

# The trends in digital media in early-adopting regions

Powerful, new, consumer-led trends are transforming how people use technology, and some regional crazes may well become global ones, says **Dan Calladine** Isobar

**A**S DIGITAL COMMUNICATIONS have matured into what we now call the post-digital age, major global events have shown that digital media can be a unifying force among the world's peoples. But there are differences in the way digital media has been adopted in parallel with the planet's many regional cultural differences.

The use of the internet and mobile varies significantly around the world, not just in terms of what people use, but what they use it for. Some examples are well known - in Japan, levels of mobile internet penetration are far higher than in the West - but others, such as the growth of 'shopping clubs' in China, are much less well documented.

From my own research, and information supplied by colleagues elsewhere in our network, here are some of the most interesting trends from around the world.

## Social shopping in China

This trend is one of universal identity and a greater trust occurring between strangers online. A *New Yorker* magazine cartoon in 1993 summed up how many people saw the internet in the early days. The picture showed two dogs, one of them using a computer, with the caption: 'On the internet, no-one knows you're a dog.'

These days, people are much more open about identities, with many social networks, such as Facebook, encouraging people to use their real names.

In China, this level of trust has led to virtual buying clubs, or 'Tuangou', for high-ticket items, such as cars. One person who wants to buy a specific model will post a note on a bulletin board, with a link to a dedicated group on another site, such as the popular portal QQ. A group of people then assemble online, all wanting to buy the same car. The group leader then starts negotiations with dealerships to get the best possible deal. Once the deal is in place, the members go to the dealership at the same time to collect their cars.

The group will then stay in contact, regularly discussing their cars with their new friends, and again using their group negotiating power to bargain for accessories, servicing and so on. Occasionally,



Clockwise from below: Guitarist Gustavo Guerra is a 'YouTube celebrity' in Brazil; consumers are getting together to secure good deals on sites such as Chinese portal QQ and Dell Swarm; teenagers prefer to stream music from sites such as MySpace Music than download it; and the 'Heroes Lore' mobile game franchise is hugely popular in Korea



these purchases go wrong - there is one reported incident of a near-riot at a dealership - but they are usually rewarding for members. Dell has also capitalised on this in Singapore with its Dell Swarm site. Dell Swarm encourages people to enlist others to buy the same model of PC or laptop because the more buyers there are for a model, the lower the price falls. The site has tools that 'share' offers among users' social networks and on Twitter.

## Online coupons in the UK

The second trend is the primacy of search. Google is now the world's biggest media company (in terms of generated revenues), and its success shows the importance of search in most internet users' lives. Data from comScore shows 86% of the world's internet users used search in April 2009 - over 950 million people.

Search is central to a new trend that has emerged in the UK, with people actively using it to save money during the financial downturn. The UK has the highest e-commerce revenues in Europe, with the popularity of credit cards making it a perfect market for online retailers. Google UK has produced a report called *The Rise of the Meticulous Shopper*, which shows how people use search to cut their bills.

The end of 2008 saw a large number of restaurants and other businesses using online discount vouchers to drive custom offline. The number of searches for the

term 'Voucher codes' on Google rose by 50%, with searches for vouchers relating to restaurants climbing even more steeply. There were particular spikes for the pizza restaurants Pizza Express and Zizzi, and Google estimates that 20-30% of the business these pizza chains do is driven from online. With experience, people know to look out for offers, and this trend is self-perpetuating.

One variant is to socially share vouchers - that is, to let people have vouchers if they join a group on a social network, and then encourage friends also to join. Again, this is picking up traction as firms try to take account of the enormous sway that Facebook, in particular, has in the UK. Facebook has about 18 million active members in the UK out of an online population of about 35 million regular internet users, and a total population of about 60 million.

## Streaming in US

Music has been a strong part of online entertainment for a long time - Napster is now ten years old - but we are now seeing consumption habits changing. In particular, we are seeing a new trend emerge in the US, where young people are increasingly streaming music, rather than downloading it. For several years, we have seen a fall in sales of music in physical formats, and there is also evidence that downloads from paid services such as iTunes are lev-

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elling out. But the most surprising trend is that, in the US, downloads from peer-to-peer (P2P) networks fell by 6% last year, according to the research group NPD.

The best explanation for this seems to be that, with the growth of services such as Pandora, imeem, Last.fm and MySpace Music (not to mention YouTube), many are choosing to stream music, rather than download. Data from NPD Musiclab shows that, if teenagers liked a song they heard on MySpace Music, 54% would simply choose to hear the song again, rather than try to get it to keep. In the post-digital age, teens assume that what is available now will always be available - so why save things locally when they are available 'in the cloud'?

Increasingly, digital access is coming via mobile devices. As devices become more sophisticated, and mobile telecoms operators make it easier and cheaper to use 3G services, the number of people accessing the internet, and pages viewed, has grown. The mobile internet is most strongly embedded into the culture in Asia. For example, 'pakeho' or 'all-you-can-eat' data tariffs have been around for over three years and, last year, manufacturers stopped selling 2G phones in Japan altogether.

### Mobile tracking in Japan

One benefit of mobile over desktop access is being able to do things that are location-specific. Application designers for next-generation phones have been quick to produce these, including restaurant finders and even ATM locators, but the Japanese government is behind a new initiative that could be beneficial to society. It proposes to issue special handsets to 1,000 schoolchildren to track their interactions, and then use this to track the possible spread of flu pandemics. If one of the children then became infected, people who had been in recent contact could be warned to take precautions or visit a doctor.

Privacy concerns aside, this shows the potential to do good with digital technology in an age where mobile penetration is close to 100% and 3G penetration is rising. It might seem strange to test this on children, but research has shown that school-age children, and young girls



in particular, are the most fervent mobile phone users in the country, spending over two hours a day on their mobiles.

### Mobile micro-payments in Korea

Mobile is also an essential part of life. Students report that they need their mobile far more than their wallet, and in some universities you can reserve your place in the library remotely with your phone.

Where phones really come into their own in Korea is in mobile gaming - Koreans are mad about mobile games. Typically, they will buy several games a month, at around \$3 per title. Operators use panels of customers to evaluate games before they go on sale, and will only sell those games that reach peer review scores of over 75%. Several popular franchises of mobile games exist, such as Heroes Lore; one value title, Mini Game Pack (four games in one), recently had eight million downloads. Games tend to exist on their own, rather than being mobile versions of console games or tie-ins with movies.

This craze has now reached the next level - micro-payments. Gamers enjoy the experience so much that they are willing to pay for virtual goods within the gaming environments.

A typical example would be to allow people to buy new bats or other equipment in a mobile baseball game, either for themselves or to give to friends. In this way, the virtual goods can make the game

better. There is a lot of evidence that people are willing to do this, with some game publishers reporting that an additional 90% of the games' sales revenues can be generated through these channels. When the games are role-playing or adventure titles, this model gets really interesting, with players able to spend money to buy maps and other items that will enable them to be able to get further in the game.

Virtual goods are nothing new in Korea - their sale on the social network Cyworld has helped it to achieve the sort of revenue levels that put western equivalents to shame.

### YouTube celebrities in Brazil

Finally, the popularity of video online has exploded since the launch of YouTube in 2005. The impact of YouTube on society and culture is illustrated well by examining its position in Brazil.

YouTube has grown in popularity in Brazil by nearly 300% from 2006 to 2009, and is accessed monthly by 12.3 million people - nearly twice the number that view pay-TV. This popularity has enabled several Brazilians to become YouTube celebrities. Most prominent among these is Gustavo Guerra ([youtube.com/gguerra](http://youtube.com/gguerra)), an amateur guitarist, who started posting his videos online in 2006. He now has over 18,000 subscribers, and his success led to him winning the 2008 international Guitar Idol competition and getting sponsorship from guitar manufacturers. His popularity grew from local roots, and he remains the third-most subscribed YouTube user in Brazil. It's an example of how digital media allows audiences to discover new talent.

In the post-digital age, stories like this will become more prevalent. The trends outlined show how the internet and other digital media are allowing people to do what they have always done - organise, look for bargains, listen to music and so on - but much more quickly and on a far larger scale. Digital media has ceased to be the story; it's now all about human behaviour.

