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**Consumer Electronics
Products and Services
Usage Report**

2009

Overview

Research Methodology



Objectives

- Develop an awareness of consumer preferences for digital products and services
- Understand technology purchasing and usage behavior across age groups
- Project future technology trends based on current behavior
- Identify key “lifestyles” emerging from behavioral changes

Methodology

- Online survey of more than 3,000 consumers across the U.S., representing all geographic regions
- Survey was fielded in November-December 2008. It was representative of the U.S. adult (18+) population and balanced across basic demographic factors, including age and gender

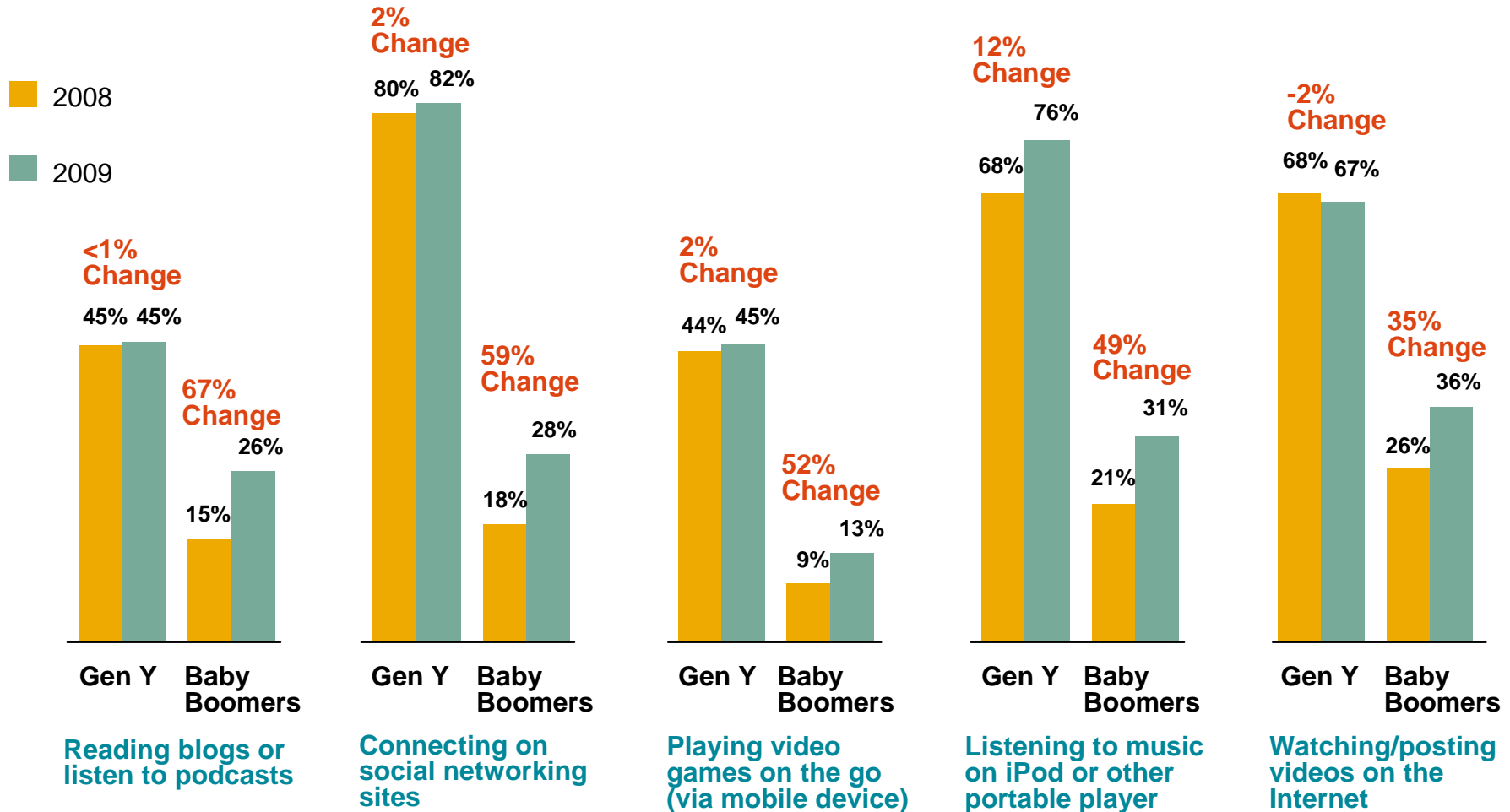
Survey Highlights

Baby Boomers are embracing popular consumer technology applications nearly 20 times faster than younger generation



Adoption of New Services by Generation

(% change from 2008 study)



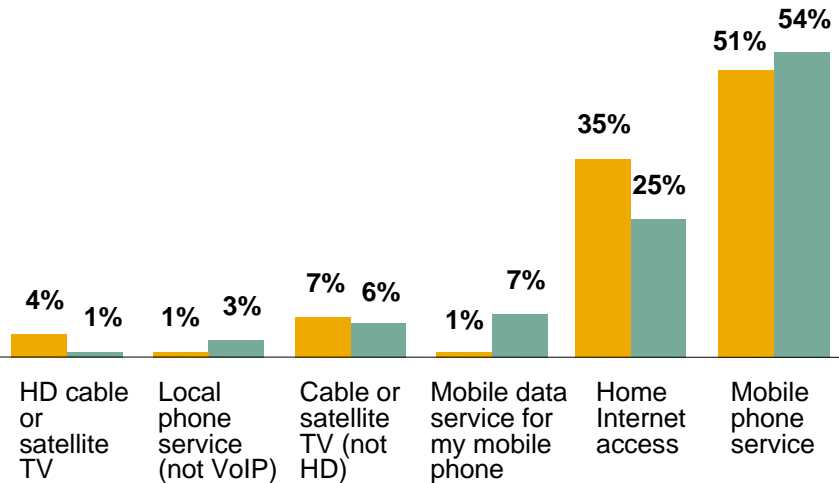
Generation Y's cravings for consumer technology applications are leveling off

(continued on next two slides)

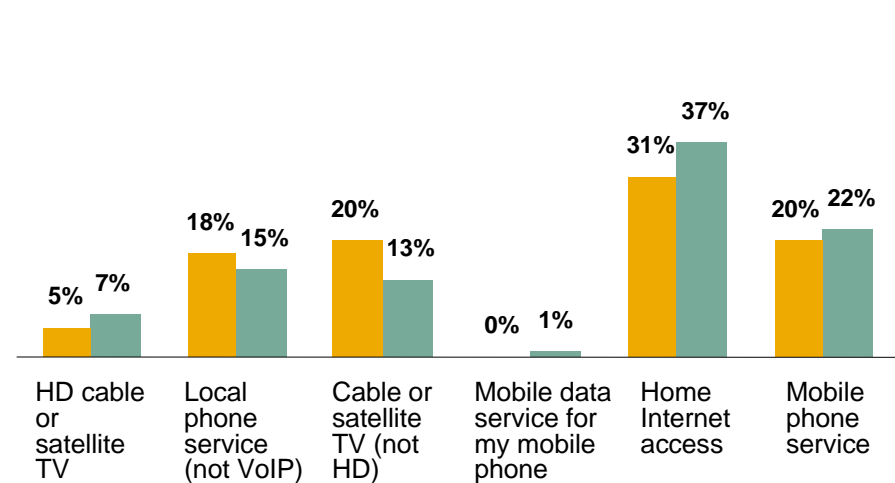


Among Gen Y the survey exposed an annual slow down and, in some cases, a flattening or decline in consumer electronics and related services usage compared with Boomers.

Gen Y – Preferred Consumer Services



Baby Boomers – Preferred Consumer Services



Going into: ■ 2008 ■ 2009

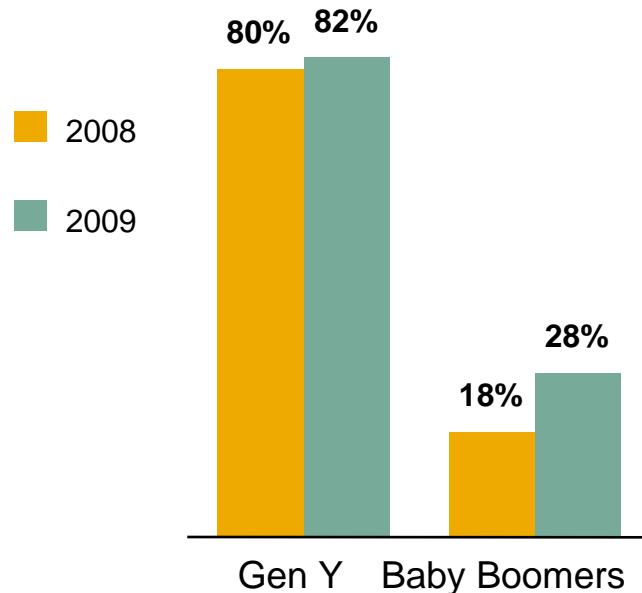
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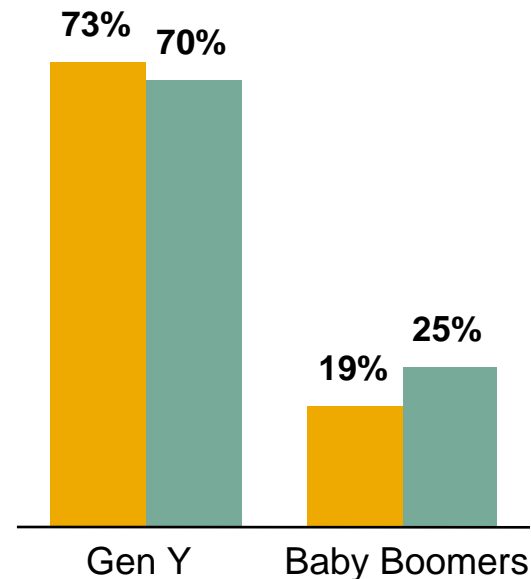


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Connect with People on Social Networking Websites



Own a Game Console

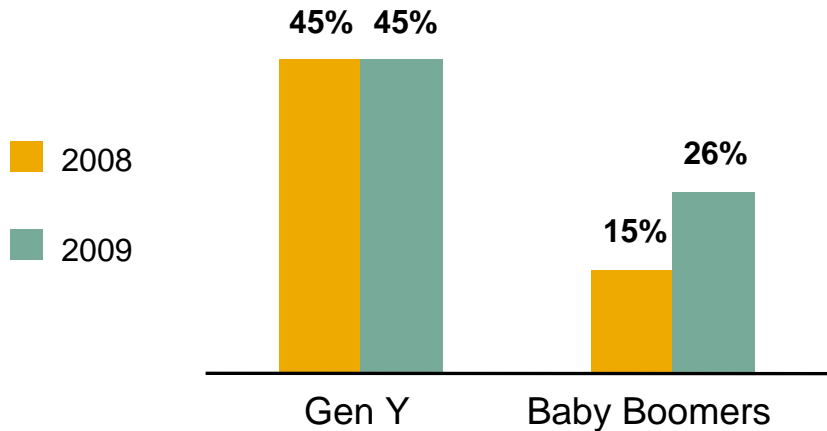


Generation Y's cravings for consumer technology applications are leveling off

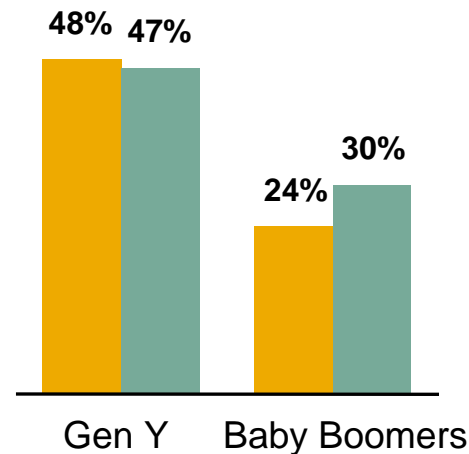


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Read Blogs and/or Listen to Podcasts



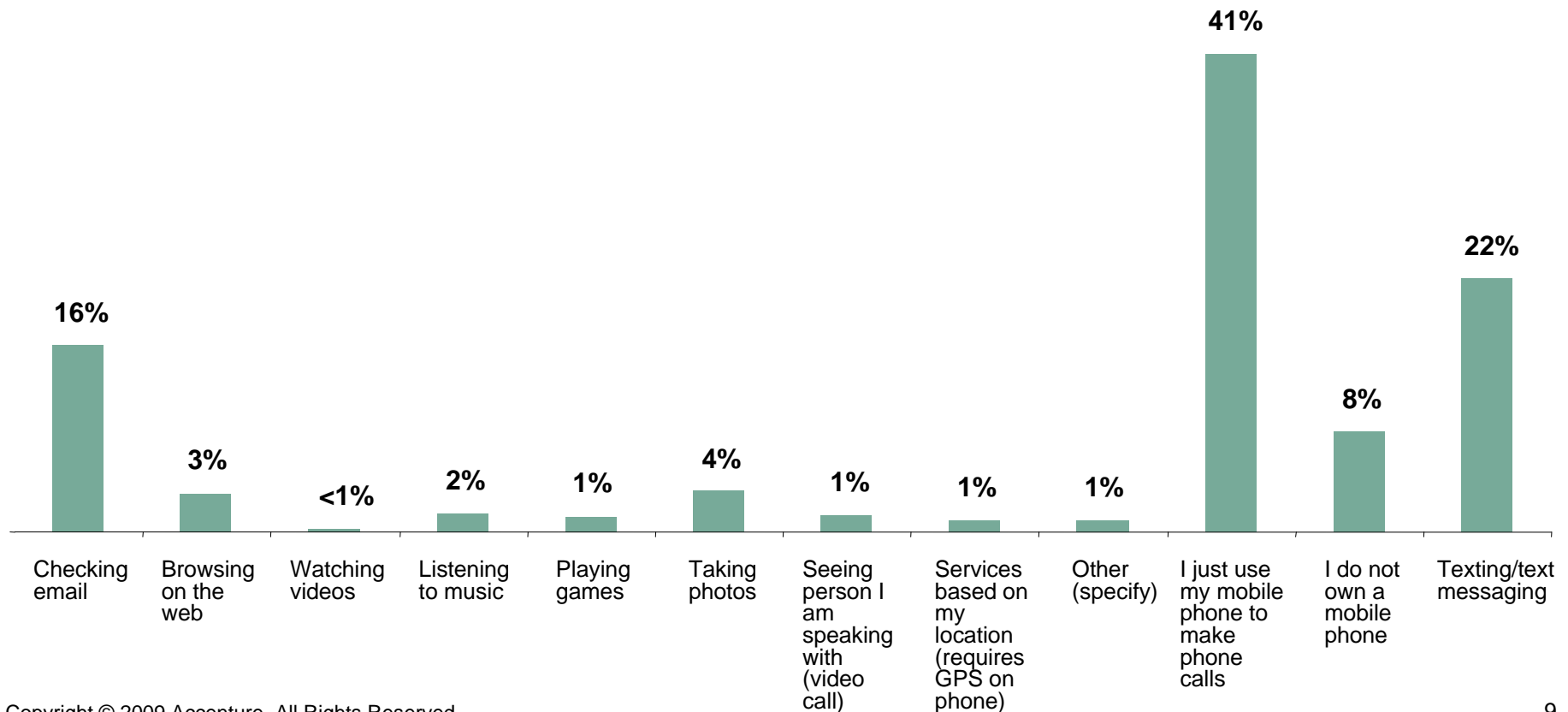
Participate in Communities of Interest on the Internet (e.g. Yahoo Groups)



Mobile handsets are not widely viewed as entertainment devices - yet



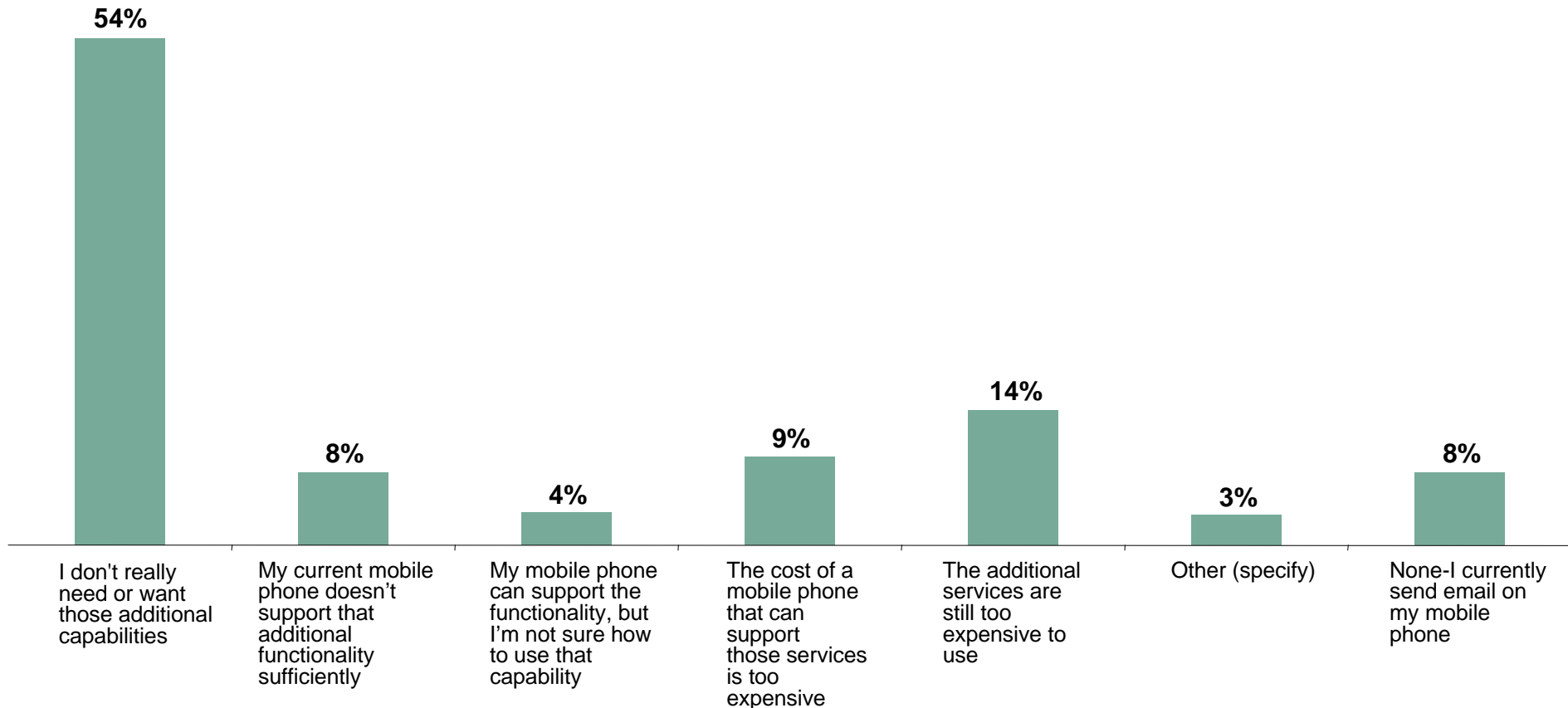
“Outside of making phone calls, please rank the top 3 applications that are, or would be, of most value to you on your mobile phone.”



Primary reasons respondents do not use multimedia services



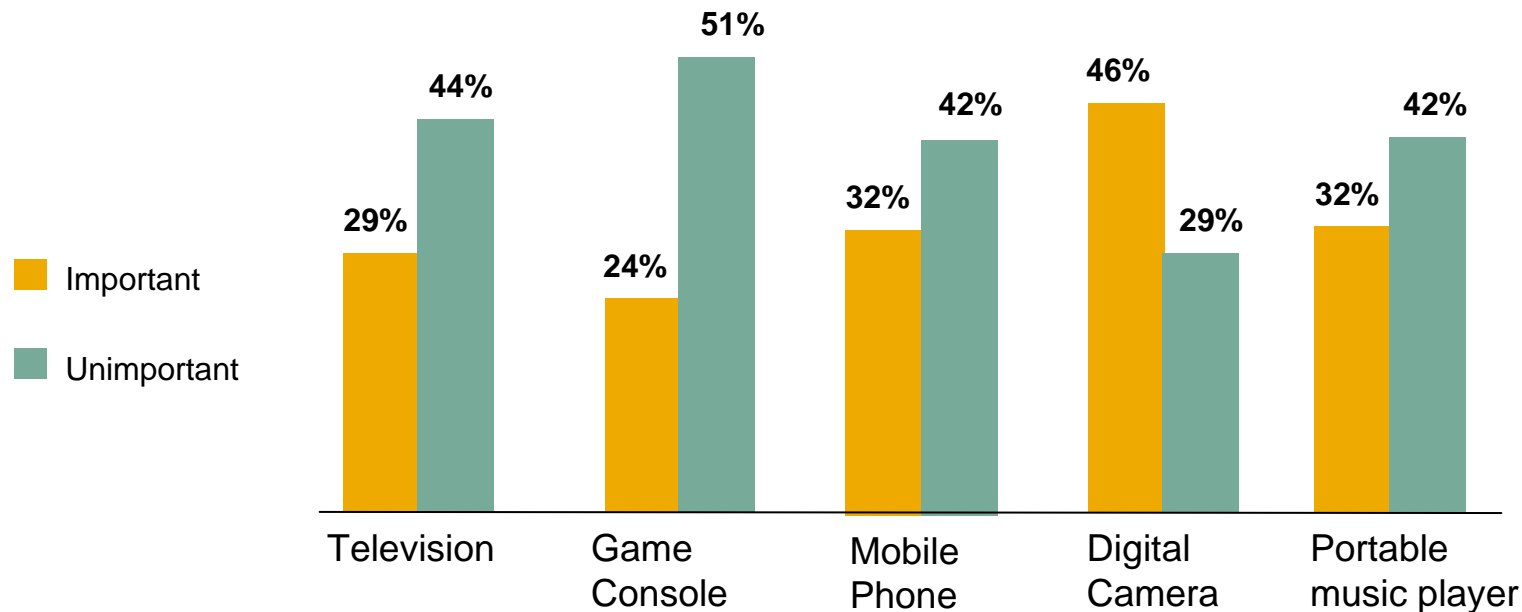
“What is the primary reason you do not use your mobile phone for sending email, watching downloaded videos, or streaming content?”





The “connected home” vision is not yet a reality

Survey respondents were asked about the importance they place on consumer electronics products having the ability to connect to the Internet either directly or through a home network.

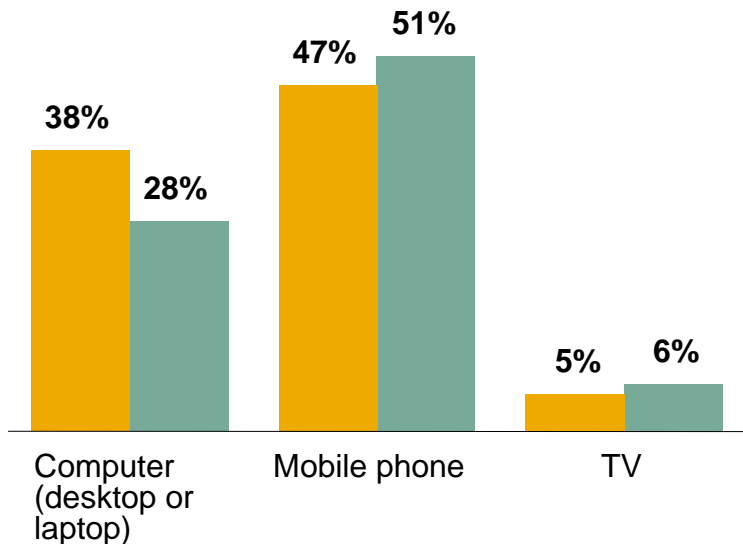


By wide margins Boomers prefer PCs, Gen Yers prefer mobile handsets

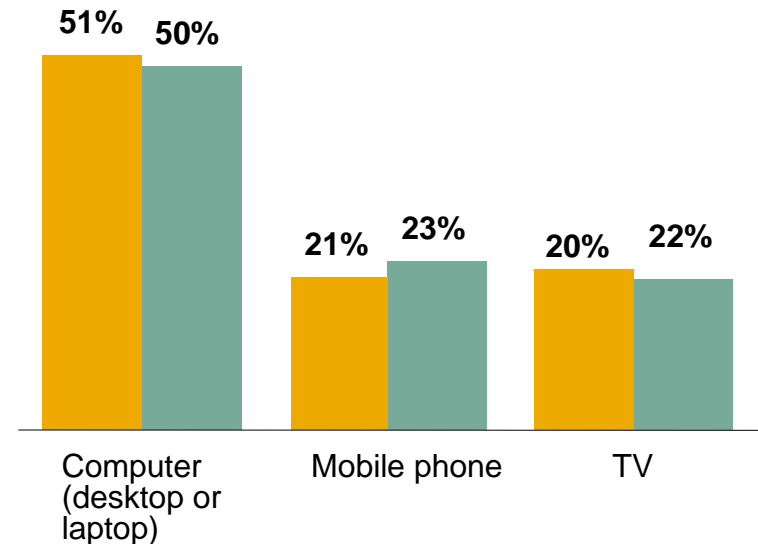


Fifty-one percent of Gen Yers prefer mobile phones over all other consumer electronics products they own. These include TVs, gaming consoles and digital cameras. By contrast, 50 percent of Baby Boomers prefer their computers, 27 percentage points higher than mobile phones.

Gen Y – Preferred Consumer Electronics



Baby Boomers – Preferred Consumer Electronics



Going into: ■ 2008 ■ 2009

Generation Yers prefer mobile phone service over all home services combined

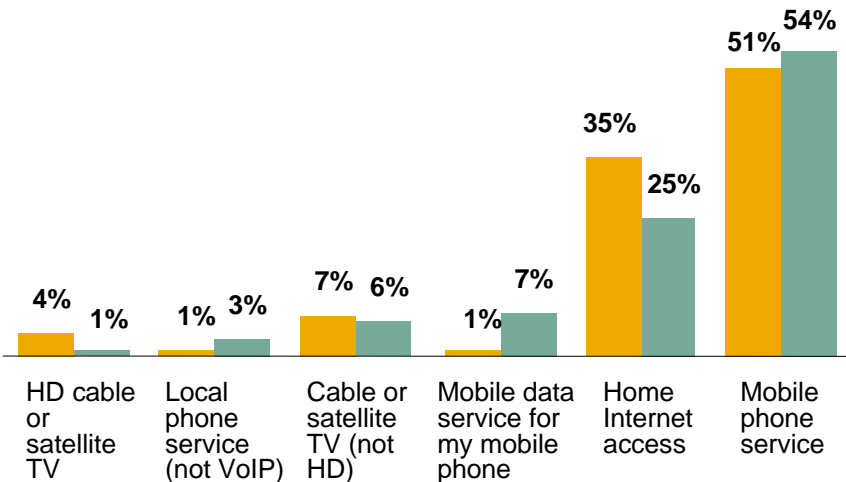


On the Move: Mobility is King

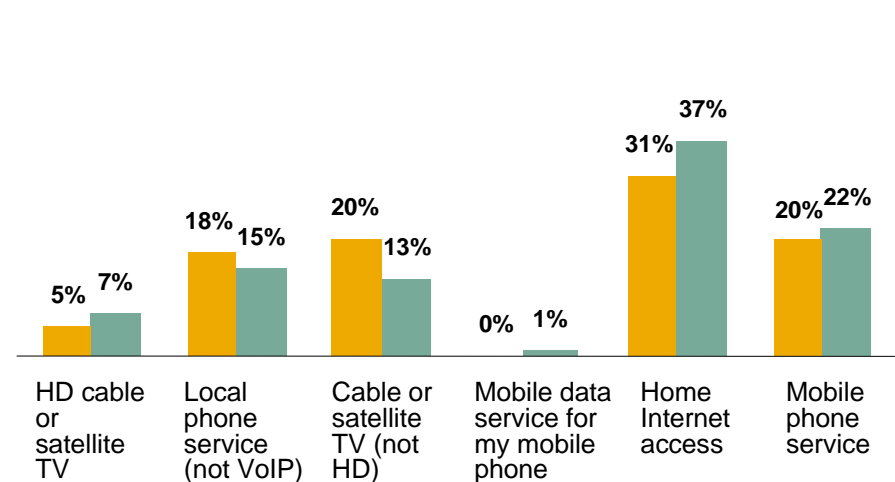
For Generation Y, mobile voice (+6%) and data plans (+600%) seem to be growing in importance at the expense of home internet access (-29%).

For Baby Boomers home Internet (+19%) and mobile phones (+10%) are still rising in importance at the expense of Cable TV (-20%) and Local Phone Service (-17%).

Gen Y – Preferred Consumer Services



Baby Boomers – Preferred Consumer Services



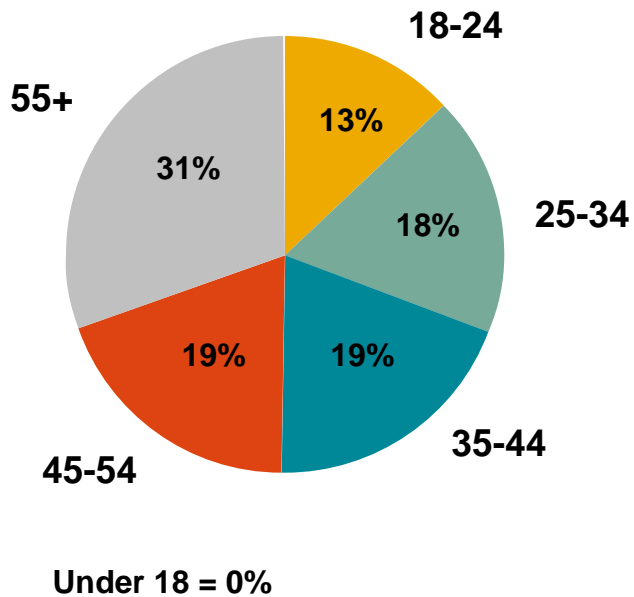
Going into: ■ 2008 ■ 2009

Appendix

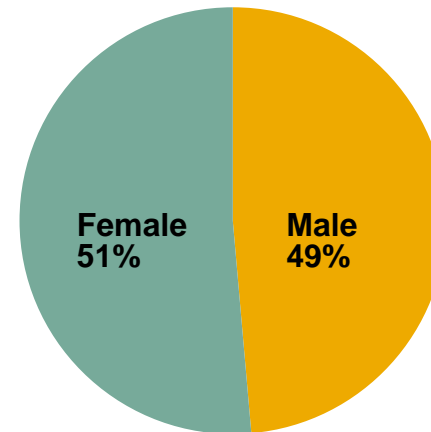
Respondent Demographics



What is your age?



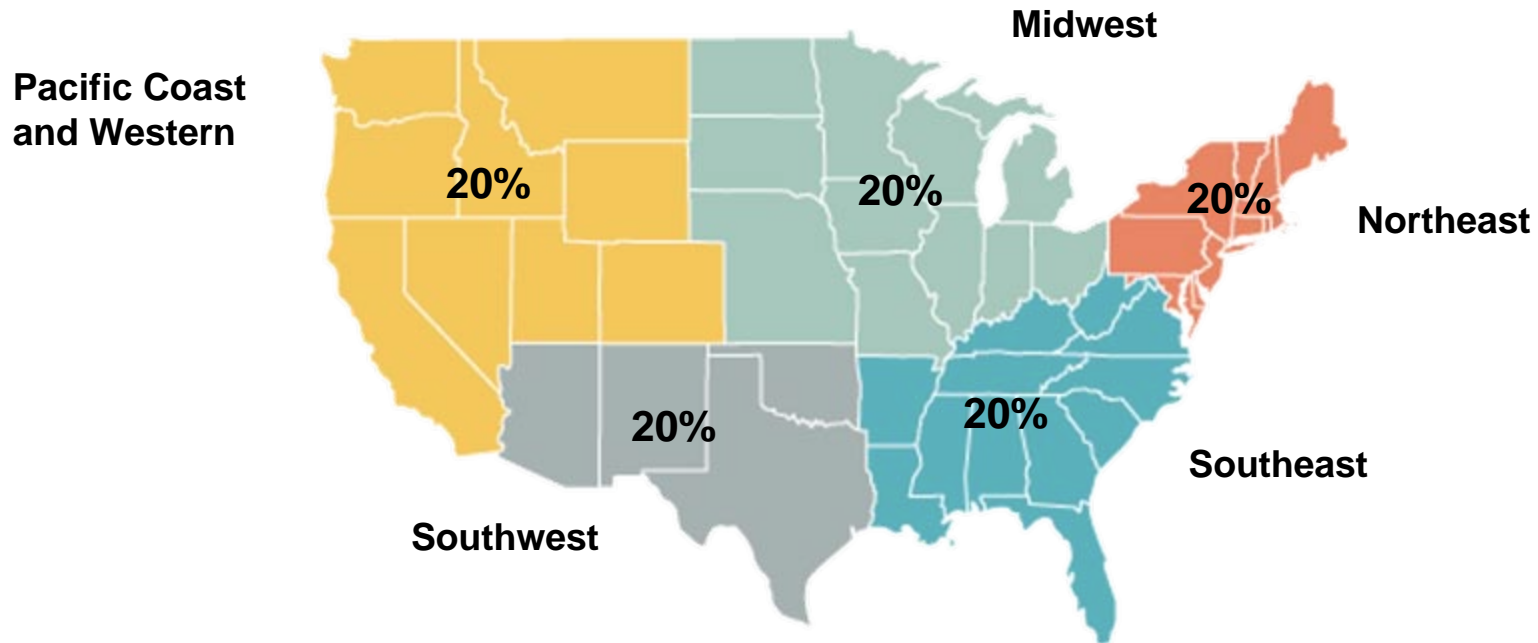
What is your gender?



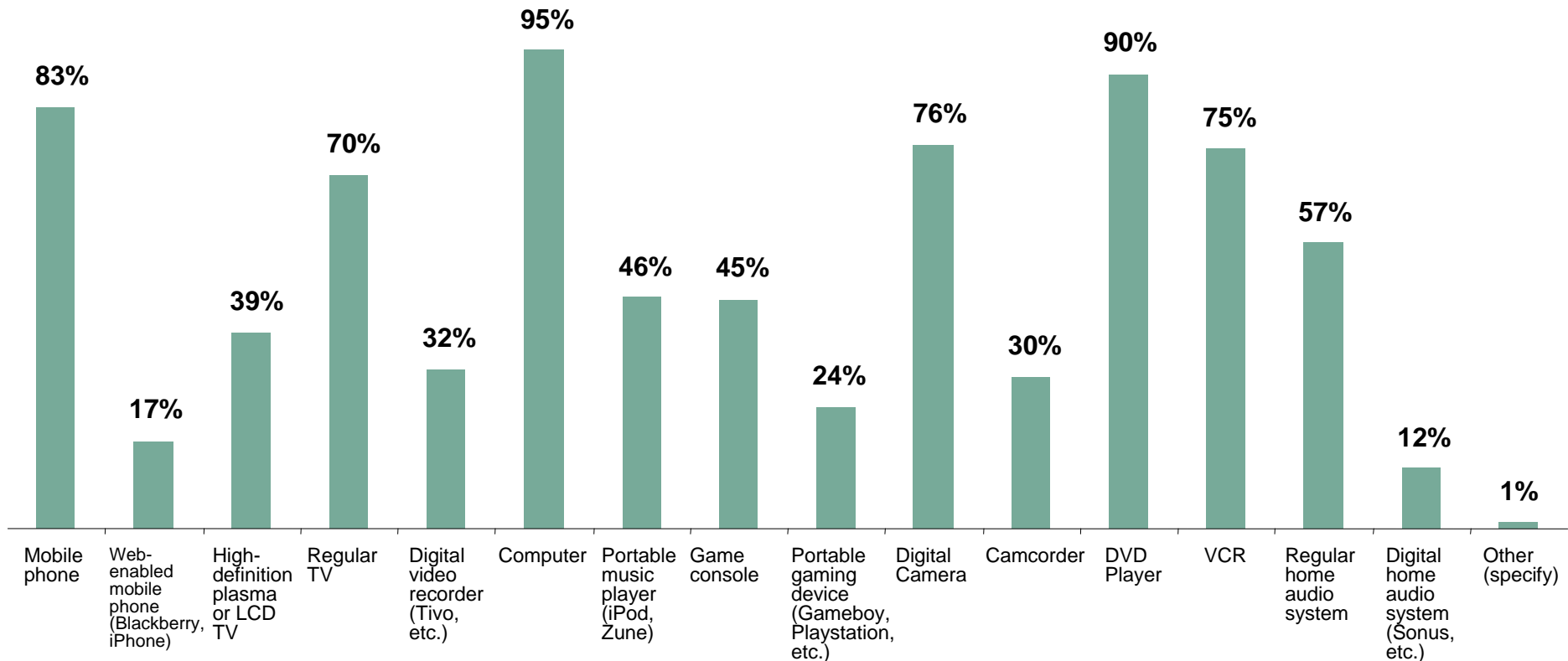


Respondent Demographics

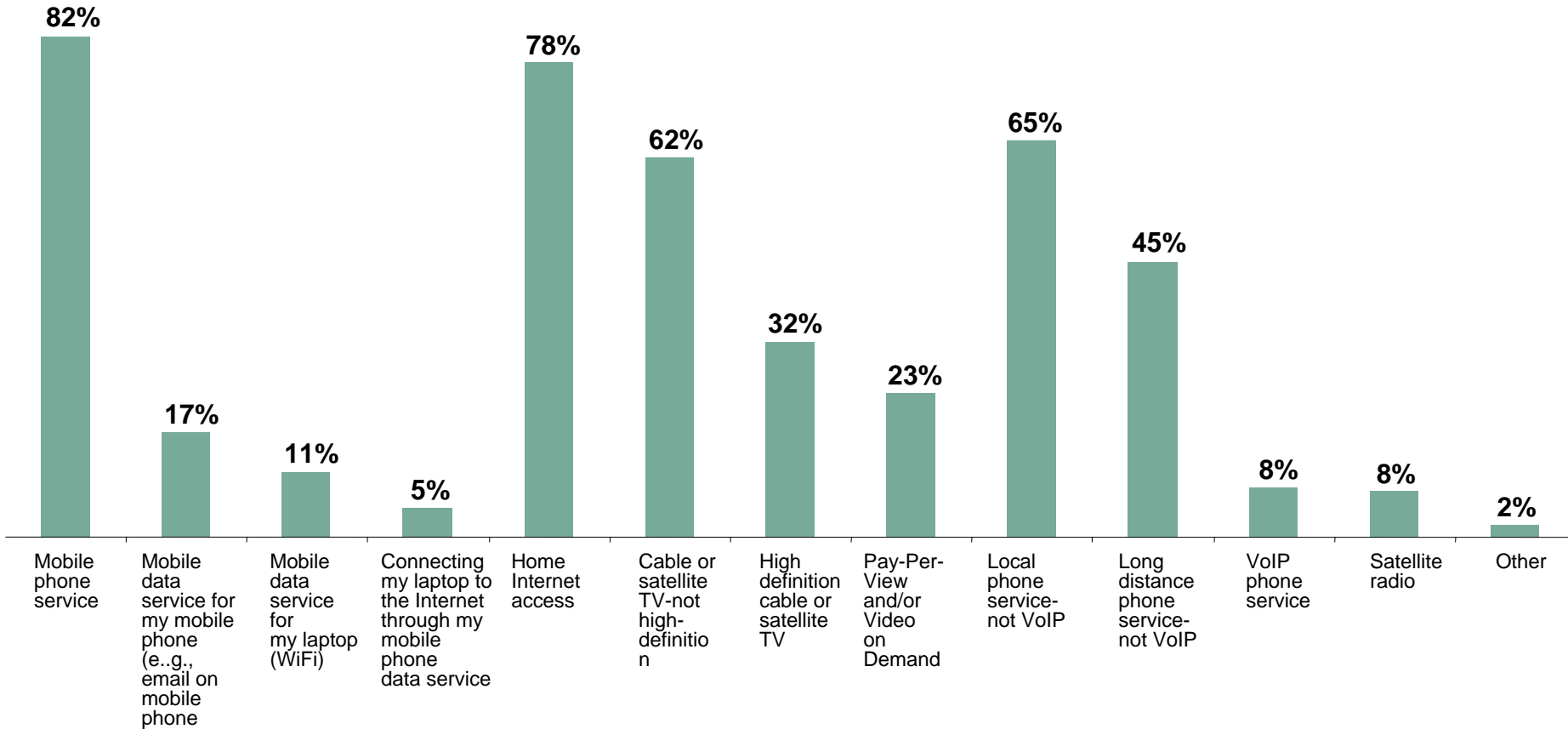
In which region of the US do you reside?



Which of the following consumer electronics do you currently own?



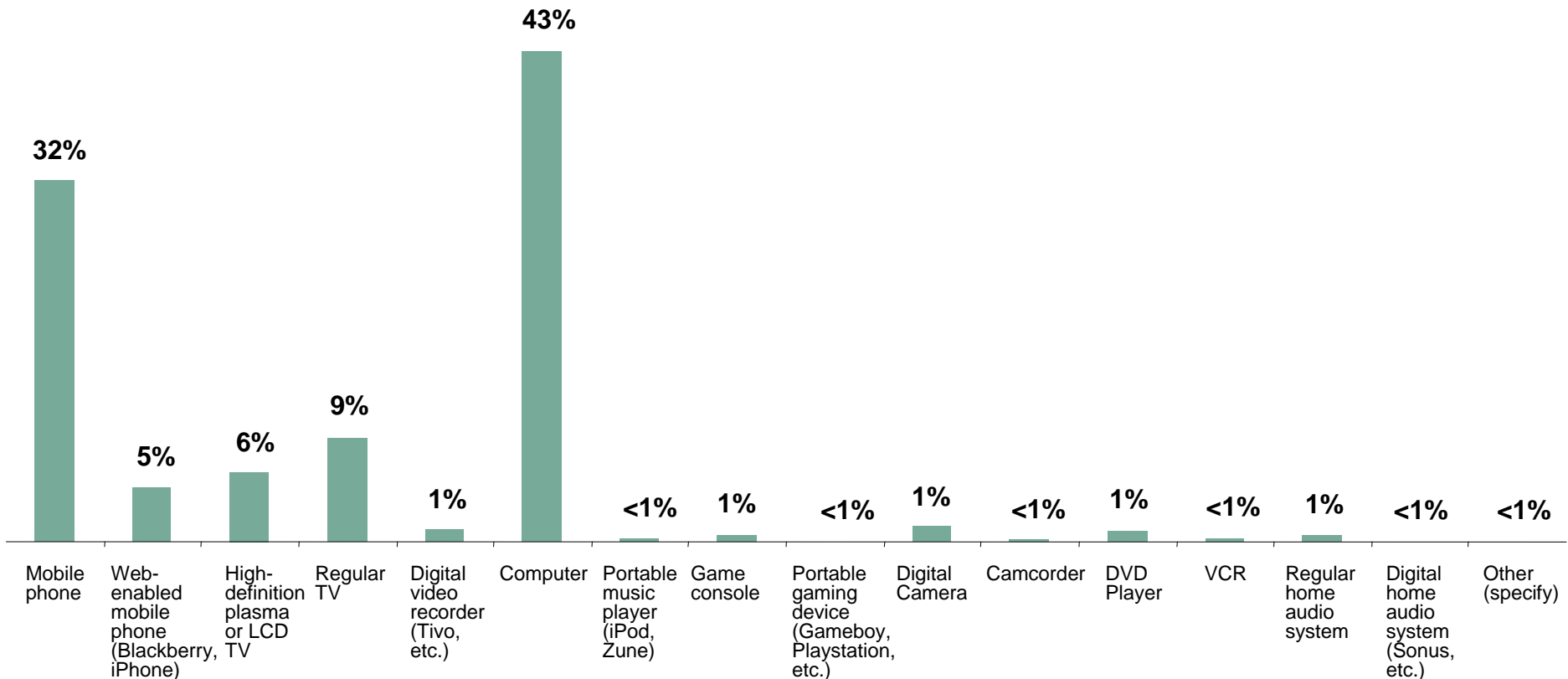
Which of the following services do you currently use?



PCs, Mobile Phones and TVs still rank as the most important consumer electronics products



“Of the consumer electronics you currently own, please rank the top 3 most important to you.”



Vast majority of consumers not embracing latest in web and consumer electronic applications



Percentage that answered they spend **zero hours per week** on each of the following activities in a typical week.

