

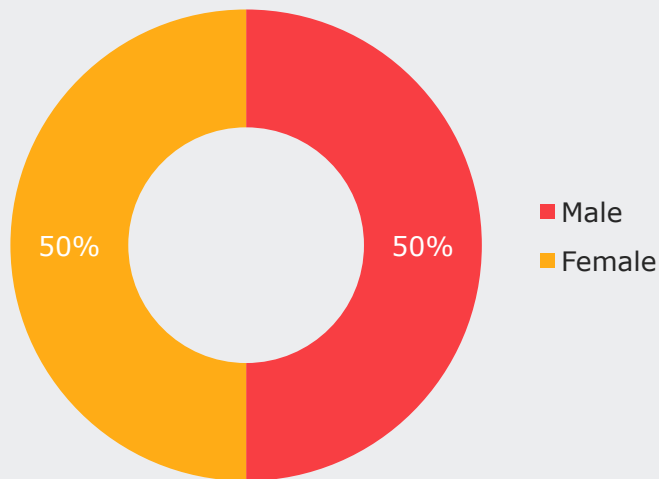


2014 CONSUMER
ENTERTAINMENT INDEX
#ARRISCEI

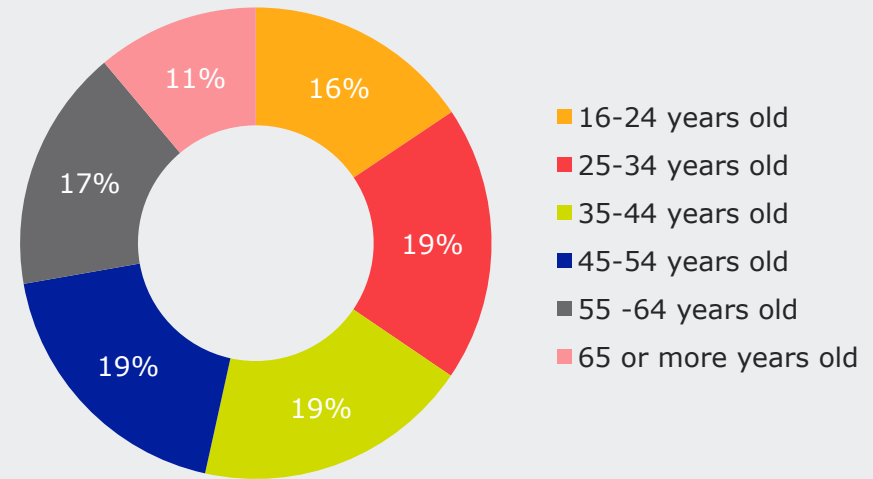
RESEARCH METHODOLOGY



- 10,500 respondents were interviewed from 19 countries
- 500 respondents each from: France, Germany, Russia, Spain, Sweden, Turkey, and the UK
- Response required TV service with a capable device and access to an Internet connection



Please select your gender. All respondents (10,500)



What age are you? All respondents (10,500)



CONSUMERS WANT
ENTERTAINMENT
ON THEIR TERMS

- Broadcast TV is the staple of in-home entertainment
- Majority of consumers are engaged in binge-viewing
- Growth in multi-device usage drives new opportunities for multi-screen merchandising
- Storage is a consumer issue

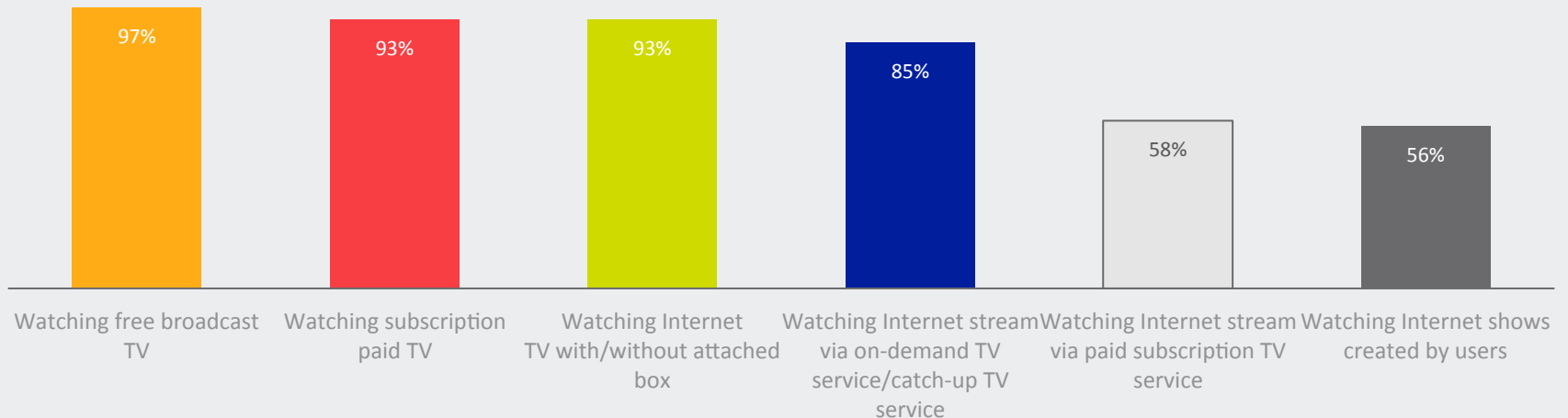


BROADCAST TV...
HERE TO STAY

BROADCAST TV REMAINS THE ENTERTAINMENT LEADER

- Broadcast and Subscription TV remain the core of in-home entertainment
- 97% of EMEA respondents watch Broadcast TV each week

How do you access TV?

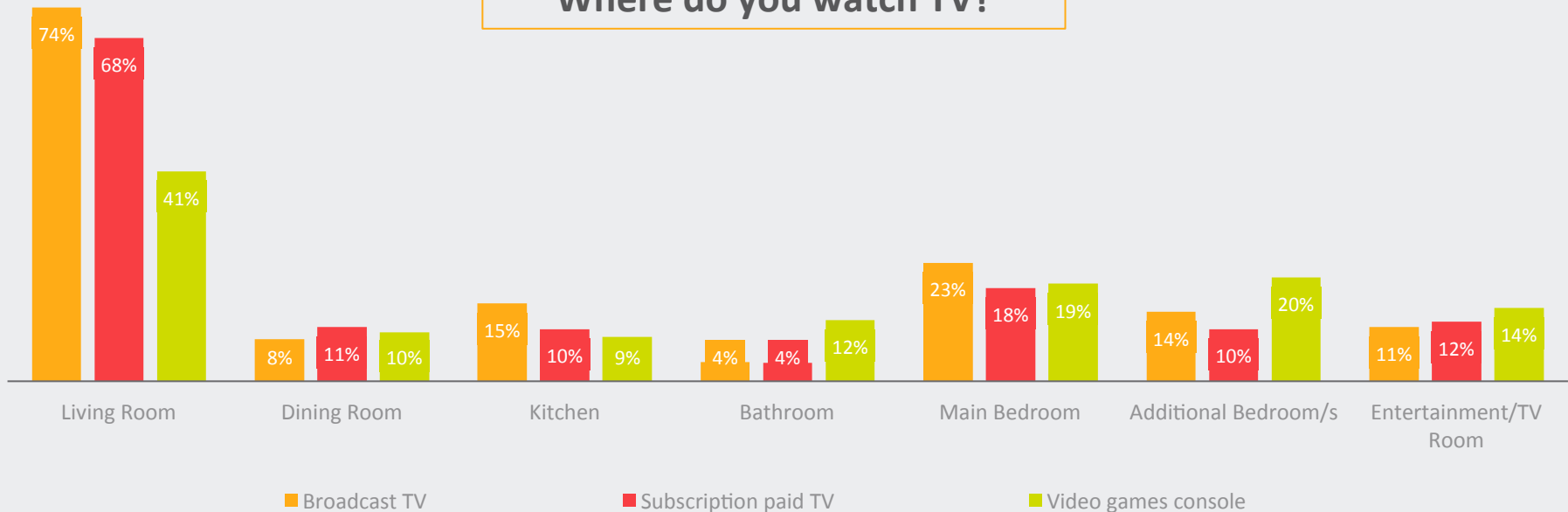


THE LIVING ROOM REMAINS THE HUB FOR HOME ENTERTAINMENT



- The living room and bedrooms are the rooms most likely to be used for watching TV in EMEA
- Device usage is moving into other rooms – 34% of tablet owners watch content on their tablet in the bedroom, and 25% in the kitchen

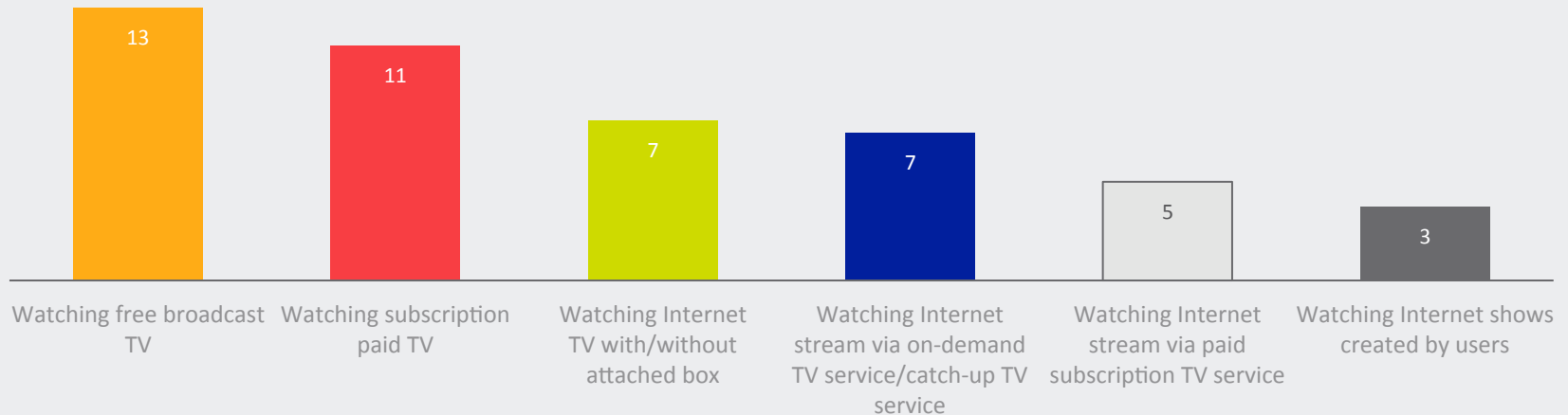
Where do you watch TV?



...BUT TIME SPENT INTERNET STREAMING ON THE RISE

- Internet TV is increasing; note that three hours a week is spent on user-generated content

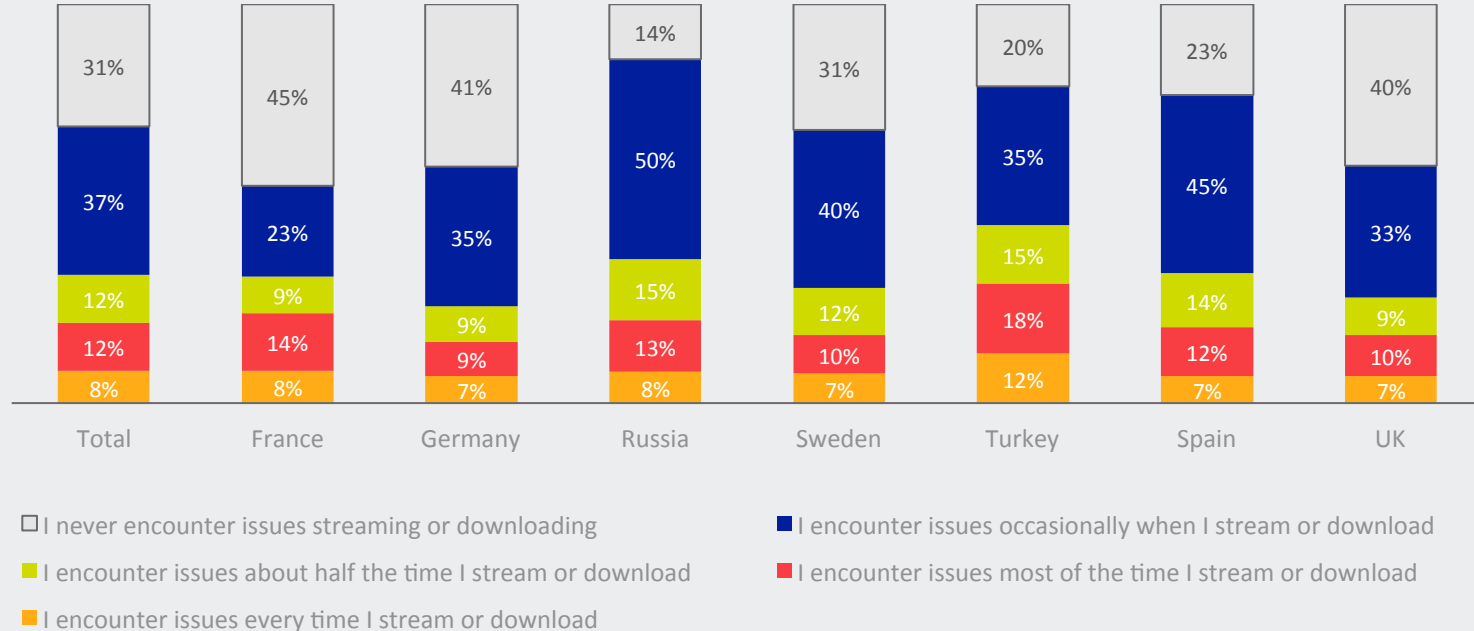
How many hours do you spend watching entertainment ?



CONSUMERS STRUGGLE WITH QUALITY OF SERVICE

- Respondents in some countries are coping better than others, but in almost all, the majority encounter issues at least occasionally
- This is a challenge that is likely to worsen if content provision rates outstrip bandwidth capabilities
- A solution that maximizes bandwidth capability is needed

How often do you encounter issues when streaming?

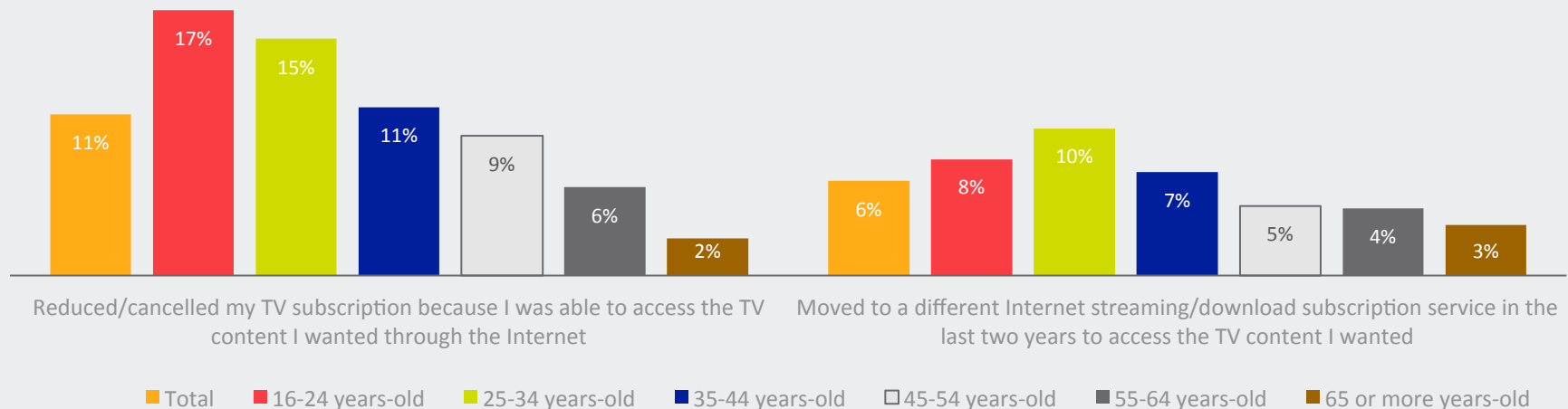


CONSUMERS PREPARED TO SWITCH SERVICE PROVIDER TO GET WHAT THEY WANT



- A minority overall are switching away from traditional TV Service Providers
- However, among the younger generation, it is a significant number, so this is a potential growing threat to traditional TV Service Providers in the future

What actions have you taken to get the content you want?





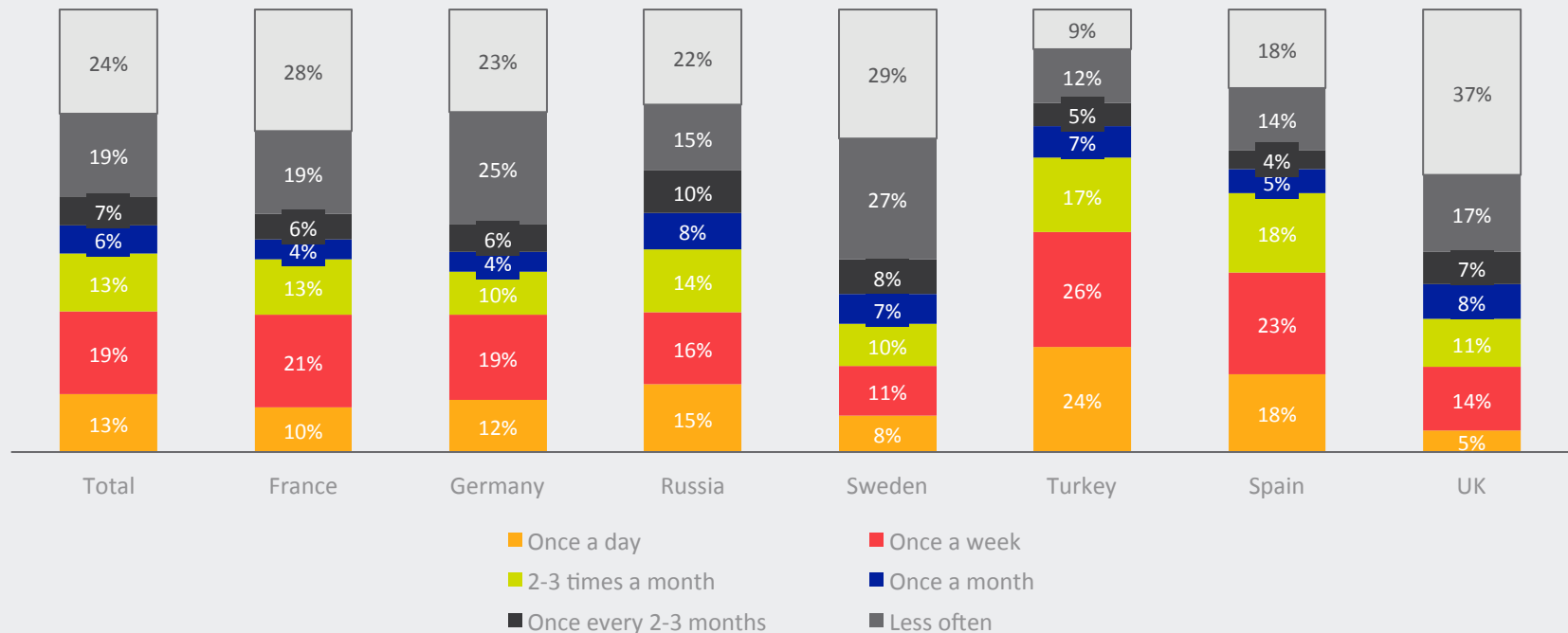
CONSUMERS ENGAGE IN BINGE-VIEWING

76% OF EMEA CONSUMERS BINGE-VIEW



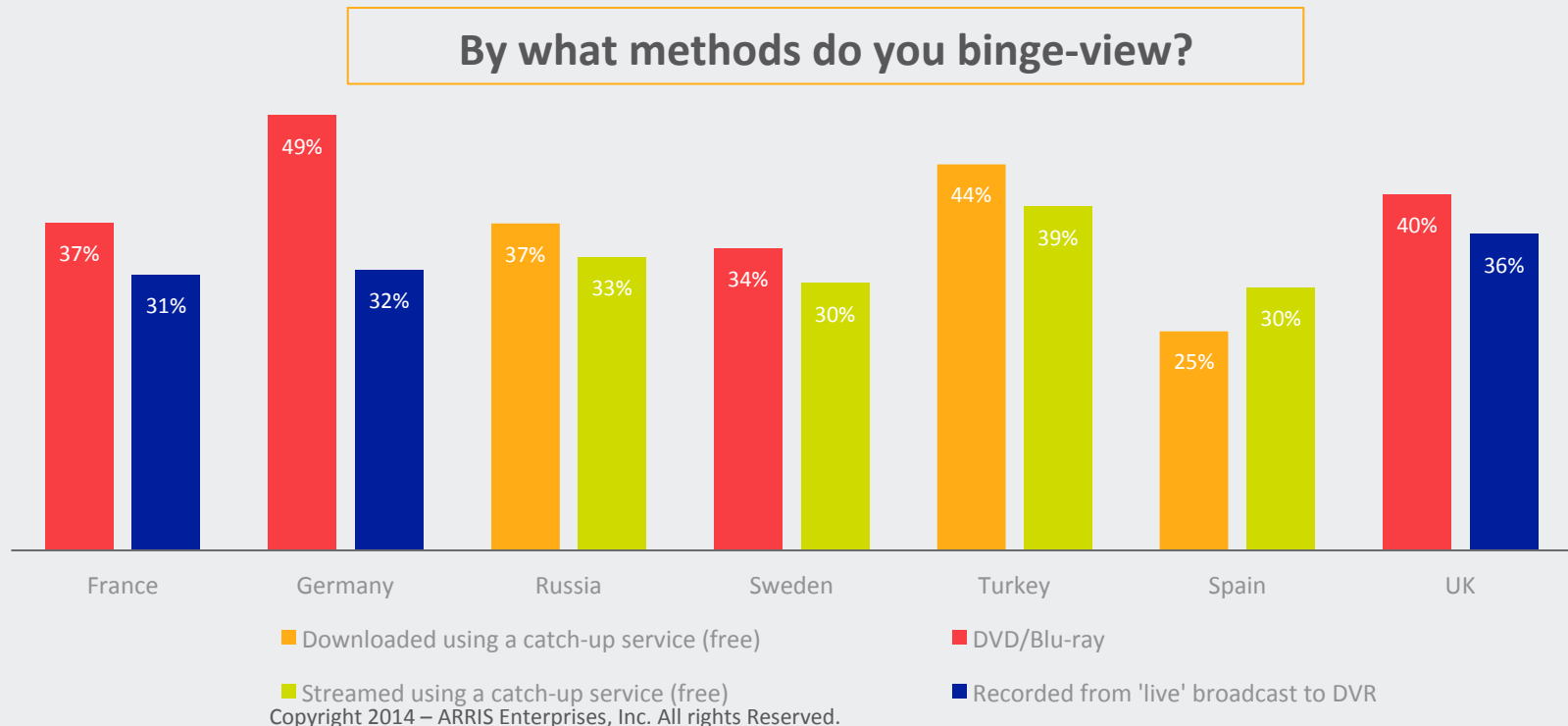
- Binge-viewing* is a prevalent habit in all markets surveyed, especially across Turkey and Spain
- *Binge-viewing is watching multiple episodes of a TV program or film in one sitting

How often do you binge-view?



THE MOST POPULAR WAY TO BINGE-VIEW IS VIA FREE CATCH-UP SERVICES

- There are a variety of methods to access binge-viewing content in any given market in EMEA
- Shows that targeting binge-viewers will need to take format into account on a regional basis



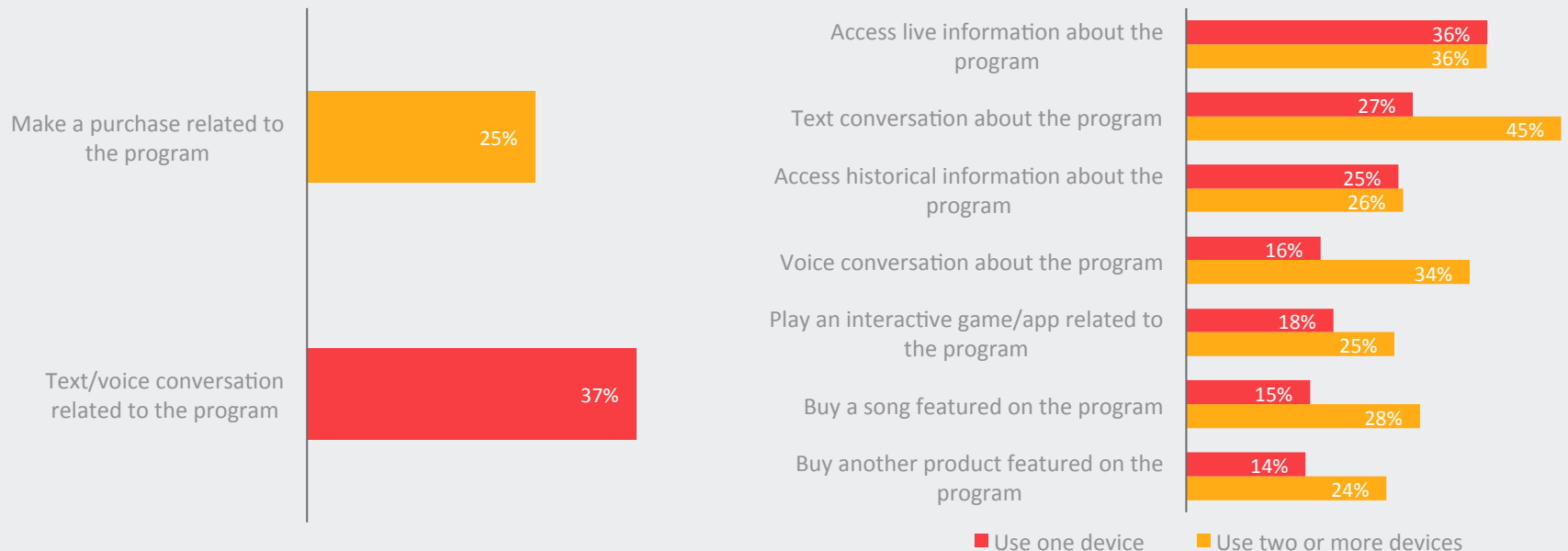


NEW OPPORTUNITIES FOR MULTISCREEN MERCHANDISING

PURCHASING PRODUCTS FEATURED IN TV SHOWS

- Advertising needs to engage with the consumer in a way that doesn't interrupt their entertainment
- 50% of consumers are using a device to engage with the programme whilst watching it

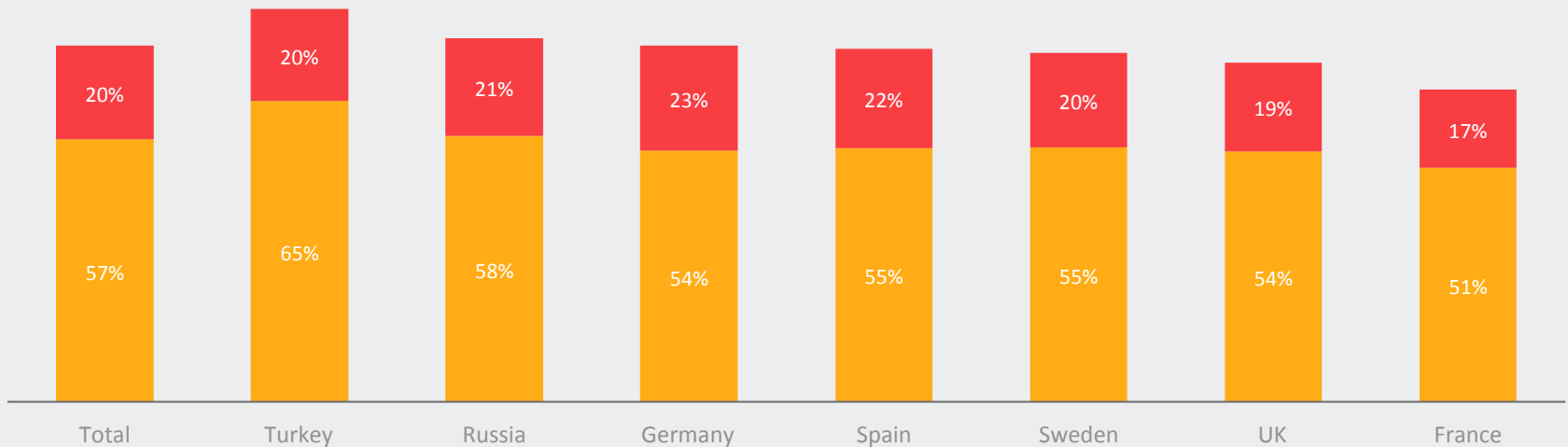
How do you use second screens in relation to program on the main screen?



ADVERTISEMENTS AS A PAY-OFF FOR STORAGE

- Respondents are interested in a service that stores their content remotely in return for advertisements
- The majority would like this service to be paid for by advertisements rather than paid for directly

Would you pay or watch advertisements in return for storage?



■ I would prefer to pay directly for this service rather than be shown adverts

■ I'm happy to be shown a few adverts if it meant I got the service for free



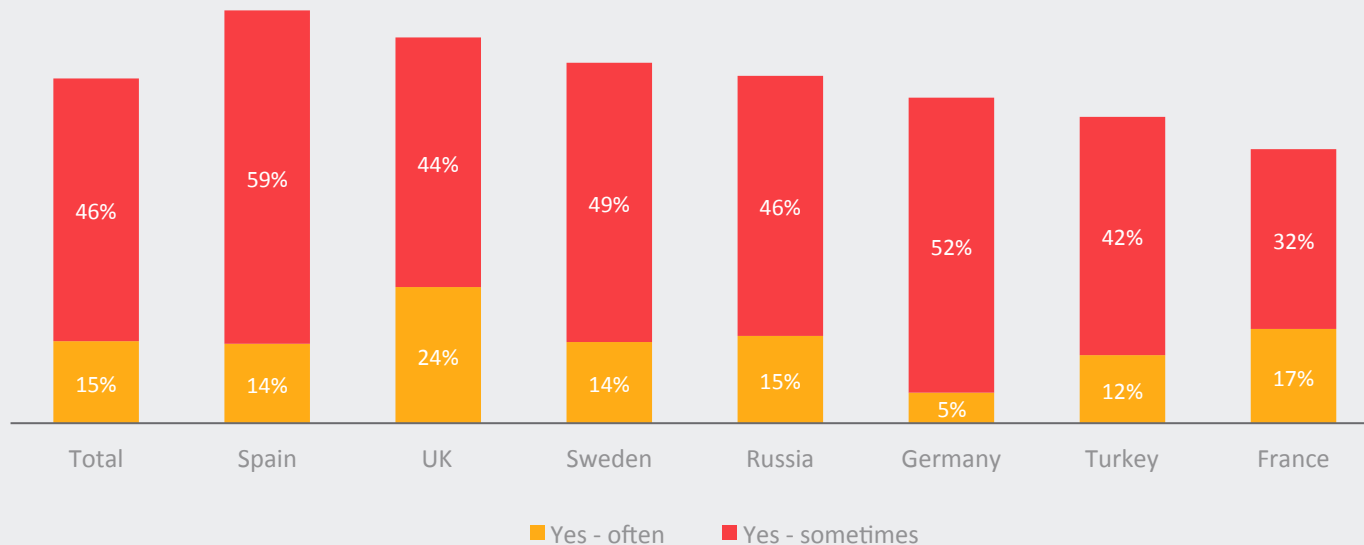
STORAGE CHALLENGES

DELETING DVR CONTENT CAUSES FRUSTRATION



- Consumers from Spain and the UK are most likely to be frustrated by having to delete content to make space

Has having to delete content caused frustration?

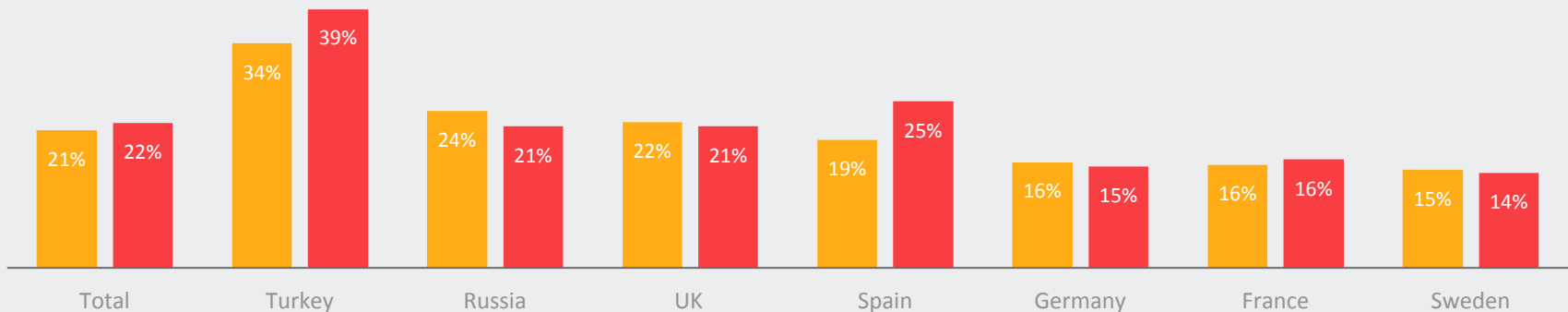


CONSUMERS WANT TO, AND ARE PREPARED TO PAY TO, RECORD MULTIPLE PROGRAMS



- One in five respondents will pay to record multiple TV programs at the same time
- More than a third of consumers in Turkey will pay to record multiple TV programs at the same time

**Would you like record TV programs
simultaneously?**



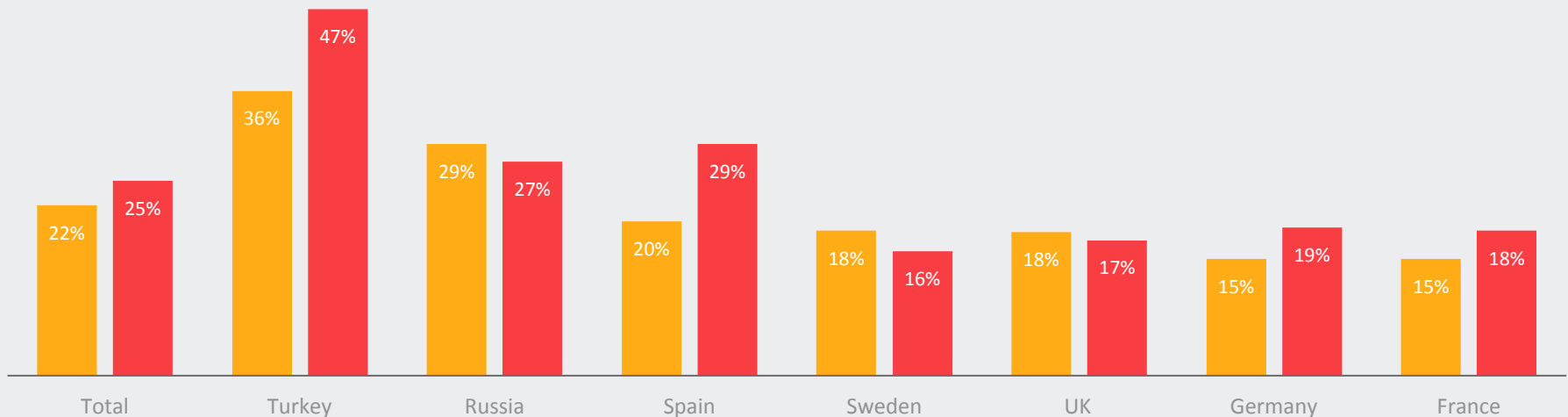
■ "I'd be happy to pay a little more for this if it came as part of a bundle deal" or "I'd be happy to pay for this as an additional service"

■ "This would encourage me to choose the service provider who offered this" or "This would encourage me to leave my current service provider if they didn't offer this"

A THIRD OF PEOPLE WILL PAY FOR CLOUD STORAGE

- Turkish and Russian respondents are deleting a large percentage of programs, and are the most likely to take a Cloud Service into consideration

Would you be interested in cloud storage?



■ "I'd be happy to pay a little more for this if it came as part of a bundle deal" or "I'd be happy to pay for this as an additional service"

■ "This would encourage me to choose the service provider who offered this" or "This would encourage me to leave my current service provider if they didn't offer this"



CONCLUSION

QUESTIONS?

DOWNLOAD THE FULL REPORT HERE:

ARRISI.COM/ARRISCEI