

Smartphones and media

Media consumption has been integral to the rise of the smartphone. Smartphone users aged 18-24 spend 3.5 hours a day on the mobile internet, with women in this age group dedicating almost four hours a day.¹ The average adult spends two-and-a-half hours online on their phones per day.

Most smartphone users will likely spend additional time on offline media applications on their smartphones, listening to songs stored on the phone, playing offline video games or watching preloaded content.

The smartphone has firmly established itself as a pre-eminent media consumption device. According to Deloitte's research, undertaken in June 2018, 90 per cent of smartphone owners in the UK consume at least one form of media on their phones.

But not all forms of media thrive on a smartphone. Its physical specification, particularly with regard to screen size, determines which media are used most and monetise best (including via subscription).

News and smartphones are perfect complements

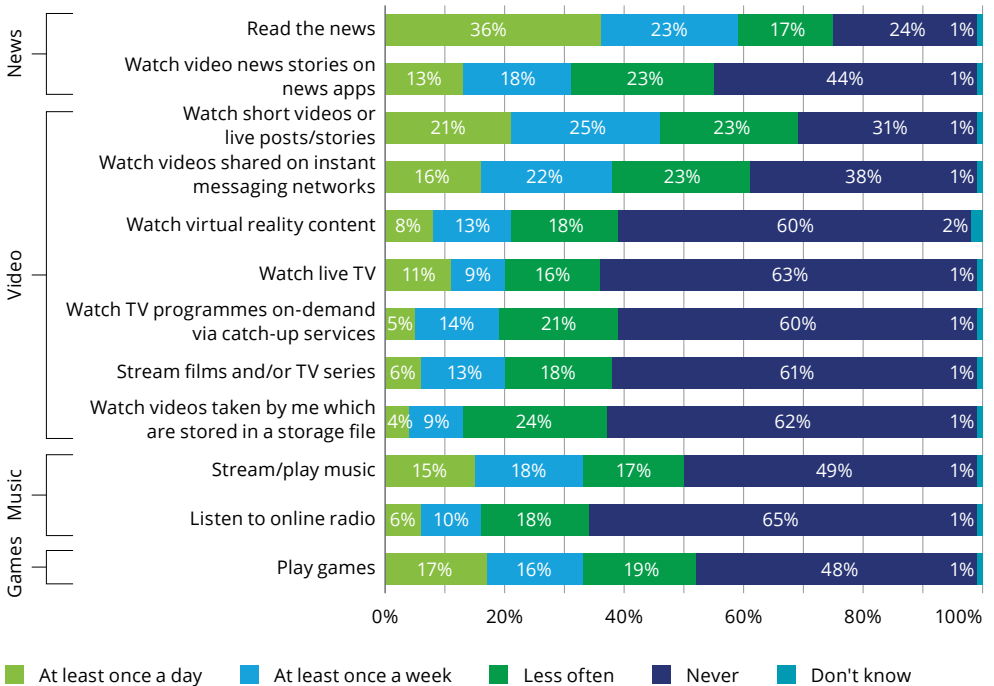
The most popular content consumed on a smartphone is news, with reading stories more popular than watching them. Reading news on a smartphone is a natural transition even for people who have spent most of their lives with printed news. A standard column in any newspaper, whether broadsheet or tabloid, is the width of a standard five-inch smartphone.

Further, there are multiple entities vying to provide news to smartphone users aside from traditional news outlets. News aggregation is a core feature of iOS and Android. Social networks are major conduits of news. Stories can be readily and elegantly shared (hyperlinks are automatically converted into images) via instant messaging platforms.

Over a third of smartphone owners read the news on their smartphone daily, and over half do so weekly (see Figure 1). Only 13 per cent watch video news stories on news apps on a daily basis.

Figure 1. Smartphone usage for media-related activities

Question: Below is a list of activities that you may do on your smartphone. Please state how often you do any of these.



Weighted base: All smartphone owners aged 16-75 years (3,637)

Source: UK edition, Deloitte Global Mobile Consumer Survey, Jun 2018

Reading news on a smartphone is growing in popularity. Nearly 60 per cent of smartphone owners do so weekly; this is a three percentage point rise on the prior year.

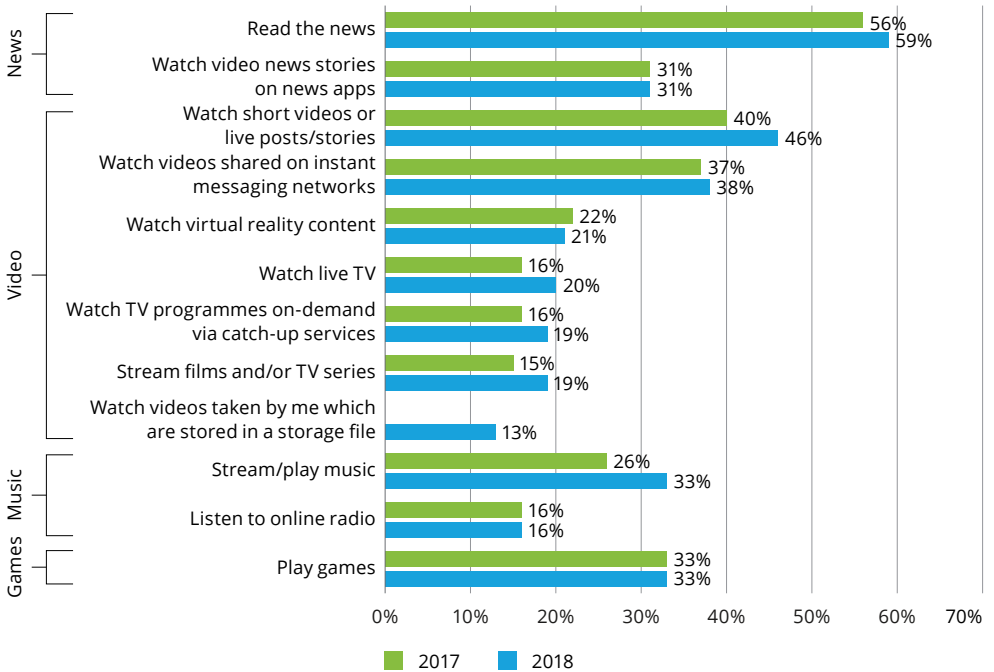
Viewing news in the form of a video is less popular, possibly because this may require more time (minutes rather than seconds). It may also be less suited to breaking news stories: composing text is faster than creating video. Furthermore, some video clips may require audio, and this may not always be convenient: reading a news update while with friends or colleagues may fall into current acceptable behavioural norms, but playing video with sound may be considered rude.

The proportion of respondents who view video news via a news app on a weekly basis was unchanged at 31 per cent.

Adapting news video for the context in which smartphones can be used should increase consumption. News video can be subtitled to enable viewing with the sound off. Or clips can be created specifically for consumption on smartphones, that is with imagery edited for a five-inch screen and subtitled. NowThis news is one provider whose outputs are mobile first.

Figure 2. Smartphone usage for media-related activities done at least once a week (2017 vs. 2018)

Question: Below is a list of activities that you may do on your smartphone. Please state how often you do any of these.



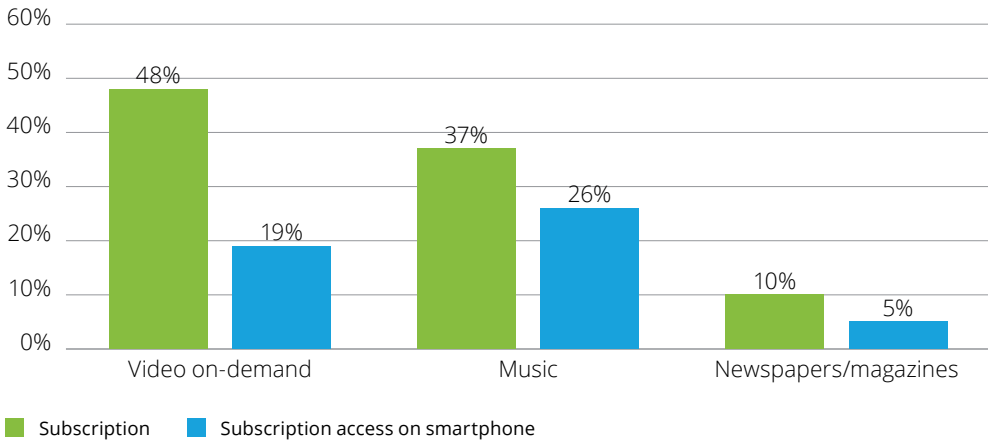
Weighted base (2017/2018): All smartphone owners aged 16-75 (3,525/3,637)

Source: UK edition, Deloitte Global Mobile Consumer Survey, May-Jun 2017, Jun 2018

While news consumption is high, paying for news is not (yet). The number of media subscriptions has leapt, with video and music leading, and news so far trailing. Only five per cent of all respondents access a newspaper or magazine subscription via their phone. For music, a quarter of respondents do. As more news goes behind a pay wall, the proportion of those subscribing should increase.

Figure 3. Access to digital media subscription and usage on smartphones

Question: Which, if any, of the following subscription services do you have access to?
Which, if any, of the following do you access on your smartphone?



Weighted base: All respondents aged 16-75 years (4,150)

Source: UK edition, Deloitte Global Mobile Consumer Survey, Jun 2018

Short-form video continues to grow

The second most popular form of content on a smartphone is short-form video. A fifth of smartphone owners watch short videos or live posts on a daily basis, and almost half do so weekly. Sixteen per cent watch videos shared on instant messaging (IM) networks daily, 38 per cent do so weekly.

Weekly consumption of short-form video is up six percentage points on last year, a significant rise from the 40 per cent recorded in 2017.

However, there was little change – a mere one percentage point – in the proportion who watched videos shared via IM.

Over time we would expect more short-form video to be consumed via smartphones. Screen quality is improving, making images more vivid. More content is being created for mobile, with certain genres, such as memes, working particularly well. Traditional video creators, such as TV news programmes, are getting more adept at repackaging their content for viewing on smartphones.

Long-form video consumption is constrained by screen size

Viewing of long-form video on a smartphone is understandably less frequent.

Eleven per cent watch live TV on a phone daily, and a mere six per cent stream films or TV series. About a fifth watch live TV weekly; this contrasts with 89 percent of the population that watch traditional TV on a weekly basis.²

Consumption of long form video has increased from 2017 levels by a few percentage points. But 11 years since the launch of full screen smartphones, 80 per cent of owners watch no long-form video on these devices in a given week.

The smartphone may never become the home of long-form video content: while screen quality on phones improves, screen size is largely static, and there is little scope for growth. In contrast, the average size of TV sets sold gets ever larger. A 43-inch TV has 74 times the screen area as a 5-inch smartphone, 16 times that of a 10-inch tablet, and 11 times that of a 13-inch laptop.³

TV programmes offered by broadcasters and subscription services produce programmes designed to fill 40-inch screens, not 5-inch ones.

Smartphones will be used to view long-form content, such as when wanting to make use of commuting time to watch the next episode in a series, or to follow a football match while out and about. But the smartphone will be a fall back, rather than a choice. In the UK, people of all age groups prefer to watch long-form TV on a TV set (see Figure 4).

Figure 4. Device preferences for consuming different types of media

Question: Which, if any, is your preferred device for each of the following activities?

UK	All ages	Male	Female	16-17	18-24	25-34	35-44	45-54	55-64	65+
Watch short videos	Phone (was laptop)	Phone (was laptop)	Phone (was laptop)	Phone	Phone	Phone	Phone	Laptop	Laptop	Laptop (was desktop)
Check social networks	Phone	Phone	Phone	Phone	Phone	Phone	Phone	Phone	Phone (was laptop)	Phone (was tablet)
Read the news	Phone	Phone	Phone	Phone	Phone	Phone	Phone	Phone	Laptop	Tablet
Play games	Phone	Game console	Phone	Game console (was phone)	Game console (was phone)	Phone	Phone	Phone	Tablet	Tablet
Stream films and/or TV series	TV	TV	TV	TV	TV	TV	TV	TV	TV	TV
Watch TV programs via catch-up services	TV	TV	TV	TV	TV	TV	TV	TV	TV	TV
Watch live TV	TV	TV	TV	TV	TV	TV	TV	TV	TV	TV

Weighted base (2017/2018): All smartphone owners aged 16-75 years (3,525/3,637)

Source: UK edition, Deloitte Global Mobile Consumer Survey, May-Jun 2017, Jun 2018

Among all respondents, about half had a video-on-demand subscription, but only 19 per cent, or two-fifths of these, access this subscription on a smartphone.

Netflix reported in early 2016 that half of all its users at that point had watched at least some of its content on a mobile device. But this only represented ten per cent of all viewing.⁴ Seventy per cent of all Netflix viewing was on a TV set.⁵ Smartphones were used to watch contents in lunch breaks, or at the very end of the day.⁶

Mobile centric games are the most successful

The third most popular media application is games. Most games are visual, but their video components have been designed for smartphone screens.

Over the past ten years, the most popular games on Apple's App store have been mobile first games.⁷

Music – leading for subscriptions

Fifteen per cent of smartphone owners stream music daily, and a third do so weekly.

Thirty-seven per cent of all respondents have a music subscription; twenty-six per – cent access this via their smartphone.

Music, smartphones and fast cellular mobile or Wi-Fi connections are perfect complements. Unlike long-form video, music can be consumed equally well out and about as in the living room.

Bottom line

Media has been a key driver of the adoption of the smartphone. Over the next decade, the smartphone is likely to help drive the monetisation of media.

A core trend is the move to online subscriptions, and smartphones are ideal gateways to news, games and music.

The ease of payment offered from a smartphone can also be used to manage transactions for video media subscriptions, and one-off events such as concerts.

1. Communications market report 2018 (figure 5.3), Ofcom, 2 August 2018: https://www.ofcom.org.uk/__data/assets/pdf_file/0022/117256/CMR-2018-narrative-report.pdf
2. Weekly viewing summary, BARB, as accessed on 3 September 2018: <https://www.barb.co.uk/viewing-data/weekly-viewing-summary/>
3. For this calculation, the screen ratios of the smartphone and laptop have been assumed to be 16:9, but 4:3 for the tablet. This reflects screen ratios for best-selling smartphones in each category.
4. Netflix: tenth of traffic is to mobile devices, Rapid TV News, 27 February 2016: <https://www.rapidtvnews.com/2016022741898/netflix-tenth-of-traffic-is-to-mobile-devices.html#axzz5NQZUHxEH>
5. You can watch Netflix on any screen you want, but you're probably watching it on a TV, Recode, 7 March 2018: <https://www.recode.net/2018/3/7/17094610/netflix-70-percent-tv-viewing-statistics>
6. *Ibid.*
7. These are the all-time most popular iOS apps and games from 2010-2018, 9to5Mac.com, 2 July 2018: <https://9to5mac.com/2018/07/02/all-time-most-popular-ios-apps-games/>