



Digital Media Consumers

Cross-country trends



Diving into the mind of the Digital Media Consumer

Digital Media Consumer Insights Research 2016



Digital media consumers are growing as online marketplaces become more convenient, devices become more accessible, and storing and streaming content on one device becomes more reliable



Understanding that we are going through a commerce revolution, PayPal, in partnership with SuperData Research, conducted a global 10-market survey with approximately 10,000 consumers to examine how people consume digital media



This survey was designed to gain insight into consumers from 10 markets in two media segments:

- eBooks
- Games

Key Takeaways

1. **Digital media popularity:** Digital media consumers in the US are more likely to pay for video game content than eBooks (46% versus 38%), but the opposite is true in countries including the UK and Japan
2. **Average spending:** Due to the high upfront price of console and PC games, average game spending is at least three times high as eBook spending in most markets
3. **eBooks:** Dedicated eReaders are popular in western markets, while eastern markets like Japan, Poland and Russia mostly use non-dedicated computers or mobile devices
4. **Gaming:** Because of the console market's focus on high-priced AAA games, average console spending is highest in all markets except France and Germany, where PC game spending barely edges console
5. **Piracy:** Russians pirate music and eBooks at the highest rate, blaming high prices
6. **Gaming Video Content:** 68% of digital media consumers between 18 and 34 years old watch videos online about games across all markets
7. **Payment preferences:** 92% of EU computer gamers prefer to use PayPal since it is widely available on gaming marketplaces and helps payers feel more secure



Research Methodology

This study was conducted across 10 markets and 10,000 consumers globally by SuperData Research.

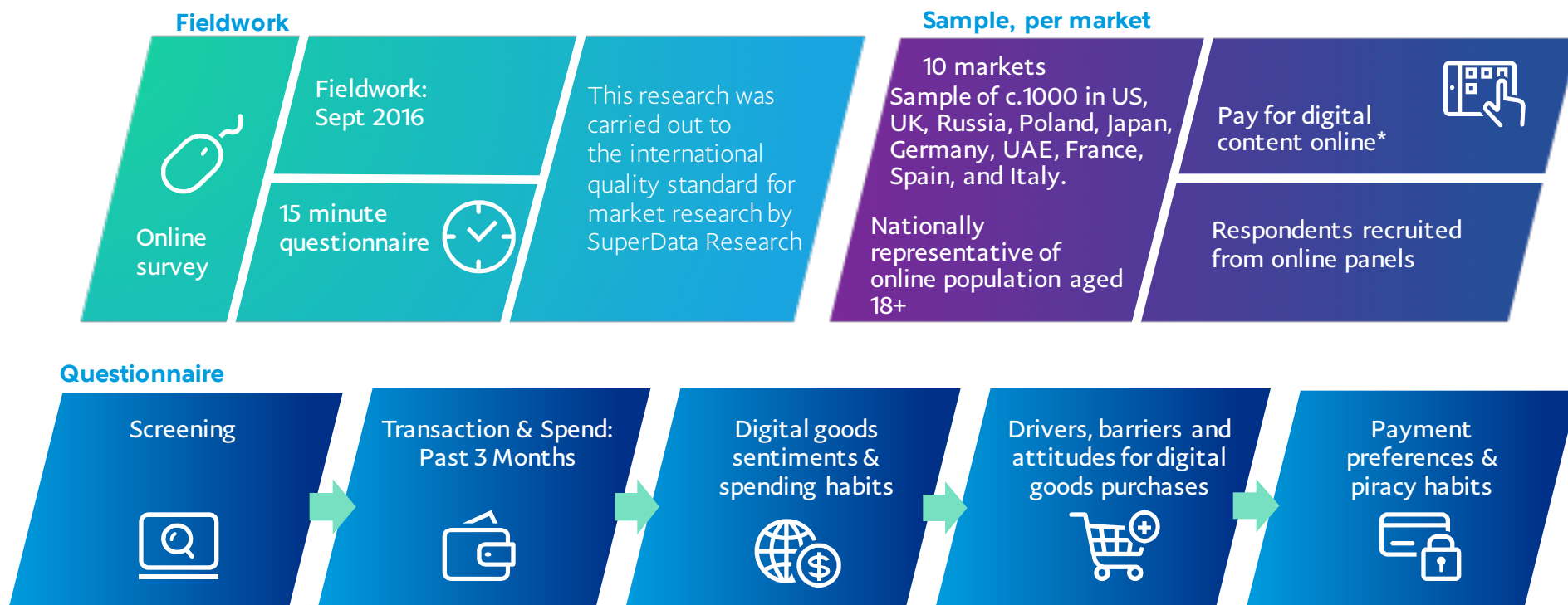


Table of contents

1. Cross-country Digital Media Trends
2. eBooks
3. Gaming
4. Piracy
5. Gaming Video Content
6. Payment Preferences

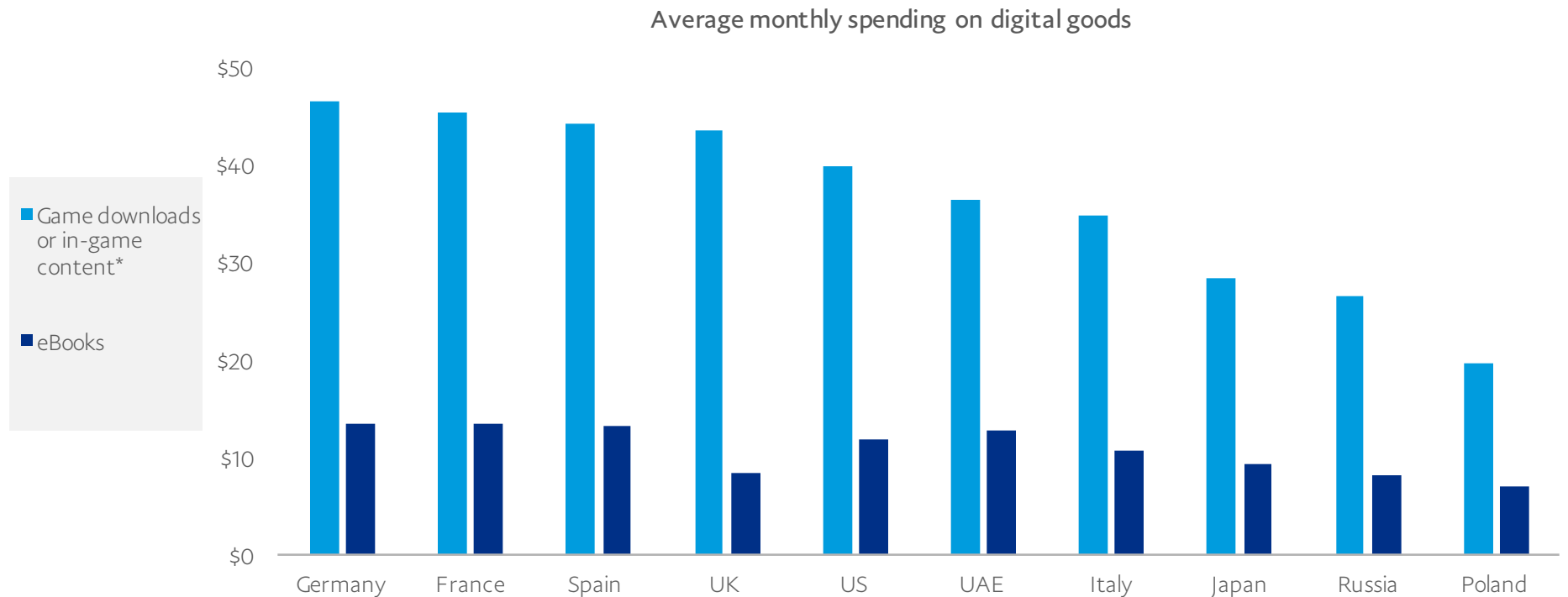
Whether consumers prefer to read or play varies across markets

In the US and four other countries, digital media consumers are more likely to pay for games than eBooks



Digital game spending averages 3.4 times higher than eBook spending

Average game spending is higher in every market thanks to the \$60 price of many PC and console games.



©2016 PayPal Inc. Confidential and proprietary.

*Average game spending weighted to account for digital game consumers who do not spend on certain game types (e.g., mobile or console).

eBook genre tastes are more localized than other digital media

Mystery and thriller novels are the most-read genre in five markets, but are not even number two in Japan, Poland and the UAE



58%

Share of UK eBook readers who read mystery, thriller and suspense novels



©2016 PayPal Inc. Confidential and proprietary.

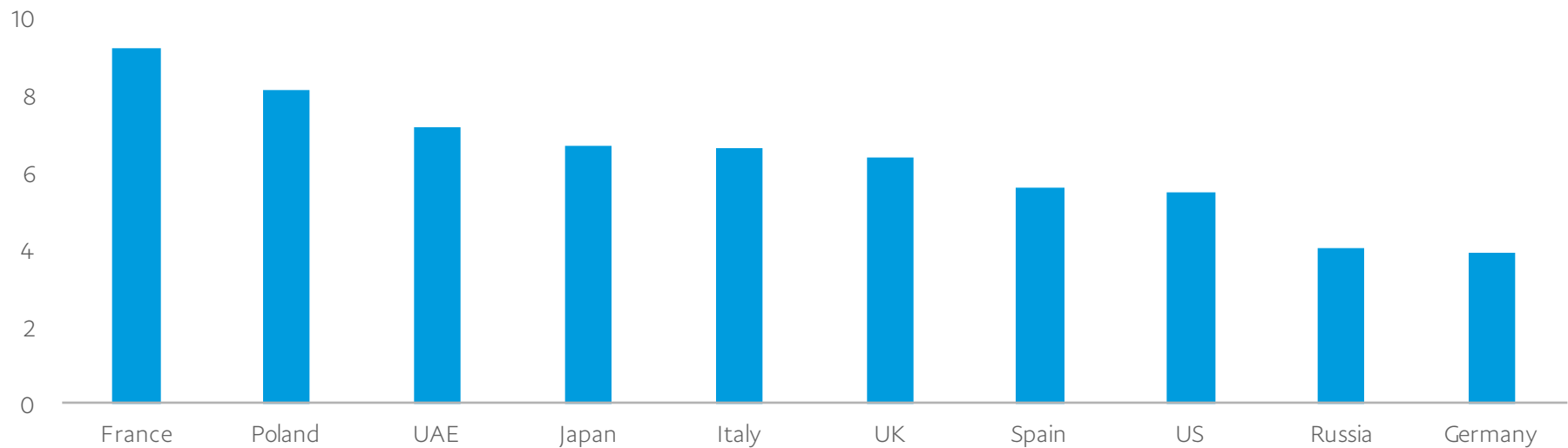
French consumers wait the longest to purchase eBooks

Though both countries have similar average incomes, wait times are more than twice as long in France as Germany

A country's average spending power is not a strong indicator of how consumers view impulse buying

- Readers in both Russia and Germany purchase eBooks roughly four days after becoming interested, even though Russians have far lower average incomes

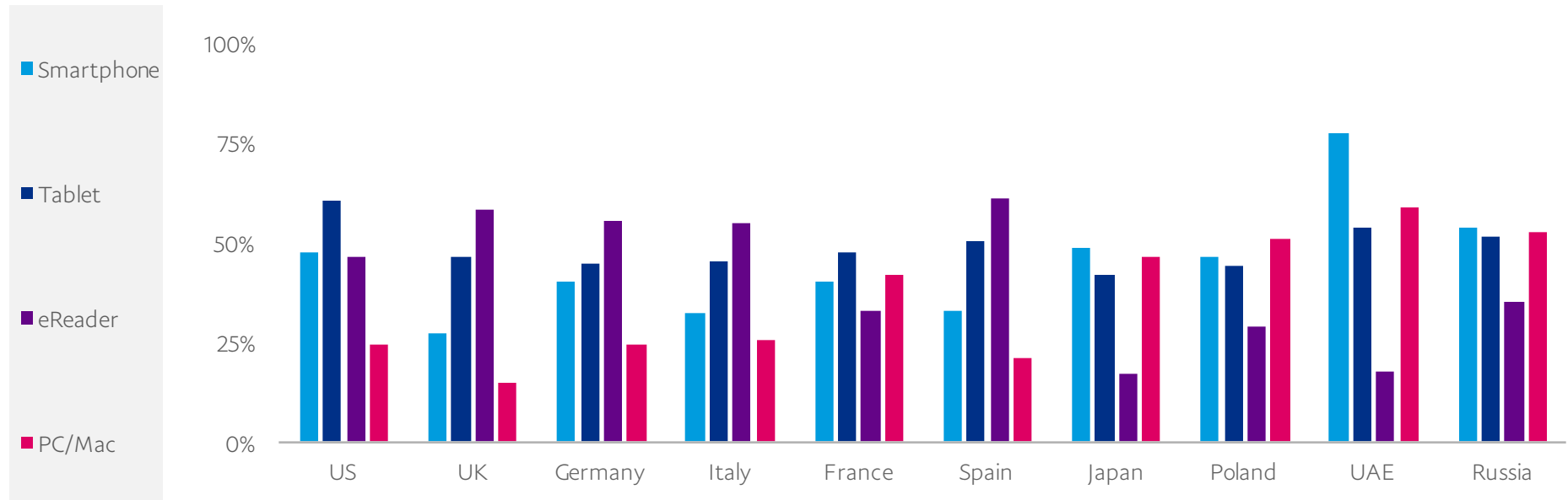
Days between deciding to purchase eBooks and making the purchase



Dedicated eReaders are more popular among western eBook consumers

In markets like Japan, Poland and Russia, multifunctional devices like smartphones win out over eReaders

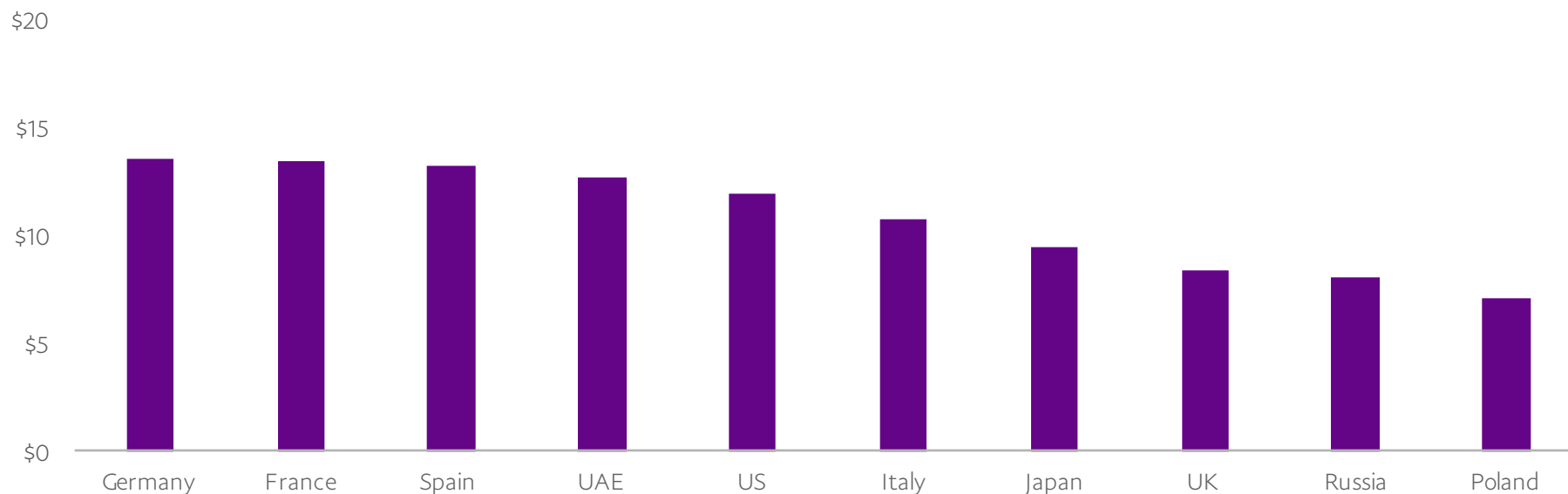
Devices used to read eBooks



Readers in Germany, France and Spain pay over \$13 monthly on eBooks

Poland has a larger share of eBook readers than Germany, but average spending is roughly half as high

Average monthly spending on eBooks*



©2016 PayPal Inc. Confidential and proprietary.

*Average spending per month weighted to account for consumers who do not spend on certain types of digital goods.

Action games are the most popular video game genre

Almost all markets look for Action titles with broad appeal ranging from *Subway Surfers* to *Super Mario Bros*; Russia is a rare exception where shooters like *Counter-Strike* are most popular

67%

American gamers who play Action games

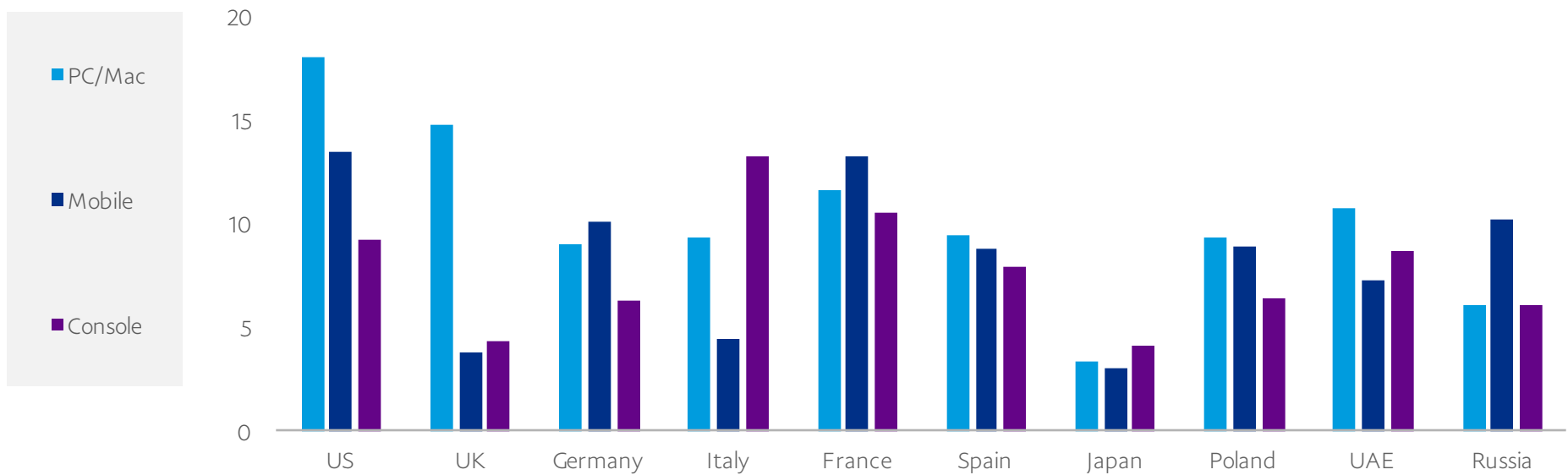


©2016 PayPal Inc. Confidential and proprietary.

PC/Mac gamers in the US and UK wait the longest to buy content

These players patiently wait for deals like the Steam Summer Sale instead of making impulse buys

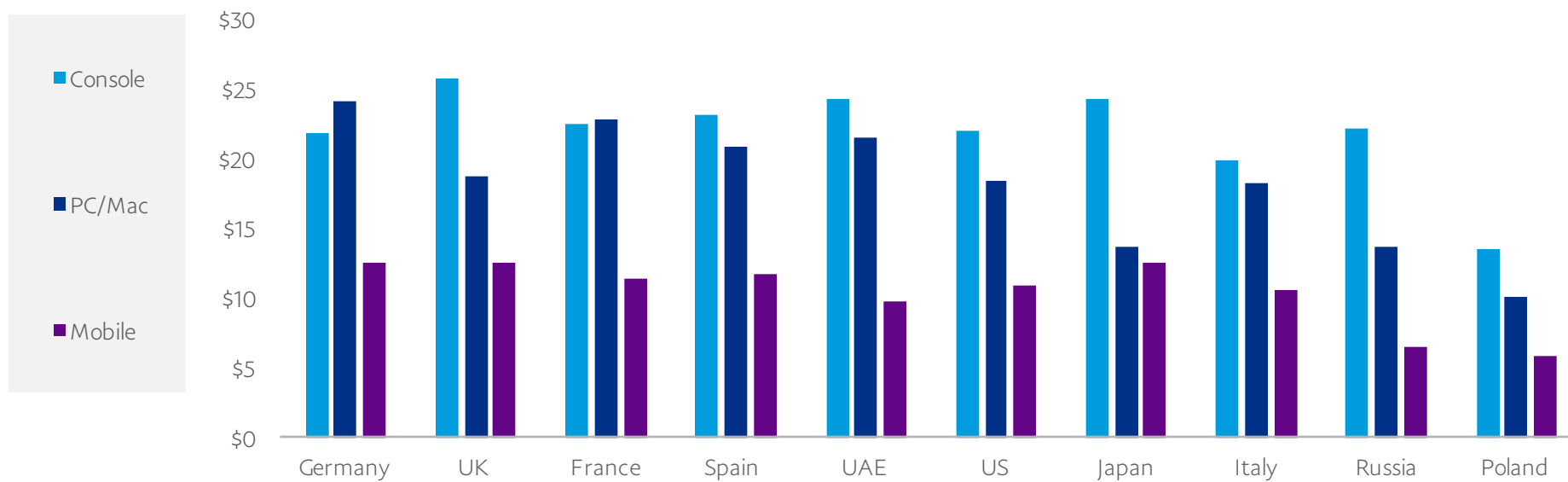
Days between deciding to buy a game or in-game content and making the purchase



Console gamers generally spend more than mobile and computer players

Console gaming remains heavily focused on high-priced AAA games, driving up average spending

Average monthly spending on video game downloads and in-game content

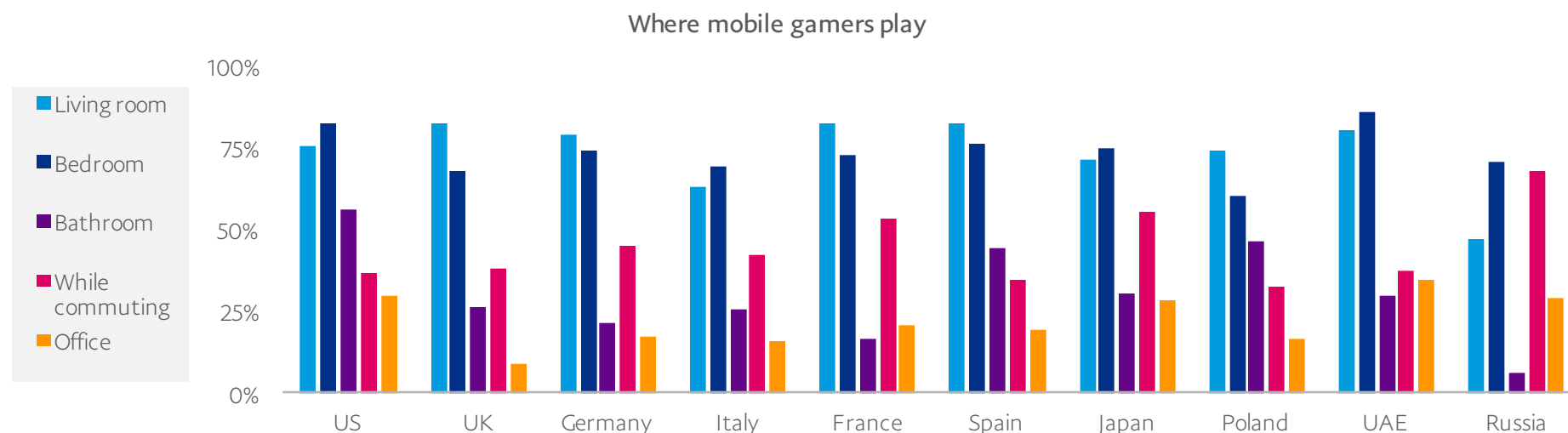


Americans are most likely to play games in the bathroom (56%)

Americans are nearly 10 times as likely to do so as their Russian counterparts

Despite mobile games' popularity and portability, the living room and bedroom are the most popular places to play

- Russia is the only market tracked where playing during commutes (68%) is more common than in the living room (47%)
- UK mobile gamers are the least likely to play games while on the clock: Only 9% play at the office

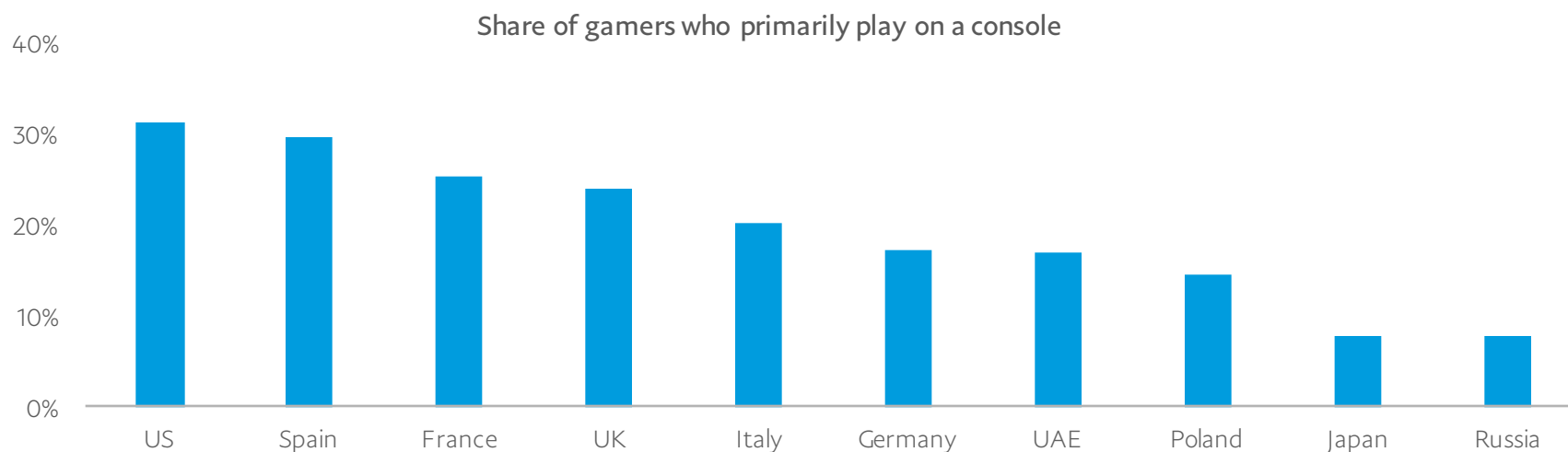


Consoles are more popular in the US than in other markets

78% of American gamers now play on smartphones, but consoles still have a strong following in the US

Since US gamers can afford to spend on expensive console games, 31% play consoles more frequently than any other device

- Although Spain's share of console enthusiasts is closest to the US, American ownership trends are most similar to the UK
 - Share of console gamers who play on more than one console: 58% in the US and 54% in the UK
 - Share of console gamers who also play on a PC/Mac: 74% in the US and 77% in the UK
 - Graphics are the #1 factor gamers in both countries look for when picking one console over another



68% of Millennials who buy digital media watch videos about games

Gaming Video Content, which includes content like trailers, humorous videos and live streams on sites like Twitch, is becoming a crucial medium for companies looking to reach young, tech-savvy viewers

75%

UAE Gaming Video Content
viewers who are Millennials (18-34)



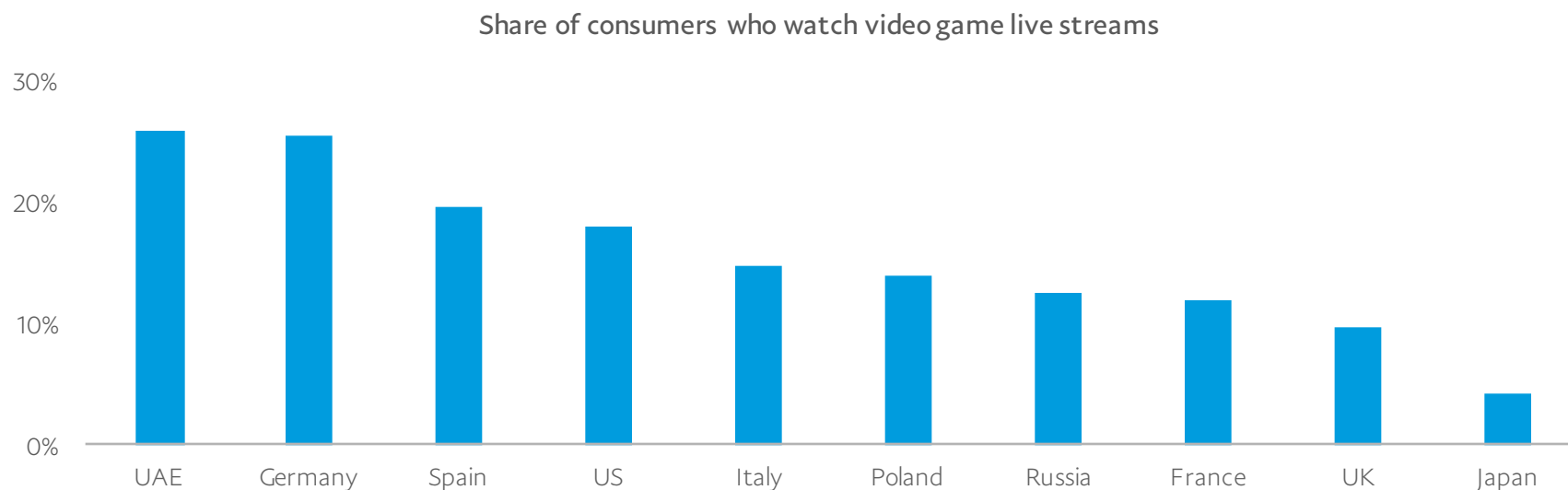
©2016 PayPal Inc. Confidential and proprietary.

26% of UAE digital consumers watch video game live streams

The country's young population contributes to a high share of consumers who watch sites like Twitch

Only 4% of Japanese game consumers watch live streams

- Mobile dominates the Japanese games market, and devices like smartphones are less conducive to live streaming than PCs and consoles, which are more popular elsewhere



Over half of computer gamers in Germany, Italy and Spain prefer PayPal

PayPal wins out among western PC players thanks to ease of use



92%

Share of EU computer gamers who prefer PayPal because it is easy to use



©2016 PayPal Inc. Confidential and proprietary.

Security is the main reason PC/Mac gamers would try a new way to pay

Players are mindful of security issues due to highly publicized account thefts on services like Steam

Ease of use is the top reason PC/Mac gamers prefer a certain payment method, but most players are willing to try a new payment method with better security

- Russian players are more interested in a payment method offering discounts (42%) than security or speed

Reasons PC/Mac players would try a new payment method

