EUROPE ONLINE: AN EXPERIENCE DRIVEN BY ADVERTISING

SUMMARY RESULTS

CONTENTS

1. KEY TAKEAWAYS

- Most European internet users are online daily, using a variety of devices and engaging in a diverse array of activities
- Younger users are more likely to be online more frequently and to use smartphones than older internet users
- The European online experience is essentially free and ad-supported, with two-thirds of users never paying for services or content
- Online users are more satisfied with their free online experiences (with or without ads) than their paid online experiences (63% vs. 40%)
- Online users would avoid paying for services or content – 9 in 10 would stop accessing their most-used free news site/app if it became paid for
- Those on higher incomes are more than twice as likely to pay in order to keep accessing their most-used site than those on lower incomes
- European online users value their online privacy, but value the online services they get for free even more
- European online users are happy for their data to be used for targeted advertising in order to get access to free content supported by advertising. Two thirds say they would be happy for their data to be used for this reason, and more than 8 in 10 would prefer free sites with ads to paying for ad-free content
- Online users have more interest in being able to access information about their data use than in requiring the approval of cookie data every time they access a site

2. MOST EUROPEAN INTERNET USERS ARE ONLINE DAILY, USING A VARIETY OF DEVICES

2.1 EUROPEAN INTERNET USERS HAVE A HIGH ACCESS FREQUENCY

The internet is an integral part of online users' lives. The vast majority access the internet on a daily basis (97%), and during an average day, more than half of them are online for 3 hours or more.

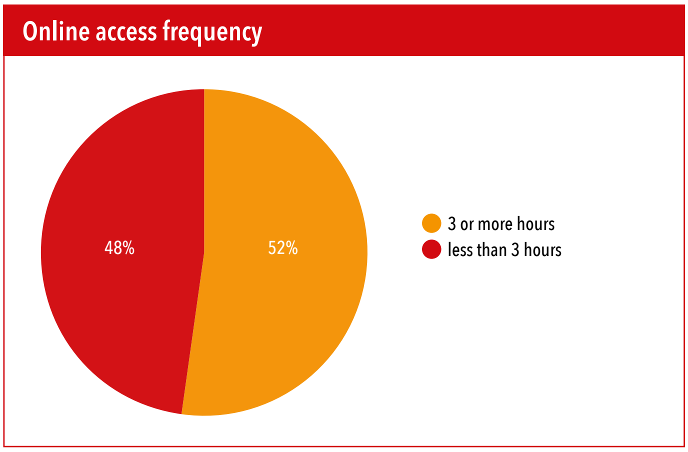

Figure 1. Time spent online during an average day

Unsurprisingly, younger online users spend more time online, with around two thirds of 16-24s spending more than three hours online on an average day, compared to just 41% amongst those aged 65 and over.

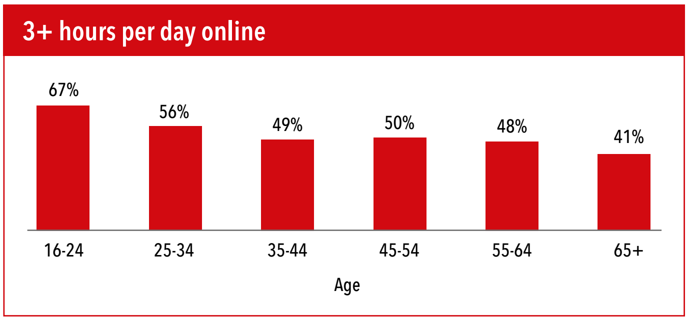

Figure 2. % spending 3+ hours online during an average day by age

Online users in Poland and Romania are the most frequent daily users (60% and 58% get online at least 3 hours per day, respectively), whereas Estonia and the Netherlands are the less frequent (35% and 37%, respectively).

2.2 EUROPEAN INTERNET USERS CONDUCT A LARGE RANGE OF ACTIVITIES ONLINE

Online lives are generally rich, with a large number of activities performed, from the almost universal, like using email and search engines, to more specialised ones, like gaming.

The most popular activities performed on a daily basis are email, using search engines, accessing social networking sites and reading online news.

These top 4 activities are consistent across all countries surveyed, with the main difference being the use of messaging services being a top-4 daily online activity in Italy, Romania and Slovakia.

Activity	Done on a daily basis
Use email	**88%**
Use a search engine	**82%**
Social networks	**68%**
Online news	**67%**

Figure 3. % doing top 4 activities on a daily basis

Whilst some online activities are accessed at a similar level across different demographics, others have a more age-driven appeal, in particular playing games online (only 40% of 65+ ever do it, compared with 82% of 16-24s), and also online videos/TV, music and social networking.

2.3 EUROPEANS USE MULTIPLE DEVICES TO GET ONLINE

Online users rely on a variety of devices to connect, with computers/laptops being the most popular (97% use), followed by smartphones at 85%. Tablets trail far behind at 58%, whilst Smart TVs and video game consoles are less popular as a method for online access with about a third accessing each.

Whilst computer/laptop use is universal across different age groups, there's an age gap on smartphone use, with almost all 16-34s using them to get online compared to two-thirds of 55+s.

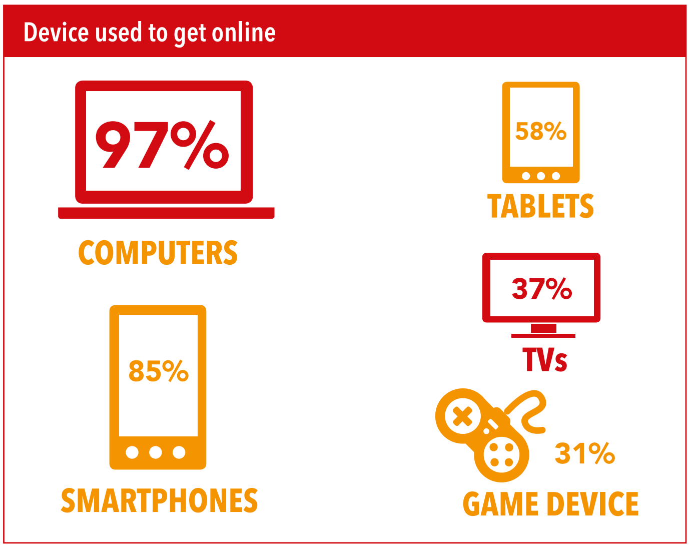

Figure 4. Device use to get online

3. THE EUROPEAN ONLINE EXPERIENCE IS ESSENTIALLY FREE

3.1 MOST ONLINE ACTIVITIES ARE DONE ON A FREE ACCESS BASIS, USUALLY AD SUPPORTED

The online world most users experience is predominantly free, with two-thirds (68%) never paying for any online content or service. The online experience of those on lower incomes is more likely to be entirely free, with three-quarters (75%) of them never paying for online content or services, compared to less than two-thirds (60%) of those with higher incomes.

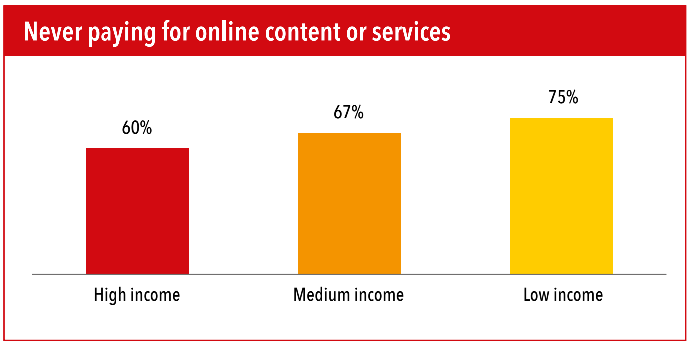

Figure 5. Never paying for online content or services – by income level

The ratio of pay vs. free access depends on content type, with books and video being the most likely to be accessed on a paid basis. Messaging, email and news are almost universally free.

Between 42% and 75% of the free content or services that Europeans access online for free are supported by ads, mainly movies, news, video, music/radio and gaming. This makes advertising supported the main route to accessing online content.

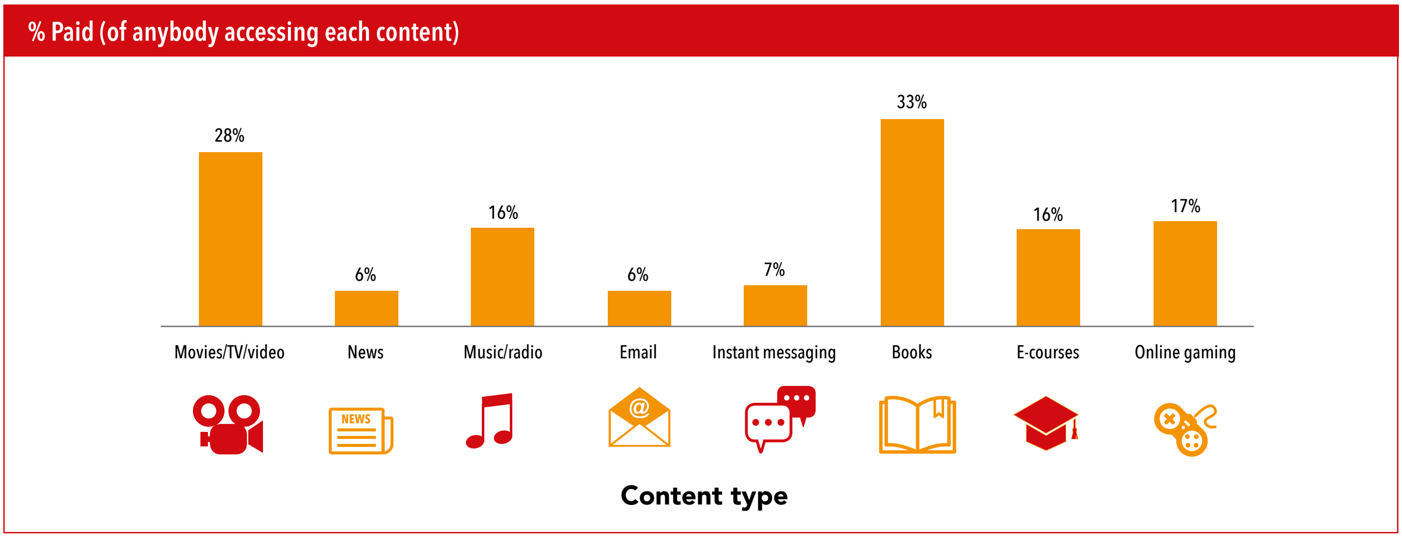

Figure 6. % paying for content (out of all accessing each content type)

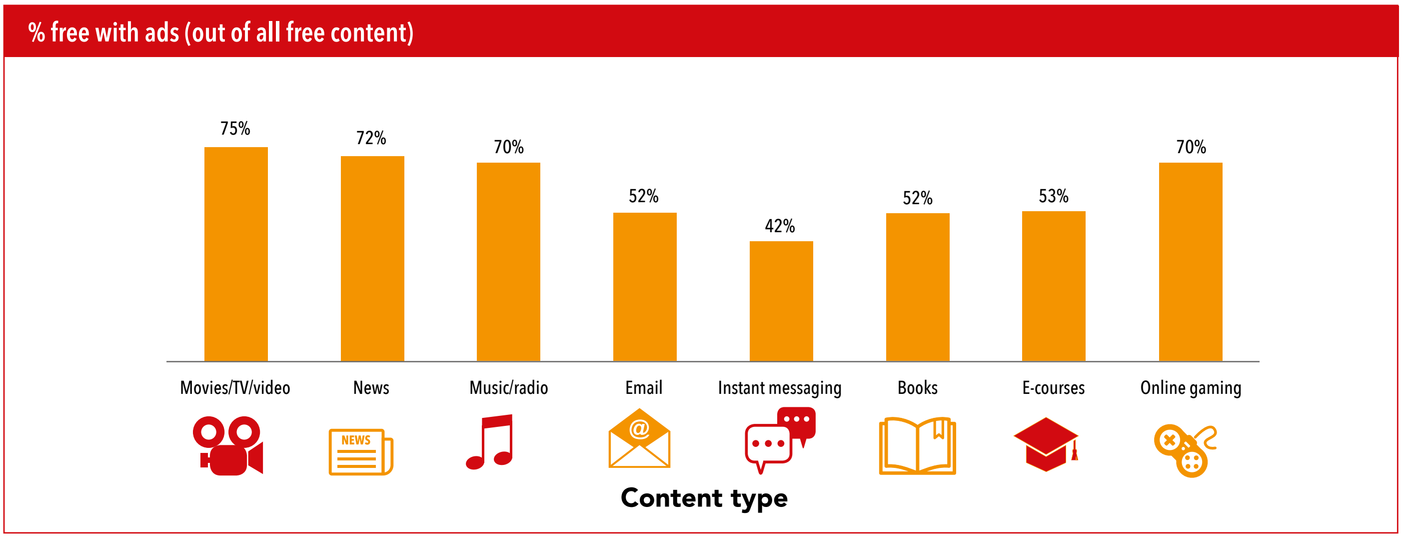

Figure 7. % accessing free content with ads (out of all accessing free content)

3.2 EUROPEAN INTERNET USERS PAY AN AVERAGE OF €3 TO €9 FOR THEIR CONTENT OR SERVICES

Depending on the type, online users pay a median value of between €3 to €9 per month to get access to content and services. Video content (including movies or TV) is not only the most expensive, but by far the most popular paid online service, and Europeans spend €9 per month to get access to it. Video spend is similar across age and income level. Non-Euro markets (Hungary, Czech Republic, Poland and Romania) tend to pay about half as much as Euro markets or the UK.

3.3 EUROPEANS ARE MORE SATISFIED WITH THEIR FREE ONLINE EXPERIENCES (WITH OR WITHOUT ADS) THAN THEIR PAID ONLINE EXPERIENCES

Two-thirds (63%) of online users are very or somewhat satisfied with their free online experiences. Whilst satisfaction is similar across gender and age, dissatisfaction is greater amongst younger users (16 to 34) than older users (35+).

Satisfaction with free content or services is significantly higher in the UK (78%), the Netherlands (75%) and Poland (68%). Satisfaction with free content in Hungary is the lowest at 35%, although their proportion of "very satisfied" users is in line with other countries.

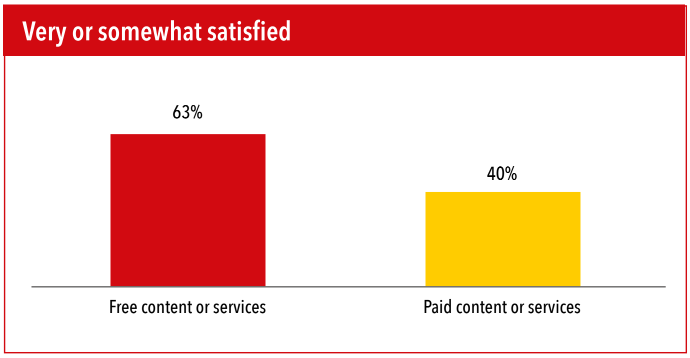

Figure 8. % Very or somewhat satisfied with online content or services

Satisfaction with paid online content or services is lower than with free content or services. This might reflect higher expectations for paid content, as well as the success of some free public broadcasters such as the BBC in the UK, and the quality of ad-supported content in general. Four in ten (40%) European internet users are either somewhat or very satisfied with their paid content, with younger users (16 to 34) being more satisfied than older ones (65+). Across countries, online users in the Netherlands and Poland tend to be more satisfied with paid content or services.

4. ONLINE USERS WOULD AVOID PAYING FOR SERVICES OR CONTENT

4.1 MOST ONLINE USERS WOULD STOP USING THEIR MOST-USED FREE NEWS, CONTENT OR SERVICES SITE IF THEY HAD TO PAY FOR IT

Nine in ten online users (92%) would stop accessing their most-used free news, content or service site or app if it switched to paid access only. This underscores both the reluctance of online users to pay for their online experiences and also the perceived ability to find a free substitute for any online content or service that starts to require payment. Those aged 45 years or over are less likely to pay than those aged 16 to 44.

Willingness to pay for most used free news site/app

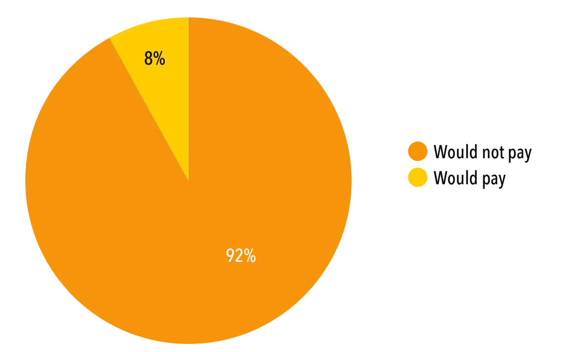

Figure 9. Willingness to pay for most-used free site/app

4.2 PAID INTERNET WOULD HIT THOSE ON LOWER INCOMES HARDER

Europeans with higher incomes are more than twice as likely to pay to keep accessing their most visited site than those on lower incomes (12% vs. 5%). This raises serious questions about the impact of paid-for content on internet accessibility within Europe, and raises the possibility of a multi-tiered internet experience defined by income level.

Willingness to pay for online content/services

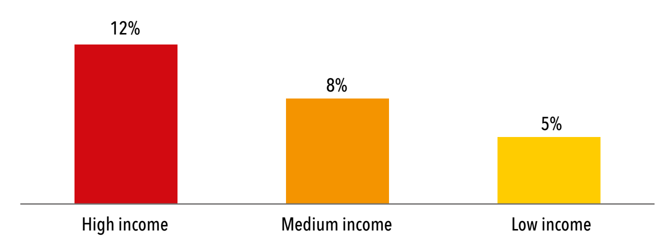

Figure 10. Willingness to pay for online content or services – by income level

4.3 IF ALL INTERNET SERVICES/CONTENT BECAME PAID FOR, EUROPEAN ONLINE USERS WOULD REDUCE THEIR ONLINE ACTIVITIES

Only 1% of online users say they would pay and not change their online activity if all of the sites and apps they visit required payment. On the other hand, almost 9 in 10 (88%) would reduce their activity, the majority of them by "a great deal". Older online users are more likely than younger ones to reduce their online activities a great deal (59% amongst 65+ vs. 46% amongst 16-24s). Those on lower incomes would also be more likely to reduce their online and mobile activities "a great deal" (58% vs. 48% respectively).

Respondents were also asked how much they would be willing to pay each month for online news if all news sites or apps became paid-for. This is clearly an unpopular hypothesis, with more than two-thirds (70%) not willing to pay anything at all. Amongst those who would pay, the median was substantially lower than the amount charged by current pay-walled news sites, at €3 per month. Those in eastern European markets would be willing to pay about half the amount of those in western European markets (median of €2.4 vs. €5 respectively).

We see again a wide age gap, with almost half of 16-24s (48%) willing to pay something, compared to only 14% of those over 65.

5. EUROPEAN ONLINE USERS VALUE THEIR PRIVACY, BUT VALUE THE ONLINE SERVICES THEY GET FOR FREE EVEN MORE

5.1 MOST USERS ARE EITHER POSITIVE OR NEUTRAL ABOUT ONLINE ADVERTISING

A range from 52% to 69% is either positive or neutral about online advertising, depending on the service / content type. About a third of online users are fine with ads as they allow them to get access to content for free, with a high for e-courses (34%) and a low for email (26%). On the negative side of the spectrum, depending on the service/content type, a range from 12% (for e-courses) to 25% (for movies/TV/video) would "do everything I can to avoid them".

Reaction to online advertising is also varied by country, with Italy and Germany more positive (average 47% and 48% positive across content/services) and Estonia and Czech Republic more negative (average 15% and 23%). In terms of age, those at the middle (35-54s) are the most receptive to online advertising, with an average positive across content/services of 48%. There are fewer users positive about it on both the younger and older extremes.

Those on higher incomes are generally more receptive towards advertising with 47% positive for high-income online users, compared to 40% for low-income ones, averaging across all content and services

5.2 USERS VALUE THEIR PRIVACY

Respondents were asked to agree or disagree (on a 5-point scale) with 3 statements about privacy and advertising.

Half of online users (50%) don't mind seeing sponsored or branded content in exchange for free news, content or services.

Four in ten users (42%) are happy with their browsing data being shared as the basis for advertising, stating they don't mind seeing personalised advertising based on their browsing data in exchange for free news, content or services.

Fewer (20%) would be happy for their data to be shared with third parties for advertising purposes.

In general, users in eastern European countries are less willing to have their data accessed than in western European countries

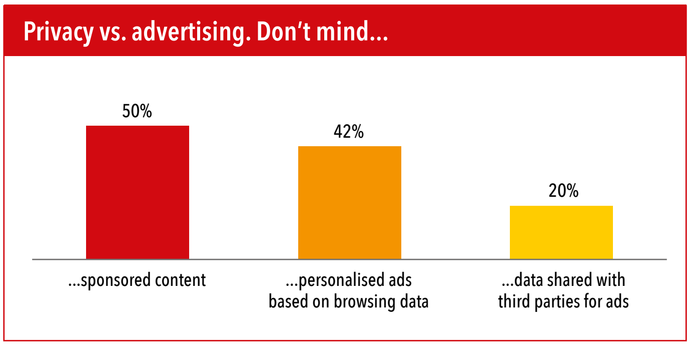

Figure 11. Attitudes to privacy and advertising

5.3 EUROPEAN ONLINE USERS ARE HAPPY TO HAVE THEIR DATA USED IN ADVERTISING, IN ORDER TO GET FREE CONTENT

Respondents were asked to consider the extent to which they would be happy for their data to be used for advertising, in return for free access to content supported by that advertising. They were asked to use a slider to choose between two opposing alternatives (see figure 12). A score of 50 means the slider is fully to the right, and -50 fully to the left, whereas 0 is exactly at the middle.

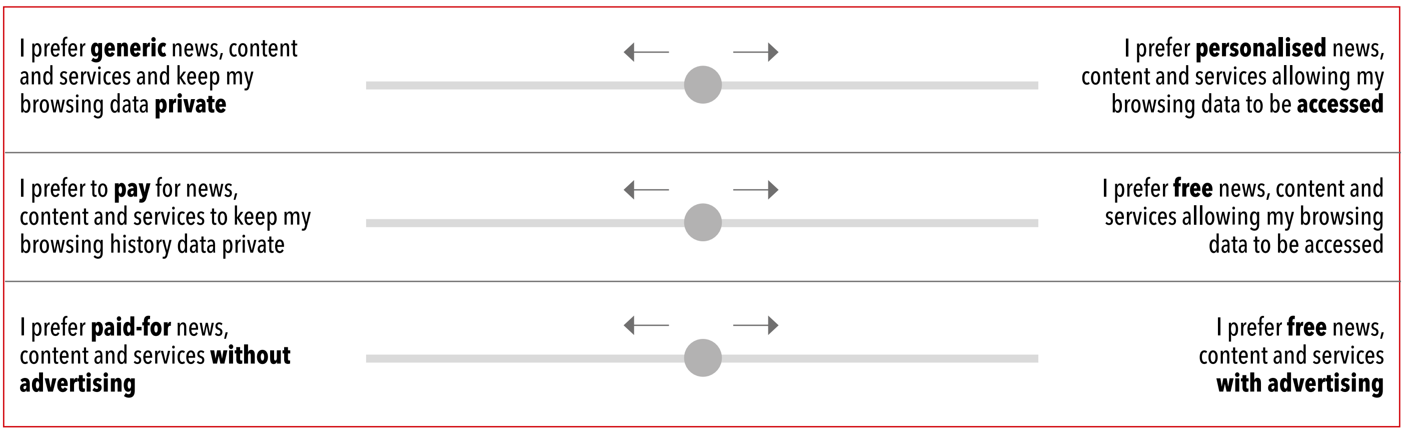

Figure 12. Trade-off exercise

Respondents were not attracted by the prospect of news or content being personalised using their browsing data, with a mean score of -17, and 77% preferring generic news and keeping their data private. Across countries, Slovakians were the most receptive at -9 and Estonians the least at -25. As with other aspects of online attitudes and behaviours, age also plays a role, with younger users more receptive to personalised news (-12 for 16-24s) and older ones less so (-24 for 65+s).

Online users are significantly more willing to share their browsing data when the benefits are financial. A mean score of 18 on the slider scale for the second question shows them clearly favouring free content and services that allow their browsing data to be accessed. In percentage terms 69% were willing to share their browsing data in exchange for free content and services (score of 1 or more on the slide scale). The French and British are the most willing to agree with this arrangement, scoring 22 and 21 respectively, whereas Estonians and Romanians are the least willing, scoring just 3 and 7.

When respondents were asked to choose between paid content and free content with advertising, the results were even more favourable to free content. The average score on the slider was 27, with 8 in 10 (83%) choosing free content with ads. Users in all countries generated a positive score, with a high for Germany (32) and a low for Estonia (17).

Respondents were then asked to re-evaluate their choices with a new piece of information: if *"a regulation was introduced in your country providing a high level of data protection for internet users, including full transparency and disclosure of users' data collected, so users will know who is processing the data, which data is processed and for which purposes"*. In general, they appeared more willing to trade off their privacy for personalised news with the extra level of reassurance, but only marginally, with a score of -15. The other two metrics remained unchanged.

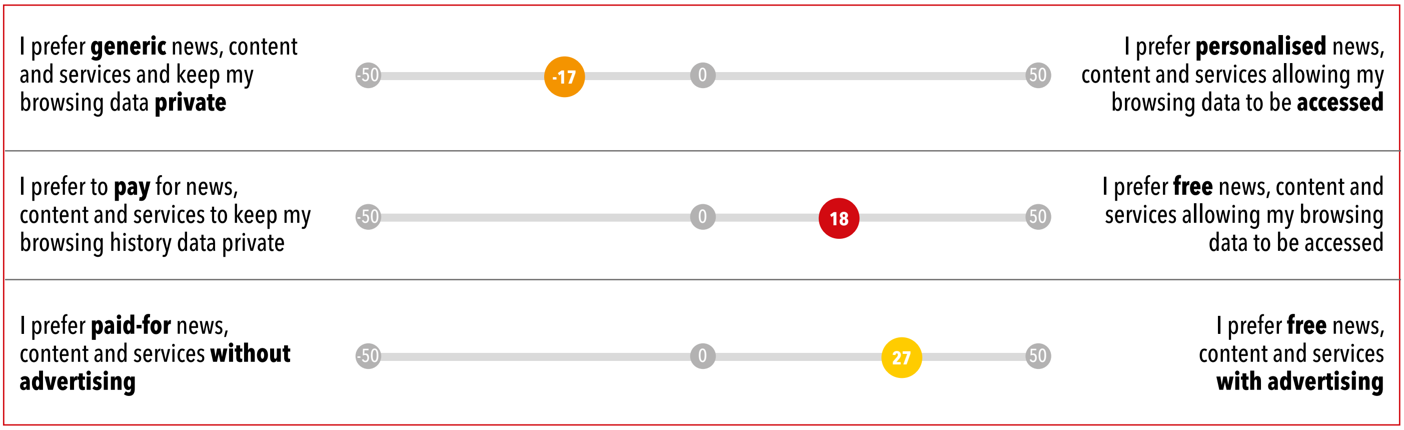

Figure 13. Trade-off scores

6. ONLINE USERS ARE MORE INTERESTED IN BEING INFORMED ABOUT THE USE OF DATA THAN PREVENTING IT BEING ACCESSED

Respondents were shown two possible approaches reflecting different ways in which they could manage the use of their data for advertising. First they were presented with an online cookie approval page requiring them to approve the use of their data every time they tried to access a website. Next they were offered a more flexible approach, ensuring transparency and control over how their personal data is used: the ability to access information that explains how their data is being used for advertising, with the option of stopping any use of their data that they object to.

TWO POSSIBLE APPROACHES FOR MANAGING THE USE OF DATA FOR ADVERTISING:

Continually approving the use of data

"I would like to be able to approve or disapprove the use of my browsing data for advertising **every time** I use a site or app, even if this would mean that I have to give consent **every time** before being able to access the site or app"

Figure 14. Cookie approval concept shown to respondents

Accessing more information on data use, as and when the user wants it

"I would like to be able, with a couple of clicks, to obtain detailed information about how my browsing data is used on advertising, including the reasons I see a particular ad and who is accessing my browsing data, as well as to be in control of this process and being able to regulate or stop the use of my data"

Figure 15. Ad management concept shown to respondents

Survey participants showed noticeably more interest in being able to access information as and when the user requested it, compared to having to approve the use of cookies every time they visited a site.

RESPONSE TO ONLINE COOKIE APPROVAL PAGE:

"I would like to be able to approve or disapprove the use of my browsing data for advertising **every time** I use a site or app, even if this would mean that I have to give consent **every time** before being able to access the site or app"

Continually approving the use of cookies as a precondition for accessing a site was the least popular and most divisive of the two options. Half of online users (50%) agreed with this approach, whereas 19% disagreed. Agreement was generally stronger in eastern European countries, with a high of 72% in Romania, although it was particularly low in Estonia, with just 30% approval. Those on higher incomes are more likely to agree (55%) than those on lower incomes (46%).

Agreement with cookie approval page

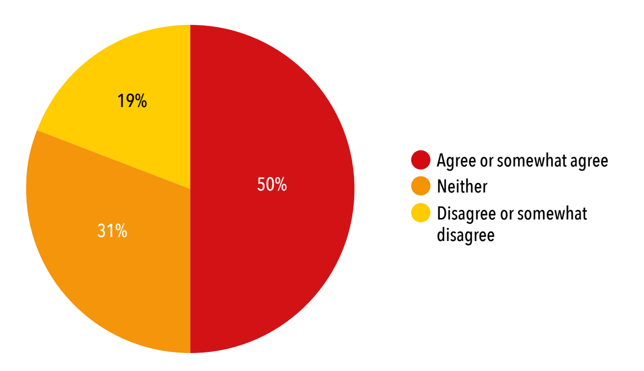

Figure 16. Agreement with cookie approval

RESPONSE TO ACCESSING DATA USE INFORMATION ON THE REQUEST OF THE USER:

"I would like to be able, with a couple of clicks, to obtain detailed information about how my browsing data is used on advertising, including the reasons I see a particular ad and who is accessing my browsing data, as well as to be in control of this process and being able to regulate or stop the use of my data"

Internet users had a positive approach to the concept of understanding how their data is being used and judging that use on a case-by-case basis, rather than defaulting to preventing the sharing of data.

More than two-thirds of users (67%) agreed with it, with only 8% disagreeing. Again, eastern European countries were in general more likely to agree with a high for Romania with 82% agreeing, followed by 77% of Hungarians and 75% of Czechs.

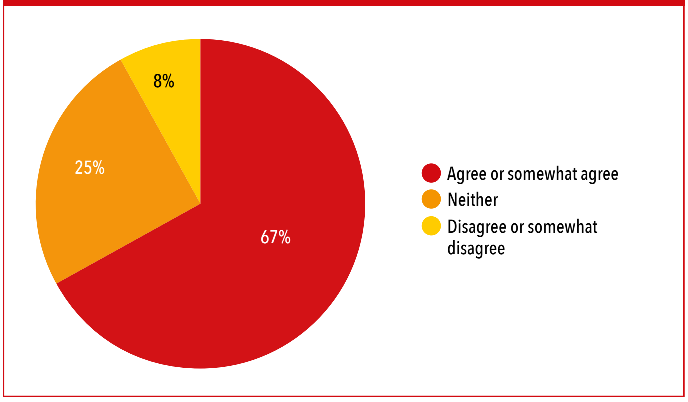

Figure 17. Agreement with advertising management

7. APPENDIX: METHODOLOGY

The study was conducted online during 2017, using a 10-minute survey instrument consisting mainly of closed questions.

Eleven countries were covered (see table below) and 1,000 or more interviews were completed on each. The target respondent was online users, 16 or more years old.

Country	Sample
UK	1001
DE	1000
FR	1000
NL	1000
IT	1001
PL	1000
CZ	1001
HU	1001
RO	1000
SK	1000
EE	1016
Total	**11,020**

Geo-demographic quotas (region, age, gender) were used during fieldwork to ensure a fair representation of the online population of each country.

The results were weighted to be representative of region, age and gender by country, and then merged together taking into consideration their respective online population size (see table below)

Country	Online population (millions)
UK	59.5
DE	70.6
FR	54.5
NL	15.8
IT	39.2
PL	26.3
CZ	8.6
HU	7.2
RO	10.8
SK	4.6
EE	1.2

To define income categories, we looked at the income distribution in each country and split it roughly into thirds – low, medium and high – then aggregated these three categories across countries.

Country	Currency	Income classification LOW	Income classification MEDIUM	Income classification HIGH
UK*	Pound Sterling	up to 15,499	15,500 -34,999	35000 or more
DE	Euro	up to 2500	2500 - 3999	4000 or more
FR	Euro	up to 1999	2000-3499	3500 or more
NL	Euro	up to 1999	2000-3499	3500 or more
IT	Euro	up to 1499	1500 - 2499	2500 or more
PL	Zloty	up to 2999	3000 - 5999	6000 or more
CZ	Koruna	up to 25000	25001 - 40000	40001 or more
HU	Forint	up to 200000	200001 - 350000	350001 or more
RO	Leu	up to 2500	2501 - 4000	4001 or more
SK	Euro	up to 999	1000 - 1999	2000 or more
EE	Euro	up to 999	1000 - 1999	2000 or more

All work was conducted in accordance with the ISO 9001 quality assurance standard, the ISO 20252 international standard for Market, Opinion and Social Research and in accordance with the UK Market Research Society's Code of Conduct.

*incomes are monthly income before taxes, except in the UK, where it's annual income