



# EUROPEAN MEDIA LEADERS SUMMIT 2007

27-28 November 2007  
Renaissance Chancery Court Hotel, London

Produced by **informa**  
telecoms & media

In collaboration with **PRICEWATERHOUSECOOPERS** 

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## **From consumers to people: individuals' changing attitudes to media**

With the ongoing shift from 'mass' media to 'me' media, today's consumers are demanding to be recognised and treated as individuals, sounding the death-knell of the 20<sup>th</sup> century's one-size-fits-all culture. Given this change, it is hardly surprising that a recurrent theme throughout the Summit was the need for media companies to track and respond to the rapidly-changing demands, behaviours and lifestyles of the new consumer.

The tone was set right at the start. In his opening comments on the first morning of the Summit, Phil Stokes, UK Entertainment & Media Leader with PricewaterhouseCoopers, pointed out that recent media deals all reflected a common drive to reflect "the role of the audience of one – demanding and engaged with media like never before." He added that the fragmentation of people's attention across multiple devices was no longer the preserve of younger consumers.

### **From consumers to people**

The expansion of new consumer behaviours across the age range was explored later by Jonathan Sykes, Managing Director for Content Strategy at Tiscali UK. Speaking in the session on telcos' transformation into media companies, he commented: "The people watching our BBC catch-up service are not only the young – they're also watching Antiques Roadshow! The key is to enable people in their homes to watch what they want when they want. It's not an age thing."

So all consumers are changing, not just the young. According to Saatchi & Saatchi Deputy Chairman Worldwide Richard Hytner, one of the keys to success in the new digital environment is to develop a new perception of an approach to the end-buyer – one that reflects the growing power, influence and self-assertiveness of all types of consumer. In his keynote presentation on advertising, he commented: "Power is surging around people everywhere. Evidence is abundant...Just look at the revolts we have seen around everything from bank charges to unnecessary packaging." He then went on to describe how a brand can thrive, grow and avoid commoditisation amid these pressures by transforming into a 'lovemark' – a "product, service or entity that inspires

loyalty beyond reason". One of the keys to achieving this status was to stop regarding individuals as consumers, and accept them as people, each with their own unique needs, tastes and demands.

The message around people's increasing diversity and individuality in their consumption of media was underlined by a video of interviews with focus group members around the world, shown by PwC Partner Michael Kelley at the start of the session "*Another life for advertising?*" Some of the consumers interviewed said they hated seeing advertising in online games because "it spoils the dream", while others liked adverts in games because they "make it feel more real". This shows the fact that consumers all have more power doesn't mean they all want the same things.

### **Rolling with change – not fighting it**

So, what does today's new consumer look like, and how does he or she behave? PwC's Michael Kelley commented: "We are all consumers – and we only have to look at our own habits and those of our children to see what's happening in this brave new world. Our focus groups show profound change both in media consumption habits and in receptivity to various types of advertising...Rather than trying to stop this type of change, you really have to roll strategies with it. In the US, the penetration of DVRs has risen from 11% to 20% in one year."

He then highlighted a key emerging group of online content consumers: the 'digital drifters'. "It works like this," he said. "You decide to go online to check your personal email – and three hours later, you have drifted all over the internet. We started to see this phenomenon about a year ago in our focus groups in the US. These digital drifters are actually bigger consumers of online content than other consumers [who head for specific sites]. That's because they are exposed to so many data points and content points."

Other speakers added further perspectives on consumers' changing media tastes and usage. Speaking in the session on telcos' move into the media space, Marc Overton, Vice President of Strategy and Business Performance with Orange UK, described the overwhelming response to Orange's 'Buff or Rough?' – a convergent fixed/mobile networking site to which users can upload their photos. "People go on to the site to vote whether a photo is buff or rough – and it is now attracting one million votes a week," he said. "We find that very exciting: it's at the core of what media is about, which is entertainment, having a life, and performing."

### **Here to stay – or a fad?**

Such dramatic response rates to sites carrying user-generated content (UGC) raise the question of whether the new consumer's participation in creating and distributing media content is a permanent behavioural change, or a short-term obsession that will blow over as quickly as it came. While most participants at the Summit felt this was a lasting behavioural shift among consumers, investors in the industry have to consider the risk that it might be less durable, especially given the current tight market for funds.

Ken Goldsbrough, Managing Director, Media, Communications & Entertainment with GE Commercial Finance, summed up the financial markets' perspective in the final session, "*View from the Summit*". "There is still a lot of scepticism in the financial world about

social networking and UGC,” he commented. “People worry whether it’s just a fashion or fad. Will people just move on to the next thing after Facebook? Privacy concerns may also be a factor.”

This last point – about privacy – echoed comments by a number of speakers, who highlighted privacy and usage of consumers’ personal data as a potential future problem for online media companies. Phil Guest, UK Managing Director of the virtual world Habbo, summed up: “We have to remember that teenagers don’t view new digital devices and services in the same way as our generation. With the sharing of personal information in the social media space, I think we might see the next generation coming to understand the real value of their personal identity. This will make them increasingly guarded about who has access to it, and make them want to protect their identity a lot more carefully. I think that the business you really want to get into today is protecting personal information on-line.”

Across the emerging behaviours, attitudes and concerns, what is clear is that consumers are still in the early stages of a journey in their relationship with digital media. And this is a journey that still has a long way to run.