

PQ Media: Global Consumer Spending on Digital Media Content & Tech Up 14% in 2014, as Traditional Growth Slows to 1%; Digimedia Spend Broke \$1T in 2013 & US Topped \$200B

Consumer spending on digital media content & technology worldwide will close 2014 with 14% growth, fueled by double-digit gains in all 14 digital media content segments, including e-books, online & mobile video, social media and wireless data, according to a new PQ Media Forecast. Global digimedia spend is projected to expand at a 13% CAGR during the 2014-18 period.

Stamford, CT ([PRWEB](#)) December 22, 2014 -- Consumer spending on digital media content & technology is marching toward 14% growth worldwide for 2014, driven by double-digit gains across all 14 digital media content categories, including e-books, online and mobile video, social media, wireless data, and security software, according to new data released today by [PQ Media](#). Global consumer expenditures on digimedia content & tech exceeded \$1 trillion for the first time in 2013, surging 19% as 19 of the 28 spending categories grew at double-digit rates, according to the [Global Consumer Spending on Media Content & Technology Forecast 2014-18](#).

Digital technology accounted for three-quarters of total end-user outlays on digimedia, reaching \$841.29 billion in 2013, up 17.3%, fueled by high double-digit increases in smartphone and computer tablet purchases. Digital content grew faster, rising 24.9% to \$258.16 billion, as 12 of 13 segments notched double-digit gains. The average global consumer spent \$204.92 on digital content & tech in 2013, more than double the \$101.89 spent in 2008, estimates [PQ Media](#).

In comparison, traditional media content & tech spending inched up 1.3% to \$587.26 billion in 2013, with eight of 15 traditional categories posting declines. The average global consumer spent \$109.46 on conventional media in 2013, up only \$1.51 since 2008. Total media content & technology spending rose 12.2% in 2013 to \$1.687 trillion, an increase of more than \$600 billion in just five years. Digital media accounted for a 65.2% share of overall consumer media spend, up 17 points from the 2008 level, according to the [Global Consumer Spending on Media Content & Technology Forecast 2014-18](#).

PQ Media defines and segments consumer spending on media consistently across all 15 leading global markets by two sectors – content and technology; by five segments – content unit purchases (e.g., console videogames), content subscriptions (e.g., streaming video services), access (broadband), devices (smartphones) and software & services. There are 28 digimedia categories and 14 traditional segments.

Smartphone sales soared in many leading markets in 2013, as the battle for market share in developed countries led telecom providers to drop prices to make family plans more affordable for middle-income households. Telecoms, however, dropped prices in exchange for discontinuing unlimited data plans among heavy users clogging networks and slowing download speeds.

In emerging markets, government initiatives to upgrade tech systems helped affluent and young demos in mid-sized metros gain access to Wi-Fi nets, with some programs tied to global sporting events, such as the World Cup in Brazil and the Winter Olympics in Russia. Consumer digimedia spend going forward is expected to decelerate as penetration rates near saturation in developed countries, where price increases will drive growth.

Although smartphone sales are projected to reach \$75 billion worldwide in 2014 – the second highest total ever behind \$90 billion in 2013 – end-user outlays will decline for the first time. Computer tablet sales, meanwhile, will reach almost \$250 billion in 2014, though tablet shipments began to fall during the year, as consumers appear to be less willing to upgrade due to higher price points than smartphones, which often come free upfront with two-year contracts.

“The expansion of digital screens in global households in 2013 fueled a 25% surge in digital content spending for the year, which nearly tripled in just five years,” said [Patrick Quinn, CEO & CCO, PQ Media](#). “The ability to download large video files led to substantial growth in subscription services, driven by Netflix expanding into select European and Asian markets, as well as its entry into original programming. These strategic moves led competing TV networks, such as HBO and CBS, to announce plans for their own subscription-based streaming video services.”

Other key trends impacting consumer digimedia spending include:

- The videogame market which, after years of decelerating growth, is poised to capitalize on the highly anticipated releases of PlayStation4 and Xbox One in late 2013, including hardware & accessories, console titles, digital MMOG extensions and microtransactions;
- Computer tablets have become the preferred device for reading digital books, as e-Readers lacked similar gaming capabilities and workflow functionality;
- Digital news & information has begun to post some of the fastest growth of the 13 digital content segments, due to newspaper and magazine publishers aggressively instituting pay walls and limiting the number of free articles;
- An increase in global hacking schemes affecting major corporations have brought identity theft to the forefront of IT challenges, leading consumers to increase expenditures on security software & storage services.

The US market ranked first in consumer digimedia spending with \$200.63 billion in 2013, followed by China, Japan and South Korea. Several commonalities exist among these markets: broadband penetration rates exceeding 70%; over 50% smartphone penetration; growing demand for computer tablets; young men who are heavy console gamers; and a range of OTT video devices and services. But low penetration rates in emerging markets pushed these governments to invest in tech upgrades, driving the fastest spending growth rates in 2013, led by Mexico (up 38.6%), China and Brazil, PQ Media found.

South Korea is the only market in which the average consumer spent more than \$1,000 on digital media in 2013, followed by Australia, Japan and the US. With broadband in every home, South Korea also leads the world with an 86.3% digital share of total consumer media spending.

Consumer digimedia spend is forecast to grow at a 13% CAGR worldwide in the 2014-18 period, reaching \$2.024 trillion and commanding 77% of all consumer media expenditures.

About the Forecast:

The [Global Consumer Spending on Media Content & Technology Forecast 2014-18](#) is the third and final



installment in PQ Media's annual Global Media & Technology Forecast Series, a groundbreaking three-report bundle designed to work together sequentially to deliver the only multi-lens view of the epic transformation reshaping the global media ecosystem. PQ analysts track, analyze and forecast three pivotal KPI's, each of which serves as the focus of a Report in the Series: 1) media operator revenues; 2) consumer media usage; and 3) consumer spending on media content & technology. Click the link above to download a free executive summary, sample dataset and table of contents from this Forecast.

About PQ Media:

PQ Media delivers intelligent data solutions to management teams operating some of the world's leading media, entertainment & technology companies, management consultants, investment firms and media agencies to support smarter, faster decisions amid the rapidly changing media spectrum. PQ employs a proprietary methodology to provide clients with custom and syndicated market research through actionable data, smart reports and on-demand consults that deliver the strategic intelligence they require to succeed.



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