



IMPACT OF THE EUROPEAN COMMISSION'S DIGITAL CONTENT DRAFT DIRECTIVE

UNDERSTANDING BUSINESSES' REACTIONS AND CONSUMERS' EXPERIENCE AND EXPECTATIONS IN RELATION TO FREE AND PAID FOR CONTENT THEY USE

Figures taken from "Impact of the European Commission's Draft Directive on Contract Rules for the Supply of Digital Content" study conducted by Deloitte, August 2016



CONSUMERS HAVE
DIFFERENT EXPECTATIONS
AROUND FREE AND PAID-FOR CONTENT



FREE CONTENT **ISN'T THE SAME** AS PAID-FOR CONTENT



CONSUMERS OF PAID-FOR CONTENT
PREFER A REFUND MOST FREQUENTLY



A MAJORITY OF CONSUMERS OF FREE CONTENT
**EXPECT A REPAIR, REPLACEMENT
OR NOTHING**

CONSUMERS OF FREE CONTENT:

- 12%** would prioritise the return of their data
- 15%** would prioritise the supplier stop using their data
- 40%** favour a repair or replacement of the faulty content

IMPACT ON INVESTMENT

AND BUSINESS ACTIVITY

BUSINESSES FACE
COST INCREASES
AND **SERVICE SHUT DOWN**

28% would face a disproportionate increase in staff time and/or costs

21% would see some of their services become inoperable

BUSINESSES FACE
LESS CONSUMER CHOICE
AND **BANKRUPTCY**

20% would reduce the amount of digital content they supply

7% would close altogether

THE CONCEPT OF DATA AS A COUNTER-PERFORMANCE PRESENTS PRACTICAL CHALLENGES

IT DOESN'T REFLECT WHAT BUSINESSES DO



use data for product improvement



provide personalised services to consumers



use data to improve security



only sell or licence consumer data



FREE DIGITAL CONTENT MODEL A WIN-WIN FOR CONSUMERS AND BUSINESSES

FREE CONTENT IS POPULAR WITH

CONSUMERS

49%

use **only** free content

28%

use **more** free content than paid-for content

FREE CONTENT IS POPULAR WITH

BUSINESSES

More consumer choice

- Provides a larger pool of consumers
- Offers a wider range of services
- Targets more price-sensitive consumers

A LARGE MAJORITY OF CONSUMERS ARE HAPPY WITH THE DIGITAL CONTENT THEY ACCESS

Free content has higher quality satisfaction than paid-for content



86%

of consumers are happy with **free** content



74%

of consumers are happy with **paid-for** content



61%

have never requested a repair or replacement for free content