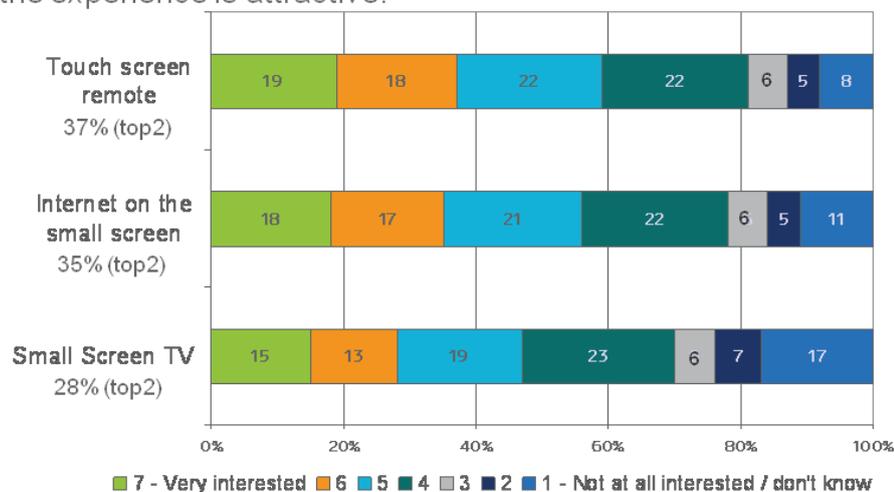


[TV/Video is, and will be, highly valued and appreciated. If done right, consumers will reallocate their TV spending to new alternatives]

Source: Ericsson ConsumerLab MSMC-study 2010
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SECOND SCREEN SERVICE RANKING

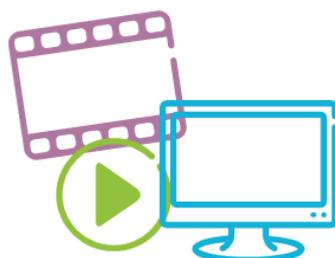
- › Ease of use, control and enabling Internet in the TV without disturbing the experience is attractive!



Base: ALL
Source: Ericsson ConsumerLab MSMC-study 2010
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FAST FACTS AND SUMMARY

- › People are today spending up to 35% of their leisure time on watching content
- › 93% still watch traditional broadcast TV every week
- › More than 70 % are “time-shifting” on a weekly basis
- › More than 50% are using internet based on demand TV/video every week



FAST FACTS AND SUMMARY

- › More than 50% would like to connect their PC with their TV just so that they can watch online TV content together with others
- › On demand has only 40% share of wallet, but 60% share of time
- › 40% thinks immediate access to TV content is very important
- › More than 50% think simplicity is very important
- › 37% are very interested in a touch screen tablet connected to their TV



