

Are You Ready for the Future of Media?

Highlight's from
Deloitte's 2007

State of the Media Democracy Survey

Select Findings:

Deloitte's *State of the Media Democracy* Survey

Deloitte's Media & Entertainment practice has just released the results of its first comprehensive media consumption survey, providing a generational "reality check" on how American consumers between 13 and 75 years of age are using media and technology today — and what they want in the future.

So, what is the state of media democracy? In short, Millennials are leading the way, enthusiastically embracing new technologies, games, entertainment platforms, user-generated content and communication tools. They're the influentials impacting both the demand and the content being made available on different media platforms.

But, Millennials are far from the only story. Data and trends from Deloitte's *State of the Media Democracy* survey provide crucial insights into how all generations are consuming media. Below are some key highlights of our findings, which are just a few of the many insights and trends uncovered by the survey.

The Demand for User-Generated Content

Content may be king, but industry-created content has got stiff competition. User-generated content is in tremendous demand across the generations, with half of all consumers (51%) watching and/or reading content created by others. And, while Millennials are at the forefront of this trend, Xers, Boomers and Matures are also participating.

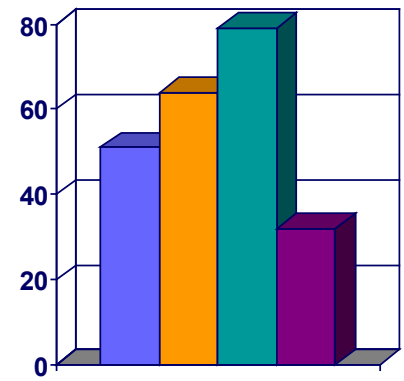
- 51% of all consumers are watching/reading personal content created by others; the number jumps to 71% for Millennials.
- 55% of Millennials and 42% of Xers read blogs, while 62% of Millennials and 41% of Xers watch YouTube or other video streaming sites.
- 40% of all consumers are creating their own entertainment, such as editing movies, music and photos. Millennials may be the majority of the creators at 56%, but Matures are also participating — 25% of them report creating their own entertainment.

Long Live Traditional Media

While the Internet is surging in popularity, traditional media—TV, magazines and books—remain deeply engaging to all generations. Each is passionate about their favorite TV shows and they utilize DVRs to view what they want, when they want. Almost three-quarters (72%) of all consumers read magazines, even when the same content is available online. And, a healthy percentage of all Americans say they want to pick up a book in the coming year.

- 79% of all consumers discuss their favorite TV shows with friends, family and colleagues, compared with 38% that discuss favorite websites.
- Time-shifting is the most cited reason for using a DVR. Almost two-thirds (66%) state the best use of their DVR is the freedom to watch shows on their own schedule, with Xers leading the way at 73%.
- 72% of all consumers enjoy reading print magazines, a proportion that's consistent across the generations.
- 23% of all consumers expect to spend more time reading books this year. A slightly larger percentage expects to spend more time hanging out with family and friends.

2007 Population*



Conducted by Harrison Group, an independent research firm, the survey fielded responses from 2,200 U.S. consumers, broken down by generation: Millennials (ages 13-24), Generation X or "Xers" (25-41), Baby Boomers (42-60) and Matures (61-75).

*US Census Bureau - Population Division; US Interium Projections 2000-2050

Cell Phones as Entertainment

Only a few years ago, skeptics were convinced Americans wouldn't be interested in all-in-one handhelds, or in paying for media services. They were wrong. Cell phones are surging as entertainment devices and as... well... everything devices. Here too, Millennials lead the way.

- 46% of Millennials embrace their cell phones as an entertainment device.
- 57% of all consumers text message on their cell phones compared with 84% of Millennials.
- 56% of all consumers take photos with their phones, including 37% of Matures.
- 60% of Trailing Millennials (those ages 13-18) have someone else footing the cell phone bill. Surprisingly, a quarter of older, Leading Millennials (19-24) are still getting financial support to pay for their fun.

Advertising Insights

When it comes to advertising, print prevails over the Internet. In fact, more than one in four consumers (28%) would pay for online content to avoid ad exposure. And, if you want to drive traffic to your site, search engines and word of mouth are most effective. Of the four generational groups, Xers are most responsive to online advertising.

- 76% of all consumers find Internet ads more intrusive than print ads, and 64% pay more attention to print ads than those online.
- 28% of all consumers would pay for online content to avoid seeing ads.
- While offline advertising is effective in driving web traffic, 84% of all consumers visit a website after finding it through a search engine and 82% do so because of a personal recommendation.
- 87% of all consumers continually frequent the same websites, but 56% are constantly in search of something new.

The Future of the Media Democracy

What does the future hold? For clues, look to the Millennials. They are boldly embracing new technologies, entertainment platforms and communication tools. And, that includes integrated platforms, portable media and "all-in-one" devices.

- 64% of Millennials, 20% of Matures and 48% of all consumers want to easily connect their home TV to the Internet.
- 57% of Millennials and 37% of Xers want an all-in-one device.
- 60% of Millennials and 45% of Xers want to be able to easily move their TV shows, podcasts, movies and other media to any devices/platforms they own.



There's More to Learn

Deloitte's 2007 *State of the Media Democracy* survey provides keen insights into the different generations and their media consumption habits. The highlights discussed here are just a small sampling of the data points and trends that were unearthed. Deloitte is currently sharing these insights with clients and helping them to strategize on how the survey results can help their businesses. If you are interested in learning more, go to www.deloitte.com/us/realitycheck.

If you would like to discuss the dozens of findings from Deloitte's *State of the Media Democracy* survey, please contact:

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