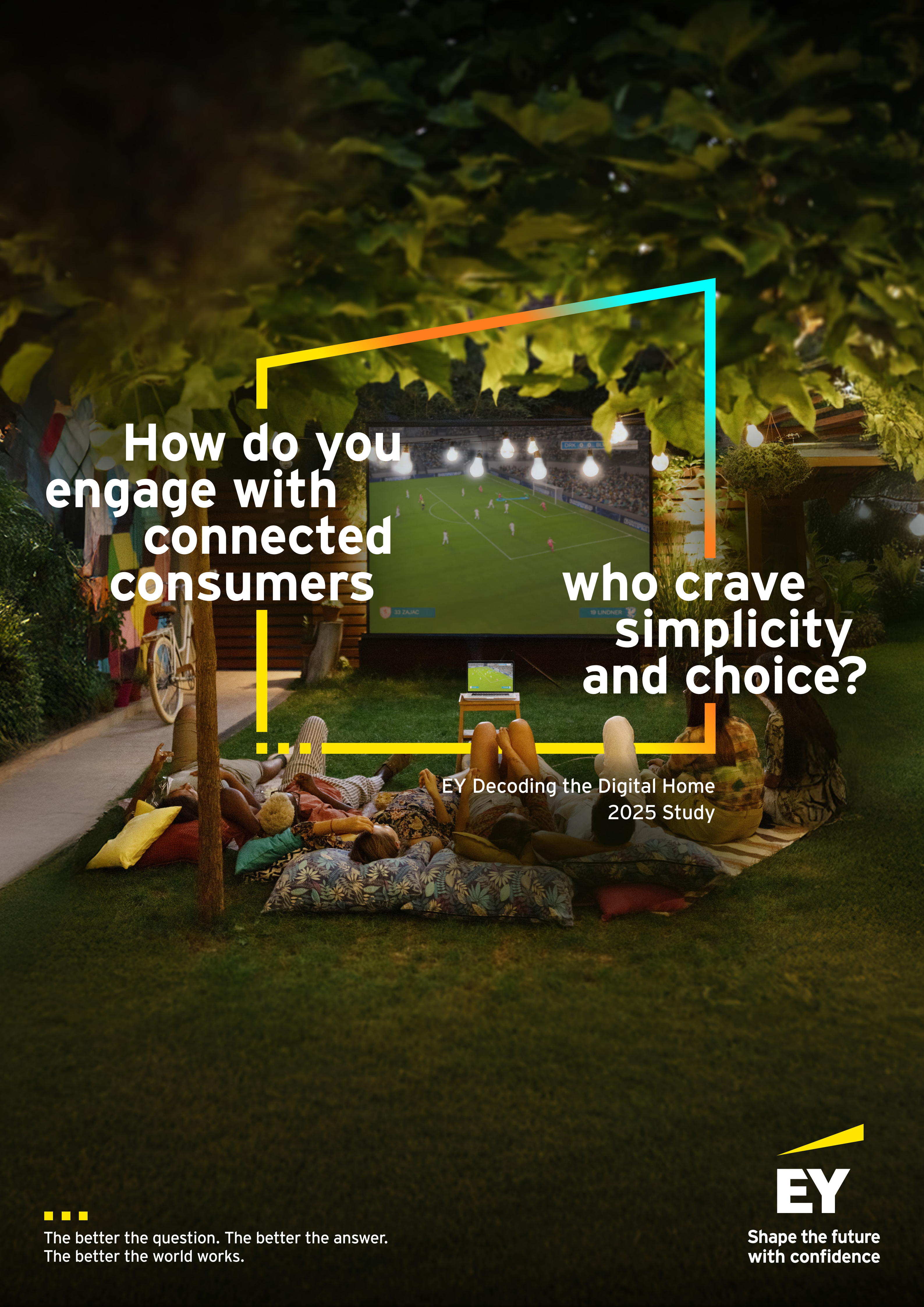


How do you engage with connected consumers who crave simplicity and choice?

EY Decoding the Digital Home 2025 Study

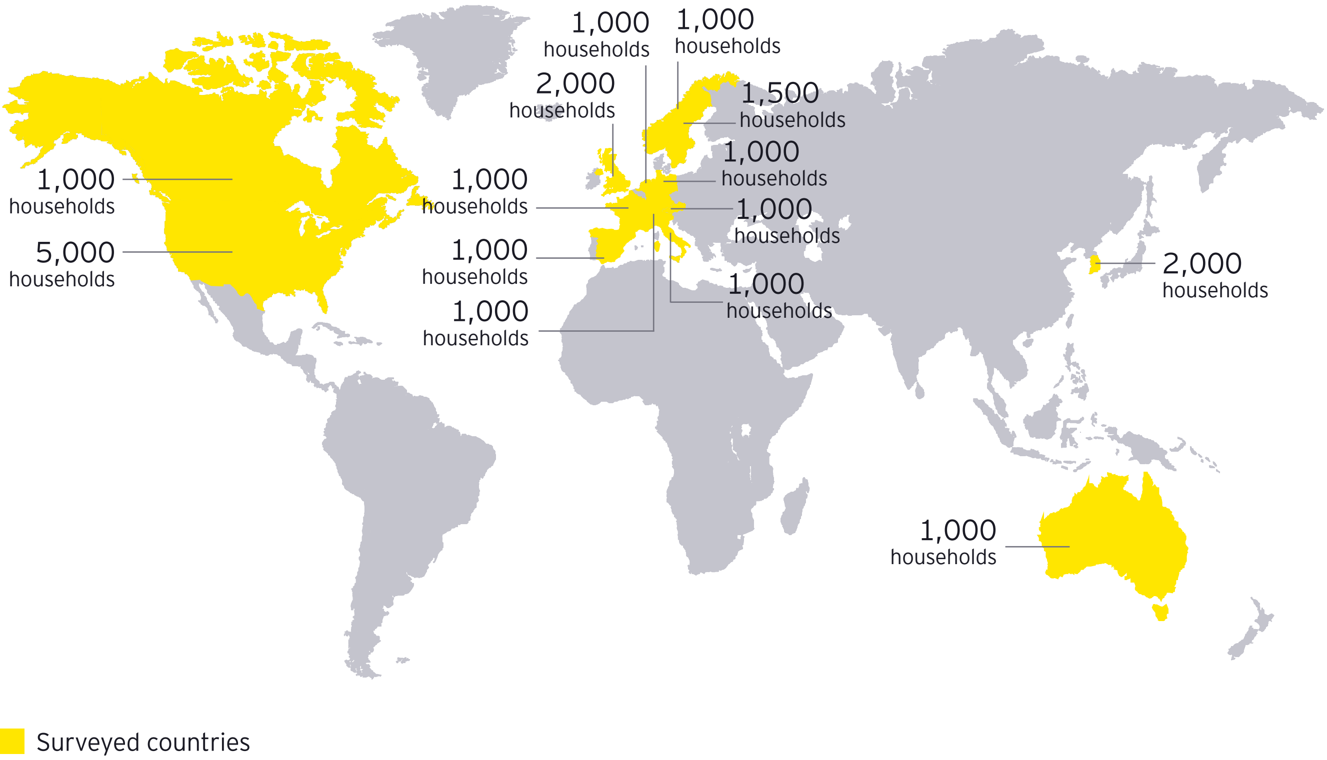
The better the question. The better the answer.
The better the world works.

EY

Shape the future with confidence

Contents

About this study



The EY Decoding the Digital Home 2025 study is based on an online survey of 20,500 households in Australia, Austria, Canada, France, Germany, Italy, Netherlands, Norway, South Korea, Spain, Sweden, Switzerland, the UK and the US. It was conducted in July and August 2025, updating previous annual surveys of multiple markets.

The annual survey is designed to provide insights into changing consumer behavior and attitudes involving connectivity and content products and services. This year's findings focus on topics such as the impact of the geopolitical environment on customer attitudes and the complexion of switching and loyalty — alongside changing customer experiences, including the multi-faceted role played by AI in the customer journey.

Additional insights and analysis are provided by the EY Global Technology, Media and Entertainment and Telecommunications (TMT) team.

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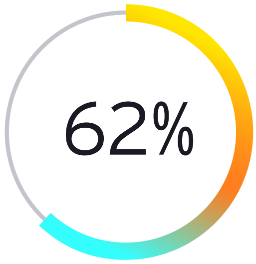
Key insights from our 2025 research

1. Real-world impacts on price sensitivities

Trade conflicts and macroeconomic pressures are adding to existing anxieties over pricing – and may well influence supplier selection from now on. That said, consumers' perceptions of value for money are holding up across connectivity, content and smart home tech. While telcos have an upsell advantage with all households, this drops dramatically among younger users.



of households believe that mobile providers continue to provide value for money.

2. Connectivity, switching and loyalty

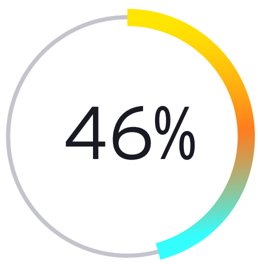
While network quality is improving, it remains a concern, particularly for younger consumers and larger households. One-third of broadband users have switched or plan to switch, but in a tough economic climate, reluctance to migrate to higher speeds continues to be an issue. This does not necessarily equate to loyalty, however. Customers that stick with their providers often do so through apathy or fear of change.

3. Disruption ahead as satellite and FWA gain favor

Consumers are increasingly receptive to satellite connectivity, particularly as an add-on for mobile packages. A key factor here is frustration with high-speed fixed broadband availability. For the moment though, fixed wireless access (FWA) packages remain the most popular alternative. Consumers that have made the switch to FWA are well-informed about what's on offer. While cost-effective pricing is a major motivation for them, they're also willing to pay more for premium

4. Broadband bundles in the spotlight

TV and mobile bundles are still the mainstay for broadband providers. But increasing pressure from subscription video on demand (SVOD) means that providers need to curate their content bundles in new ways. Overall, households value effective aggregation more than pricing transparency – they want a better mix of channels, live TV and streaming apps.



of consumers would be willing to pay more for a unified content access platform.

5. New engagement strategies needed for streaming customers

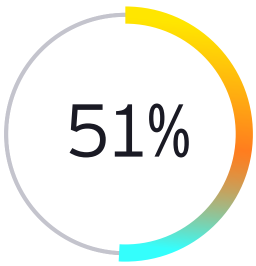
Demand for streaming services continues to grow, with forecasts pointing to 2 billion paid monthly subscribers by 2029. But customer relationships with providers are fluid, and high rates of cancellation and resubscription signal increasingly intense competition between platforms. New engagement strategies will be needed, with an emphasis on high-quality, original content over cost savings. Platforms that take this on board and tailor their strategies accordingly can unlock new routes to monetization.

6. Premium content options influence platform choices

Consumer preferences for different types of content providers are driven by a range of factors. But streaming platforms are still out in front across most content genres. And they remain the pacesetter where content recommendation capabilities are concerned. Looking ahead, while premium propositions such as sports hold vast potential, better value propositions will be critical catalysts for long-term growth.

7. AI assistance is welcomed, but the human touch remains vital

Generative AI (GenAI) tools are embedded in the path to purchase, with younger customers especially confident in their advantages over traditional online search and comparison methods. But while consumers are increasingly receptive to AI, they're still skeptical when it comes to chatbot assistance in customer support. Attachment to the call center may be waning, but it's still the preferred route to assistance, even for younger households.



of 25 to 34 year olds believe AI-generated summaries are more useful than traditional online search.

8. Digital home segments keep on evolving

This year, our research shows that, on average, there are more customers in lower satisfaction groups such as "Drowning in digital" and "Disengaged users" than there are in satisfied groups like "Premium and pleased" and "Digital devotees". This is a market in flux, of course, and year-on-year shifts in the relative size of segments in various countries mean service providers must keep a firm grip on changing end-user needs, attitudes and expectations.

1

Detailed survey findings

Real-world impacts on price sensitivities

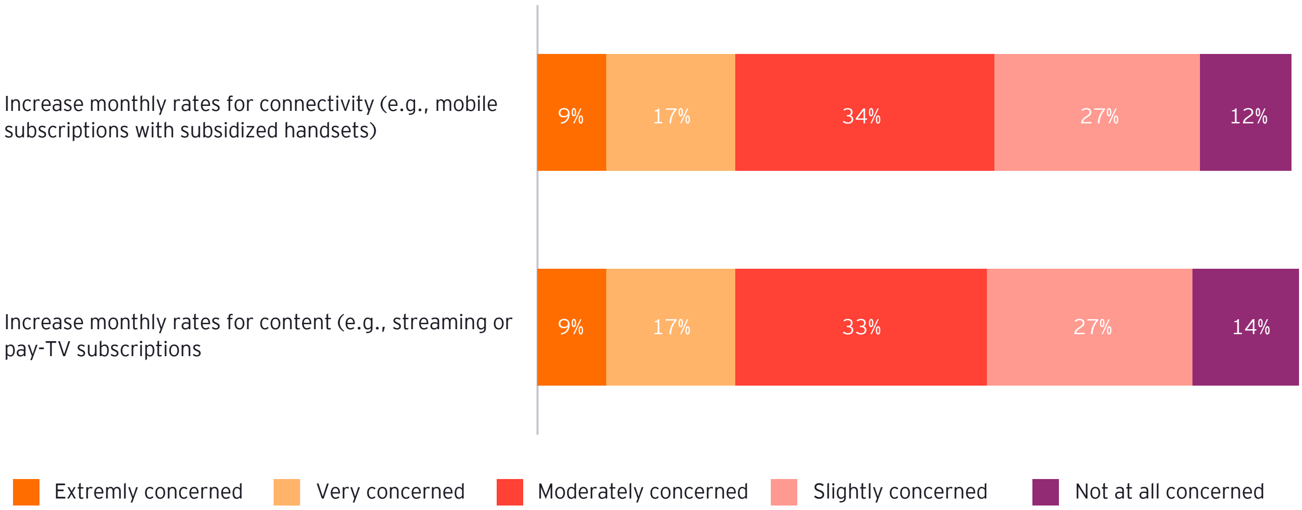
New geopolitical forces fuel consumer anxiety over pricing and lead to new demand dynamics

Whether due to the COVID-19 pandemic or the subsequent cost-of-living crisis, consumer spending has been under pressure for much of this decade. This year has been no exception, with trade tariffs leading to price increases across various consumer products.[1] While the medium-term impact on smartphones remains hard to predict, some carriers have suggested that higher equipment prices will be passed onto consumers,[2] many of whom are uneasy about the potential impact on monthly rates (on average, 26% of households are concerned about higher mobile and TV subscriptions resulting from trade wars, with an additional one in three highlighting moderate concern).

These anxieties overlay a pre-existing landscape of inflation-led annual price hikes – a phenomenon which was already a source of frustration. More than half of households are worried about annual price increases and, crucially, the majority think broadband provider price increases (60%) and streaming platform price hikes (58%) are unfair and unreasonable. In such a sensitive environment, service providers should not take any measure of pricing power for granted.

Figure 1: Attitudes to impact of trade wars on connectivity and content pricing

What is your level of concern regarding the potential impact of trade wars on your connectivity and content spending?



[1] "Apple has survived Trump's tariffs so far. It might raise iPhone prices anyway," CNBC, 3 September 2025
[2] "Telecoms will shift tariff burden as consumers brace for hikes," eMarketer, 3 September 2025

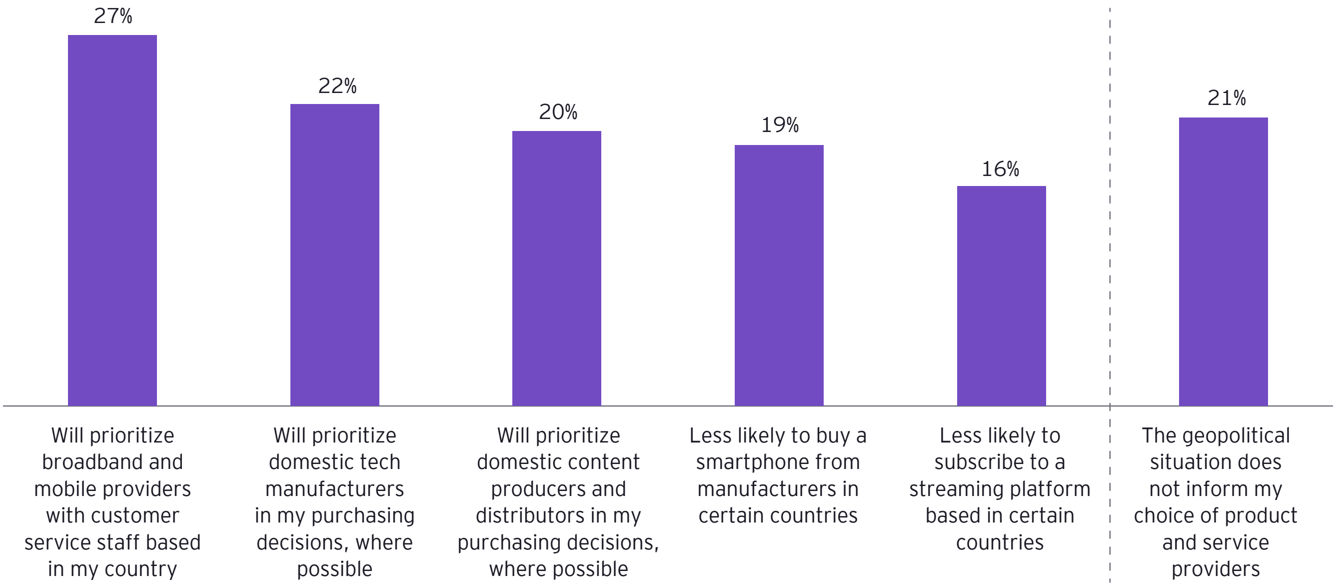
The volatile geopolitical environment may influence supplier choices in new ways

With consumers continuing to scrutinize their spending on connectivity and content, geopolitical sensitivities — accompanied by economic nationalism — are prompting some households to question their supplier choices. This is most apparent in attitudes to onshore customer service staff: 27% of households say they will prioritize connectivity providers with customer agents based in their own country, a figure that rises to 32% for respondents aged 66 years and above. Meanwhile, one in five respondents, on average, say they'll prioritize technology manufacturers and content producers based in their home countries, where possible.

At the other end of the scale, 21% of respondents say the geopolitical situation plays no role in their choice of products and service providers. Interestingly, respondents aged 45 and above are more likely to say this (24%), with 18 to 24 year olds notably less likely to preclude geopolitical considerations in their choice of supplier (15%). Consumers in this age bracket are also more likely to weigh up device manufacturers and content distributors based on their country of origin.

Figure 2: Attitudes to service provider price increases

How is the geopolitical situation (e.g., protection of domestic industries or economy, trade wars) affecting your product and service provider choices?



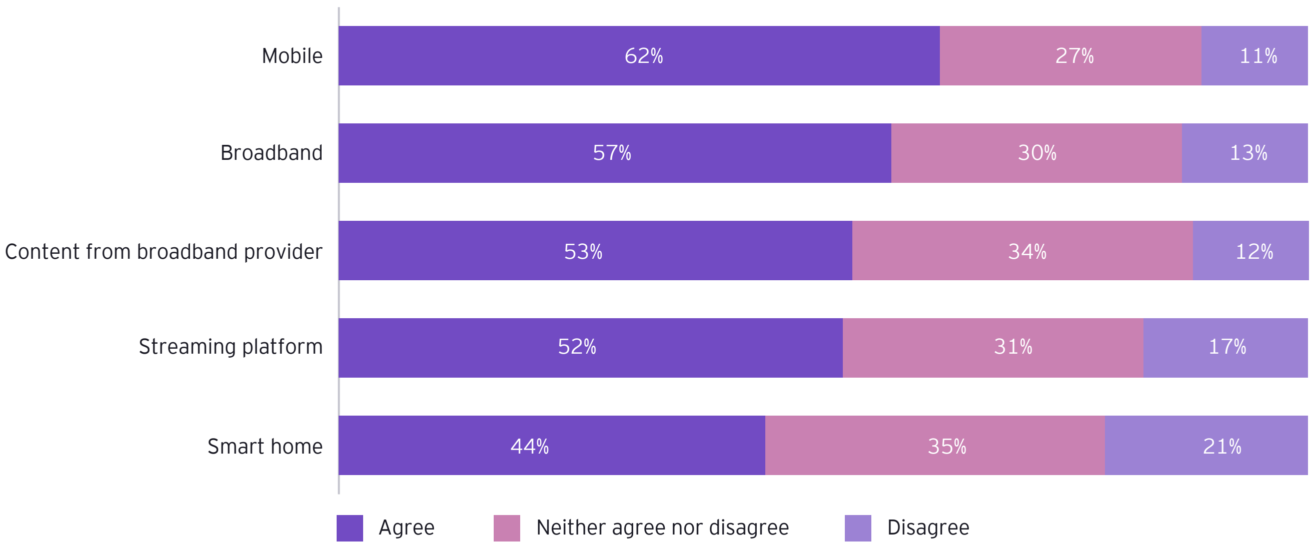
Perceptions of value for money remain relatively constant, with connectivity services out in front

While evolving geopolitical and macroeconomic forces are adding to pressures in their operating environment, there's also some good news for service providers. Perceptions of value for money remain largely positive. Mobile (62%) and broadband connectivity (57%) lead ahead of content offerings from broadband providers (53%) and streaming platforms (52%). Streaming platform subscribers (17%) are more likely than pay-TV customers to say they're not getting value for money (underlining the impact of ongoing price hikes by leading platforms).[3] Although smart home products rank even lower for perceived value for money, the proportion of households that take a positive view has risen year on year from 41% to 44%.

There is greater nuance at the country level. Households in Spain and Switzerland view broadband on par with mobile connectivity in terms of value for money, while in Australia, broadband (55%) significantly lags mobile (66%). In South Korea, smart home products (49%) lead all other categories. While pay-TV providers and streaming platforms are evenly matched in many markets, the former still enjoy a clear advantage in Australia, France, Switzerland and the UK.

Figure 3: Value-for-money perceptions by service

% Agree they get value for money



[3] "Netflix hikes prices as its lead widens over other streaming services," MSN, February 2025

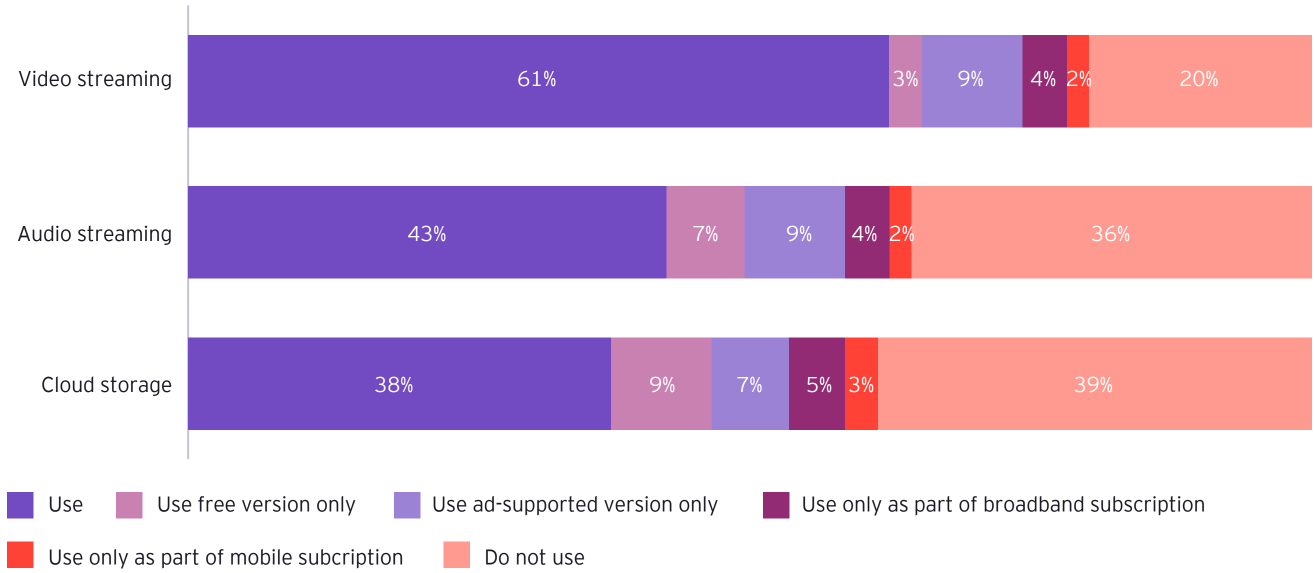
Take-up of streaming, cloud storage and connectivity in the digital home points to new competitive dynamics

With service providers seeking to unlock new demand and strengthen customer loyalty, they're offering more packages for content consumption and storage. Streaming take-up is a case in point: 23% of video streamers and 34% of audio streamers only take services that are either free, ad-supported or offered within connectivity bundles. While prices for premium and ad-supported streaming subscriptions are rising[4] — up by more than 20% since 2022 — the diffusion of price points, coupled with major platforms' entry into lower-ARPU markets, underline how streaming platforms are having to deal with new economic pressures and changes in their operating environment.

In consumer cloud storage, an even higher proportion (39%) only use free, ad-supported or bundled services. This points to a crowded market with high levels of discounting. While connectivity providers are successfully leveraging these services inside bundles (13% of consumer cloud customers only use this service as part of a telco bundle), they also face disruption. Across markets, 18% of respondents on average are selecting either FWA or satellite options for home broadband.

Figure 4: Adoption of streaming and cloud storage by type of package

Which of the following services do you use?



[4] Price Increases and Premium SVOD, Antenna, Accessed 8 October 2025

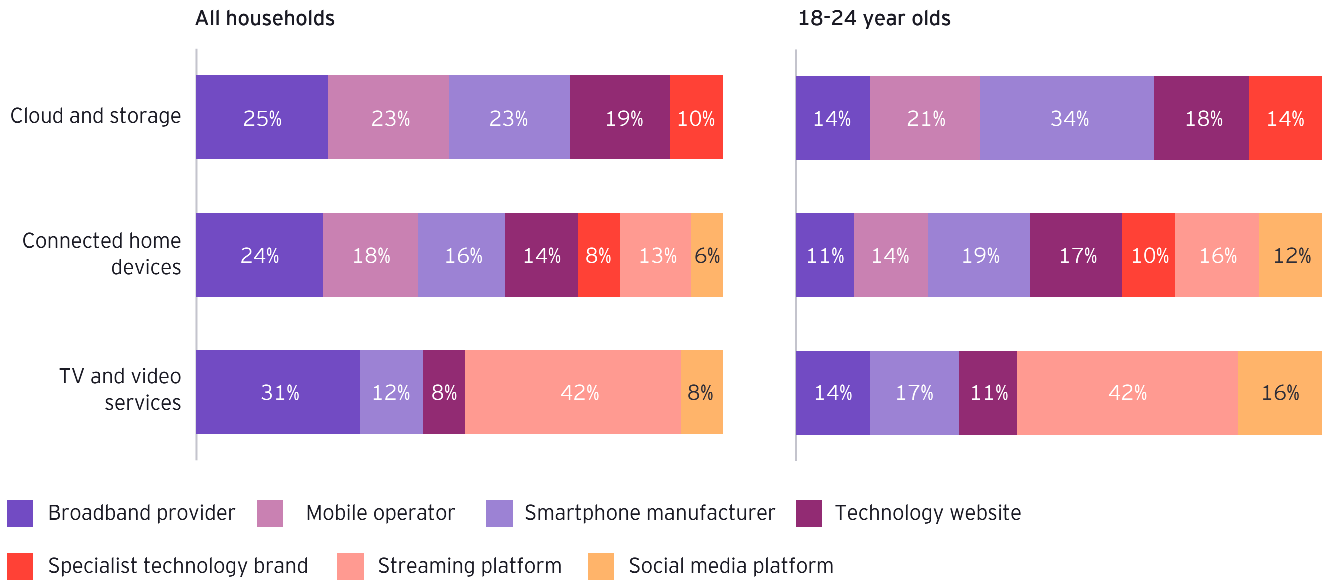
Connectivity providers have the advantage where upsell opportunities are concerned — but that advantage is much less pronounced among younger consumers

As connectivity providers look to optimize their cross-selling and up-selling strategies, they can take encouragement from their established mindshare with consumers. When households are asked which single provider they'd opt for if forced to choose between different types of companies, connectivity providers come out on top for both cloud storage (48% of consumers identify broadband or mobile providers) and connected home devices (42%). And while streaming platforms are the favored sole supplier of TV and video services (42%), broadband providers are still preferred as sole supplier by three in 10 respondents.

This advantage is, however, less pronounced when evaluated by age group. Preference for telcos is much higher in older groups, while younger consumers are notably less receptive. Device manufacturers lead as preferred providers of cloud storage among 18 to 24 year olds (34%), while nearly three times as many 18 to 24 year olds would opt for a streaming platform compared with a broadband provider for TV and video. So while connectivity can act as an anchor point for upsell strategies, telcos' "right to play" can no longer be taken for granted.

Figure 5: Service provider preferences for home connectivity and content

If you were forced to choose one type of provider for the following types of service, which type of service provider would you choose?



> "The connection between younger customers and the telco brand, that's there we are putting efforts to regain traction. We are fighting for market share, not mind share, at the moment. Because the market is driven by price, we focus on the right price for the right bundle or package. The path to mind share is to go first for market share and then deepen the relationship with our customers.
>
> Alexis Trichet, VP Strategy, Consumer Insight and Data, Orange

2

Detailed survey findings

Connectivity, switching and loyalty

While network quality is improving, it remains a concern, particularly for younger consumers and larger households

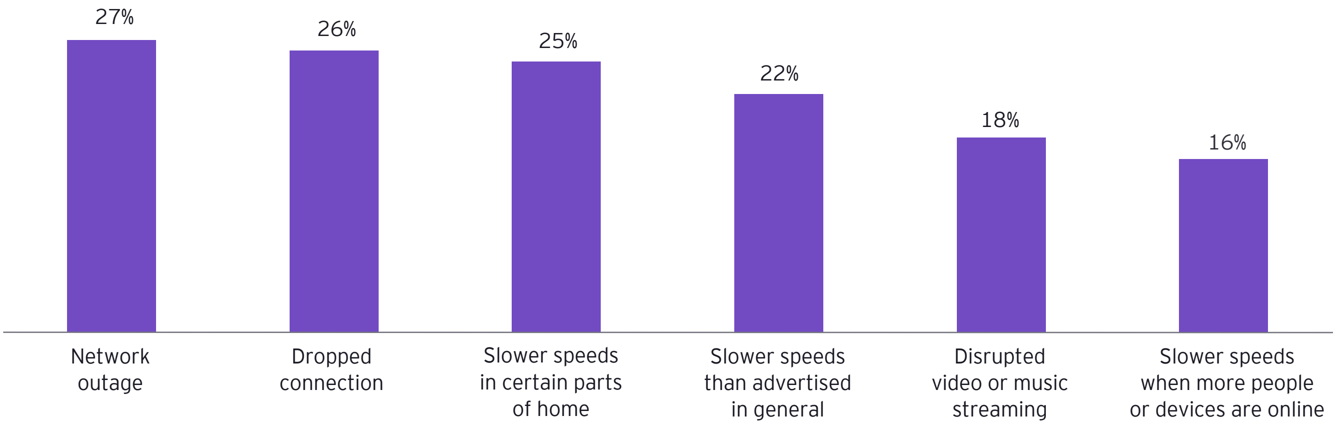
With fiber-to-the-home now mainstream in many countries, infrastructure upgrades are redefining the broadband market. This year's survey reveals incremental improvement in network quality experiences, with a year-on-year increase in the number of households who say they never experience problems, alongside a decrease in households that often suffer poor reliability, now at 24% on average, down from 26% last year. However, poor reliability is more prevalent in demanding households: 29% of 18–24 year olds and 30% of households with three or more people often experience an unreliable connection.

Meanwhile, poor network reliability is a nebulous concept, with many contributing factors: network outages rank first (27%), with dropped connections second (26%). Uneven performance depending on user location or number of people online are bigger issues for larger households: slower speeds in certain parts of their home are markedly higher for households with four occupants (34%) and those with five or more (36%). An expanding array of factors inform network outages, from power outages to extreme weather events, with regulators considering new protocols for telcos to manage network outages, including appropriate customer communications. In light of this, it's vital that connectivity providers understand the impact of network quality across various dimensions.

Figure 6: Types of connectivity issues encountered by households

Which of the following connectivity issues do you encounter most frequently at home?

Broadband/Wi-Fi at home

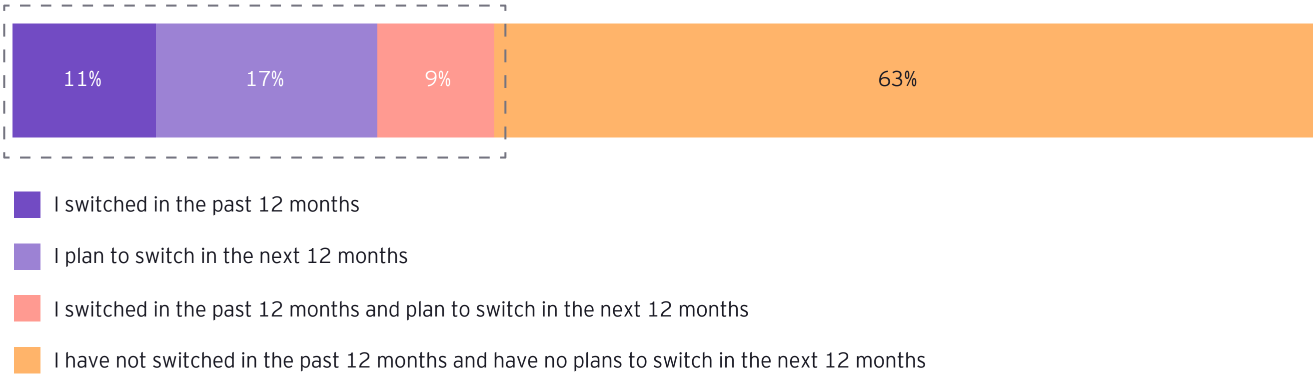


More than one-third of customers have recently switched or plan to switch, with cost savings the leading trigger

One in five households has switched broadband provider in the last year, with switching propensity over the next twelve months standing at 26%. Taken together, 37% of households have either recently switched or plan to switch. Cost savings are the leading rationale cited by recent or future switchers (41%), but other factors such as poor network quality, poor customer experiences and limited service portfolios account for more than half of reasons given for switching. Those seeking savings are not only looking for a lower headline price (33%). Introductory offers, improved price promises and the opportunity to reduce overall connectivity expenditure by opting for fixed-mobile bundles all play a role. Indeed, among younger users, price promises (27%) and introductory offers (28%) are on a par with cheaper monthly rates (29%), highlighting the importance of agile pricing strategies for broadband providers targeting price-sensitive users.

Figure 7: Household switching activity and propensity

Have you switched broadband provider in the last 12 months, or do you plan to switch in the next 12 months?



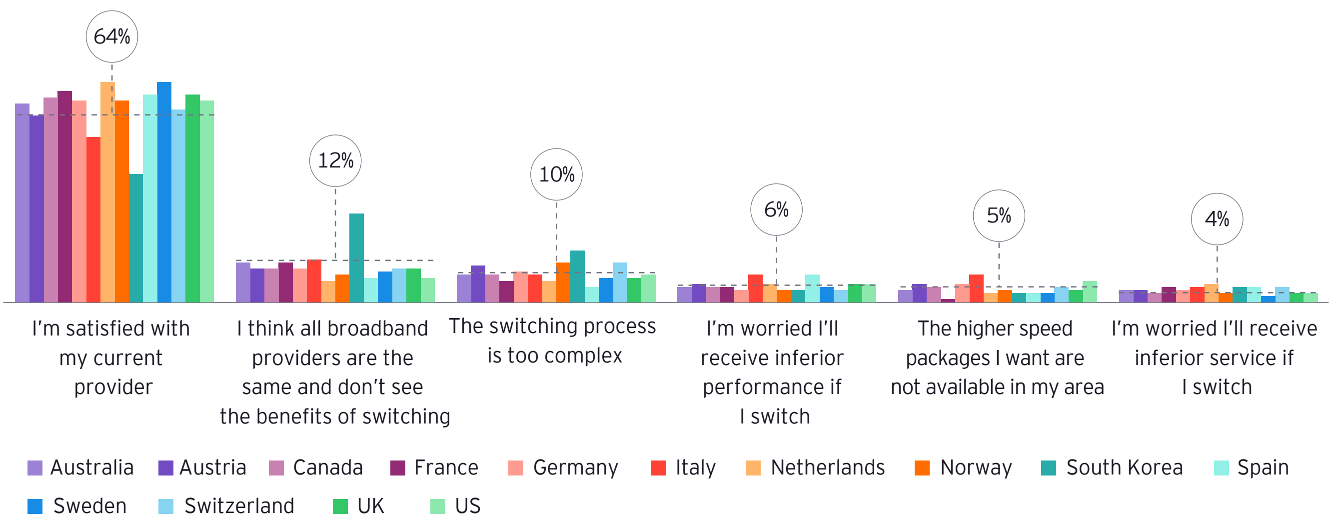
Loyalty and satisfaction are not the same thing

The loyalty of households with no intention to switch is not always a result of positive experiences. When it comes to the prospect of switching, 36% of these consumers — equivalent to 23% of total households on average across markets — express a mixture of fear, frustration and apathy. Twelve percent of this group don't see any benefits in switching, rising to 29% of South Korean households. One in 10 feel the switching process is too complex, while an additional 10% fear that moving could lead to inferior connection quality or customer service. The remainder highlight the lack of higher performance broadband available where they live.

Taken together, these attitudes underline the negative drivers of loyalty that could threaten service provider strategies based on extending customer lifetimes. Italy and South Korea both stand out as markets where satisfaction as a driver of loyalty sits well below average. Crucially, across all markets, younger users (56%) and households with children under the age of 12 years (59%) are less likely to cite satisfaction with their current provider as their main reason for not switching.

Figure 8: Household rationales for not switching providers

What is your main reason for not switching?

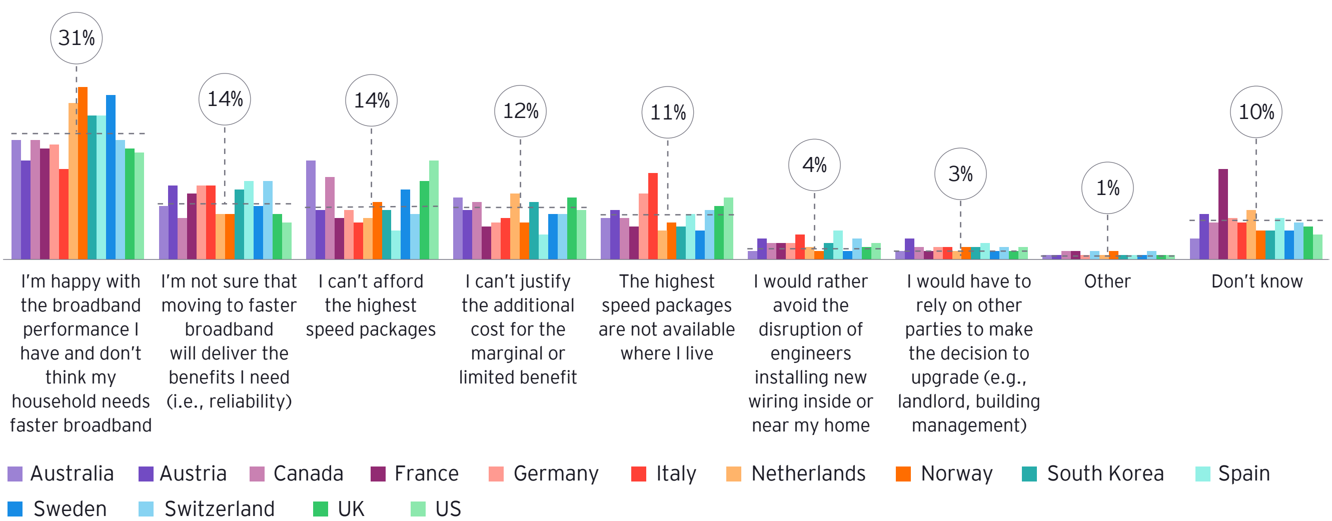


Households question the value of higher speed broadband

Service providers need to be aware of the reasons for switching. They also need to be mindful that what looks like loyalty may actually be frustration and indifference. So it's essential for them to understand the reasons why customers are unresponsive to offers to upgrade. The leading rationale for not moving to better service is satisfaction with current levels of broadband performance (31%), which is particularly pronounced in Norway (42%) and Sweden (40%), as well as among older households across all markets. Meanwhile, 14% cite reservations about higher-speed broadband, indicating skepticism around speed promises, while a further 12% believe they can't justify the additional spend. Only one in four households cite pure affordability or availability constraints as reasons for not moving to higher-quality packages. These concerns are more elevated in the US (39%) and Australia (34%). Overall, limited demand for the highest speeds, coupled with questions about premium-rate network performance, mean connectivity providers should engage with customers in new ways to both shape and serve their needs.

Figure 9: Household rationales for not upgrading to highest-speed broadband

What would be the main reason stopping you from upgrading to the highest speed packages available?

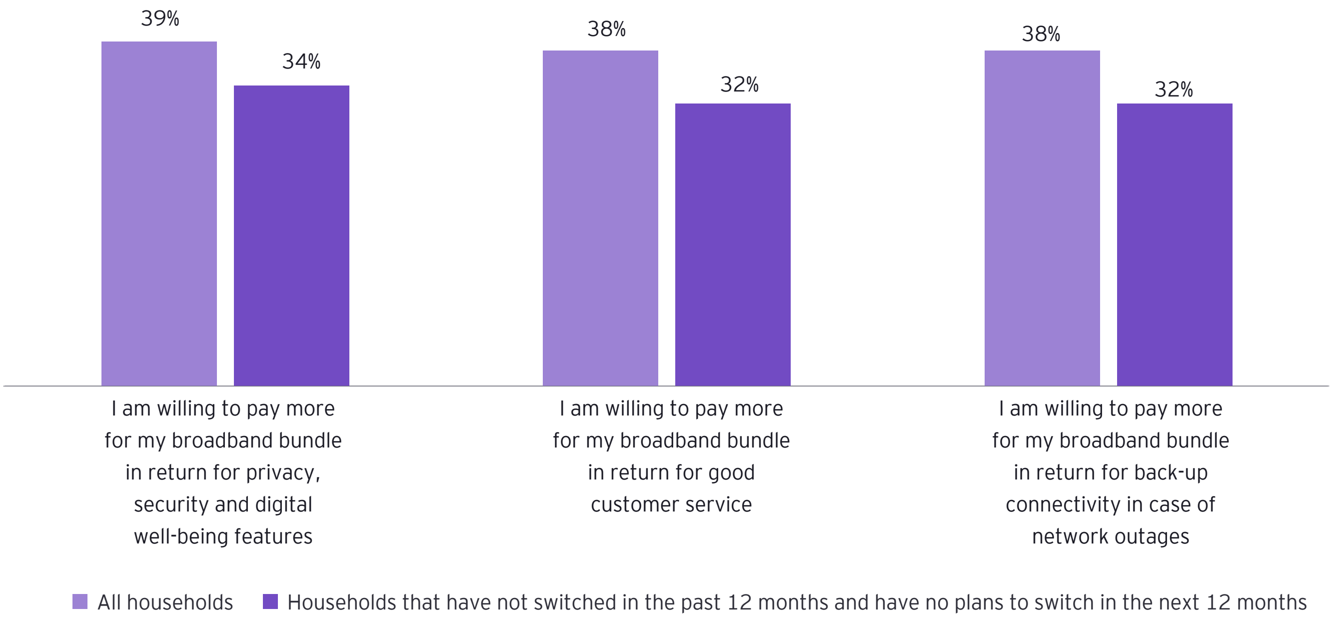


Loyal customers are less inclined to pay more for better

While moving households to higher-quality broadband is a vital enabler of average revenue per user (ARPU) growth, there are other premium service levers for telcos to pull. More than a third of households would be prepared to pay more for broadband that comes with security and well-being features, good customer service and back-up connectivity in case of network outages. While these additional or improved capabilities can generate greater stickiness, loyal customers tend to be less responsive to paying more for better. Respondents who haven't switched in the past 12 months and have no near-term plans to do so are noticeably less inclined to pay more. This creates a challenge for service providers: inertia among customers means that while their churn risk is low, so too is their propensity to engage with new propositions and spend more. More personalized communications alongside more education on how new service offerings and enhanced service packages can improve their connectivity experience are therefore essential.

Figure 10: Household receptivity to premium broadband packages

How much do you agree with the following statements?



3

Detailed survey findings

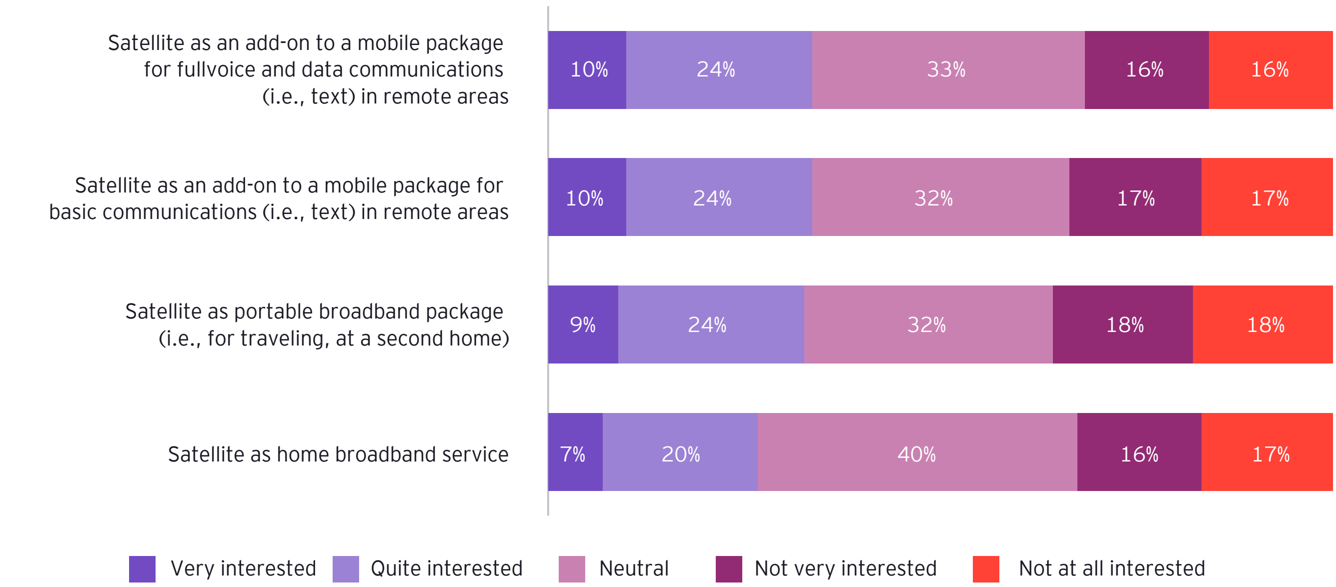
Disruption ahead as satellite and FWA gain favor

Consumers are open to new forms of connectivity. Legacy service providers are under pressure to respond

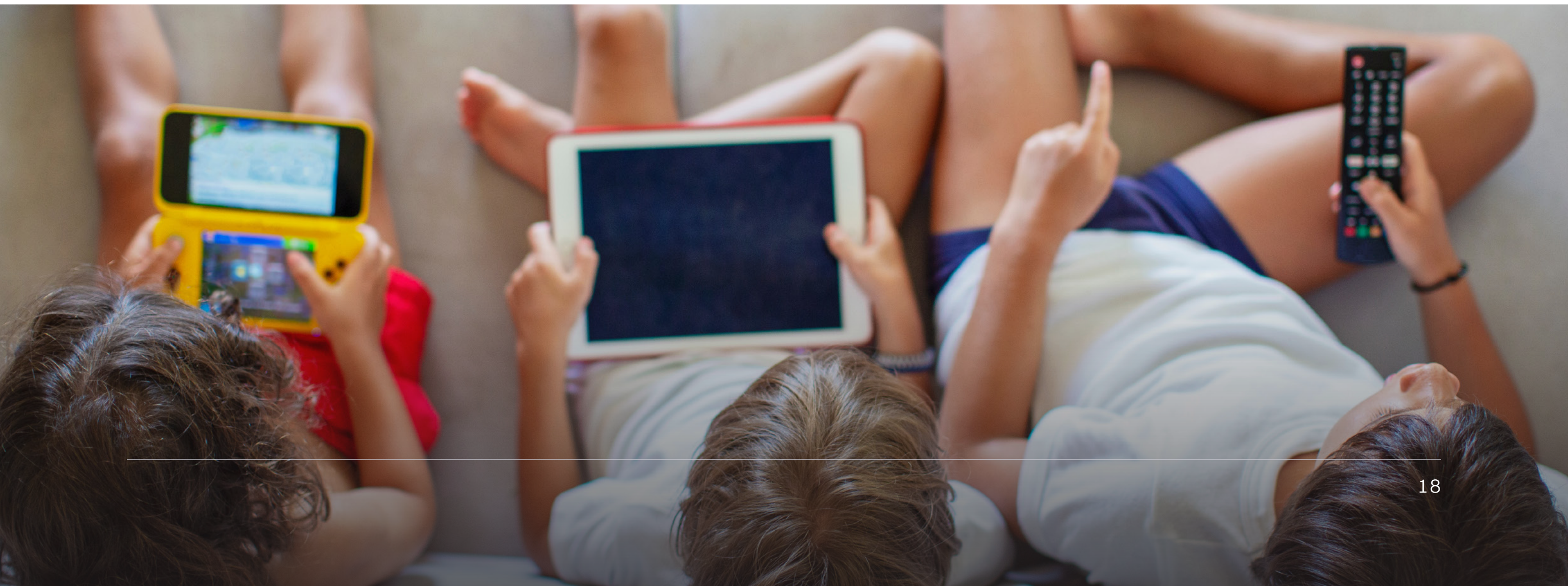
The growing role of satellite options for consumer connectivity is a key talking point in the sector. That conversation has been given particular impetus by the rising adoption of Starlink's low earth orbit (LEO) service, which has now passed seven million subscribers globally.[5] Our survey shows that 27% of respondents on average are interested in satellite as home broadband (although 33% signal a lack of interest). Satellite's perceived high costs are an important factor, with 43% of households on average believing that, compared with fixed broadband, satellite connectivity is too expensive. There is, however, greater openness to satellite connectivity as an add-on to existing mobile packages to provide remote connectivity in rural areas: 34% signal interest, with 31% indicating their willingness to pay a premium for mobile packages with direct-to-device (D2D) satellite capabilities. Younger consumers are markedly more receptive to D2D capabilities, with 46% of 18 to 24 year olds expressing interest. This is encouraging news for mobile operators. They have been striking partnerships with satellite providers over the last year with enhanced mobile packages in mind, targeting a market that's forecast to be worth $2.6b by 2030.[6]

Figure 11: Household receptivity to satellite connectivity for home broadband or mobile

How interested would you be in taking up the following forms of satellite connectivity package?



5 "Starlink Crosses 7 Million Subscribers Globally," Techloy, 16 September 2025
6 "Direct-to-Device (D2D) Industry worth $2.64 billion by 2030," MarketsAndMarkets. 6 October 2025



Limited availability of highest speed broadband packages could open the door to satellite-based services

Consumers currently see more appeal in satellite as a mobile package add-on than as a home broadband service. However, their overall attitudes to broadband suggest scope for disruption in the longer term. Across all markets, 35% of consumers are frustrated that they can't access the fixed broadband packages offering the fastest speeds. At the same time, 39% would be open to replacing fixed broadband with satellite broadband, if the latter could meet their needs.

These attitudes are evenly present in a number of markets. But frustration with current broadband offers and receptiveness to the idea of substituting fixed broadband with satellite are most pronounced in Italy, Switzerland and the United States. While satellite broadband costs are typically higher than for fiber, satellite providers are improving their offers with deals and discounts.[7] Meanwhile, performance levels are also improving, with median speeds in some countries now exceeding 100 megabits per second.[8] Looking ahead, satellite providers have an opportunity to capitalize on the mixture of frustration with existing offers and openness to new packages, particularly from less price-sensitive consumers. At the same time, the launch of new LEO satellite constellations may spur further price reductions as the competitive landscape broadens.

Figure 12: Household attitudes towards broadband availability and technology substitution

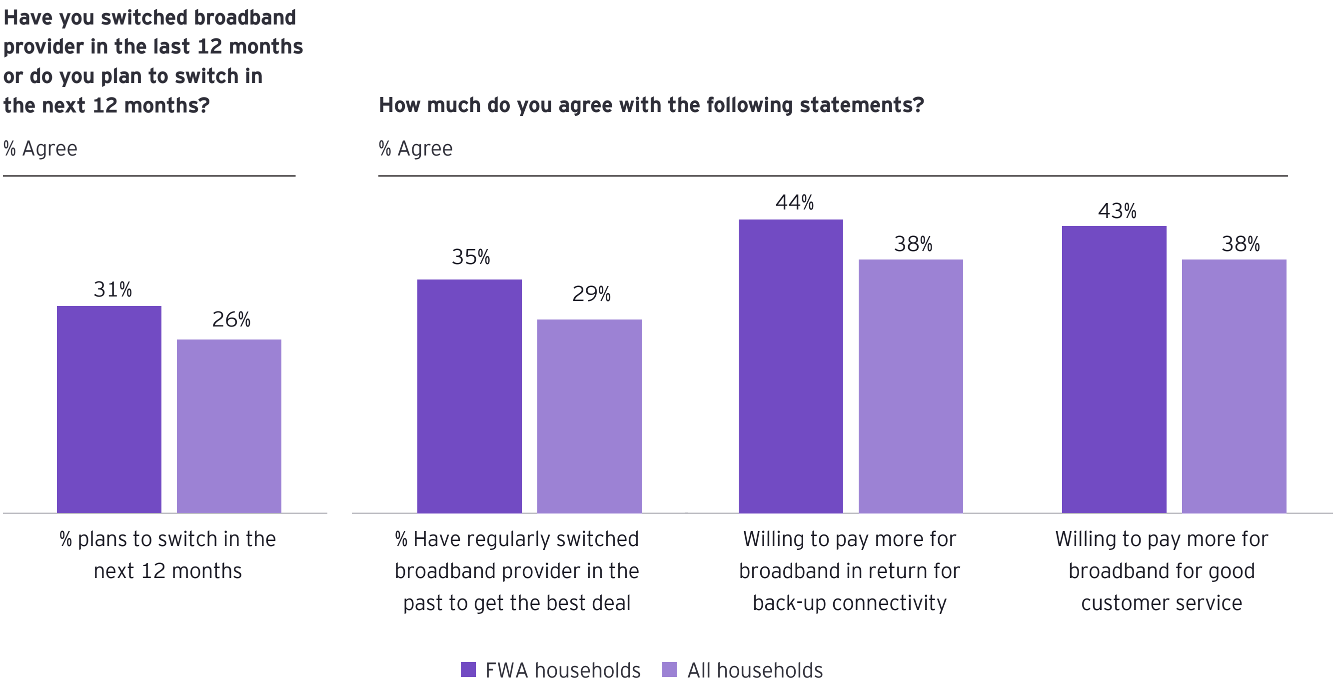
7 "Starlink Slashes Prices on Equipment and Monthly Service Ahead of Prime Day," CNET, 6 October 2025
8 "Starlink's U.S. Performance is on the Rise, Making it a Viable Broadband Option in Some States," Ookla, 10 June 2025

> The opportunity for satellite is driven by the rapidity of broadband rollout. Right now, we see only small numbers switching, although with the price points on offer from LEO providers, it's a clear opportunity. People who are annoyed waiting for broadband to reach their area, they are susceptible to taking satellite.
>
> Alexis Trichet, VP Strategy, Consumer Insight and Data, Orange

Well-informed FWA households look beyond savings and are open to premium offers

Whether they're seeking to take advantage of the appetite for FWA broadband or looking to counter evolving commercial offers from FWA providers, service providers need to be aware of the distinctive characteristics of, typically younger, home mobile broadband users. FWA households tend to be both more informed than typical broadband users and more responsive to introductory deals. Their adoption of FWA packages indicates a switching-centric mindset, with 35% having regularly switched in the past to get the best deals. These users also show greater propensity to switch going forward. Interestingly, despite their price-consciousness, these FWA users are more receptive than fixed broadband households to premium offers. They are also more willing to pay extra for connectivity packages that include back-up connectivity alongside differentiated levels of customer service.

Figure 13: FWA households' willingness to switch and pay "more for better"

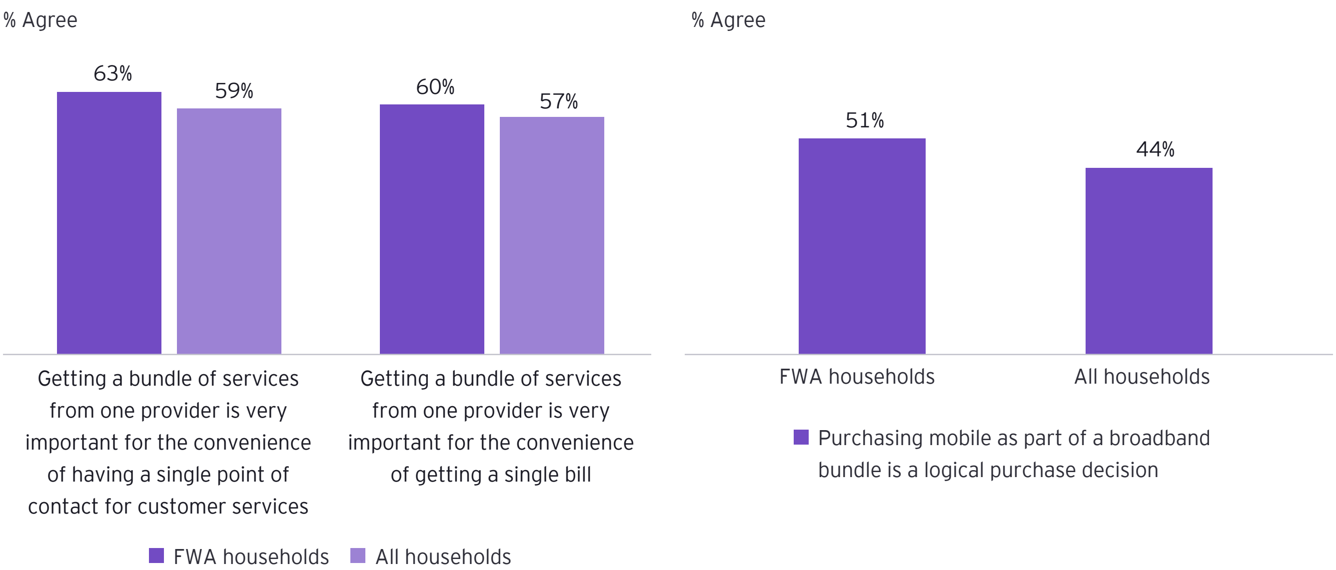


FWA households are open to bundling, paving the way for new win-back and retention strategies

As service providers refine their strategies to cater for FWA broadband users, they need to bear a number of key levers in mind. While FWA users are more likely to have switched in the past, they also take a more positive view of bundling rationales – such as having a single point of contact for customer services or receiving a single bill. Most notably, they're more likely to view combining standard mobile connectivity with a home connectivity package as a logical step to take. With these attributes in mind, there's a clear opportunity to evolve FWA propositions in ways that emulate fixed-mobile convergence (FMC) strategies. For this to happen, service providers should take a long-term view of FWA customer needs. Strategies need to move beyond reliance on pricing offers and instead ensure that FWA service portfolios include the right options to meet future customer requirements.

Figure 14: Households using FWA are more open to buying mobile and home internet together

How much do you agree with the following statements?



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Detailed survey findings

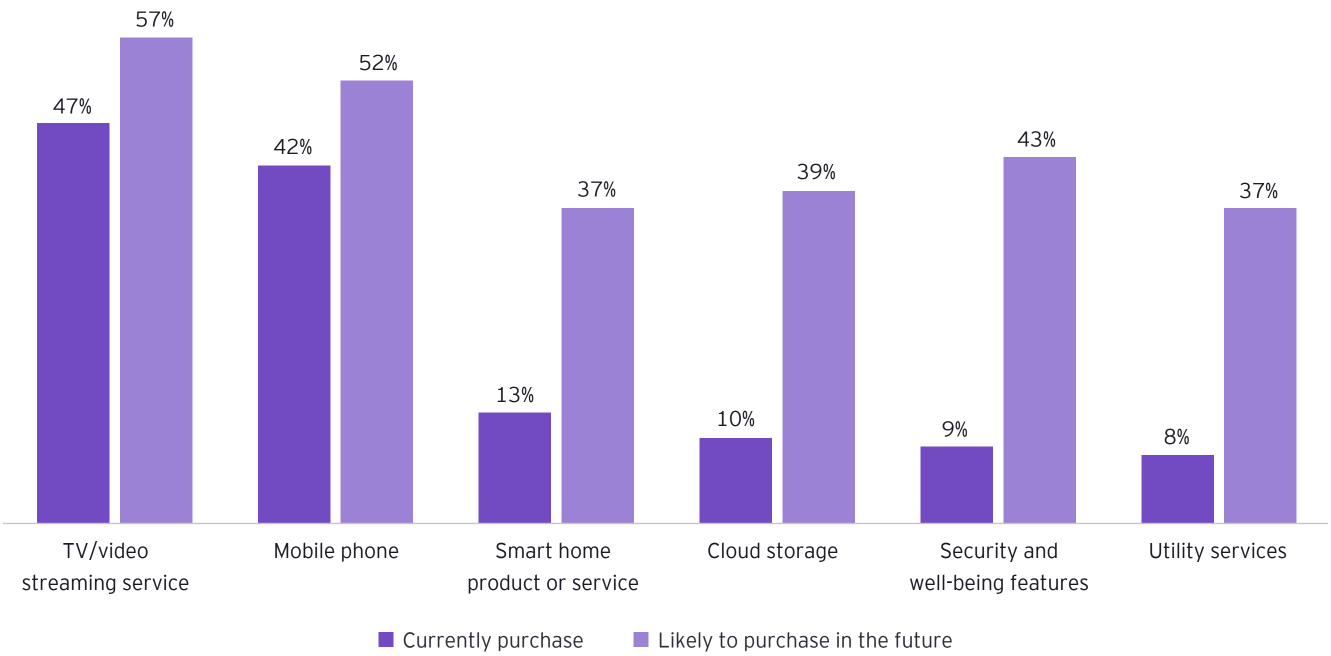
More seamless service combinations can breathe new life into bundles

TV bundles lead in current and future adoption, but service providers have more headroom for growth with other service combinations

The outlook for bundling broadband with other forms of connectivity and content is promising. Broadband bundles with TV (47%) and mobile phone (42%) are best established — and the proportion of households likely to take these services in the future is higher. This suggests continued potential for growth. However, some less well-established service combinations show even greater potential. Broadband with privacy and security features looks to offer the highest potential for future adoption, with 9% currently paying for these features, but 43% cite this service combination as something they'd be likely to take in the future. Smart home devices, cloud storage and utility services, cited by more than one-third of households, also score well in terms of future appetite. Demand from larger households is even stronger: more than half of households with children say they'd be likely to take these types of services alongside broadband in the future.

Figure 15: Household bundles: current adoption and future receptivity

Which of the following services do you purchase from your broadband provider?
How likely are you to take a broadband bundle which includes the following additional products and services in the future?

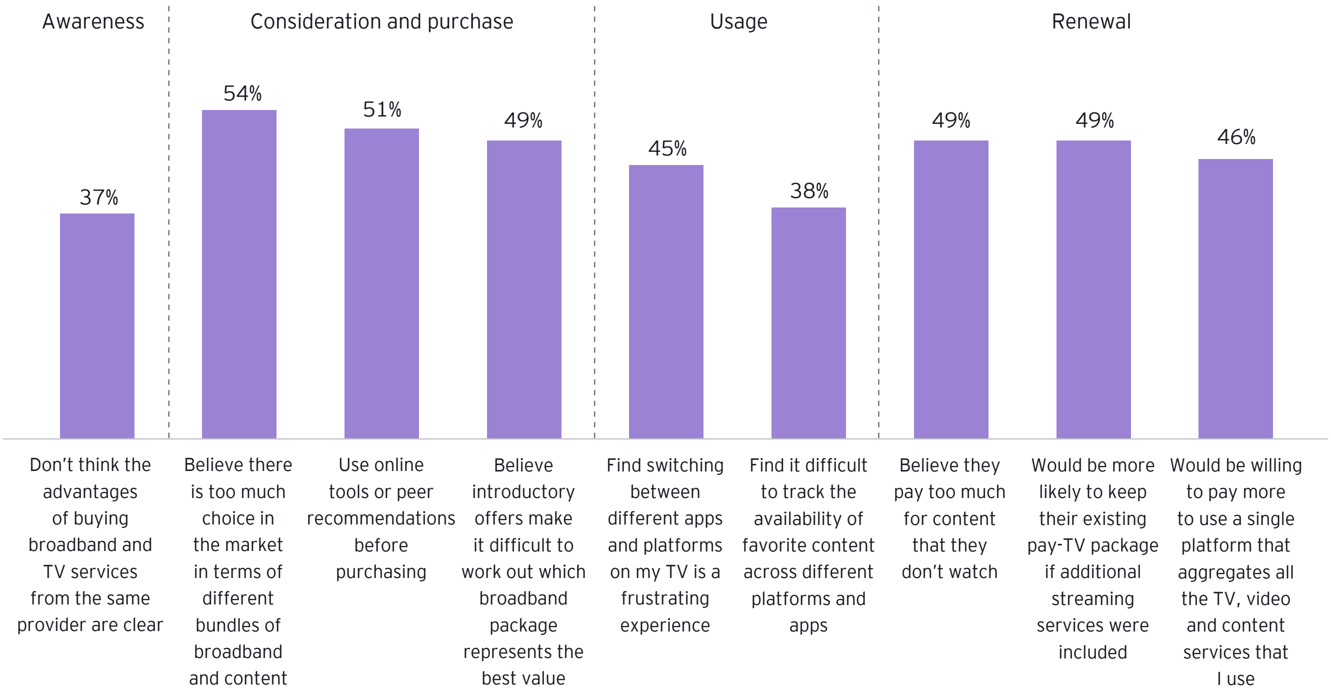


TV bundles are well established — but there are frustrations across the customer journey

TV bundles are critical to growing ARPU and retaining customers, but service providers face some challenges in persuading customers of bundling's merits. To begin with, more than one-third of customers don't see inherent advantages in combining TV services and broadband from the same provider. They also find it hard to select the right bundle: 54% believe there's too much choice and 49% perceive introductory offers can obscure a package's true value. Consequently, more than half of households on average are using different methods — GenAI tools, price comparison websites or peer recommendations among them — to compare providers.

Selecting content and keeping track of favored content also prove problematic. Nearly half of households (49%) feel that they overpay at renewal, with all ages expressing the view that they've acquired irrelevant content as part of their package. The demand for more appealing and accessible content is clear in what consumers will pay more for, including additional streaming services (49%) and a unified content access platform (46%). While service providers may recognize the need to simplify their content offering, the trend towards repackaging and rebundling streaming services risks increasing existing customer confusion, while also forcing connectivity providers to remain reactive, adapting their own bundles in new ways.

Figure 16: Attitudes to pay TV packages and bundles of broadband and content



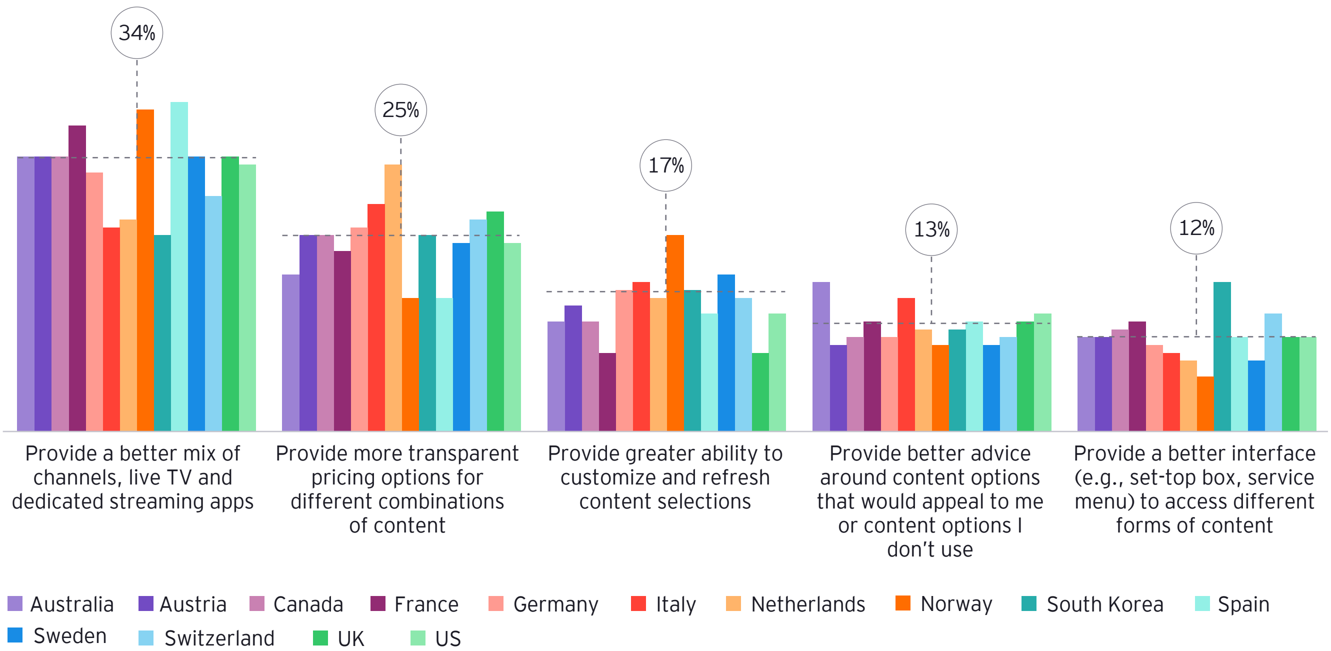
Households want TV bundles that deliver better content combinations

Consumers seeking better combinations of connectivity and content in the TV bundles they buy highlight various improvements they'd like to see. Topping the list is a better mix of channels, live TV and dedicated streaming apps (34%). This underlines that more service options alone won't cut it. Consumers want service providers to up their game when it comes to effective aggregation.

At the same time, nearly four in 10 households signal the need for better communications, not only in terms of greater pricing transparency for different service options (25%) but also more informed advice about appealing content or content they don't use (13%). Better tools are the most critical improvement for three in 10 households, with consumers seeking either greater ability to customize content selections (17%) or an improved user interface to access content (12%). Taken together, these sentiments underline that bundle providers must improve how they enable and curate different types of content, while also providing more meaningful communications about pricing and content options alongside better self-service tools.

Figure 17: Household attitudes to connectivity and content bundle improvements

What is the most important improvement that your broadband provider could make to the TV or video package you purchase from them?



5

Detailed survey findings

New engagement strategies needed for streaming customers

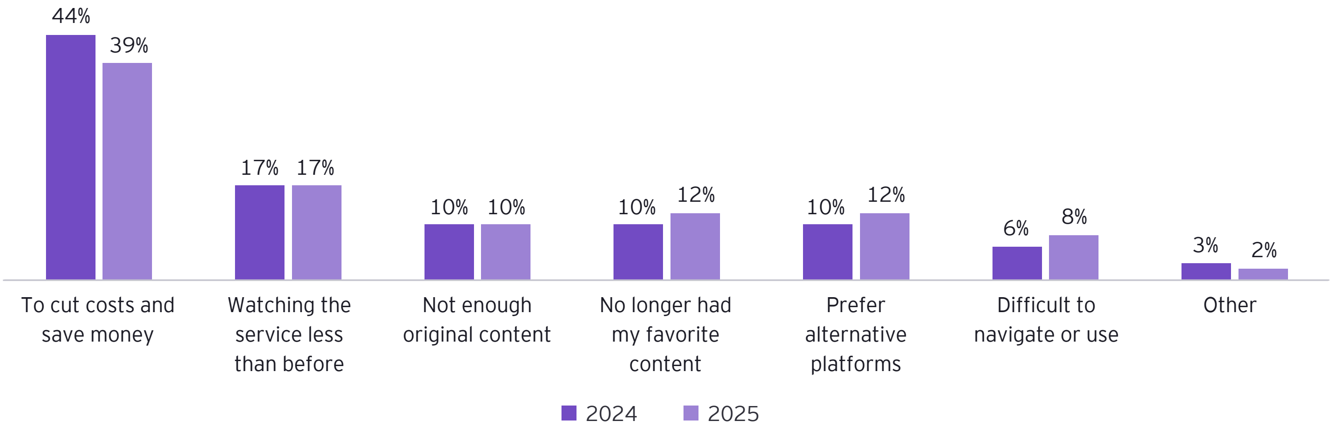
More fluid customer relationships require new engagement strategies

Across all markets, streaming services continue to gain traction. The 1.8 billion paid monthly subscriptions worldwide are set to top 2 billion by 2029, although growth rates are set to flatten.[9] Against this backdrop, competition remains intense. Households often subscribe to multiple paid platforms, but more than one-third (37%) say that they're interested in reducing how many they pay for. This year, 38% of households paying for streaming services have either cancelled or plan to cancel a service, up from 35% last year.

However, saving money has noticeably declined as a driver of cancellation – with other reasons becoming more prominent. These include platforms lacking content they previously carried (12%) and, as choice continues to broaden, preference for other platforms (12%). Placing additional emphasis on bundling, regularly refreshing content and prioritizing steps to identify and communicate with users at risk of churn – such as reduced levels of activity – can all help mitigate cancellation risks. There are also opportunities to hone these approaches to capture the warning signs from different types of viewers.

Figure 18: Rationales for streaming platform cancellations

What was or is your main reason for cancellation? If you have cancelled or plan to cancel more than one, consider the one you spend or spent the most on.



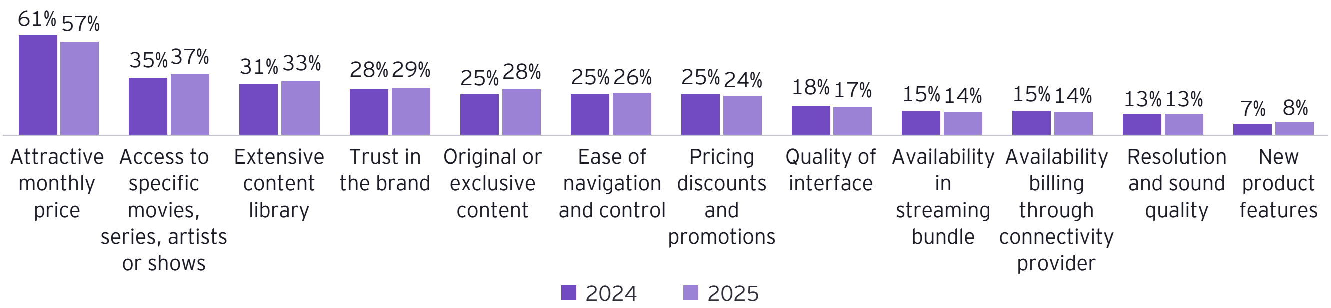
Demand for high-quality content is on the rise

Attractive monthly pricing remains the most decisive factor when consumers consider a new subscription. However, despite recent price hikes and consumer concerns about paying too much for content, streaming platforms can take heart from the finding that considerations other than cost are also now coming to the fore. Access to specific content (37%), extensive content libraries (33%) and original or exclusive content (28%) are all growing in importance year-on-year. More than one-third of households in Australia, Italy and the UK highlight original or exclusive content as a top-three consideration when choosing a streaming platform — a finding that validates the recent uptick in global streaming platforms' investment in European[10] and Australian[11] content.

While higher investment in original content chimes with consumer sentiment, global streamers will need to proceed with caution because a commensurate uptick in production costs, government regulation and competitive intensity goes hand in hand with these strategies. Furthermore, although the surge in streaming platform bundling is designed to head-off churn risks and expand reach, those offers still rank relatively low (15%) as a leading factor in platform adoption.

Figure 19: Streaming service selection criteria

What are the three main criteria for choosing a video streaming service?



[9] "Ampere: streaming subscriptions to pass 2 billion by 2029," TVB Europe, 9 December 2024

[10] "One third of spending on European original content is made by global streamers," European Audiovisual Observatory, 11 September 2025

[11] "Australia puts streamer content quotas back on the agenda," Screen Daily, 16 April 2025

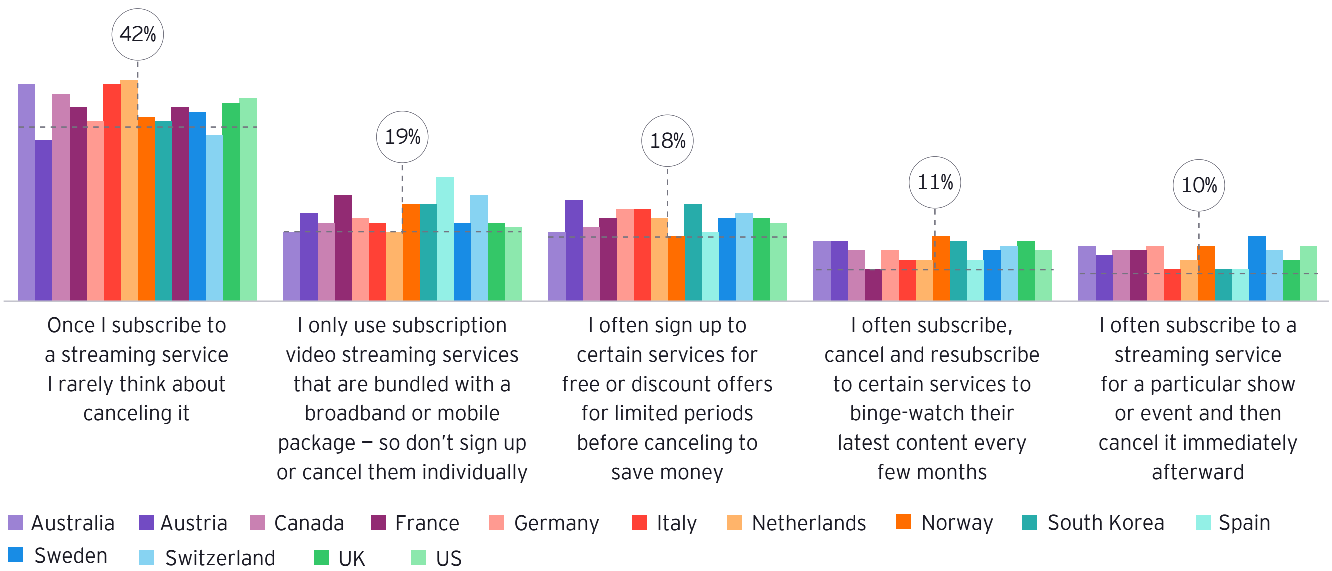
Frequent streaming sign-up and cancellations are a deliberate mode of streaming consumption

Respondent sentiment reveals an oscillating pattern: churn is often accompanied by resubscription to previously canceled platforms. This year, 38% of consumers have resubscribed to one or more platforms they'd previously canceled – up from 33% last year – with levels highest in the US (47%) and Canada (40%). Yet these actions represent more than changing affiliations: many consumers have a fundamentally fluid relationship with streaming platforms. Forty-two percent rarely think about canceling a platform once they sign up and a further 19% subscribe via connectivity bundles, meaning they don't tend to make platform-specific decisions. The remainder – 39% – deliberately choose to "subscribe-watch-cancel-repeat," whether to binge-watch and pay fewer monthly charges, access a specific event or take advantage of discounted monthly rates for limited periods.

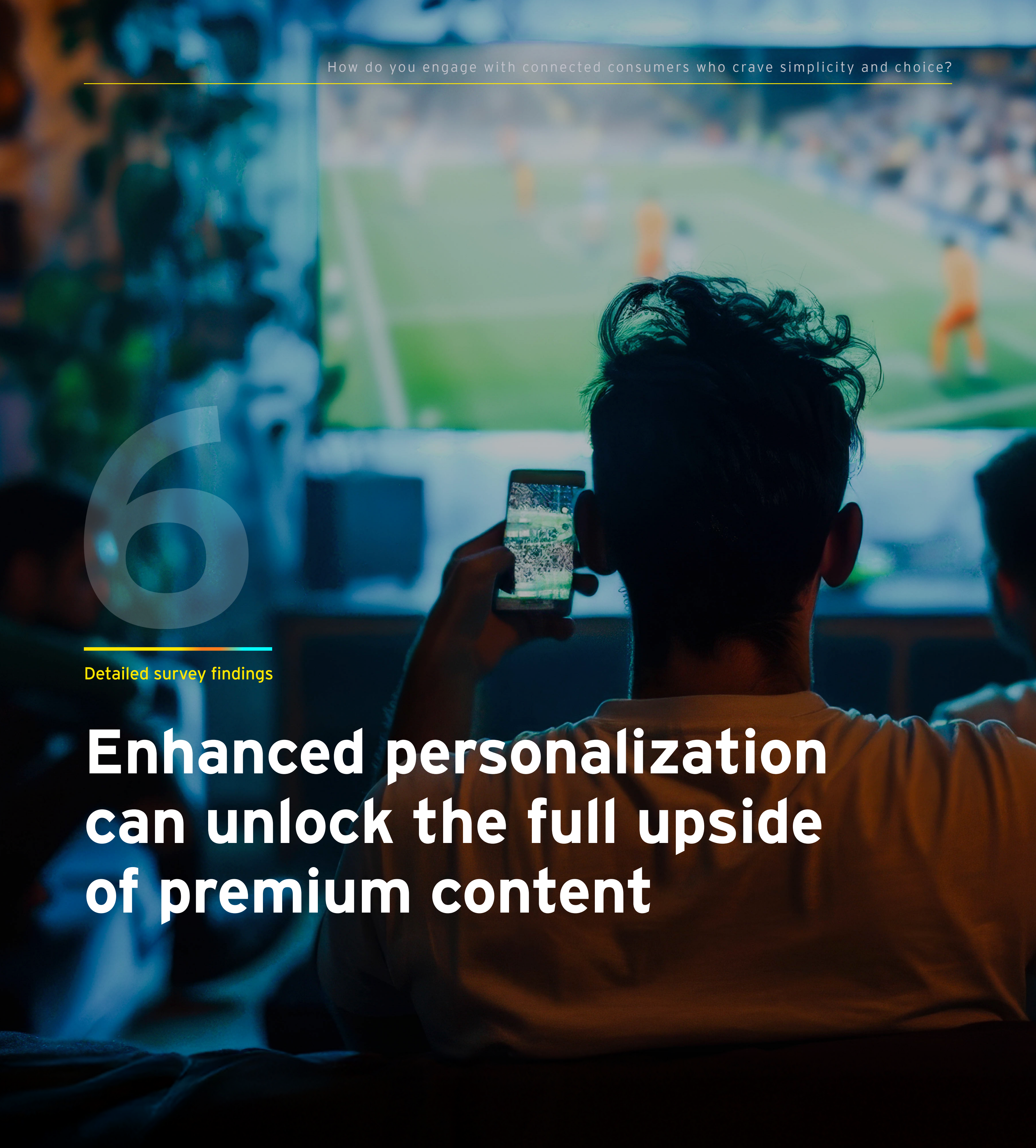
By recognizing and acting on these intentions, streaming platforms can unlock new routes to monetization. Personalizing value propositions, creating new pricing strategies and introducing new incentives could help them to either maximize short-term subscriptions or elongate customer lifetimes. Crucially, 56% of households believe that streaming platforms should make it easier to consume content without the hassle of either subscribing or canceling. With high-quality content playing a relatively greater role in adoption decisions, the outlook is positive for platforms with bold strategies.

Figure 20: Household attitudes to video streaming service usage

Which of the following best describes how you use or would use subscription video streaming services?



> "
> As AI and data enable faster discovery, the human relationship remains the filter: you must build trust, you must simplify the journey, and you must remember that behind every screen is a person choosing how and when to press play.
>
> Rebecca Kent, SVP Global Transformation, Warner Bros. Discovery



6

Detailed survey findings

Enhanced personalization can unlock the full upside of premium content

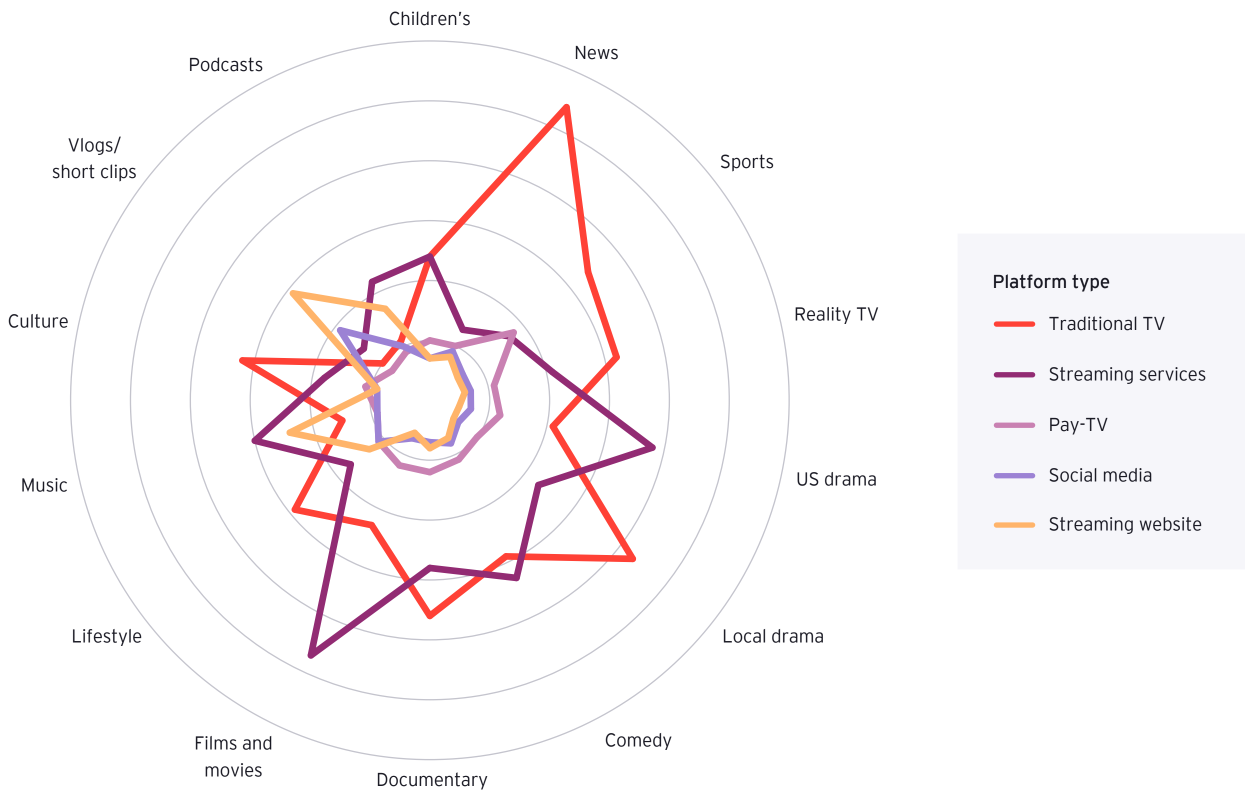
Content platform preferences vary according to genre and country, although consumers favor streaming platforms overall

Our research reveals that preferences for content providers to the digital home are complex and fluid. As traditional broadcasters and streaming platforms vie for attention, consumers are making clear choices according to different countries and genres. Streaming platforms are most strongly established in films, US drama and music, where they lead in nearly all markets. They are also the preferred destination for comedy in eight markets surveyed (Australia, Canada, Germany, Italy, Norway, Spain, Sweden and the US) and favored for documentaries in four markets surveyed (Australia, Canada, Spain and the US). In addition, they are gaining more appeal among sports fans in Canada, South Korea, Spain and the UK.

Traditional broadcasters and networks still hold sway in news and current affairs, which continues to be a stronghold for them across all 14 markets surveyed. However, that lead is shrinking in some markets, with levels of preference lowest in Canada (45%), the US (48%) and Austria (51%). Meanwhile, pay-TV platforms enjoy high levels of preference for sports content in Spain (29%) and the UK (30%). That contrasts with markets such as the US and France where traditional broadcasters still dominate sports content, with only one-in-10 users favoring pay-TV. When asked which platforms they prefer for multiple types of content, households across markets tend to favor streaming platforms (33%) ahead of traditional networks (25%). However, this gap is less pronounced in the UK, where broadcasters rank just two percentage points behind their streaming rivals. In Switzerland, broadcasters enjoy a small lead.

Figure 21: Content platform preferences by genre: global average

Please select which service you prefer for the following content types



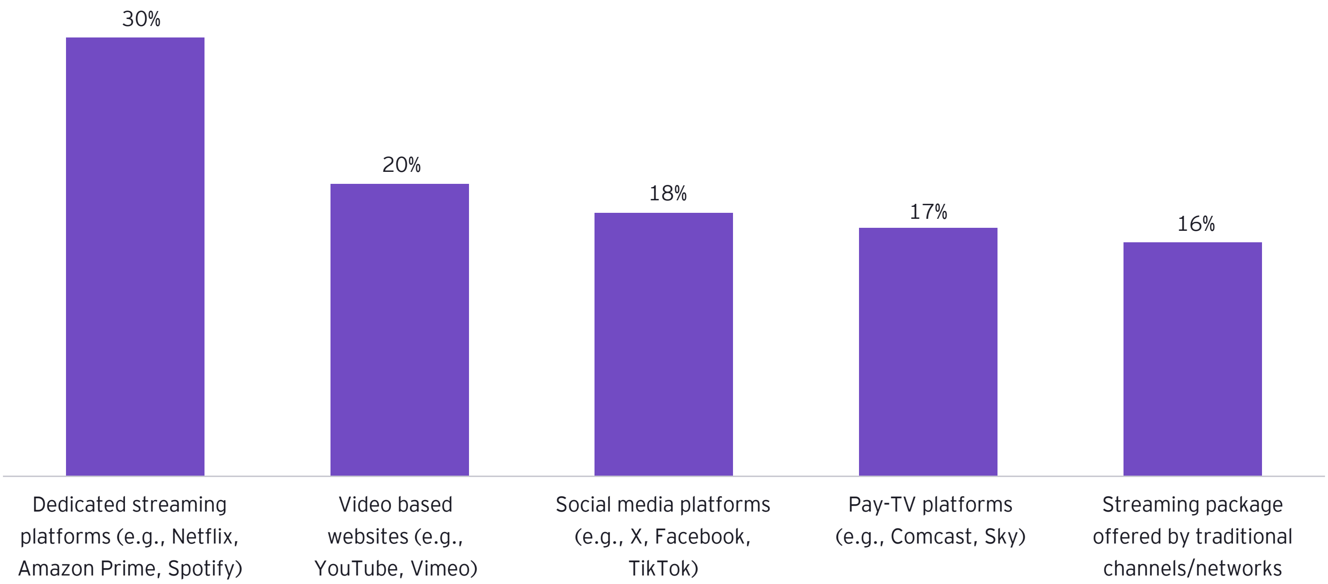
Streaming platforms content recommendation capabilities underline their mindshare advantage

Streaming platforms deliver the most useful and relevant content recommendations compared to other media services in most markets, which rank well behind on average. Even so, households in Spain (43%) and South Korea (34%) rate content recommendations offered by pay-TV platforms and video-based websites as the best, respectively, while US households rate the content recommendations of streaming and social media platforms almost at par. Although streaming packages offered by traditional broadcasters tend to lag well behind, German, Swedish, Swiss and Norwegian households hold them in relatively higher regard for their content recommendation capabilities.

Looking ahead, effective content recommendation capabilities are a vital tool in boosting engagement and reducing churn, meaning continual innovation in personalized recommendations is essential. Moving beyond traditional collaborative filtering while deploying the latest AI techniques can help further personalize the viewing experience, a lever for differentiation that content providers cannot ignore.

Figure 22: Household attitudes to service providers' content recommendation capabilities

Which of the following type of content provider delivers the most useful and relevant content recommendations (e.g., videos, shows, series)?



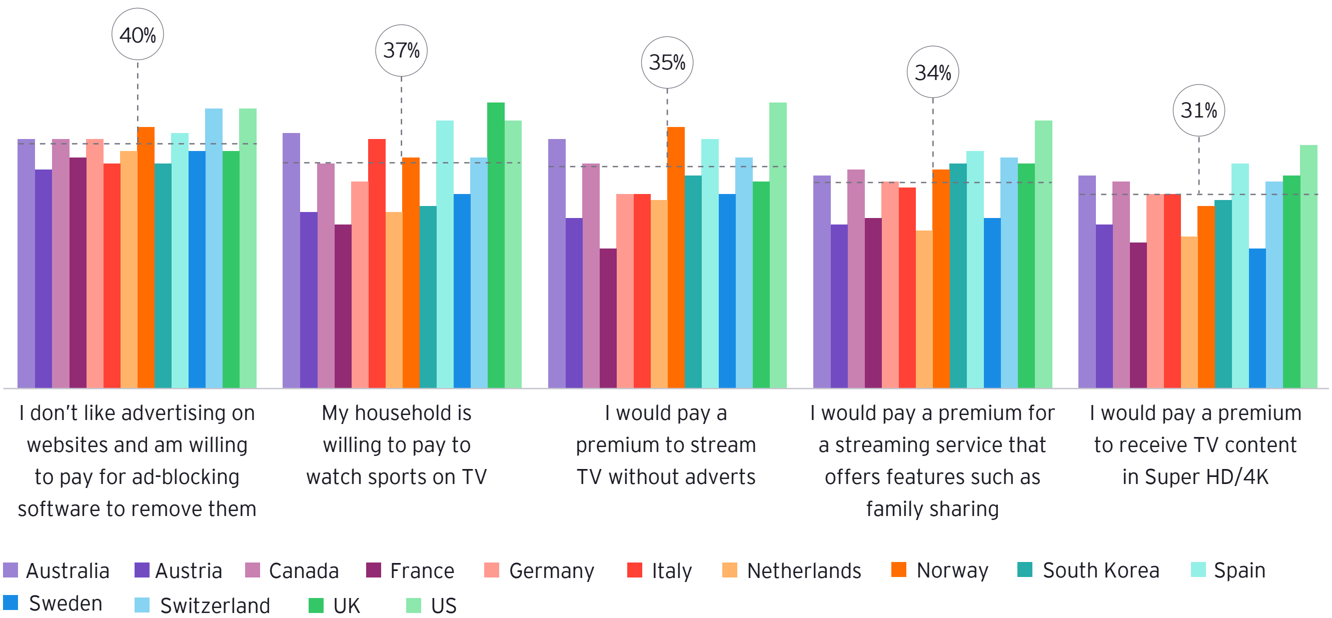
More than one in three households are willing to pay a premium to watch sports, remove ads or get high-fidelity content

Households are warming to new pricing tiers for entertainment services – 47% are interested in ad-supported streaming to save money, for example – but premium offerings also hold significant appeal. Sports content stands out as a fast-evolving space: 37% would be willing to pay to watch sports on TV, up from 35% last year. Meanwhile, 33% have subscribed to a streaming platform in the last 12 months due to the availability of live sports, coming at a time when streaming platforms are moving into live boxing and mixed martial arts, challenging traditional monetization models such as pay-per-view.

More than one in three would pay extra to remove advertising, whether on websites or streaming services. Some households are also receptive to paying a premium for additional features such as family sharing or higher-resolution video. Willingness to pay more for additional features is best established in US households, with households in Australia, Canada, Spain and the UK tending to over-index. Taking advantage of these premium triggers – by formulating account sharing propositions in new ways to extend beyond family members living in the same residence, for example – should be a focus for content providers.

Figure 23: Household attitudes toward paying a premium for improved services

How much do you agree with the following statements?



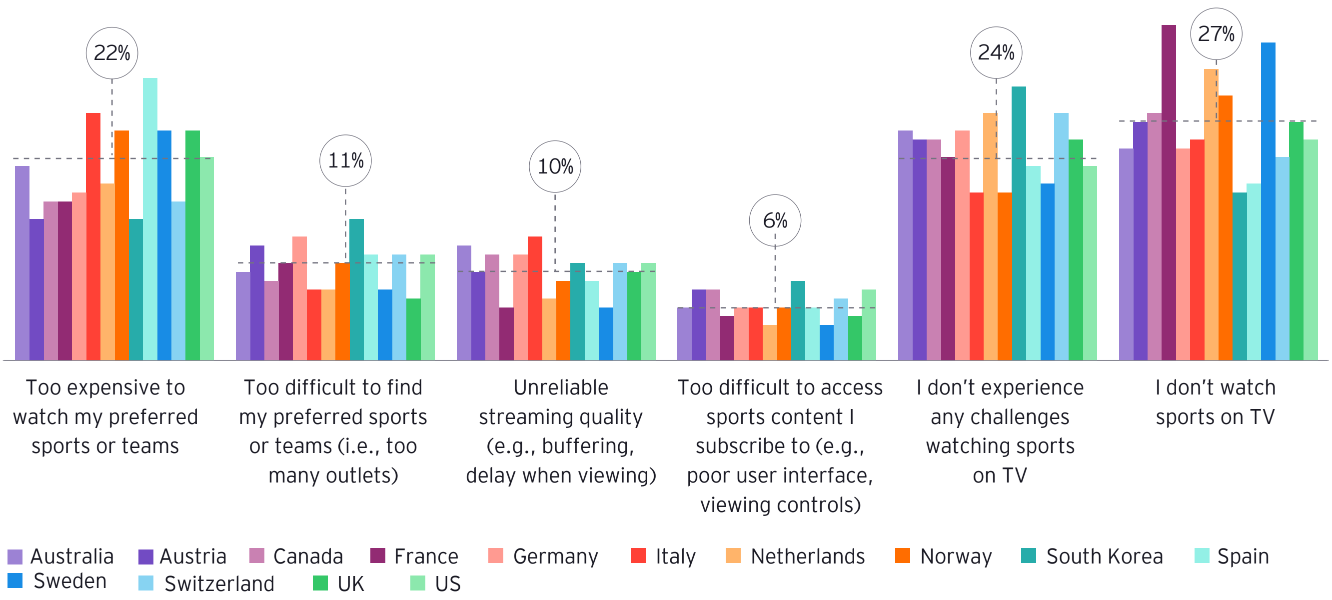
While demand for paid sports is growing, two thirds of sports households face challenges – high prices lead, followed by access and quality issues

With sports acting as a critical differentiator in pay-TV and streaming packages, it's vital for service providers to optimize their value propositions. Yet two in three sports households experience challenges, with high prices the leading challenge (22%), followed by difficulty finding and following preferred teams (11%). This challenge is likely even more pronounced for ardent fans of multiple sports, which are now more widely dispersed across multiple platforms.

Poor streaming quality is also cited by one in 10, with younger households more exposed. Difficulty with user interface and viewing controls (6%) ranks further back. The weighting of challenges varies by country, with households in France and Spain more likely to highlight high costs, while German and South Korean households more likely to struggle with too many outlets. Those who don't experience challenges tend to be older households, underlining that sports TV providers should focus on removing frustrations for demanding younger groups.

Figure 24: Challenges experienced by sports households

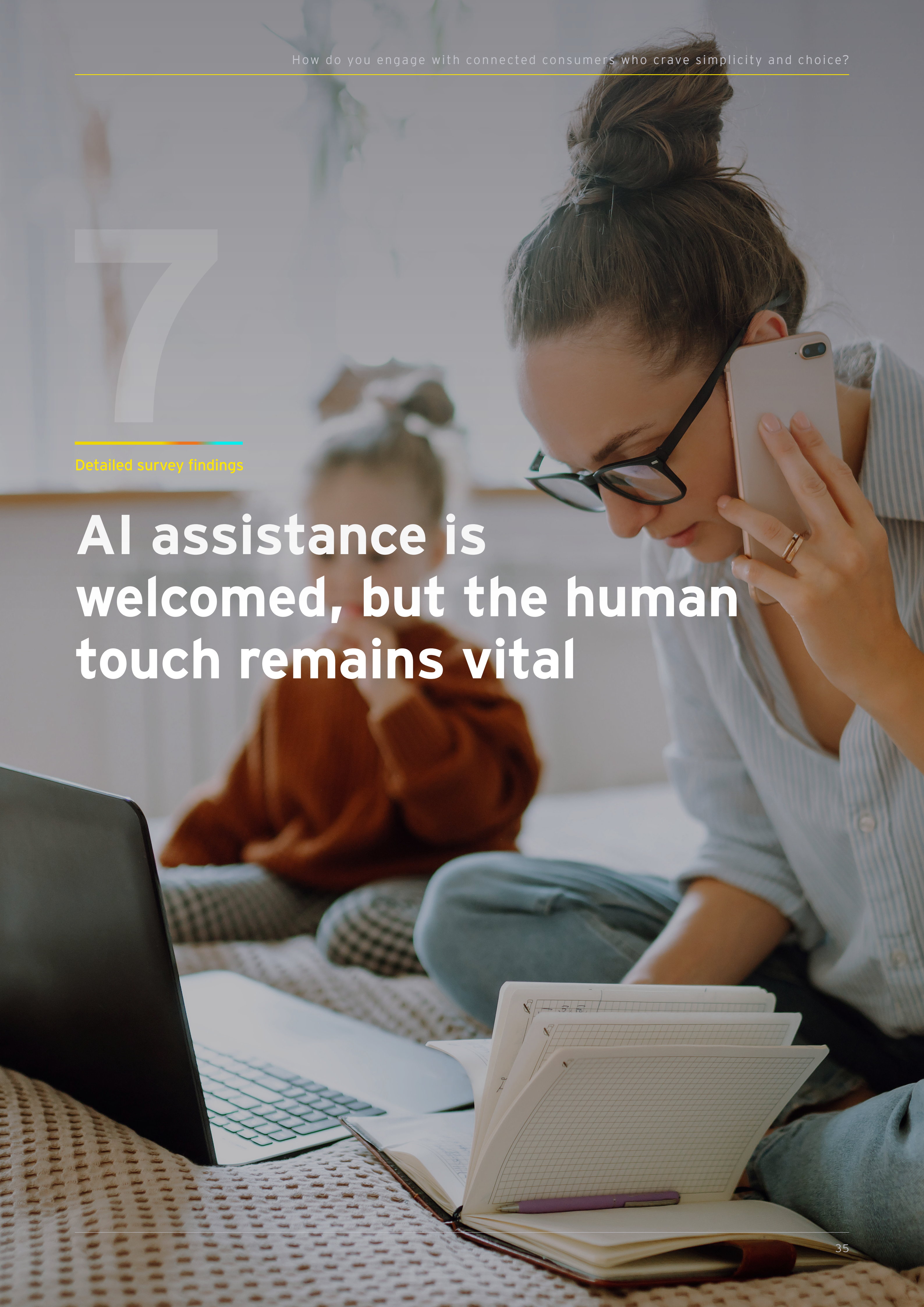
What is the main challenge you experience when watching sports on TV?



Consumers are concerned about the impact of AI-generated content on their experiences — and seek better explanations and more accountability

AI has a multi-faceted role to play in content experiences, from visual effects to content optimization and personalization. However, consumers are alert to AI's potential to undermine the reliability of what they view online, with 58% very concerned that AI will make online content less trustworthy — led by households in Australia (65%), UK (65%), Norway (62%) and the US (62%) and with these attitudes reasonably consistent across age groups. That said, more than one in three (37%) would appreciate AI that increases ad personalization, with 25 to 34 year olds (50%) particularly amendable to AI's role here.

Nevertheless, misgivings about AI's role in content consumption mean that households are emphatic about action they want to see taken, with 71% believing AI content should be clearly labeled to avoid confusion. With responsible AI practices in ever greater focus among corporations, it is vital for service providers to take note of these sentiments and work on frameworks and approaches to AI that reassure and ultimately safeguard end users. Furthermore, the ability to communicate the role of AI extends well beyond content labeling: 63% believe content and connectivity providers should provide better explanations of how they use AI in their customer interactions.



7

Detailed survey findings

AI assistance is welcomed, but the human touch remains vital

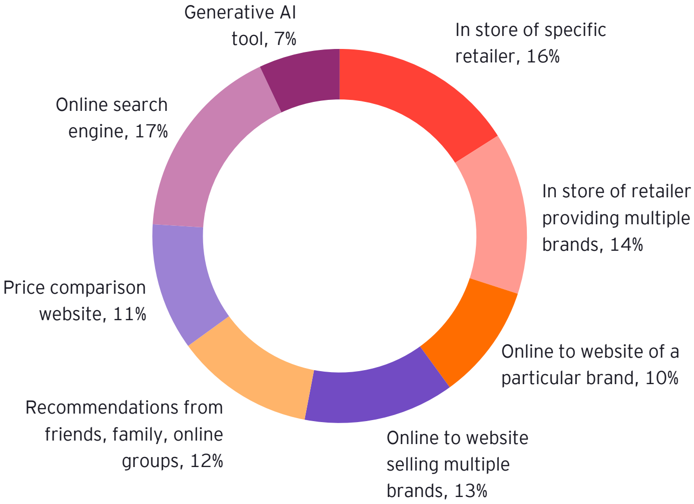
Consumers happy to delegate some, but by no means all, tasks to AI

Customer expectations, whether related to bundle value propositions or subscription methods, are changing fast. At the same time, customer journeys are also adapting to new tools and capabilities. GenAI is now an established element of service discovery: 7% of consumers say that they use AI tools as their first port of call when exploring a purchase. And for users under 35 years old, these tools rank ahead of price comparison websites when they're planning to purchase a mobile plan or device. Most age groups say that they're likely to find AI search summaries more useful and trustworthy than traditional online searches, although users aged 55 and above still express reservations.

For service providers, the increasing use of AI heralds a shift beyond traditional search engine optimization (SEO) and has real implications for marketing strategies. They will now have to address the need for conversational optimization. This should include ensuring that key benefits and value propositions are front-loaded in website copy and customer reviews are easily discoverable by AI tools. By, for example, blending awareness and consideration phases, AI tools have the potential to shorten the path to purchase. It follows that service providers that recognize and preempt these new forms of consumer empowerment will be well-placed to take advantage.

Figure 25: Channel preferences on the path to purchase

If you were to purchase a smart home device, which of the following would you visit first?



“

This is a revolution – the landscape of how we consume the internet is changing, and adapting to this shift is essential for staying relevant and ahead of the competition. You need to be aware and act. If online search is changing, then we won't be the prevailing choice on the path to purchase. However, I'm surprised that trustworthiness in AI tools is as high as it is.

Hanna Paepke, Interim Head of B2C, Telia Sweden

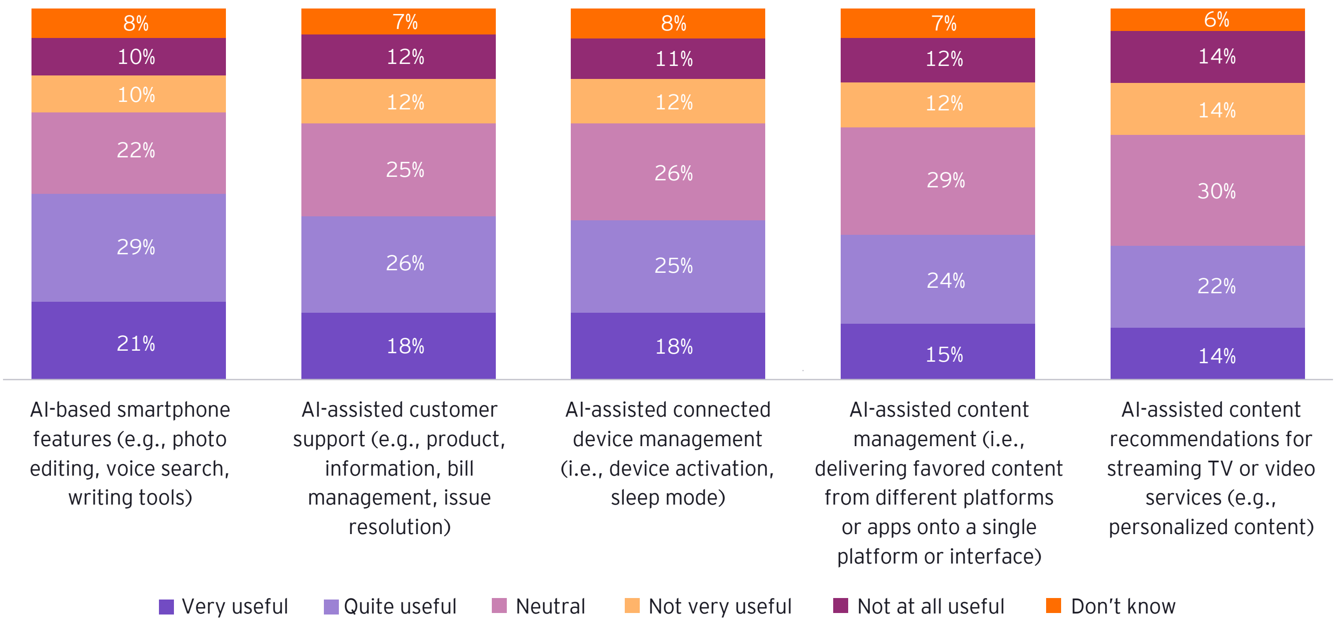
Up to half of households are receptive to AI assistance

Consumers' rising usage of AI on the path to purchase raises new questions and challenges for marketing strategies. There are also clear instances where consumers are receptive to AI assistance – whether that's via voice recognition or text messaging – as part of product and service offerings. Shipments of devices with on-device GenAI account for just 19% of the global smartphone market today,[12] yet half of all consumers say that they would find AI-based smartphone features useful. Beyond offering consumers new forms of content discovery, creation and consumption, on-device AI will also allow developers to create more compelling app experiences. AI-assisted customer support (44%) also scores well with consumers, while there is appetite for AI embedded in specific products and services – including AI for managing connected devices and content.

Perhaps surprisingly, consumers rank AI-assisted content recommendations, a foundational capability for streaming services and e-commerce, lowest for usefulness (36%). Almost the same proportion (28%) describe these capabilities as "not very" or "not at all" useful. This underlines consumers' high expectations for forms of AI assistance with which they're more familiar.

Figure 26: Household interest in AI assistance

How useful do you or would you find the following AI capabilities (including GenAI features via voice recognition or text inputs) when using content and connectivity services?



[12] "Worldwide Generative AI Smartphone Shipments Forecast to Reach 70% of the Market by 2028 with More Than 360% Growth in 2024," IDC, 30 July 2024

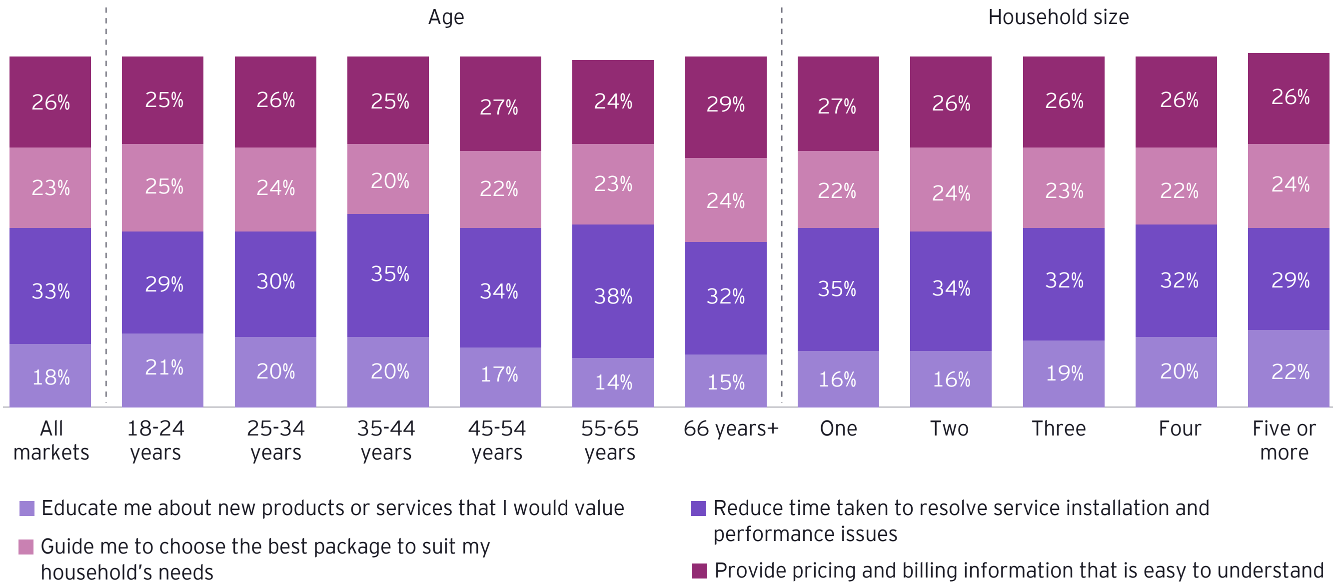
Speedier issue resolution leads as a benefit of chatbots

Households express a range of opinions about how useful and valuable they find AI in broadband customer support, with chatbots being seen to offer various benefits. Reducing the time to resolve service installation and performance issues is the leading answer overall (33%), with users aged 55-65 years (38%), single person households (35%) and adult-only households (35%) all citing this as the leading benefit from chatbots. Easier-to-understand pricing and billing information ranks second, with users aged 66 years and older most likely to nominate this benefit (29%). Guidance about the package that's best suited to household needs scores consistently regardless of demographic group, but AI's ability to educate about new products and services is more highly-prized by younger groups and larger households.

Recent switchers – including those with plans to switch again – also have greater interest than others in service education via AI (22%), underlining its potential to strengthen new customer relationships and boost retention rates. The youngest households are most likely to value all these forms of AI-assisted customer support equally, suggesting an upside for service providers that can deliver AI improvements across the customer communications landscape.

Figure 27: Household perceptions of the key benefits of virtual assistance

What is the most significant improvement that using a chatbot could bring to your broadband or internet experience?



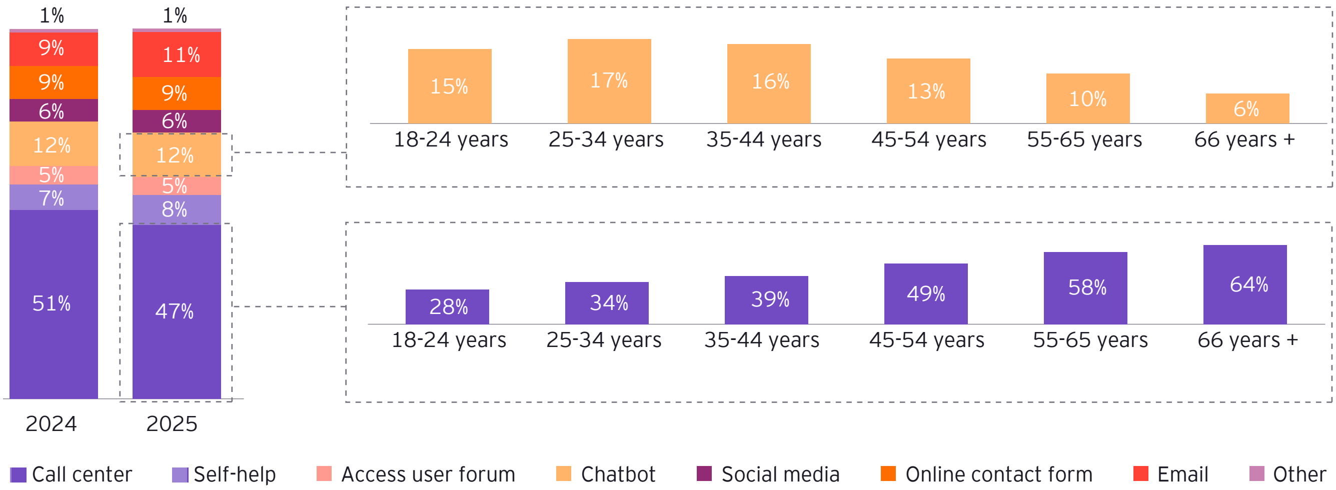
Chatbot take-up is not (yet) replacing call-center preference

One in three users believe that customer support is the area where chatbots can deliver the greatest improvement to their experience. However, when it comes to preferences for communicating with service providers, chatbots remain a distant second. Although the relative popularity of making a call to the contact center is declining – at 47% compared with 51% last year – there's no commensurate uptick in preference for chatbots. This remains rooted at 12%. While the preference to use a call center correlates strongly with age – with older users much more likely to rely on phoning an agent – all age groups remain relatively disinclined to use chatbots, with younger groups still around twice as likely to favor talking to an agent over chatbot assistance.

Interestingly, chatbot preference for future query resolution stands below the levels of usage reported for the prior twelve months, with 18% of respondents on average across markets using them as part of their efforts to get in touch with their provider. Service providers should take care to address negative perceptions consumers have based on past experiences, particularly given that customers will respond to clear improvements: 43% of consumers would be more likely to prefer them for interacting with customer support if the chatbots on offer were more effective.

Figure 28: Broadband customer support preferences

If you needed to resolve issues with your broadband or internet service in the future, which of the following methods would you prefer to use?



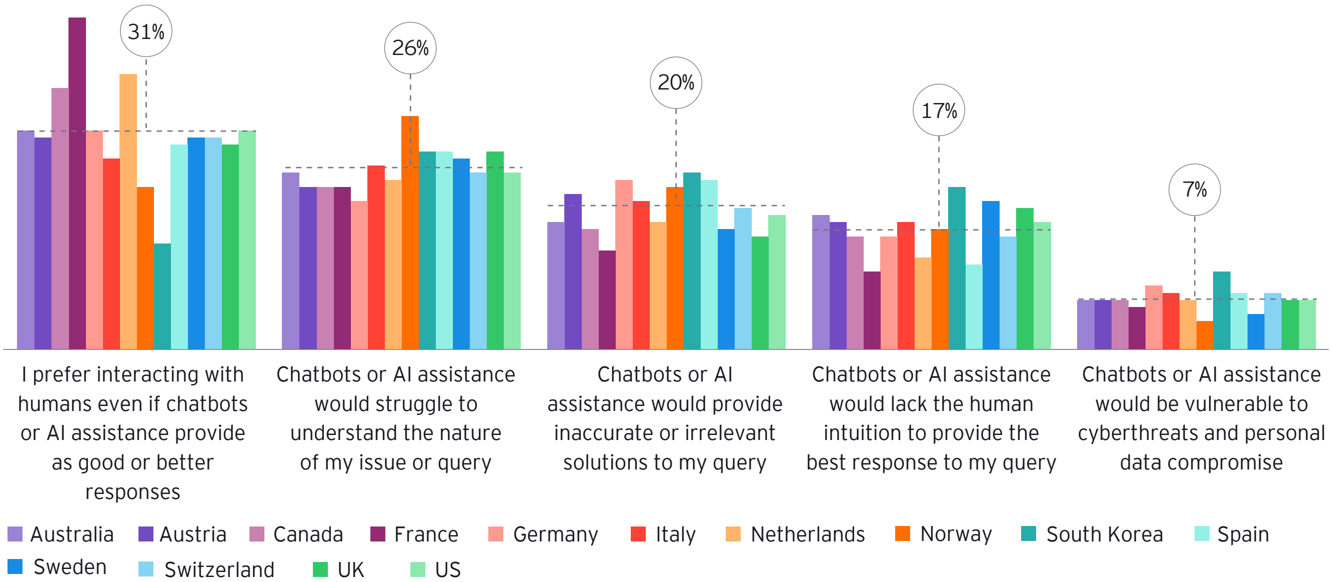
Preference for human interactions hinder mass acceptance of virtual assistance

With customer care now accounting for almost half of all telco's deployments of AI,[13] service providers must have a clear understanding of why their customers are reluctant to use them. Some consumer misgivings echo more fundamental reservations about AI, with 20% highlighting inaccurate responses and 7% pointing to the potential for data compromise. However, other factors reveal that at heart customers still want to deal with people. Strikingly, 31% say that they fundamentally prefer interacting with human agents even if the quality of AI responses is just as good or better.

This sentiment is much more prevalent in older groups. But other factors that also stress the importance of human skills — a lack of human intuition, AI assistants that struggle to understand the nature of queries — tend to be more marked among younger groups. In turn, these findings point to the value of the skills and experience to elicit and solve problems that build trust incrementally over the course of an interaction. Looking ahead, it will be vital to blend chatbots with human agents more effectively, including clear escalation triggers, such as the ability to detect signs of frustration, and the provision of full context when a customer issue is passed from chatbot to human.

Figure 29: Household attitudes to relying on chatbots or AI assistance

What would be your main concern if you had to rely on chatbot or AI-assisted interactions with your broadband provider?



13 "Customer care accounts for nearly half telco AI deployments," 12 August 2025

8

Detailed survey findings

Digital home segments continue to evolve

The specific attributes, actions and attitudes of distinct customer segments are changing year-on-year

A close analysis of the responses from households across all the markets in our research has enabled us to identify seven distinct consumer segments. Each has its own distinctive attributes, attitudes and priorities when it comes to digital home providers and services.

By understanding these segments — and actively targeting those offering the greatest value — providers stand to gain a significant advantage in the marketplace, by boosting the appeal and differentiation of their offerings to those consumers with the highest propensity to buy them.

Here are the seven consumer segments revealed by our research, complete with a list of their main attributes.

1 Premium and pleased

- Most likely to be sole decision-maker
- Most likely to pay a premium for home connectivity, content and technology but also very focused on introductory offers
- Most satisfied with connectivity and content providers. Most likely to get value from TV content they buy from broadband provider
- Most likely to find self-service options helpful, but also most likely to pay more for better customer service
- More likely to feel in control of their online data.

2 Digital devotees

- More likely to be aged 45-54
- Most likely to have multi-device streaming at home; high levels of smart home adoption
- Above average satisfaction with service providers
- Most concerned about children accessing harmful content and most likely to think service providers should improve price guarantees
- Focused on Wi-Fi quality and most likely to seek improved reliability from broadband providers.

3 Informed savers

- Most likely to spend as little as possible on connectivity services
- Above-average value for money perceptions and above-average overall satisfaction and satisfaction with customer support experiences
- Least likely to find pricing changes difficult to understand, less likely to find service choice overwhelming and least likely to find switching painful
- Below-average interest in new technology and gadgets and above-average sensitivity to privacy, security and AI risks.

4 Content comes first

- Most likely to pay to watch sports on TV but also most likely to think they pay too much for content they don't watch
- Higher satisfaction with content providers than integrated service providers
- More likely to find switching process complex
- Least likely to trust broadband providers to look after their data
- Prefer familiar content and sensitive to digital overload: most likely to seek time away from smartphones

5 Beyond the bundle

- Above-average interest in new technology or gadgets and more likely to pay a premium
- Most likely to want to cancel pay-TV and go SVOD-only; more interested in new types of broadband bundle and greater willingness to drop fixed broadband for mobile
- Highest switching propensity and below-average satisfaction with broadband providers and support experiences
- Most receptive to exchanging personal data in return for tailored services
- Greatest concern about screen time and negative impact of online on well-being

6 Disengaged users

- Average levels of home technology adoption but most likely to cite lack of differentiation between providers
- Below average satisfaction, below average value for money perceptions and below average customer support satisfaction
- Above average switching propensity
- Least receptive to introductory offers and bundling rationales

7 Drowning in digital

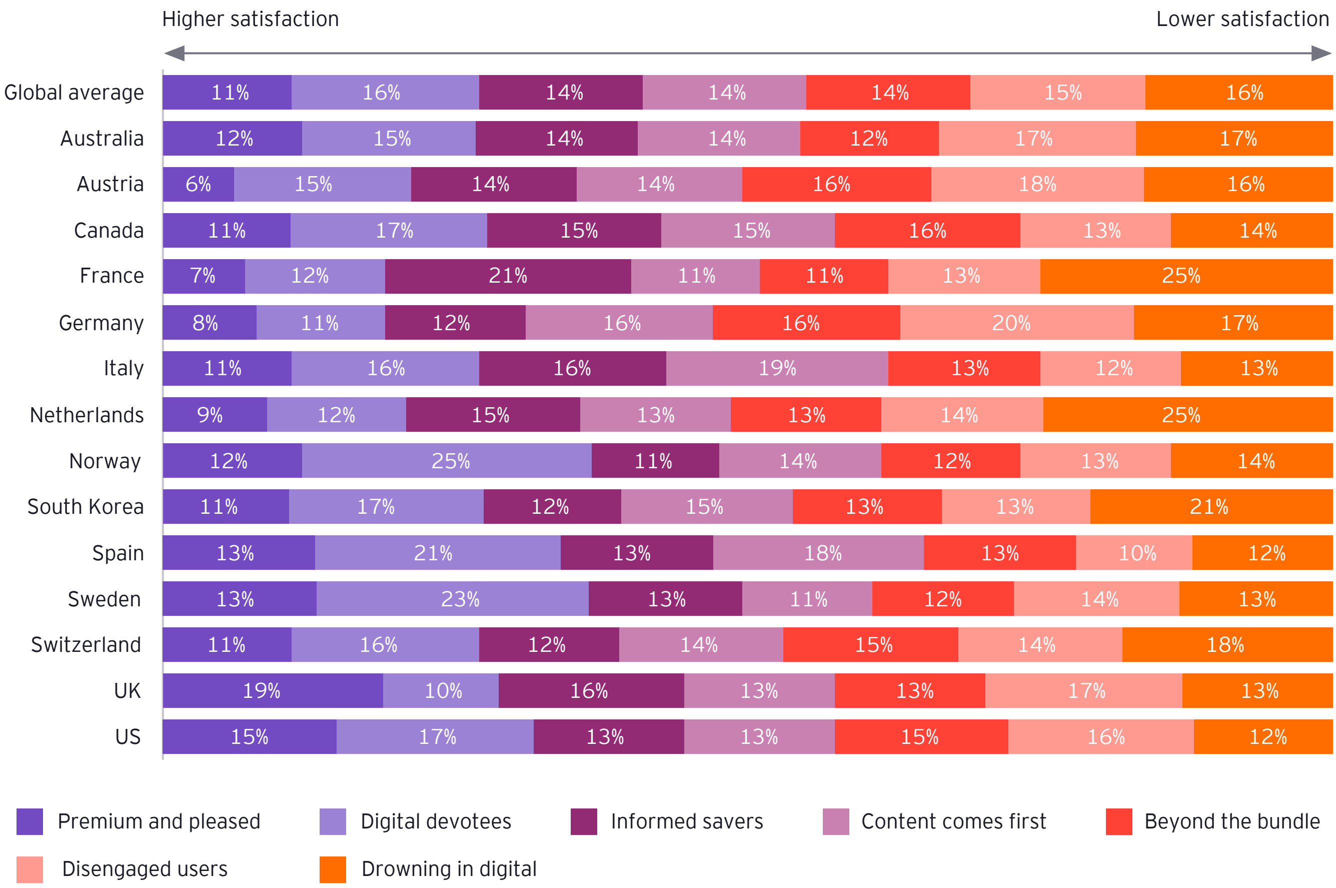
- Oldest segment
- Least likely to pay a premium and most likely to feel overwhelmed by choice
- Low satisfaction with connectivity and content providers and customer support experiences
- Below average switching propensity, reflecting inertia
- Most concerned about phishing or scam emails they receive and least likely to feel in control of their online data

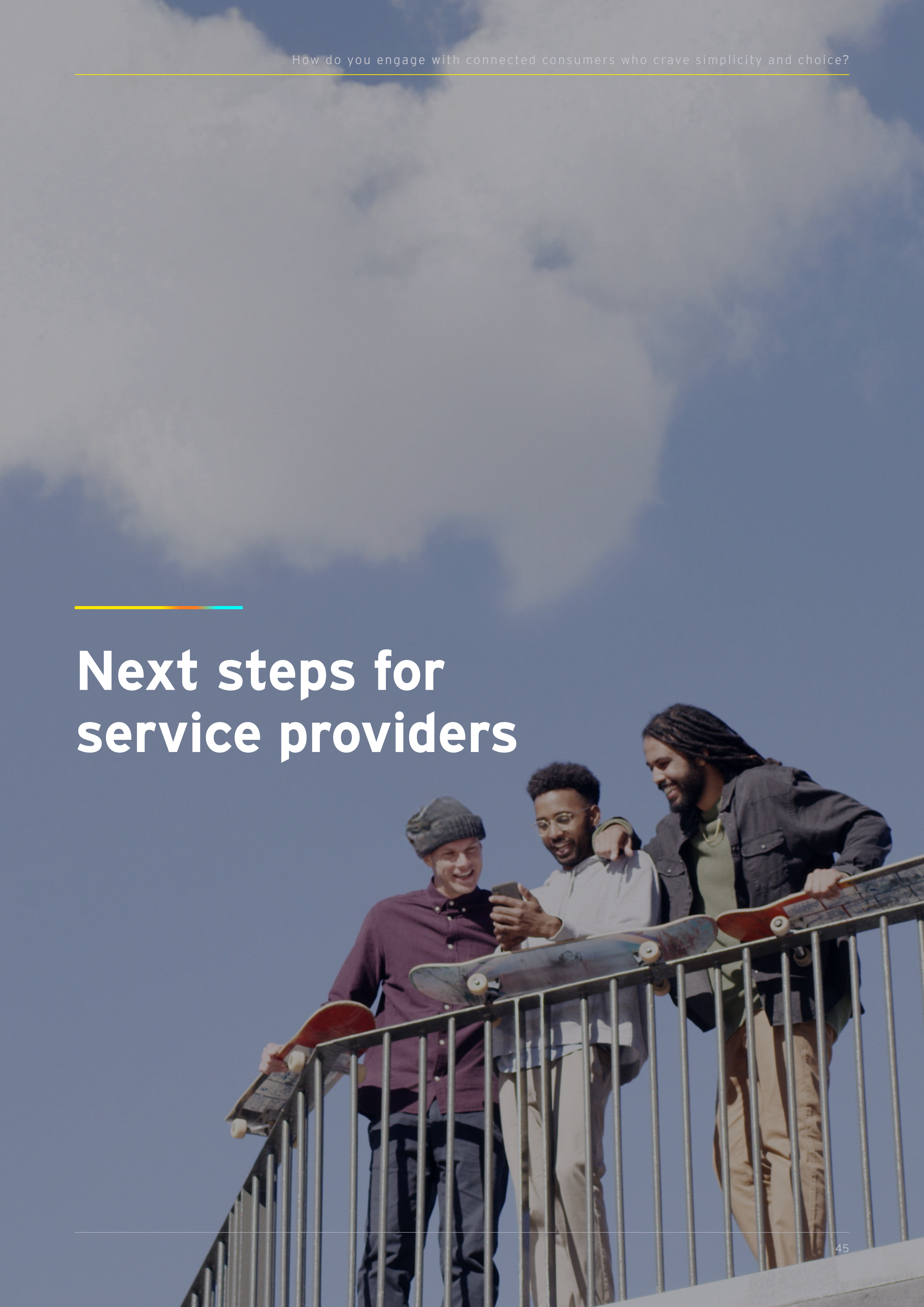
Territory breakdown reveals wide disparities

The split of segments globally and by country sheds interesting light on the complexion of consumer attitudes toward connectivity and content. "Disengaged users" and "drowning in digital" both represent groups with below-average satisfaction levels. Households in Austria and Germany over-index in the former segment, while users in France, Netherlands, and South Korea are more likely to contain the latter. More positively, "premium and pleased," alongside "digital devotees" are more satisfied. UK and US households over-index as "premium and pleased", while users in Norway, Spain and Sweden do the same as "digital devotees." "Informed savers" are more likely to be found in France, while Italy and Spain have a higher proportion of "content comes first" customers.

These country-level nuances underline the importance of service providers understanding the specific attitudes that shape local markets. The relative share of segments per country is also evolving rapidly in some instances: "disengaged users" are trending up year-on-year in Switzerland and down in the UK and the US, while "informed savers" are growing in France and Italy, while the share of "digital devotees" has declined in Canada.

Figure 30: Digital home segments splits: global average and country breakdowns





Next steps for service providers

As connectivity and content providers aim to resolve some of the dissonance we see in this year's survey findings – clear appetite for new experiences and new forms of engagement with service providers offset by frustrations with complex value propositions and apprehension around digital support tools – there are clear steps service and content providers can take. Many of these stretch well beyond tactical tweaks, pointing instead toward a more fundamental reset of the buyer-seller dynamic that questions accepted assumptions about customer needs and attitudes.

1. Double down on your value proposition and brand principles

Consumer anxiety over pricing continues to evolve, with geopolitical considerations potentially informing supplier choices. While value for money perceptions are stable, the ability to command an upsell advantage depends on a range of factors – from brand trust to pricing and convenience levers. Underline the strength of your anchor services, while exploring new opportunities to diversify your offering. At the same time, ensure that your customer and data protection attributes remain robust and sensitize your stakeholder interactions to a fast-evolving geopolitical environment.

2. Recalibrate your customer intimacy, understanding and empathy

This year's results point to new customer behaviors and needs that lie beyond the reach of existing segmentation and go-to-market approaches. Revisit subscription models that prioritize customer "lock in" so that you can target more informed, agile and restless customers. Take care not to confuse existing loyalty with satisfaction – tackle latent customer anxieties and make clear the benefits of premium services. Proactive communications around new and improved service capabilities allied to more personalized customer care can unlock higher levels of spending and satisfaction that create more intentional customer loyalty.

3. Evolve and simplify service offerings in tandem

Ensure that your service portfolio addresses customer needs that hinge on "more for better" not just "more for more." New types of bundles – whether combinations of different forms of connectivity or more meaningful content portfolios that effectively blend different formats – are important, but you cannot ignore customers' pervasive demand for simplicity. Effective aggregation should be at the forefront of service design, not only helping customers discover and access services more easily but allowing you to showcase new forms of value. Explore and isolate areas of customer experience where partners and suppliers can help improve outcomes.

4. Prepare for hyper-compression of customer journeys

GenAI is already gaining traction with consumers on the path to purchase, with the potential to supersede other modes of enquiry and discovery. With agentic assistance holding even more potential to collapse discovery, consideration and purchase as customers become more empowered, it is vital to reimagine your proposition in new ways, well ahead of the point of sale. Take care to ensure your products and services are differentiated, visible and easily understood by AI systems, so that you can take advantage of rapid changes and shifts in the customer journey.

5. Tackle the trust deficit hindering digital sales and support experiences

While AI is playing a dynamic role in service discovery, its role within the service portfolios and customer care systems is also beset by apprehension and anxiety. Prioritize effective education about the role digital tools play in your customer interactions, understanding that human centered support is still an overriding need for many end users. Double down on the role AI can play in augmenting human skills in elicitation and problem-solving – maximizing the positive interplay between human agents and digital tools – so that your adoption of new technologies and processes effectively addresses customer needs and expectations.

How EY can help

Enabling end-to-end front office transformation with EY Studio+

The EY Studio+ approach to product and service innovation helps organizations accelerate innovation, and create new customer value propositions to support future-focused business growth. Meanwhile, the EY Studio+ approach to customer experience is rooted in empathy and purpose, helping generate the right insights to build experiences designed for sustainable growth and market differentiation. EY Studio+ also helps unlock value across the sales function, while building data-driven, human centered service offerings that drive customer satisfaction and loyalty. EY Studio+ helps organizations transform critical marketing capabilities to support commercial growth by optimizing marketing investments and driving efficiency between humans and technology.

Setting strategic directives with EY-Parthenon

EY-Parthenon helps organizations to optimize corporate strategies in light of radically shifting customer and market dynamics, converting data-rich analyses such as competitive analysis and economic forecasting, market sizing and customer perspectives into actionable insights. EY-Parthenon professionals help clients explore new market opportunities such as the expansion into new geographies, the identification of new channels and the creation of new product categories. EY-Parthenon professionals also assist clients in developing a detailed action plan for reaching target customers and achieving competitive advantage in the market, including identifying opportunities for acquisitions and potential divestitures.

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