

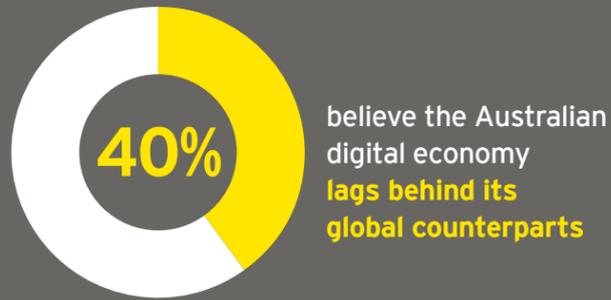
Digital Australia:
State of the Nation 2014

EY Sweeney



Fast facts

Australian digital nation at a glance



#1 social media



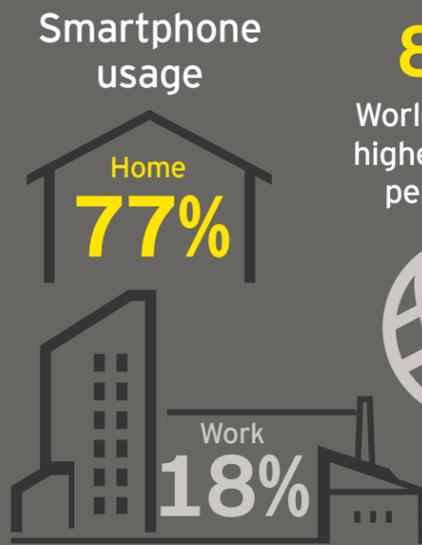
Consumers worry about privacy and security

61% digital behaviour



65% personal information

Strongest in youngest and oldest demographics
25-34 year olds the least worried



81% World's seventh highest internet penetration



35% choose to buy online over other ways of shopping



However **53%** of digital opinion leaders believe consumers prefer online shopping



download movies or TV from the internet

1/5 Australians say their addiction to their smartphone impacts their sleep



Doubles in 18-24 year olds

1/5



Spend more time on smartphone than talking with their partner or friends

Figure rose to almost **1/3** among males aged 25-34

Smartphones/tablets improve happiness
46%

Apple is #1 for

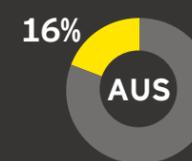
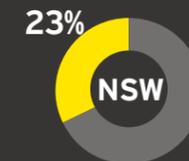
annual income **\$120k+**

annual income >\$60,000 → only **37%** choose apple



In 2014, Australians are more likely to use a smartphone first, then a laptop, followed by a desktop

Social lives would be non-existent without a smartphone/tablet

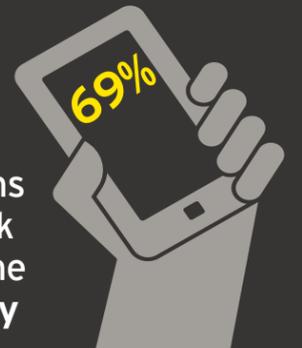


Smartphones and tablets make them more productive

Regional residents **25%**

Metropolitan residents **36%**

Australians that check their phone when they wake up.



Daily facebook users

68%



57%



Introduction – Australia trailing other digital economies

Australia is one of the most digitally connected places on earth with 77 per cent of Australians (aged 13 and above) owning a smart phone¹ and 81 per cent of Australian households with internet access in 2012-13².

Yet many perceive the digital economy is lagging. The share of consumers who believe Australia's digital economy is more advanced than other leading countries is just 14 per cent – a fraction of the 40 per cent who believe it is less advanced. Less than a third of Australians believe we are on par with other developed countries and 16 per cent do not know what to think about our digital status. This highlights the very virtual and intangible nature of the digital world and the fact that the goalposts are moving every day.

The perception of a nation playing catch-up is even more pronounced among the "digital opinion leaders"³ surveyed for this report, 59 per cent of whom see Australia as behind its global counterparts.

Whether this perception is wholly justified is debatable. While Australia is ranked just 18th for "network readiness" by the World Economic Forum⁴, an amazing 93 per cent of us have done banking online and 85 per cent have used social media. However, when it comes to affordability for digital access, Australia's ranking plummets to 49th in the world⁵.

But that debate is less important than what the perception reveals – that Australia's digital offerings could and should be significantly better. Perhaps we are being held back as a result of a historical view of ourselves as an isolated market. Indeed, many Australian organisations are operating online as they do in a physical sense – as domestic operators – and are yet to embrace their status as international online businesses. The reality of a global economy is hardly new, but the proliferation of digital has propelled every Australian business with an online presence into the global marketplace. Many Australian businesses argue that it is not a level playing field online as they are competing against more established and more competitive global players with significant structural advantages. But there is clearly a significant opportunity for organisations to advance their online offering or risk losing market share to competitors, both local and overseas.

¹ Sensis Consumer Index, June 2014, Sweeney Research

² A US Census Bureau, Internet World Stat, CNNIC – January 2014

³ The 'Digital Opinion Leaders' identified in this survey were self-selected after being invited to participate in the survey by EY and AIMIA (The Digital Industry Association of Australia). They met specific criteria including being in senior management and directly responsible for digital strategy in their organisations, and represent leaders from both the private and public sectors.

⁴ World Economic Forum – The Global Technology Forum 2014

⁵ World Economic Forum – The Global Technology Forum 2014

Introduction – Australia trailing other digital economies

So why is Australia failing to meet digital expectations? What can it do better? Which sectors are surging ahead and which are falling behind? These questions are now urgent for organisations that want to provide the connectivity and control Australian consumers expect, whether in mobile commerce, social media, or managing interactions with government online.

The consumer opinions and digital leader insights contained in this report point to two key areas where the digital economy in Australia requires swift action:

- ▶ **Addressing and moving beyond business-as-usual online experiences:** Australian organisations must take the next step in online customer experience in order to significantly shift the needle in digital engagement. Simply meeting expectations is not enough. Continual innovation based on responding to the changing demands of consumers needs to be built into an organisation's DNA.
- ▶ **Driving stronger and more favourable market conditions for consumers and business:** To succeed in securing Australia's status as a leading digital nation, we need to continue to improve cost, speed and access. This clearly involves continued investment in infrastructure as well as improved and dynamic competition to stimulate innovation.

Digital Australia: State of the Nation 2014 is a wide-ranging report that includes: a survey of 1500 Australian consumers and 167 Australian 'digital opinion leaders' conducted in September/October 2014⁶, as well as a series of in-depth interviews with some of Australia's top digital decision makers, and an aggregate study of published digital research over the past 2-3 years.

This report tracks the status of Australia as a digital nation. It highlights aspects of digital life in which Australia is advanced. It also pinpoints areas where Australia lags dramatically, and areas where the perspectives of digital opinion leaders and consumers diverge sharply.

The findings answer crucial questions about how consumers are using the internet in 2014 and how organisations can respond. The data points to breaking trends that digital opinion leaders consider critical for our future digital competitiveness.

Investments in critical digital areas such as ease of use, connectivity, security, privacy and innovation can make Australian society healthier and wealthier. And, contribute to the future economic viability of our nation. But these investments must be targeted to be optimised, so a deep understanding of Australians' digital behaviours and beliefs is fundamental to getting it right.

This report has three main parts:

- ▶ First, it considers consumer attitudes and behaviours to the internet, highlighting key consumer insights, especially in the fast-evolving areas of mobile and social media. This section identifies key consumer segments.
- ▶ Second, it considers the views of digital opinion leaders, highlighting divergences and similarities between their views and consumers' and what business needs to do to improve digital experience.
- ▶ Finally, it looks at the role government has to play in advancing Australia as a digital nation.

See page 35 for more information about the study.

⁶ All surveys conducted in September/October 2014 and interviews in October/November 2014

The Australian consumer and the internet in 2014

The challenge is still one of conversion. Getting those who avidly research online to purchase.

In 2014, some online activities are mainstream, while others are in a transition phase or underdeveloped. An activity Australian consumers have been quick to embrace is researching purchases online, with almost a third doing so more than once a week. In return, business has been swift to learn the importance of online communications, including reviews and endorsements. This is evident even among small to medium enterprises (SMEs), 65 per cent of which now have a website.⁷

Consumers research into products and services online



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

Consumers' preference for doing their homework on products and services on the Internet has created massive opportunities for businesses to capture new markets while building their online brand. Businesses are continuing to invest in their websites, search engine optimisation and significantly increasing their online advertising presence, subtracting budget from other traditional advertising media.

Do not click the back button: consumers and online transactions

But the real step-change in business productivity comes from converting online researchers into online buyers. In most sectors, only a minority of consumers transact online more than a few times a year. Just over half of SMEs took orders online in 2013⁸, indicating substantial upside from improved online performance.

Industries where consumers transact online at least once a year



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

⁷ EY Digital Australia: State of the Nation 2014 report; and Sensis e-Business Report 2014

⁸ Frost & Sullivan The Australian Online Advertising Market: Year End Review and Market Outlook 2014

The Australian consumer and the internet in 2014

Online shopping experience

Growing evidence suggests that consumers will transact online in growing numbers when the value proposition is right and ease of use is strong. The opportunity available to business is demonstrated by the trailblazing banking and finance sector. This sector has successfully moved a vast majority of customer interactions online, generating cost savings and significantly more convenient service, while still offering offline customer channels.

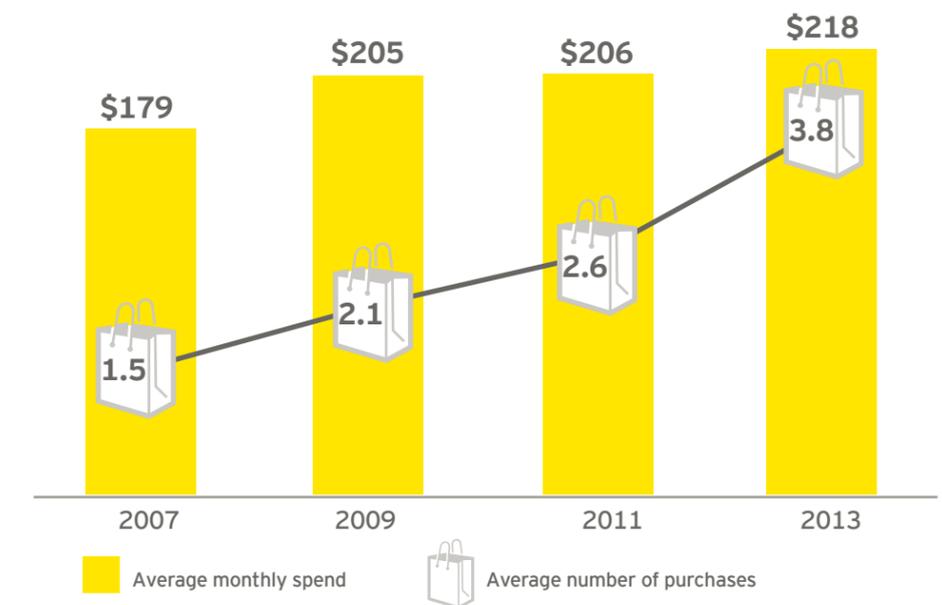
Whether other industries can replicate that model will vary. If there is a key learning from this sector it is in the importance of a multi-channel offering. We are seeing more financial services organisations offer a range of channels to market, including websites, apps, social media as well as physical locations, with the mix driven by consumer preferences in each market. However, the real challenge lies in optimising business models, where all channels work seamlessly together and all interactions with a brand are consistent.

The right mix of channels relies upon a rich understanding of consumer segments and their markets. Just taking into account demographics currently, consumers aged between 18 and 39 are most likely to purchase online, and men are two per cent more likely to buy online than women (79 per cent versus 77 per cent).⁹

For now, online shopping does not represent the lion's share of consumer expenditure, but the future is bright. Australians are showing an increasing willingness to buy online. They are spending more often, and more in total.

No matter the demographics, consumers can be deterred from shopping or otherwise transacting by poor online experiences that do not meet expectations. Advanced online providers are focused on elevating customer experience by offering a more customised service offering. Some are engaging in split testing – offering different online experiences to different groups of shoppers – to determine the online experience most effective in converting visits to transactions, and ensuring customer satisfaction.

Average monthly spend and number of purchases

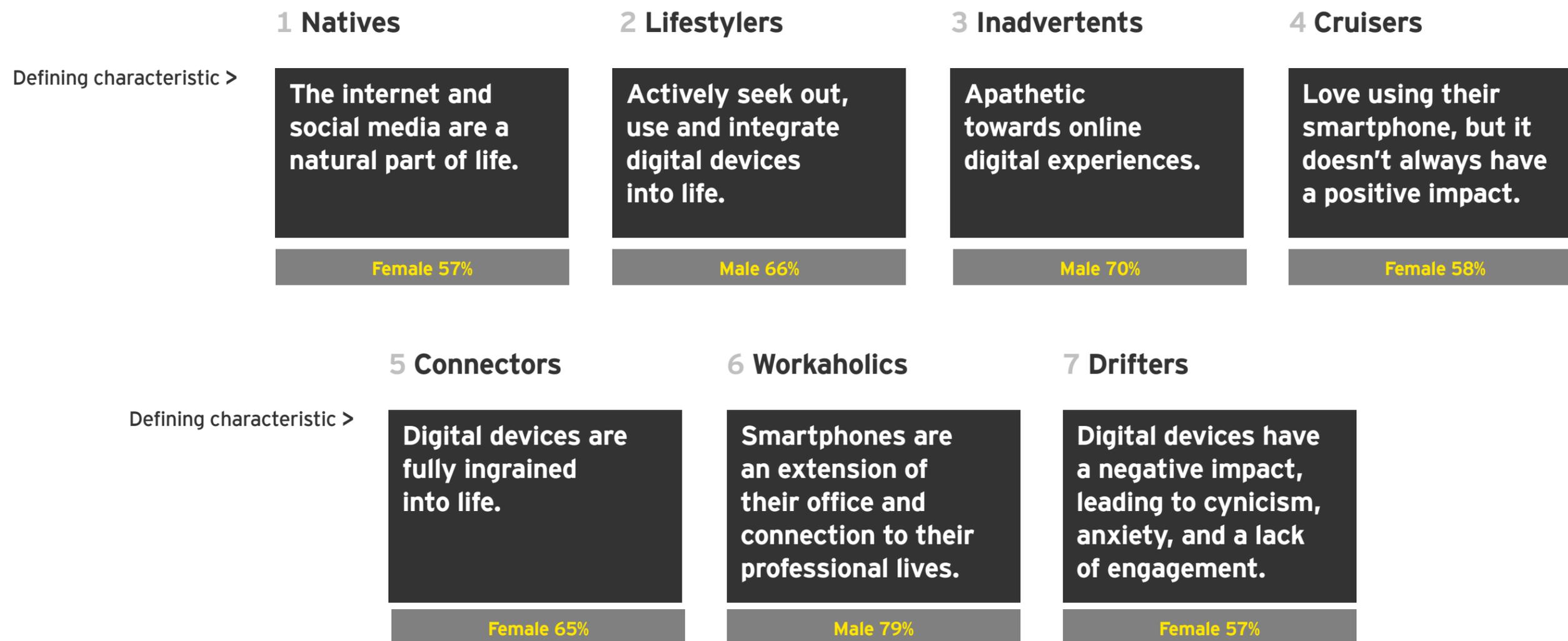


Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

⁹ Sensis e-Business Report 2014 and EY Digital Australia: State of the Nation 2014

The Australian consumer and the internet in 2014

The research identified seven different consumer segments represented in the Australian population based on their digital use and behaviour. They have been grouped based on each segment's major attributes and defining characteristics, and range from youngest to oldest.



The Australian consumer and the internet in 2014

>Natives

Technology isn't just in. It's what they have always known and they are part of the constantly connected generation. They will check their smartphone when they wake-up, before they go to sleep and will multi-task throughout the day.

Research for a new product or service will often start online and their confidence is high around the use and management of multiple devices.

They feel strongly about organisations being transparent and are most concerned about privacy.

>Lifestylers

Lifestylers have the full repertoire of technology available. They are mostly tech savvy and confident, but can feel frustrated about keeping up with the latest innovations. They always have one eye on the future and readily embrace (or aspire to have) the latest.

The lifestylers see smartphones and tablets as having had a positive impact on all elements of their life - particularly in relation to communication with family, friends and colleagues/business contacts.

Work/life balance is an important consideration and they readily switch between work and personal tasks.

>Inadvertents

The mindset of the inadvertent is quite different to other segments. They have the technology at hand, but don't see the devices as having a particularly positive impact on their lives. They are typically more ambivalent than enthusiastic and can lack confidence around technology. This segment or lower users of technology and see it as playing more of a peripheral rather than dominant role in their life. This is best reflected in their lower levels of reliance on search engines, social media and product websites when researching online.

Their lower levels of interest and usage means that some of the big issues around technology (keeping up, corporate transparency) aren't regarded as much of a barrier to what little technology engagement they have.

>Cruisers

The cruisers use smartphones and tablets predominately for personal use and have a small repertoire of apps that they use regularly. Technology is predominately about connection with family and friends and enhancing their social life/lifestyle.

The quest to buy a new product often starts online where they can research and absorb. Intuitive site design is critical as they want it to be easy to navigate and they also place great weight on the safety/security of transactions.

>Connectors

This segment is characterised by their desire to be connected and in control. They see the smartphone as having a positive impact on all aspects of their lives and revel in the ability to multi-task and to get things done. They like the sense of achievement and progression.

The connectors are high frequency users of digital devices and avid users of search engines. They gravitate to sites that are easy to navigate and deliver product and related information that is easy to find. They readily differentiate between sites based on the experience.

>Workaholics

Work related communication and tasks dominate their use of technology. They have a high usage of technology and gravitate to social media (Facebook, Google+ and LinkedIn) on a daily basis.

The workaholics embrace the benefits of smartphone and tablets, seeing the devices as having a positive impact of productivity, business and communication with family and friends.

Given the prominence of work in their life and technology keeping them constantly tethered to colleagues, the workaholics do acknowledge the negative impact digital devices can have on their social life and sense of belonging.

>Drifters

The drifters are the least technologically connected and reliant. They are digitally aloof. It's partly choice, but predominately due to an inability to keep up and a preference to interact with people and to get things done in more traditional ways. They much prefer face to face communication over social media and texting.

Technology and what it means can be intimidating. Big Data worries them and they are anxious about the type of information organisations can collate and access on their behaviour.

The Australian consumer and the internet in 2014

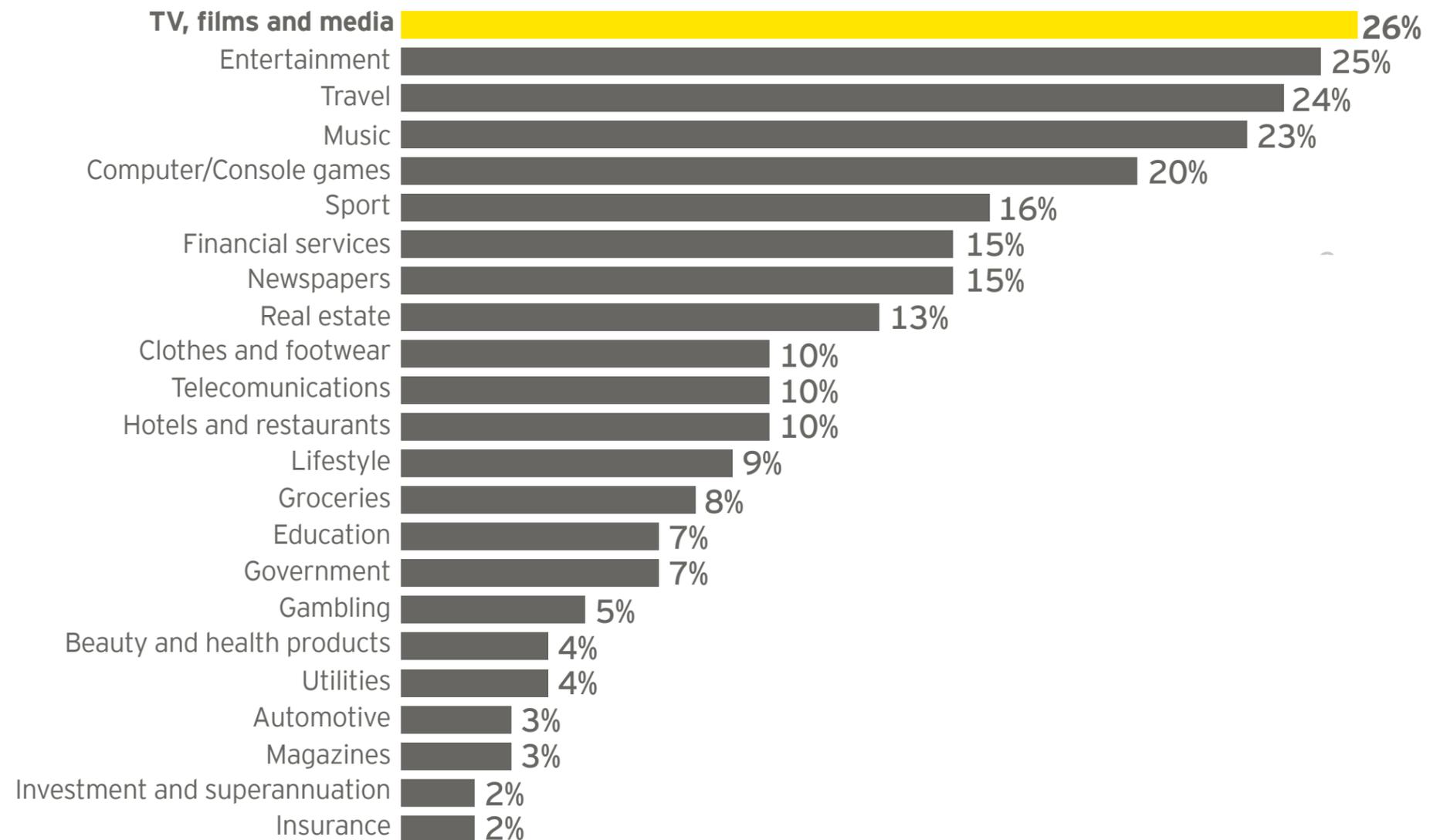
Good, better, best: consumer perceptions of digital experiences

Australians readily differentiate between good online experiences and those that fall short of the mark. We are seeing consumers take a harder line in assessing their online experiences and this will become more pronounced in 2015 and beyond.

For many organisations it is an iterative process of constant refinement to tailor online experiences to the consumer. But organisations in the least positively perceived sectors may require more fundamental improvements to the 'hygiene factors' of their digital offerings before they can take the next step in online innovation and consumer centricity.

Consumers report significant differences between their best and worst experiences. While it may be predictable that enjoyment/lifestyle sectors head the list, the divide is nonetheless pronounced and underlines the opportunity for organisations in the sectors that lag to differentiate by challenging conventions in their category.

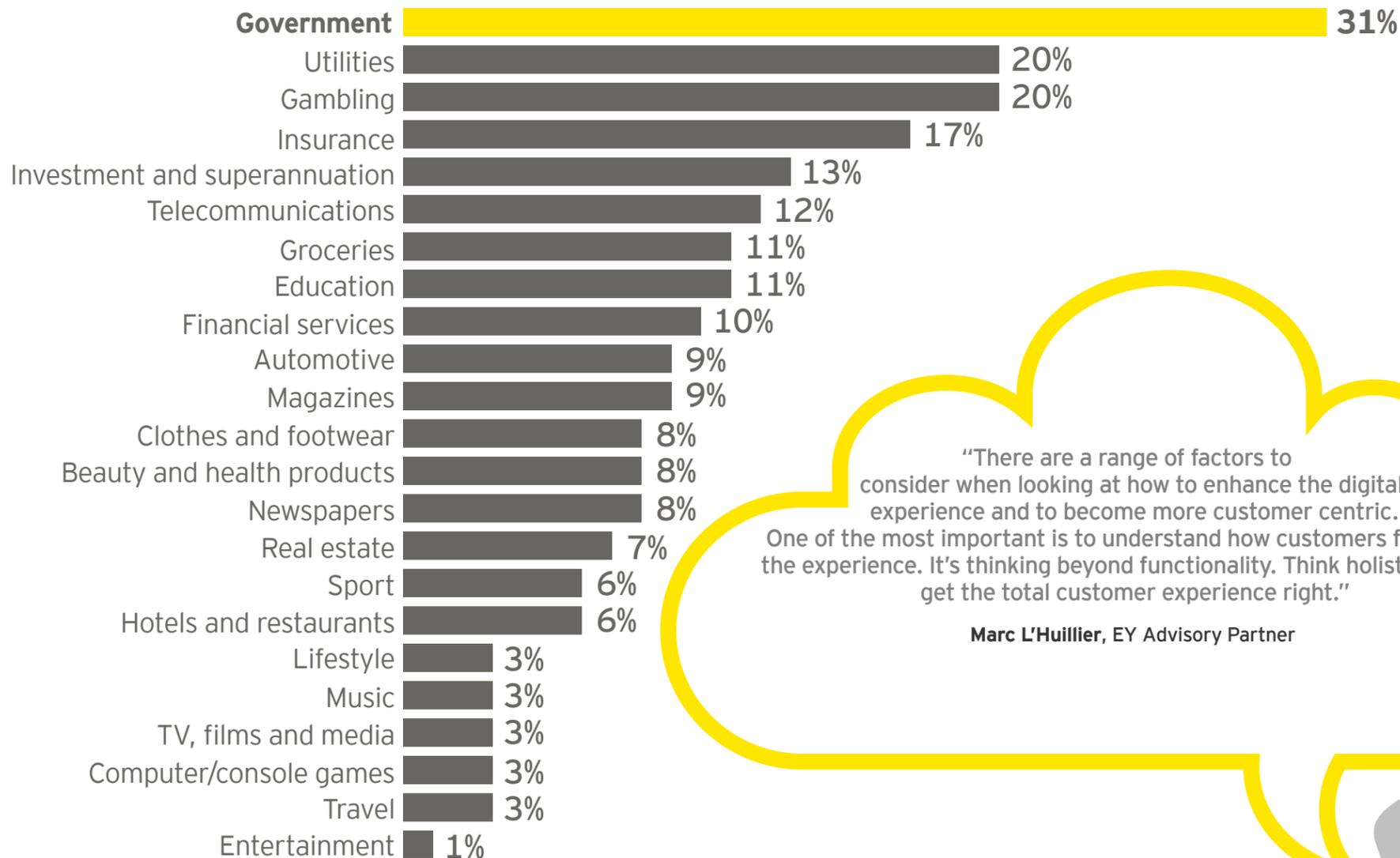
Best sector digital experiences



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

The Australian consumer and the internet in 2014

Worst sector digital experiences



TV, films, media, entertainment and music all rank highly, leading to an obvious question.

If sectors suffering from shrinking global revenues and consolidation are at the top of digital experience, is being well-regarded by consumers as beneficial as it seems?

The answer is a resolute yes. The reason for the popularity of online offerings in these sectors is that digital adoption has been forced upon these sectors and companies have been compelled to innovate or expire.

Other sectors have seen a slower pace of change. This does not mean change is less challenging – only that there is more opportunity to react in a considered way. But in all sectors, eventually, reluctance to change and improve key consumer-driven metrics online creates a risk that a competitor will leap ahead and seize their slice of the pie.

“There are a range of factors to consider when looking at how to enhance the digital experience and to become more customer centric. One of the most important is to understand how customers feel about the experience. It’s thinking beyond functionality. Think holistically and get the total customer experience right.”

Marc L’Huillier, EY Advisory Partner

Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

The Australian consumer and the internet in 2014

Flux and reflux – change, the consumer and the digital economy

As content industries have learned, competitors do not need a level playing field. Digital promotes asymmetric competition with low barriers to entry.

More than three-quarters of Australians (77%) have used the internet to listen to, watch or download music, podcasts, TV and film. The downloading of movies or TV shows from the Internet is a rapidly-growing area driven by increasing consumer awareness and demand, with official streaming sites taking on illegal downloads and in some cases winning.

New services are launching to market regularly. This number will continue to explode and inspire continual innovation and advanced service offerings. The challenge for Australian companies remains in addressing this demand while managing the release of content to limit piracy opportunities, and offering it at a reasonable price-point.

“The days of waiting for your show to start are over. The consumer is firmly in the driver’s seat in the era of anytime, anywhere content. The real challenge for business is in the need for their models to flex and change to meet this demand. The good news is that many business model transitions are well underway, but this innovation must become business-as-usual.”

David McGregor, EY Technology, Media and Entertainment and Telecommunications Leader

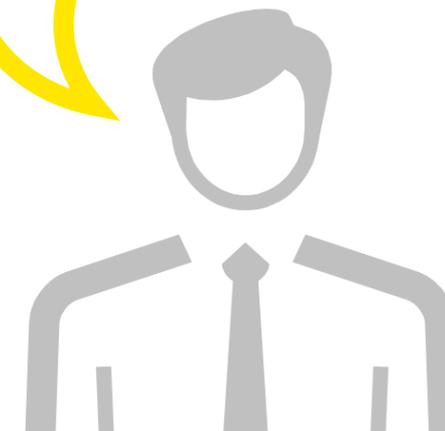
Consensus on the digital landscape is that threats will emerge where inefficiencies exist and customer needs are left unmet. With low barriers to entry and increased connectivity, businesses need to be on the alert. The hire car sector, for example, faces a threat from a group of competitors whose offerings are powered by simple, easy to use, mobile applications.

To date, no industry has escaped digital disruption unscathed, and that disruption will continue via both revolutionary new competitors and evolution of consumer preferences.

Consumer expectations around good and bad service evolves every day as their online education continues and comfort levels increase.

Elements such as website ease-of-use and navigation have become must-haves. Control over personal data is also rapidly becoming an important component of online purchasing and interaction decisions. The real challenge for organisations is striking a balance between offering consumers a more personalised service and unique level of engagement, while being transparent about how they mine their personal information.

The organisations that will surge forward are the ones who are already actively listening to their consumers, reacting to feedback and being open about their data policies. Their short-to-medium term strategies are sharply focused on offering more customised and predictive services that boost convenience and reduce time. They are also utilising recommendation engines, while interacting and engaging with customers on a deeper, more personal level.



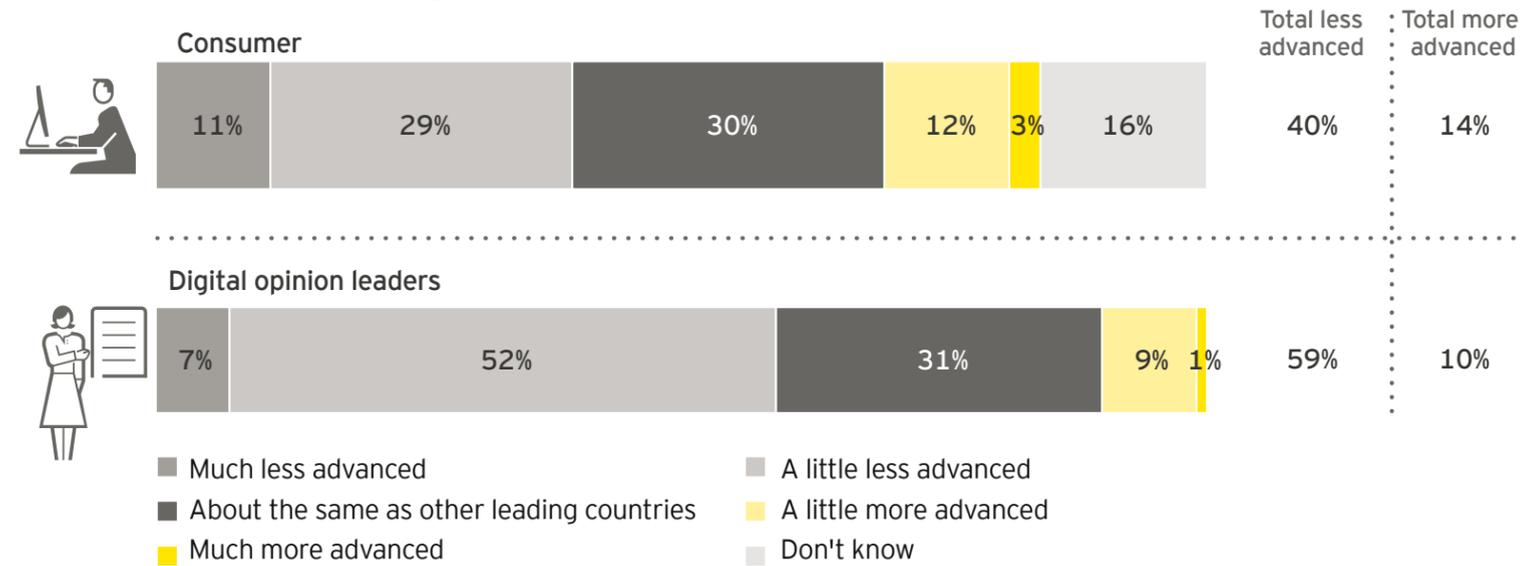
The Australian consumer and the internet in 2014

In the digital arena, the organisations that are constantly innovating and are nimble enough to execute on new ideas as new technologies and platforms emerge, are well known and it is no accident. There are examples of these in most sectors, including government – which is perceived to lag significantly, but where digital shows great promise.

Consumers are quick to reward the innovators. When 40 per cent of Australian consumers say the Australian digital economy is less advanced than other leading countries, they are sending a clear signal that their expectations for service are evolving more quickly than the response of business.

This finding should serve as a clarion call to Australian organisations. Consumers are open to a better digital experience and indeed expect it.

Australian digital economy standing



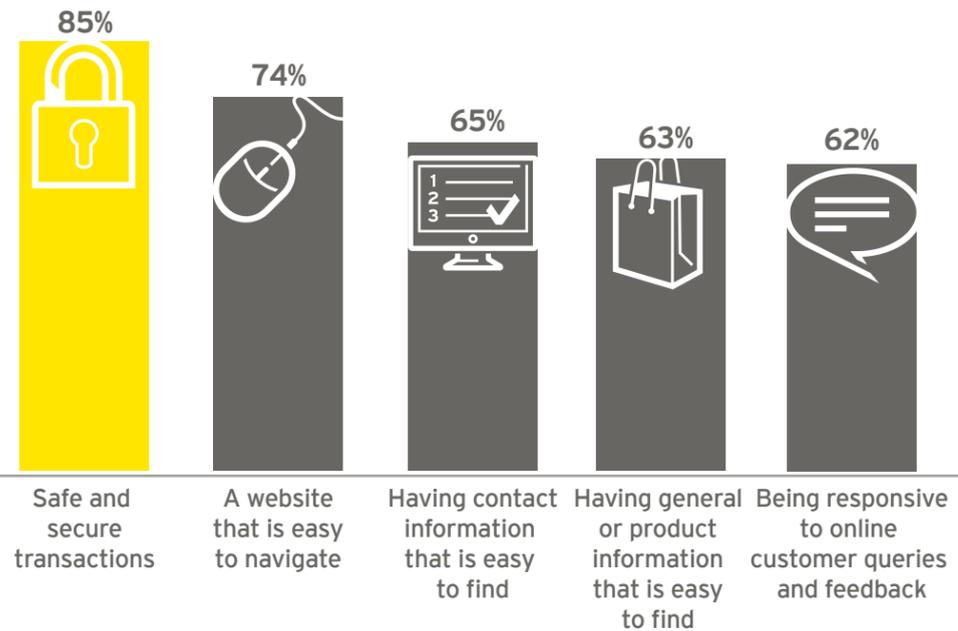
Source: EY Digital Australia: State of the Nation 2014. Consumer survey.



The Australian consumer and the internet in 2014

In this section, consumers' core digital expectations are examined in more detail.

Consumers' assessment of what is "very important" to a high quality digital experience – Top 5 factors

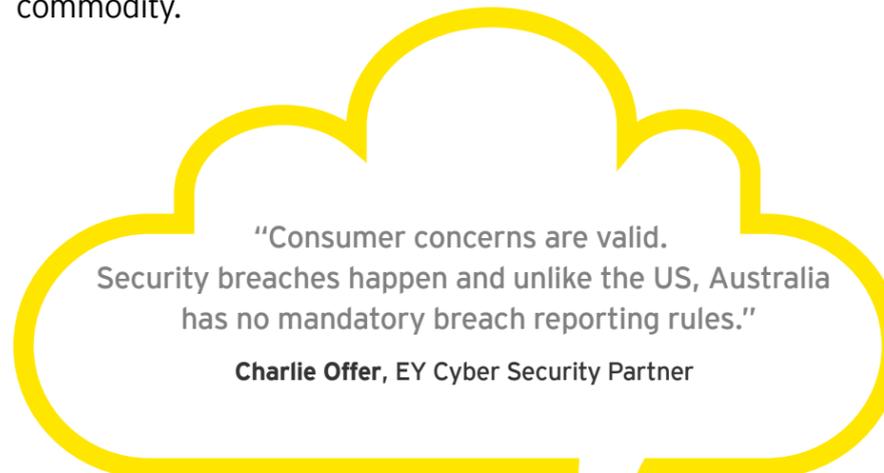


Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

Consumers private about personal data

Consumers are discerning about what they believe is critical for a high quality digital experience, with online security ranking as the most important factor.

Undoubtedly, recent high profile global breaches have highlighted the case for security. Consumers are well aware that identity thieves are becoming more sophisticated and that their personal data is a highly valuable and often vulnerable commodity.



Consumers are also deeply concerned about other aspects of security and privacy. More than six in ten Australians (61%) worry about what information organisations can access about their digital behaviour, and a similar number (65%) are concerned about what personal data organisations can access when interacting online.

Security has been an established risk from day one. However increased incidents along with improved awareness keep this topic front of mind.

Concern about online information security varies by demographic, but a fascinating trend is developing.

The older (65 to 69 years) and younger (18-24) groups are the most worried about online security. This contrasts with those in the other age bands – particularly those 25-34 who expressed the least concern.

There are different dynamics at play underpinning the differing levels of concern, but the key take-out is that allaying this fear requires different dialogue.

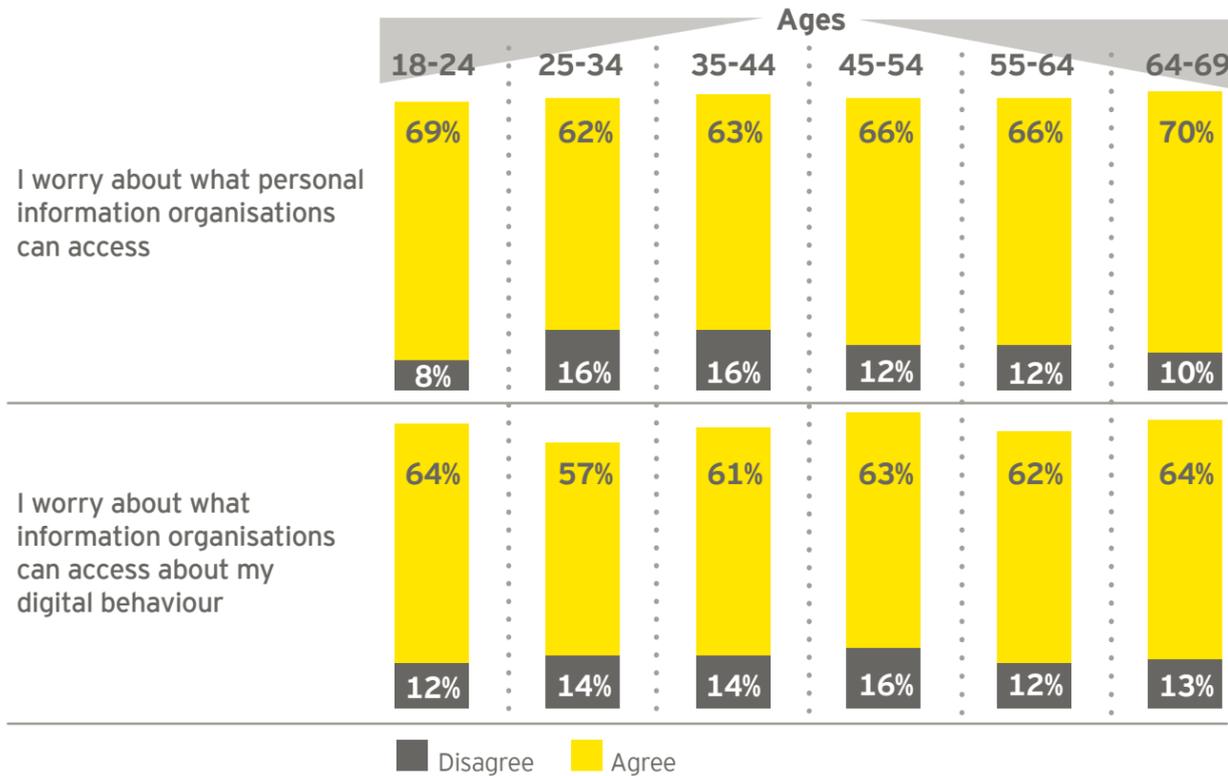
This finding suggests the increase in trust seen with each successive generation has been reversed, and the future is one in which people's concerns around security will need to be allayed.



The Australian consumer and the internet in 2014

Security and privacy

Data privacy concerns resurgent among the latest generation of digital natives. % Disagree/Agree.



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

Governments should force organisations to be more transparent or upfront about how they use the consumer information they capture



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

Organisations that make the bold and timely move to be transparent about the way they use customer data and help consumers understand the benefits will build brand equity and gain a competitive advantage. This is as much about managing brand and reputation risk as it is about marketing a more personalised service to customers. In some cases this may even mean forfeiting data collection in order to satisfy customers.

Collecting consumer data is often a default action. But with a more nuanced approach, organisations may decide the cost of protecting consumer data is greater than the benefit of collecting it, especially if data collections are replicated across channels to market, such as apps and websites. Implementing a complete consumer data inventory can help companies optimise decisions about what data to collect, where to store it, and how to leverage it.

Assuaging consumer concerns about privacy and security needs to be a priority for online business, even if it has been pushed down the agenda over the past few years. The alternative may be one business finds even less palatable – regulation.

An overwhelming 80 per cent of Australians believe government should force organisations to become more transparent in how they use consumers' personal data.

Such regulation is likely to be costly and may even impede legitimate data collection that can improve customer experiences markedly. The best solution is a proactive and collaborative industry approach to put consumers at ease, while lifting service.

“With the falling cost of collection and storage, data has proliferated within companies and is shared with suppliers, cloud vendors and other third parties. Companies are often surprised at how much data they actually have. They need to evaluate it like any other asset, monitoring the cost and benefit along with assessing the risk.”

Charlie Offer, EY Cyber Security Partner



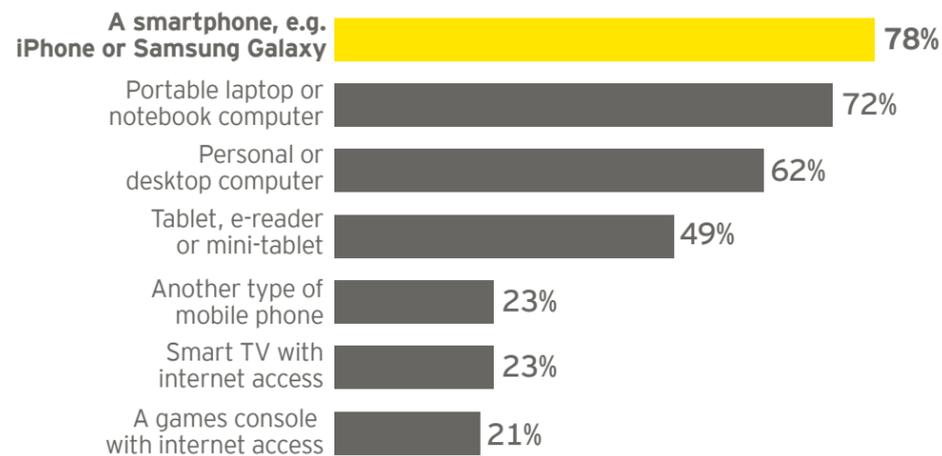
The Australian consumer and the internet in 2014

2014: The year mobile took over

In deciding how to access the internet, mobile is the number one channel.

In 2014, Australians are more likely to use a smartphone than a laptop, and more likely to use a laptop than a desktop. Tablets rank fourth.

Devices used



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

This marks 2014 as a turning point in digital technology.

- ▶ **Smartphones top the list.** Previous research¹⁰ showed smartphone penetration at 72 per cent in 2013, suggesting 2014 is the year smartphones took over from portable computers.
- ▶ **Exponential growth, more to come.** Between 2008 and 2013, mobile phone internet usage increased by a staggering 510 per cent.¹¹ And the smartphone market is not yet at saturation with around 21 per cent of Australians owning and using a non-smartphone. Of course it is possible that a portion of the population will never make the switch to a smartphone.
- ▶ **Dynamic app economy.** The operating system market, across all devices, remains fluid and dynamic. And this picture will perpetually change as new products are launched. Such competition is welcomed because it drives innovation and change, especially via the app economy, which is creating new sets of consumer behaviours.
- ▶ **Smartphone market perpetually changing.** Notwithstanding this, smartphone growth shows no signs of stalling. If we consider that smartphone technology is still relatively new, adoption in a country like Australia has been exceedingly fast.

The very nature of technology means that the market for smartphones will always be in a state of flux, anticipating the 'next big thing'.

For example, the company that pioneered the sector with the first iPhone no longer controls the majority of the market in Australia even though it led smartphone penetration as recently as last year¹². Android platforms are – for now – more common than Apple.

“Smartphones are embedded in our daily lives. Is it any wonder we are forever running low on battery?”

David McGregor, EY Technology, Media and Entertainment and Telecommunications Leader

¹⁰ EY State of the Digital Nation 2014 – Sensis 2013

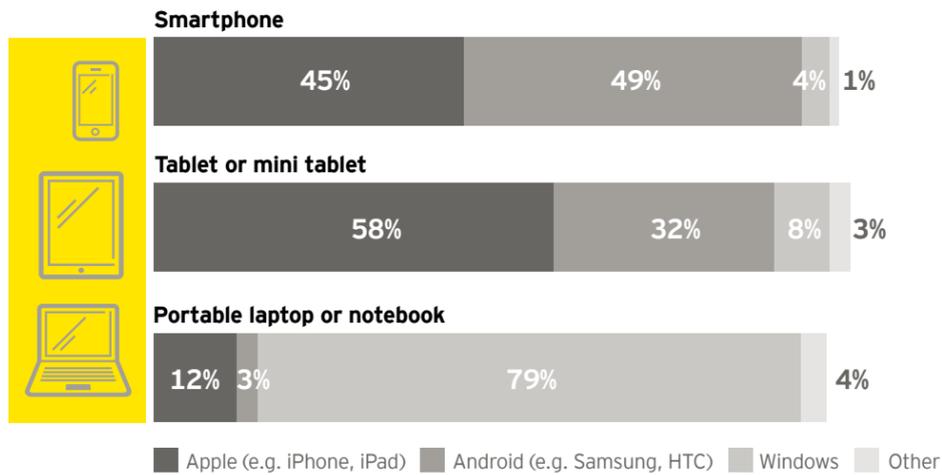
¹¹ Source: ACMA Communications Report 2012-13

¹² Australian Mobile Phone Lifestyle Index, October 2013, AIMIA



The Australian consumer and the internet in 2014

Operating systems (%)

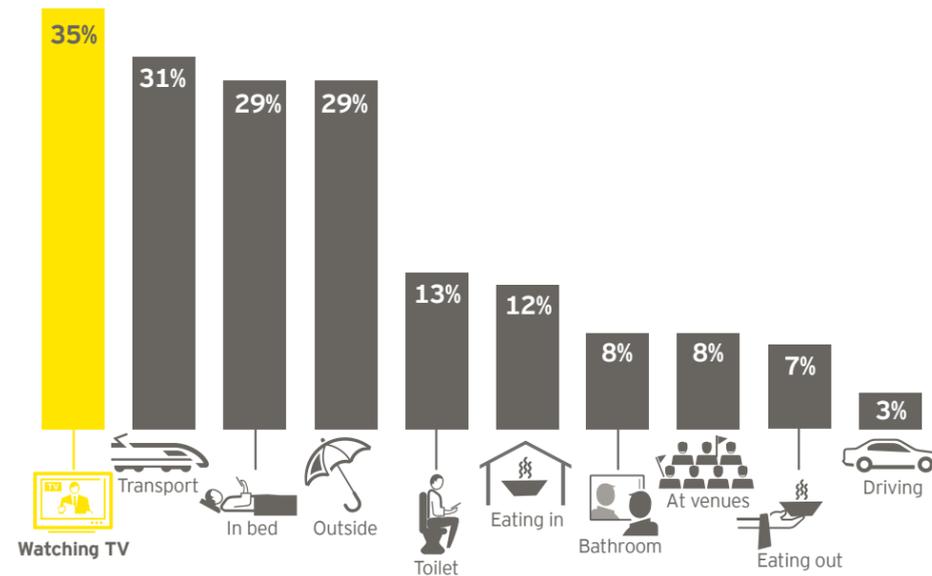


Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

Apple still retains a lead in tablets. However tablet use is less widespread than smartphone use, currently at about half the Australian population.¹³

Between smartphones, tablets, e-readers and laptops, the use of mobile devices has become acceptable in a wide array of personal and public situations.

Where do Australians regularly use a smartphone or tablet?



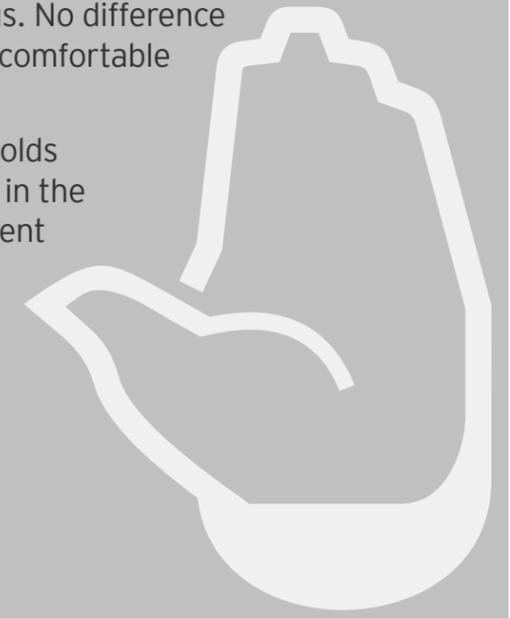
Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

Borrowing your kid's phone?

Think twice.

Differences in mobile phone use varies sharply between generations and multi-tasking takes on different meanings. No difference is more stark – or more uncomfortable to know – than this:

67 per cent of 18-24 year olds admit to using their phone in the toilet. This falls to 18 per cent among 55 to 64 year olds and just nine per cent among 65 to 69 year olds.



¹³ This research does not specifically include data on the iPod Touch which may alter the operating platform results. Some consumers for the purposes of this study may have defined the iPod Touch as a small tablet.

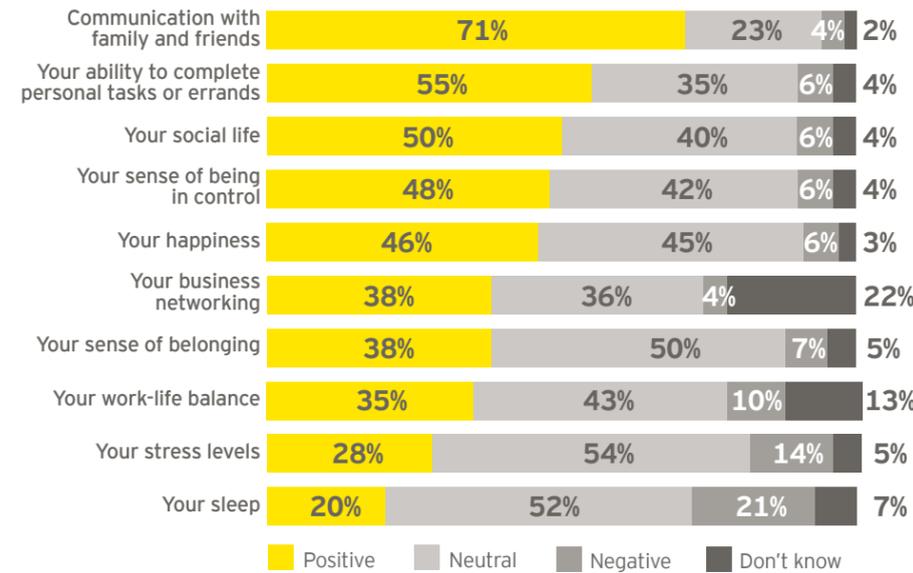
The Australian consumer and the internet in 2014

Impact

The impact of smartphones on the way Australians live their lives has been profound and the virtues of the devices are readily endorsed by users. While the benefits are many and varied, three key themes tended to emerge in the research:

- ▶ **Connection.** This is about enhancing communication and interaction. It spans both personal and worklife and 46% say it positively affects their happiness.
- ▶ **Achievement.** Smartphones bring a greater efficiency to life (or at least a perception of efficiency). The ability to get things done, multi-task and to be more productive are powerful drivers. Sixty-four percent admit to doing other things while on their smartphone.
- ▶ **Control.** Tempering the stress of day to day life and feeling more composed is close to a universal aspiration. The functionality of smartphones and the continual evolution of apps may help contribute to the quest for balance and wellbeing. Around one in two (48%) agreed that smartphones and tables have a positive impact on their sense of control.

Impact of mobile devices



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.
Base: Smartphone and Tablet users only

"Consumers are increasingly demanding ease of use and simplicity on mobile services."

Tom Kennedy, EY Advisory Partner

Through all of this, consumers are more inclined to perceive the benefits of smartphones and tablets in their private lives more than in their professional lives.

The ability to access maps, weather information and live transport timetable information on the move are examples of how smartphones have helped contribute to Australians' sense of control over their lives.

For all the enthusiasm surrounding them, there is a dark side to smartphones that they can provoke mixed emotions. Four themes of relevance are:

- ▶ **The paradox of connection.** How being connected to everybody online can create disconnection in the real world. One in five directly lament the negative impact smartphone have on the time they spend talking to family and friends.
- ▶ **Divided attention.** Multitasking is hailed as a benefit, but it can also create the phenomenon of constant disruption. It's particularly relevant when organisations consider the context of how people are engaging via smartphones because it's unlikely to be their singular focus.
- ▶ **Disconnection anxiety.** The fear of missing out (FOMO) by switching off can have a negative impact on contentment levels. The reliance on smartphones (an 'addition' for some) can torment.
- ▶ **Digital overload.** Feeling overwhelmed by the level of constant connection and volume of information.

The Australian consumer and the internet in 2014

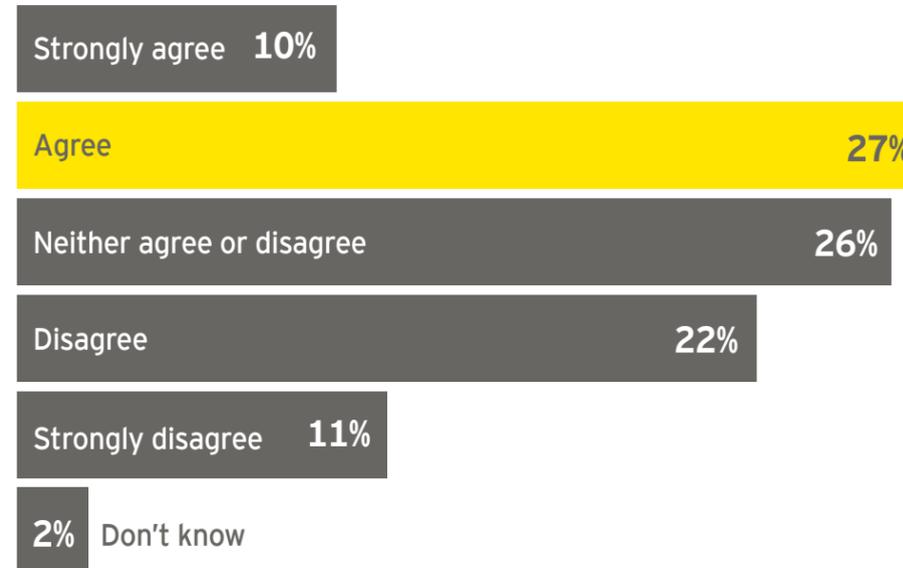
The untapped potential

Many consumers recognise there is more potential in their devices than they are currently exploiting. The group most likely to admit they struggle to keep up with what their device can do are men aged 65-69 (59 per cent), while younger men between the ages of 18-24 are the least likely.

An important extension of this for organisations looking to better engage via smartphones is not to assume that there is awareness of all the functionality available through an app on site.

There is clearly opportunity to grow consumer comfort with smartphones and tablets, without adding to a feeling of digital overload. Success will be predicated on understanding specific customer needs and the context around when and where they will look to engage.

I struggle to keep up with the rapid increase in digital device capabilities (%)



Source: EY Digital Australia: State of the Nation 2014, Consumer survey.

The explosion in mobile internet usage is one of the fastest uptakes of a technology ever witnessed. But the shift to mobile requires another round of investment by business to continue to improve customer experience.

The development of smartphone commerce is at the leading edge of the digital economy. But globally, shoppers around the world remain three times less likely to purchase when shopping on a smartphone compared to a tablet.¹⁴ And, there are still some sectors in which the majority of consumers are not yet experienced in mobile transactions.

“The company that finds the key to unlock mobile commerce may hold the most valuable discovery of this internet age.”

Tom Kennedy, EY Advisory Partner

¹⁴ The State of Mobile Benchmark – Q2 2013



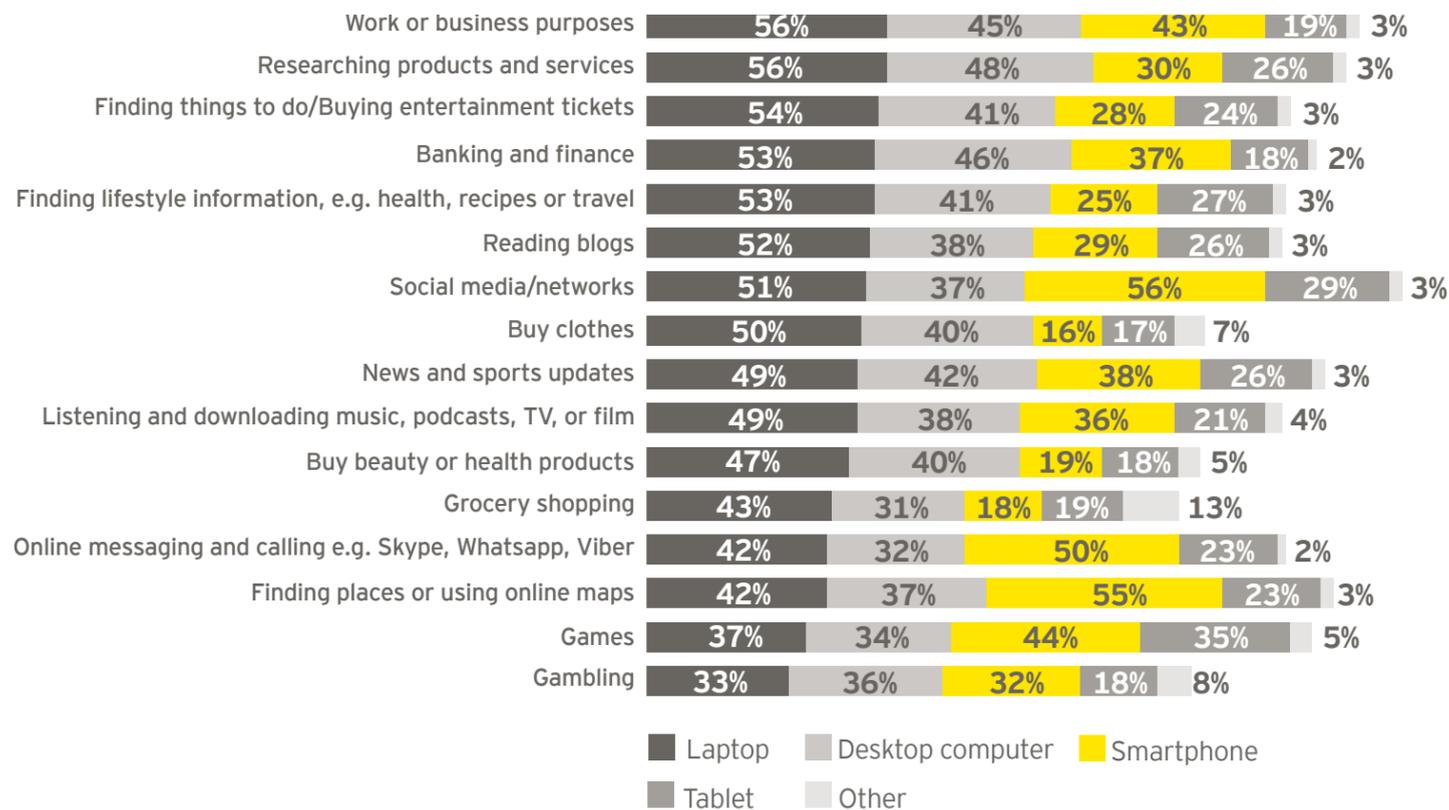
The Australian consumer and the internet in 2014

Yet given the widespread penetration of smartphones and the convenience they represent, m-commerce undoubtedly will play a dominant role in consumer spending in years to come. Business is now being forced to innovate whole new ways of engaging the consumer in order to win their customer in a mobile-centric world.

M-commerce will continue to develop, grow and change at a rapid rate, with apps proliferating and security an even greater concern than in non-mobile computing.

Currently, apps are king, but undoubtedly the way we engage and transact via m-commerce will undergo further transformation as new and more convenient means emerge.

Activities done online at least once a year by device used



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

Smartphones not yet widespread as a work tool

There remains another arena where the smartphone is yet to make significant inroads, and it may come as a surprise.

The research found:

- ▶ Just 18 per cent see the 'primary' use of their smartphone to be for work, which means by and large Australians are enjoying their smartphones for personal use.
- ▶ Of those Australians who go online for work or business purposes, 43% do so on their smartphone.

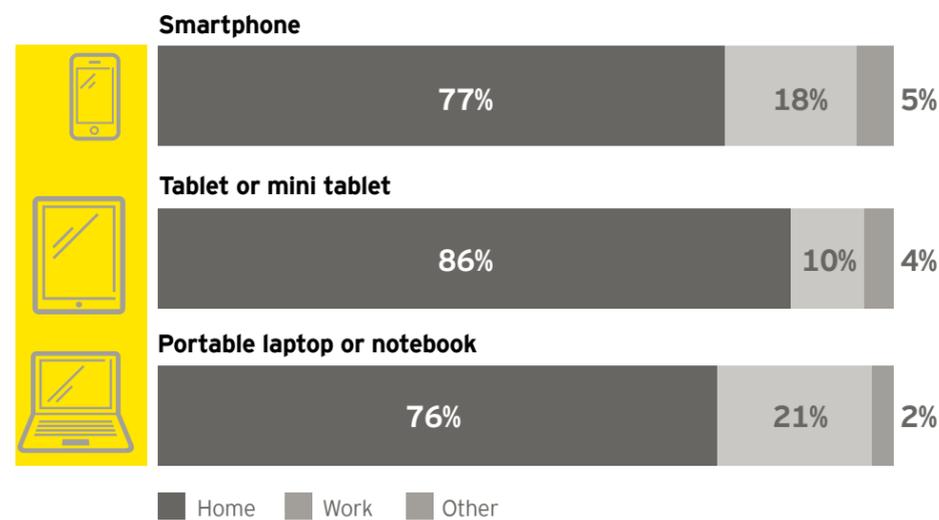
For some types of jobs, a smartphone may never be relevant, but for many other employers, better equipping employees with smart devices and mobile technology could bring about a large productivity enhancement.

"Trust is a critical factor for consumers in the mobile commerce space. Success will be as much about the level of confidence people have in an organisation as it will be about having access to the m-commerce functionality at point-of-sale."

Marc L'Huillier, EY Advisory Partner

The Australian consumer and the internet in 2014

Purpose for devices



source: EY Digital Australia: State of the Nation 2014. Consumer survey.

Forty percent of Australians say that smartphones have given their productivity a boost. The question of how this happens is an open one. It might even be that smartphones boost efficiency in managing personal tasks, freeing up more time for work. 6 in 10 check social media at work and 74 per cent say they use digital devices for personal tasks at work. The question remains, if mobile devices help improve efficiency around completing personal tasks, does this translate into more productivity in the workplace?

One impediment to intensive smartphone use for work is the ability for organisations to manage BYO devices. Ninety-three per cent of Australians personally own their smartphone, and just seven per cent have it supplied by their employer. This suggests that while the global trend of “Bring Your Own Device” has a foothold in Australia, it has some way to go. And given the proportion of workers using their phone for work is much greater than the share with a work-provided smartphone, it is an area that needs attention. Formalising this culture and putting in place the infrastructure and guidelines to support it can also contribute to greater people engagement and productivity.

Even where smartphones are provided or there is a BYO device policy in place, Australian business seems to be slow in integrating digital smart devices, corporate apps or internal social media into the work environment. This is likely because many organisations have strict policies around smart phone use and social media access, and are weighing up the risks associated with opening this up to employees in general.

However, it need not be about choosing risk over reward.

“It is a balancing act – protecting data and enabling access in a business world that is highly mobile, decentralised and integrated with third party suppliers and services. The IT Service culture may find it challenging to accommodate increasing expectation for access to real time data in a competitive business landscape, but it can’t turn back the clock.”

David McGregor, EY Technology, Media and Entertainment and Telecommunications Leader



The Australian consumer and the internet in 2014

Mobiles @ work: risk vs reward

The number of people carrying multiple devices for their work and personal lives carries risks in itself. The most pressing risks are in the critical field of information security. Given use is only set to grow, organisations that actively manage this risk, through investment in secure infrastructure coupled with easy-to-understand guidelines for employees around use of smart technologies and social media, will reap the rewards of a digitally connected workforce.

The connectivity, mobility and flexibility gains that can be achieved have limitless potential to transform business. This is chiefly because significant cost and flexibility benefits become available when workers can access systems, databases or other professional applications remotely via network-connected mobile devices in real time. Employees will be better deployed, better informed and better supported in fulfilling their role in the field.

“Organisations that will be successful in adapting to the future of work are those addressing these risks now. There is no doubt that the future of work will be increasingly virtual.”

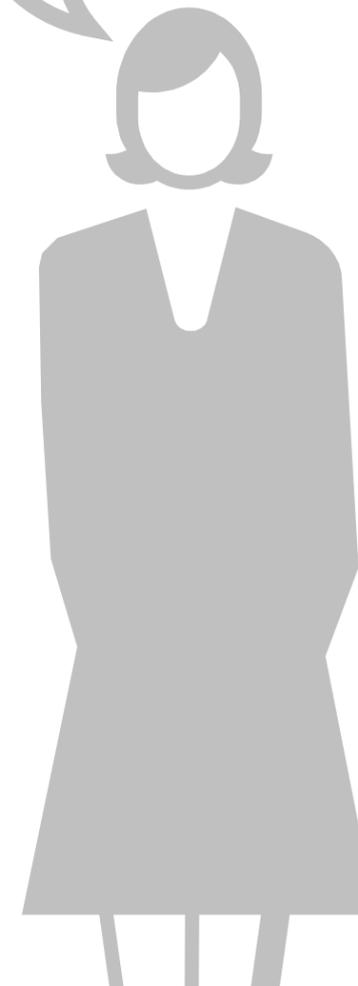
Louise Rolland, EY People & Organisation Executive Director

Digital enables more ‘intelligent’ interactions between employees and their systems, machinery and capital equipment. For example, digital is already transforming supply chains through remote monitoring and maintenance, geolocalisation and tracking of vehicles.

The unrealised potential for optimising performance via digital means is vast.

This is particularly true of the banking world where customer adoption of digital service channels is rapidly changing customer preferences and behaviours. This in turn will result in more virtual and flexible work as the banking workforce adjusts to deliver services through digital and offline channels.

In this context smart devices become not just an important tool to connect people and systems, but also a management tool that allows people leaders to actively monitor and manage virtual teams. Examples could include using devices to alert virtual team members of team performance, targets or changes in work arrangements, policies, learning opportunities or to connect them to new products, processes and tools.



The Australian consumer and the internet in 2014

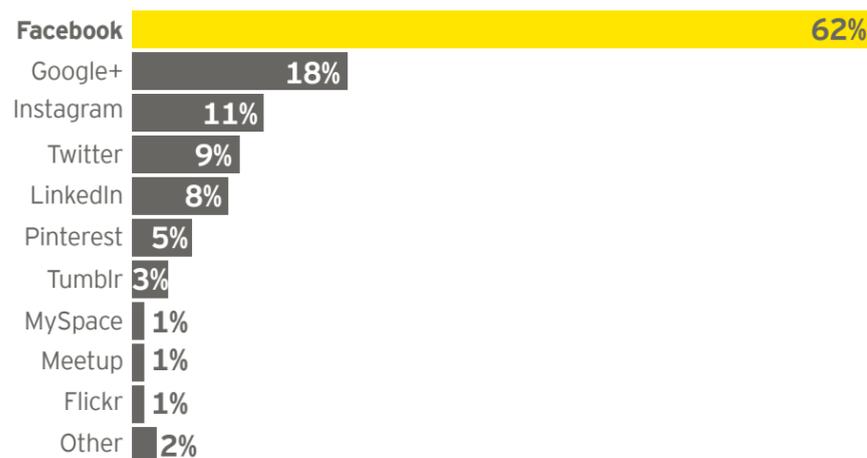
Most popular: social media

Social media is ascendant in 2014. It represents one of the most popular regular online activities, with 69 per cent of Australians accessing various social media platforms at least once a week.

Smartphones are the number one device for accessing social media, followed by laptops. This represents a clear distinction from other connected devices, which are used more for web browsing, online banking and work purposes.

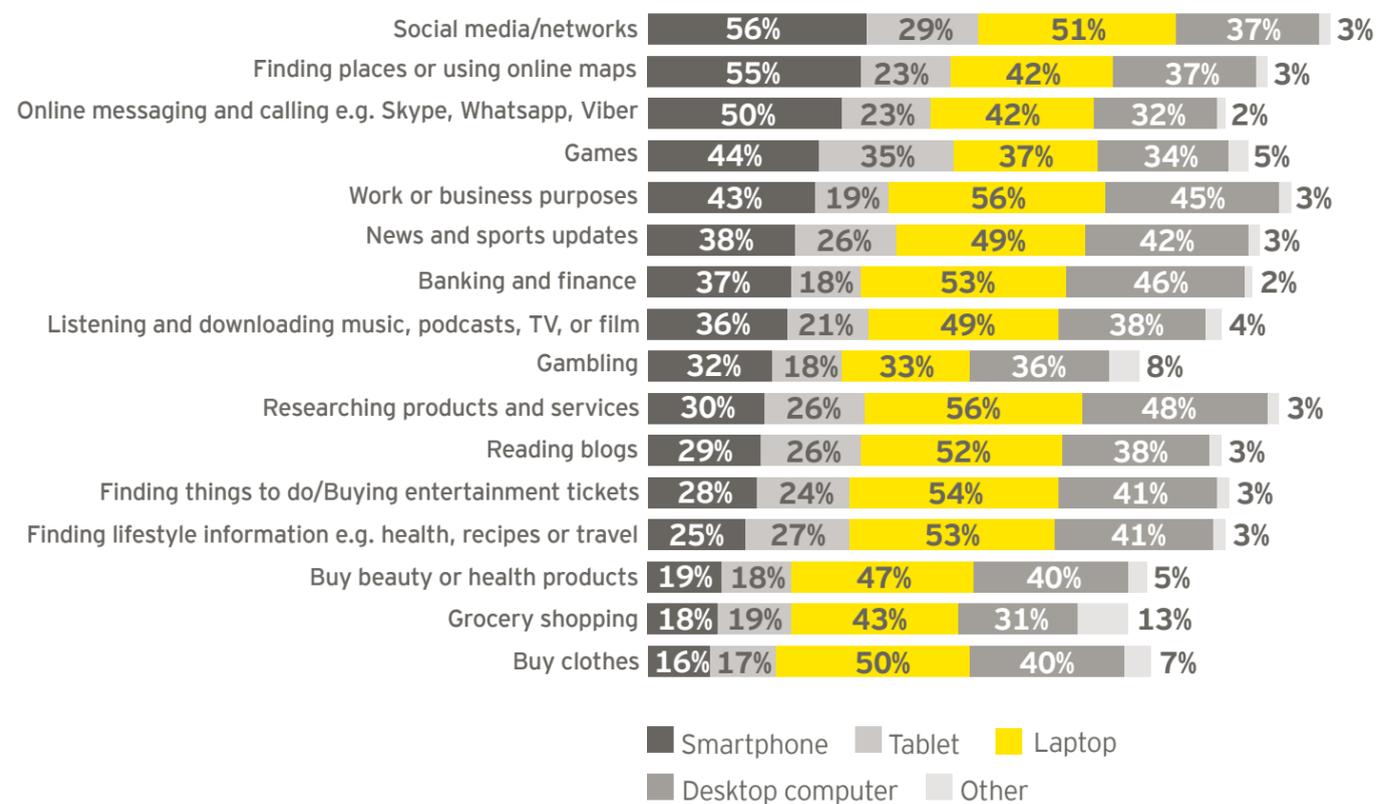
Among social media users, there is one network that continues to be more popular than the rest.

Which social media do you use daily?



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

Activities done online at least once a year by device used



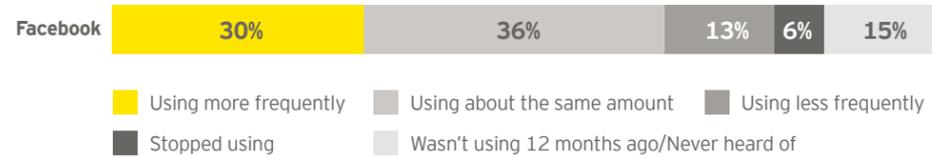
Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

The Australian consumer and the internet in 2014

Facebook retains its most popular status for Australians. Around 85 per cent of Australians have used it and 62 per cent access it daily. Research suggests Australians spend eight hours on Facebook a month, far more than even hours spent on Google.¹⁵

But perhaps Facebook's most notable metric is its continued growth. Nearly two-thirds of people are using it the same amount or more often than last year, while just 19 per cent have quit or are using it less often, and six percent have quit.

Change in past 12 months



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

For organisations with a strong Facebook presence, the steady popularity of Facebook can help lift their return on investment, but also increase the risks associated with mismanaging the communication channel.

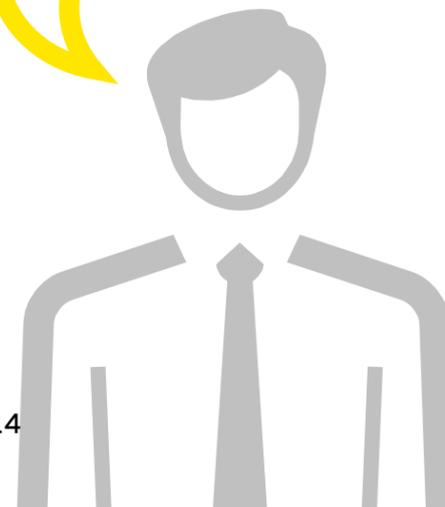
For organisations without a Facebook presence at all, its rise may lead them to question whether the costs and risks of being involved in the network remain greater than the risks of not being involved.



"Consumers will talk about you whether you are listening or not.

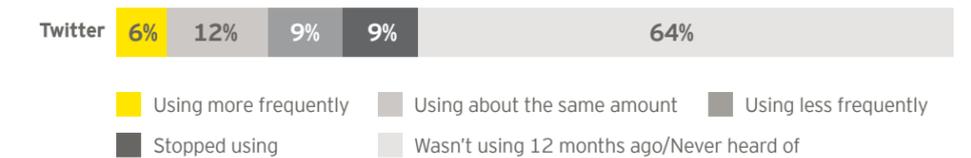
Brands need to engage in this conversation or risk alienating their consumers."

Tom Kennedy, EY Advisory Partner



The growth of Facebook contrasts with the patterns seen in some other well-known social networks, which show some signs of modest contractions in usage. In some cases, however, falling overall use may belie increased usefulness as each social media platform finds its niche.

Twitter, for example, has generally shrunk in popularity among Australians surveyed. More users have cut their usage or quit than are using it more frequently.



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

But the profile of Twitter users is different to that of Facebook users. Twitter is increasingly the network of choice for influencers, celebrities and public thinkers, whose views published on Twitter can swiftly make their way into broader discourse via other media outlets.

¹⁵ The Australian Online Landscape Review, Nielsen February 2014

The Australian consumer and the internet in 2014

Professional social network LinkedIn exhibits a similar but less pronounced fall in patronage.



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

LinkedIn is most popular among those aged 25 to 44. Given it is a platform for professionals from all working walks of life to engage, it makes sense for organisations to have at the minimum a brand presence on LinkedIn. The benefits include leveraging the platform as a recruitment vehicle to attract talent, building the brand of individual employees and promoting campaigns and thought leadership. Of course, like Facebook, guaranteed profile requires advertising spend.

Whether an organisation should be active and invest budget in any of these more mainstream social networks requires consideration of a number of factors including: customer relevance and reach, competitor presence, brand and reputation risk.

However, social media is not a one size fits all proposition. Organisations' social media strategy must be customised for each platform, based on their customer profiles.

Organisations that have completed enormous investments in their websites are now making decisions on investments across the range of social media channels, with all the costs inherent in a real-time service, and the risks of creating a unified but optimised message across different platforms.

For organisations, the goals of using social media include: engaging with customers and stakeholders; learning about their views of an organisation, responding to queries and requests, inspiring customers to engage with the brand and responding to messages communicated via that network.

The steadfastness of Facebook suggests the biggest strength of this social media platform is about the relationships humans most wish to nurture – those with their family and friends.

Data supports the proposition that Facebook is still used primarily to connect with friends and family, sharing stories, photos and news, both personal and public.

So the opportunity is in engaging with users in a meaningful way based on a strong understanding of the platform.

This opens up the opportunity for organisations to engage with people in a more informal discourse. For example, by leveraging Facebook's personalised feeds to reach their audience, and using geo-targeting or demographic targeting.

"Social media is the first iteration of a two-way consumer feedback loop – which is publicly available for the rest of the market to see. While it helps to provide a 'human face' for organisations the question remains whether organisations are realising the gains and managing the risks. There's obviously much more work to be done in this space from a commercial point of view."

"Social media must be treated carefully. A single message cannot be broadcast across all forms of social media – each network has different etiquette, rules and audiences that determine the form an effective message will take. But the hard and fast rule is to be authentic."

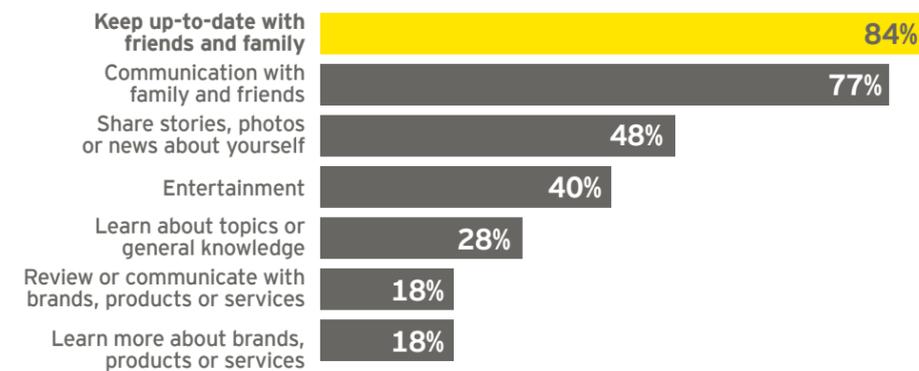
Tom Kennedy, EY Advisory Partner

The Australian consumer and the internet in 2014

The challenge in execution is that corporates must engage in a considered, organic and authentic way or potentially face risks to their brand and reputation.

The essence of Facebook is in its conversations. Users post and interact around the issue of the day, politics, social issues and entertainment. Being the subject of such conversations may be far more influential than attempting to merely disseminate a message.

How do you use facebook?



Source: EY Digital Australia: State of the Nation 2014. Consumer survey.

*Multi-response question represents responses from daily facebook users only.

Just under a fifth of users rely on Facebook to learn more about brands, products and services. The challenge for companies is to make engaging with them via Facebook a compelling proposition. Because Facebook use is increasingly mobile, it has enormous potential as a platform for services such as m-commerce.

But that potential is yet to be wholly realised. Social media is not likely to be the sole or even the main channel of communication between businesses and consumers for the foreseeable future. Just 16 per cent of consumers prefer to communicate with companies through social media.

This points again to the strength of an optimised multi-channel offering that caters to different types of consumers as they interact with organisations in varying situations.

Highlights from our interviews

On mobile phone optimisation...

"If your website is not revealing itself properly on a mobile phone, you're miles behind. It's almost like you've got one hand behind your back. To me, the customer experience is jeopardised and thwarted if you're not delivering a good mobile experience."

Jon Satterley, Group Director – Digital Development at Village Roadshow

On the growth of different devices...

"Given the breadth of options and alternatives, and the real glut of content in general across digital platforms – having a distinct brand proposition that really stands out and is recognisable to users in that sea of choices is important. We've got to be able to do that for each individual platform or device appropriate to the customer's own scenario."

On how Australia ranks in terms of providing high quality digital experiences...

"I think Australian organisations in general have been slower to address consumer expectations around mobile accessibility, for example – high-quality digital service models, and that's an area where we see a lot of companies now really catching up and many cases beginning to lead the pack, but it happened a little bit later here."

Alisa Bowen, Group Director, Digital Product and Development at NewsCorp Australia

Highlights from our interviews

On privacy concerns from consumers...

"If you're an authenticated user, wanting to know how your data is being used and stored is a legitimate concern. Australian industries need to be focusing on how do we get on the front foot and allay concerns."

Jon Satterley, Group Director – Digital Development
at Village Roadshow



On social media...

"It's hard to deny that social media is increasingly important when people now often check their Facebook before they even say good morning to their partner. Consumers are using social media all the time, therefore why wouldn't you use it as a broadcaster and brand to reach those consumers and their conversations?"

On digital strategy philosophy...

"We use the term 'So Lo Mo', which is a phrase coined by John Doerr short for Social-Local-Mobile. We've actually added Vo onto the end (Video), because video is so important to us - it's how our audiences want to consume our content."

Chris Johnson, Digital Content & Product Director,
Southern Cross Austereo



Digital opinion leaders and the internet in 2014

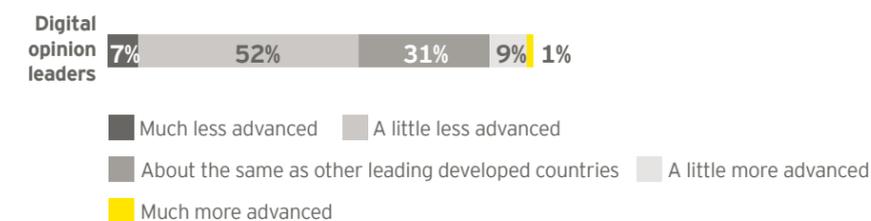
One component of this research was a survey of 167 senior managers, who work in digital functions at their organisations and have direct influence over decisions about their organisation's digital strategy.

The digital opinion leaders surveyed for this research come from both the private and public sectors. They were asked to rank Australia's digital status compared to its global peers, rate Australian business and government in terms of their digital products, services, customer experiences, investment and strategies as well as offer their view on where the challenges and opportunities lie in advancing our nation's net worth in digital.

Some questions deliberately overlap with the consumer survey to provide a contrast or show the similarity from both sides. While some questions were just asked of the digital opinion leaders, given their technical expertise in the field.

Overall, digital opinion leaders are more likely than consumers to view Australia's digital offering as 'less advanced' than the rest of the world.

Australian digital economy standing



Source: EY Digital Australia: State of the Nation 2014. Digital opinion leaders survey.

This finding aligns with the World Economic Forum 2014 Network Readiness assessment, which places Australia 18th globally in a broad index of digital advancement, well behind leaders Finland and Singapore. Australia is marked down for its business and innovation environment, ranked at number 21 globally.

In other areas the views of consumers and opinion leaders diverge more sharply.

For example, almost 53 per cent of digital opinion leaders believe consumers would rather purchase online than in a bricks and mortar store. However, only 35 per cent of consumers agree. This distinction suggests an opportunity for businesses to re-assess their digital strategies and the assumptions that underpin them.

If consumers are less willing to buy online than widely believed, companies may need to focus first on addressing the fundamental inhibitors to online shopping such as ease of use before moving on to more advanced elements such as personalised offerings to garner deeper engagement.

Digital opinion leaders and the internet in 2014

“Companies are collecting and storing so much data they often have the same data stored in multiple different places. The first thing they should do is understand what they hold and its value to them, but also to others who might want to get access. The cost of protecting that data may in fact be higher than its value to the organisation.”

Charlie Offer, EY Cyber Security Partner

Critical factors

However, arguably the window on improving hygiene factors will close soon as competition steps up.

One crucial stumbling block may be security. Not all digital opinion leaders appear to be aware of the extent of concern consumers have for their online privacy and security. This may be because security and privacy were perceived as concerns for consumers when e-commerce first burst onto the scene and fell off the radar as buying online became more commonplace. Recent debate around data analytics and privacy has contributed to reigniting consumer fears, as have high profile global incidents.

This suggests a renewed focus on security may be necessary for businesses if they are to win over customers reluctant to engage online.

In general, digital opinion leaders are placing more weight than consumers on advanced digital customer experience. While consumers are calling for better digital experiences, they feel that organisations need to get the basics right first before progressing to the next level. It is not hard to understand why there is a gap between the views of the two groups. Digital opinion leaders have deep industry and technical knowledge and know what can be achieved and what their global counterparts are doing in digital. While consumer digital education is on a rapid trajectory, it is clear to see that consumers view the digital channel as serving the purpose of making life easier.

For example, when asked whether a website optimised for viewing on a smartphone is important to a ‘high quality digital experience’, only 32 per cent of consumers agreed. This is in contrast to 77 per cent of digital opinion leaders who believe that an integrated experience across mobile, web and face-to-face is important.

This is probably due to the fact that m-commerce is still developing and requires improvements around ease of use, experience, security and privacy if it is to be fully embraced in the short term. While it is not currently consumers’ first choice, the potential for m-commerce cannot be ignored.

“Businesses need to be very cognisant of a fluid customer experience so a customer can interact with them on a screen of their choice. Consumers don’t have a huge pain-point around it today, but the importance is the opportunity to make it easier for a customer to buy.”

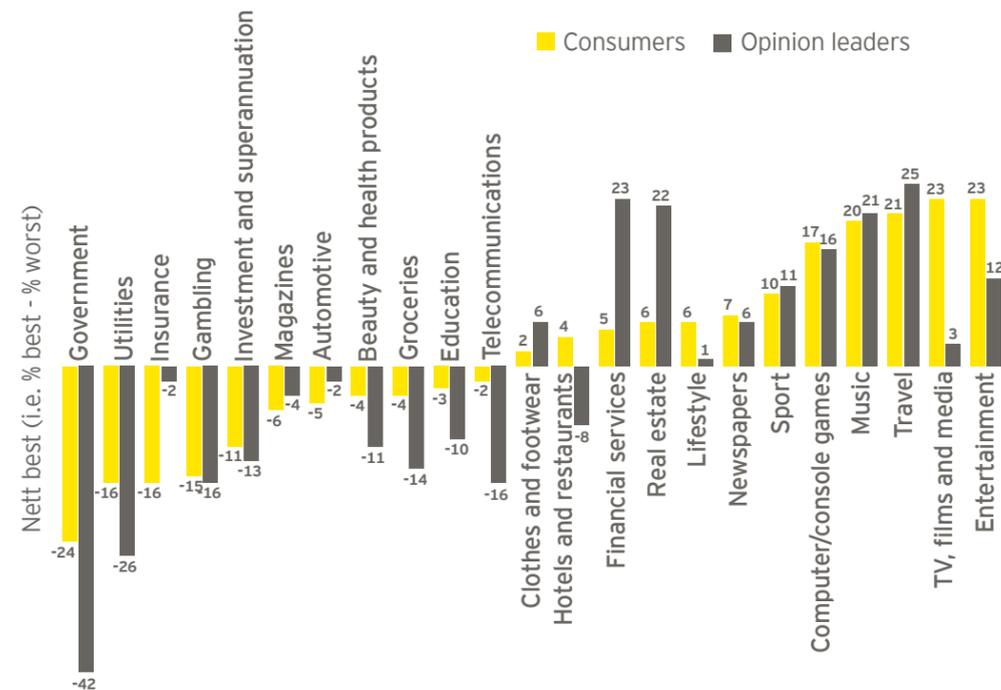
Jenny Young, EY Customer Leader

Digital opinion leaders and the internet in 2014

Sector vs sector

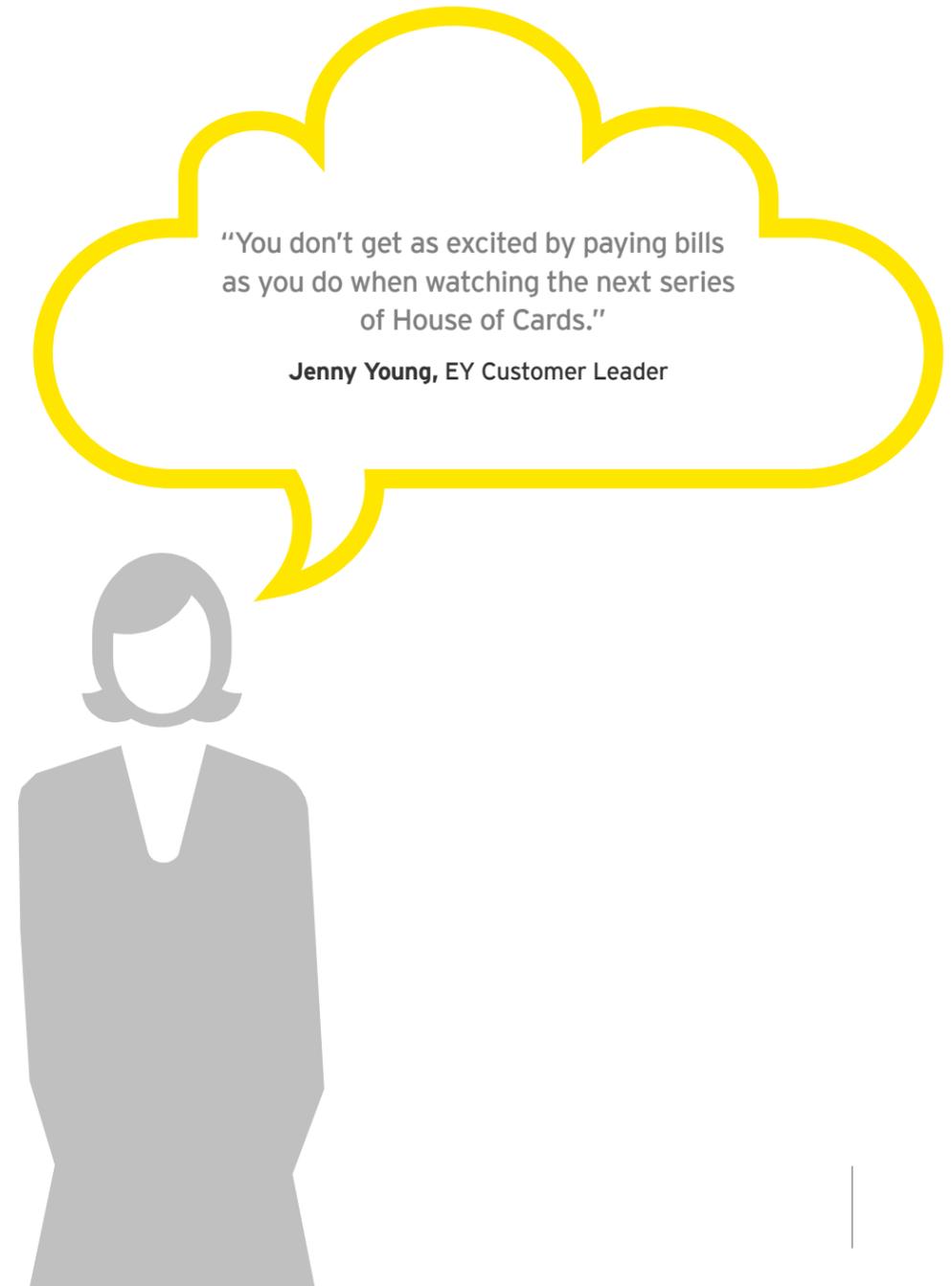
As highlighted earlier, there are marked differences between where consumers and digital opinion leaders rank each sector based on the quality of digital experiences. Australians say that entertainment and TV, films and media sites offer the best digital experience, while digital opinion leaders view the travel industry and financial services as leading the way. Digital opinion leaders also wrongly believe that news sites rank poorly in consumers' minds. But both groups agree that government and utilities provide the least positive digital experiences.

Consumer and opinion leader ratings for best and worst digital experiences



The relative strength of certain consumer ratings may be explained by the inherent enjoyment of the activity.

In other words, this may say more about how much Australians rely on digital to access lifestyle services versus the frustrations that can come from paying bills or even purchasing online. Whereas, what digital opinion leaders are saying is that these sites could be improved when compared to their global counterparts. While some sectors have more work to do than others, competition is usually a strong instigator of change. The goalposts shift everyday, and the top choice this year, may be further down the list next year. This means there is vast potential for development generally across every sector.

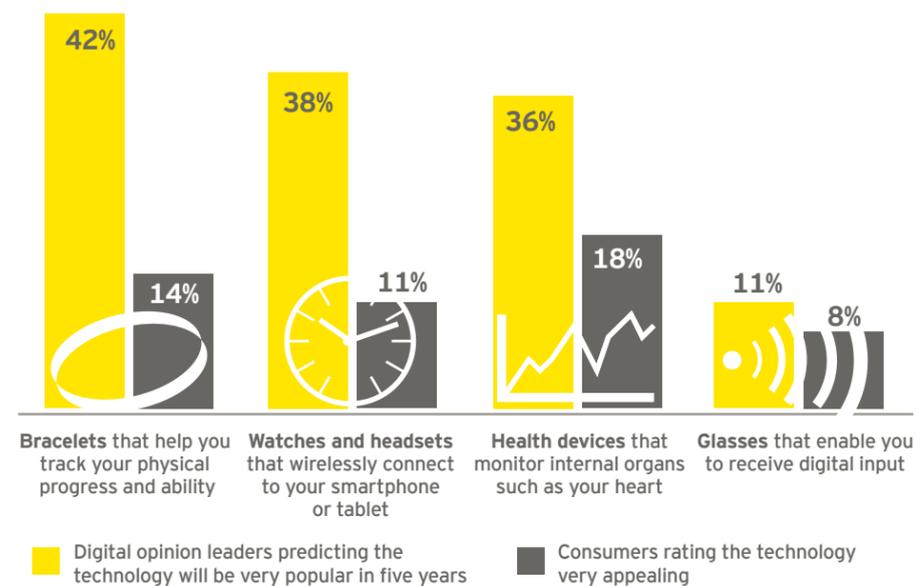


Digital opinion leaders and the internet in 2014

What's that on your wrist?

Digital opinion leaders and consumers are largely divided on the potential of wearable technology.

The future of wearable technology



Source: EY Digital Australia: State of the Nation 2014. Digital opinion leaders survey.

Opinion leaders think wearables to keep track of things such as health and fitness are likely to be a part of our lives within five years, but consumers are not yet convinced. Likewise, opinion leaders believe in the future of digital hardware like watches, while consumers have their doubts.

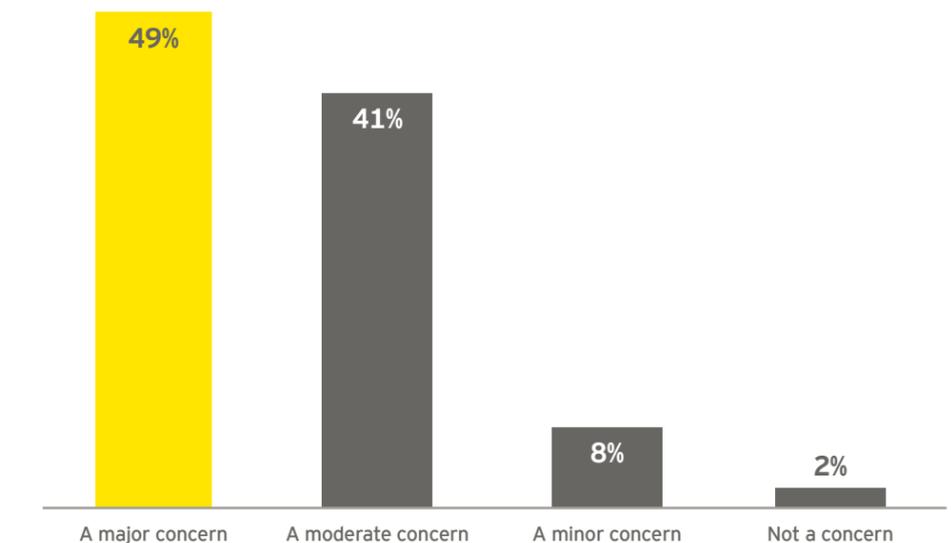
Both groups remain sceptical about the medium-term future of glasses that deliver digital inputs.

While we credit ourselves with being early adopters, it is still early days for wearables and pre-emptive to make definitive calls. The convenience-minded Australian consumer may not yet be able to visualise how wearables will enhance their life.

Business and the internet in 2014 – dollars for digital

Digital opinion leaders strongly believe that investment in digital needs to expand in order for Australia to meet its potential. Almost half of the opinion leaders surveyed described a lack of investment as a “major concern.”

A lack of investment in developing the digital experience by businesses in Australia is...



Source: EY Digital Australia: State of the Nation 2014. Digital opinion leaders survey.

Digital opinion leaders and the internet in 2014

As the digital economy advances and consumers continue to grow in sophistication, merely having an online offering will not be enough. The strength of investment in online, as part of a seamless multi-channel offering, will be the fundamental plank in the strategy of successful businesses.

“A lot of businesses think about their digital strategy in isolation. Businesses really need to think about what is their business strategy in this digital market, as opposed to what is their digital strategy.”

David McGregor, EY Technology, Media and Entertainment and Telecommunications Leader

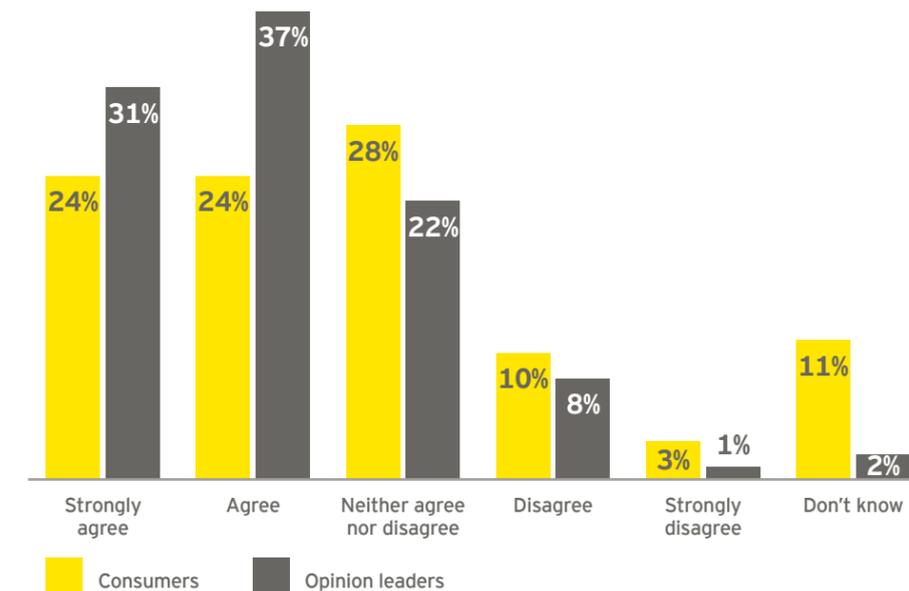
Government policy and a digital Australia

Australia’s digital progress is not solely a matter of interactions between business and consumers.

Governments, especially the Commonwealth Government, control key policy levers that can change the environment, and the reality is many stakeholders believe they can and should do more.

Sixty-seven per cent of digital opinion leaders say we are in danger of being left behind as a result of government policy on digital.

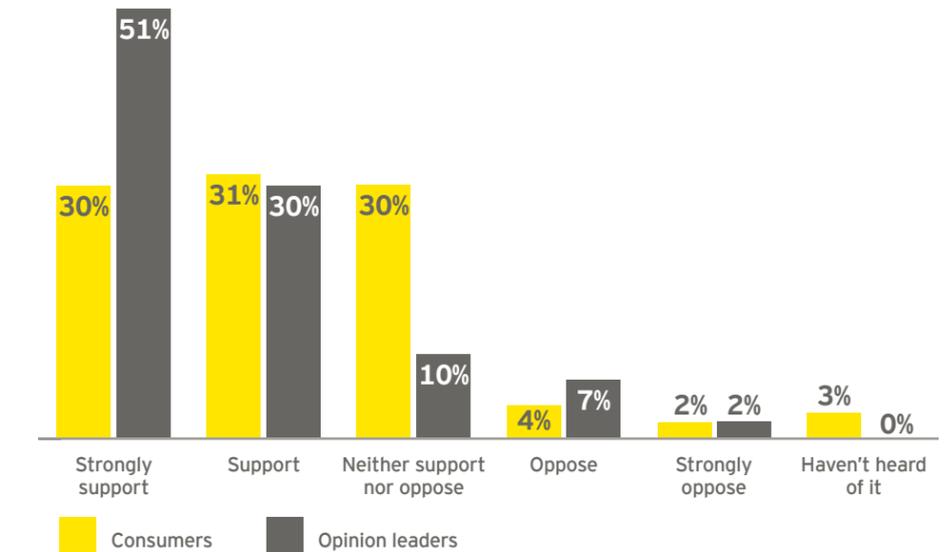
Australia is in danger of being left behind digitally due to government digital policies



Source: EY Digital Australia: State of the Nation 2014. Digital opinion leaders survey.

A key issue for both consumers and opinion leaders is the provision of improved internet infrastructure – such as the National Broadband Network (NBN). A majority of digital opinion leaders and consumers support the program. However 52 per cent of digital opinion leaders say slow rollout of NBN is a major concern.

Support for NBN



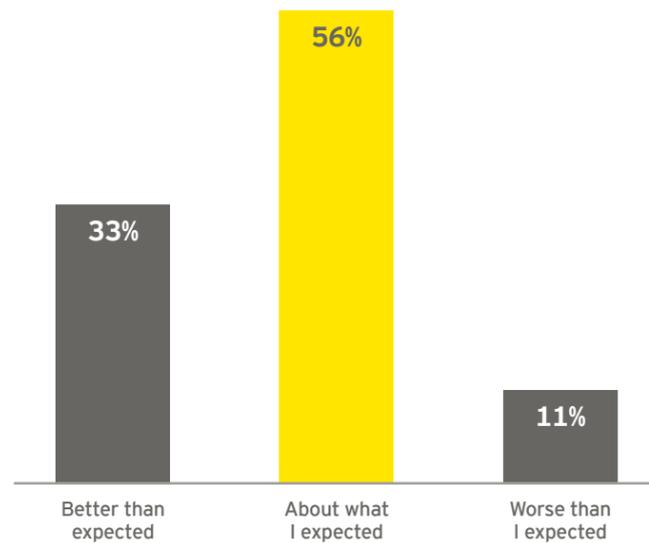
Source: EY Digital Australia: State of the Nation 2014. Digital opinion leaders survey.

The NBN is not yet widely available, but those consumers who have connected report being very satisfied.

Just 14 per cent of consumers say the NBN is available at their home, but of those a majority (64 per cent) have already connected, representing seven per cent of the Australian population. Among those with NBN access, 89 per cent report it is meeting or exceeding expectations.

Digital opinion leaders and the internet in 2014

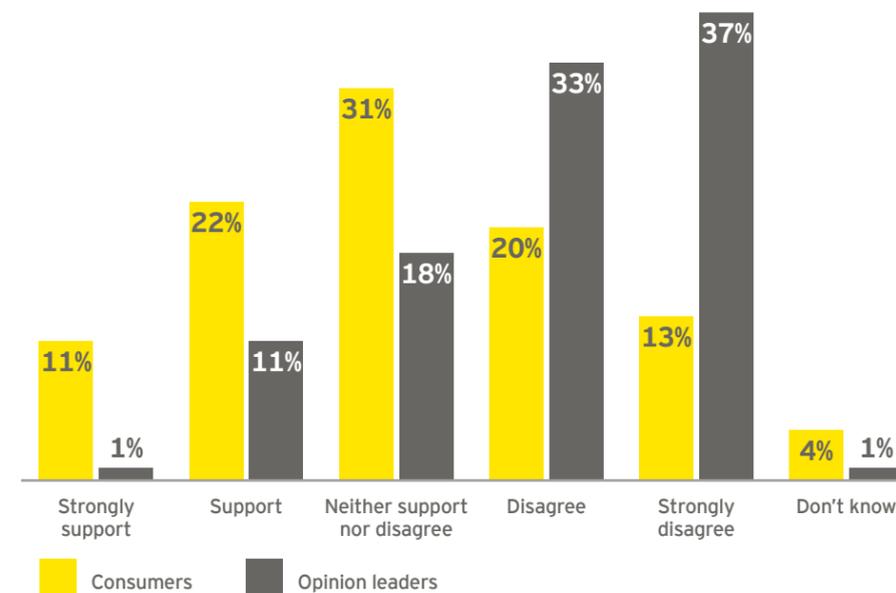
Experience of using the NBN compared to expectations



Source: EY Digital Australia: State of the Nation 2014. Digital opinion leaders survey.
*People who have NBN already

Neither consumers nor digital opinion leaders showed a strong preference for the government monitoring online activity, although consumers were more open to the idea.

The government should take a more active role in monitoring the online activity of people



Source: EY Digital Australia: State of the Nation 2014. Digital opinion leaders survey.

Government's role in advancing our nation's digital standing is both critical and complex. All eyes are on government to drive policy and investment, and create a national culture of innovation, yet it also needs to look inwards at how its own online services are perceived. Considering the vastness of the public sector, this is not an easy job. However, as we progress further into the digital age, governments will need to take further responsibility for providing online content and services that are accessible and easy to use, for all Australians.

While the research tells us that the NBN is widely supported, providing appropriate infrastructure is only part of the story.

Given Australians are saying that security and privacy are very important to them when they are engaging with an organisation online, government needs to lead by example and compel industry to become more transparent in its use of customer data, while also being more transparent within its own walls. As a multi-faceted single entity, the public service will always be the biggest collector of citizen data, and with this comes great responsibility and great reward. Better and more transparent use of 'big data' can provide a richer understanding of its citizen segments and therefore, improved delivery of services and takeup of digital channels which ultimately will lead to the achievement of better citizen outcomes and public value.

The answer may lie in embedding digital leadership and innovation into the culture of government, employing more digital talent and implementing stronger processes to drive this agenda forward.

Conclusion

Australia has made great progress as a digital nation in a short amount of time.

Many Australian organisations have made significant innovations in digital, exploiting technology to provide world leading services to their clients and stakeholders. Other organisations have work to do.

But the digital age is very much in its infancy, and much that appears certain and established will be changed entirely within a year.

We can expect waves of digital disruption, unbalancing incumbents and creating tremendous opportunities for nimble organisations with the capacity to react.

Moving beyond business-as-usual online experiences and driving more favourable market conditions to advance digital are the cornerstones of the pursuit to push Australia to the top of the leading digital nations in the developed world.

At the most basic level, the recipe for successful organisations remains constant. It is simply about taking a customer-centric view of the digital world. Business must put customers at the centre of their thinking, and must implement continuous innovation processes and real-time feedback loops.

Monitoring the digital environment in order to respond to changes as they happen is integral to success. The leaders in this area will be from organisations where innovation is expected and encouraged, where digital is firmly integrated into business strategy, and where their value proposition is based on being quick to respond to new customer behaviours while working to create new ones.

This report shows much remains to be done and we are at a critical point of change. Australian consumers and digital opinion leaders share the belief that Australia's digital offering lags behind the rest of the world, and vast sectors of the economy must now step up. Smartphones are revolutionising the way we communicate, as is social media, and the technology behind both is showing no signs of slowing down, or being as some first thought, passing fads. E-commerce and m-commerce continue to rise in popularity, and are part of the reason why security and privacy are firmly back on the agenda for Australian consumers. Overcoming these concerns will be a task requiring bold organisations to take a stand by becoming more transparent and open about the use of customer data.

Governments have more work to do according to consumers and opinion leaders, who are strongly supportive of investment in broadband infrastructure. Government can add value through leadership – improving delivery of its own services, as well as supporting investment in innovation and infrastructure that underpins a strong digital economy. Government also has a critical part to play in supporting businesses to defend themselves from cyber attack as well as protecting consumers' security and privacy. The role for government in a digital world is obvious. Better digital helps Australians connect, collaborate, drives greater competition and importantly, contributes to the nation's bottom line.

Moving Australia towards becoming a more advanced digital nation will transform lives and unlock potential. The intent of this report is to provide a snapshot of our current status, benchmark our progress and highlight areas for future investment.

For a copy of the aggregate research report and to view all the data from the primary research, available in filterable tables, visit EY's interactive online portal at digitalaustralia.ey.com

About this study



The definitive source of insight on Digital in Australia.

Research approach

Digital Australia: The State of the Nation is a wide-ranging report that is based on three types of research.

- ▶ **Extensive Quantitative Research** – A representative survey of 1500 Australians (16-69 years) and 167 'digital opinion leaders' drawn from the commercial and government sectors
- ▶ **Deep Dive Qualitative Research** – A series of in-depth interviews with some of Australia's top digital decision-makers and industry thinkers
- ▶ **Comprehensive Desk Research** – Analysis and aggregation of existing data on digital behaviour and trends

EY commissioned Sweeney Research¹⁶ to conduct this research program. EY would also like to acknowledge AIMIA (The Digital Industry Association of Australia) for their support on this research.

¹⁶ EY acquired Sweeney Research in October 2014.

Research coverage

7 key areas

24 specific topics

Comprehensive desk research

Digital devices usage

- ▶ Device ownership and usage
- ▶ Operating platforms
- ▶ Internet activities
- ▶ App usage

Digital productivity

- ▶ Digital device work use
- ▶ Impact of mobile digital devices on productivity
- ▶ Employer restrictions
- ▶ Online study

Social network and media

- ▶ Social media usage
- ▶ Social media movers and shakers
- ▶ Reasons for using social media

The digital future

- ▶ Emerging consumer technology
- ▶ Appeal of wearable digital devices
- ▶ In-store commerce

Attitudes to digital

- ▶ Role of digital devices
- ▶ Digital attitudes
- ▶ Impact of mobile digital devices on life aspects
- ▶ Digital channel importance

Digital experience

- ▶ Australian digital economy strengths and weaknesses
- ▶ Digital experiences of different industry sectors and organisations
- ▶ Digital experience needs
- ▶ Digital experience problems

Government and the digital economy

- ▶ Attitudes to government and the digital economy
- ▶ Attitudes to and experience of the NBN

Aggregate research report

- ▶ Publically available data from a diverse range of sources

Digital@EY

EY's team of digital consultants deliver world-class business transformation globally and locally. Our digital capability is embedded across all of our services enabling a whole-of-business solution. Our data-driven insights along with our global experience and networks enable us to deliver results in digital business transformation.

EY can help unlock the full potential of digital by making it deliver commercial value through a whole-of-business approach to strategy and practical implementation.

Digital at EY is about more than technology, it is the levers that businesses can use to drive business transformation, elevate customer experience and engagement, and identify demand for and test new products and services.

Understanding the intersection of business, risk and digital is fundamental to EY's digital experience and capability.

EY's digital solution includes:

- ▶ Business and IT strategy, business model optimisation
- ▶ Business and IT transformation
- ▶ Branded customer experience design and channel strategy
- ▶ Customer experience and engagement
- ▶ Customer insight – customer analytics, customer data management
- ▶ Personalisation and real time marketing
- ▶ Multi-channel change management
- ▶ Governance, risk and compliance management of digital channels
- ▶ Security and privacy frameworks assessment

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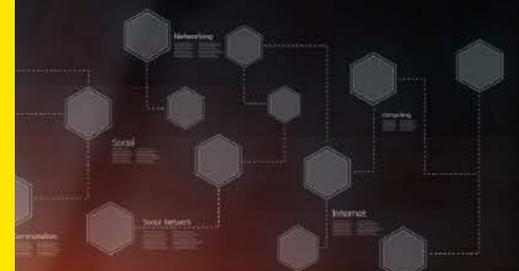
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