

# Winning the Consumer: Profiting from Superior User Interfaces

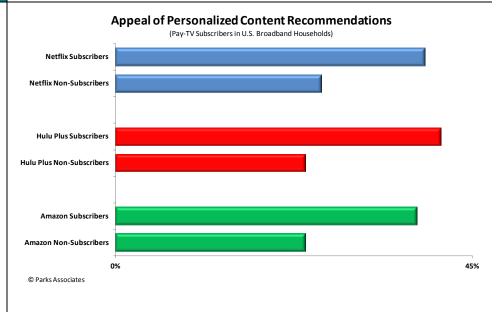
By Barbara Kraus, Director of Research

4Q 2014

### **Synopsis**

# This report details the user experience provided by connected device manufacturers for streaming content and assesses the value of a consumerpreferred user interface to CE makers in terms of usage, opportunity to increase market share, and alternate revenue opportunities. Connected devices covered include smart TVs, streaming media devices, gaming consoles, and smart Blu-ray players. The report also discusses pay-TV operator

# **Subscriptions and Appeal of Personalized Recommendations**



Publish Date: 4Q 14

interfaces.

"The content streaming user experience is influenced by picture quality, content availability, broadband performance, and the ease and intuitiveness of navigating the user interface to find desired content," said Barbara Kraus, director of research, Parks Associates. "Content is table stakes. Consumers are more likely to use a less-friendly interface for the right content than an easier-to-use interface that does not provide access to desired content."

## **Contents**

# 1.0 Report Summary

- 1.1 Purpose of Report
- 1.2 Scope of Report
- 1.3 Research Approach/Sources

## 2.0 The User Experience

- 2.1 Picture and Sound Quality
- 2.2 Content Availability
- 2.3 Broadband Performance

## 3.0 The Market for OTT Streaming Interfaces

## 4.0 The User Interface

- 4.1 Interface Design
- 4.2 Search and Discovery
- 4.3 Personalization
  - 4.3.1 Personalized Recommendations
  - 4.3.2 Personalized Interfaces

# 5.0 User Interface Examples

- 5.1 Changhong
- 5.2 Opera Software



# Winning the Consumer: Profiting from Superior User Interfaces

By Barbara Kraus, Director of Research

4Q 2014

5.3 LG

#### 6.0 Unified Interfaces

### 7.0 Interface Interaction Tools

- 7.1 Mature Interface Interaction Tools
  - 7.1.1 Remote Controls
  - 7.1.2 Device Accessories
- 7.2 Emerging Interface Interaction Tools
  - 7.2.1 Voice Controls
  - 7.2.2 Natural Language Interaction
  - 7.2.3 Gesture Controls
  - 7.2.4 Facial Recognition
  - 7.2.5 Headgear

Virtual Reality

Google Glass

7.2.6 Haptic Feedback Technology

# 8.0 The Interface Role in Revenue Streams

# 9.0 Implications and Recommendations

- 9.1 The Next Generation User Experience
- 9.2 Implications for CE Manufacturers
- 9.3 Implications for Service Providers

# 10.0 Appendix

- 10.1 Glossary
- 10.2 Company Index

_			
ы	п	res	

**Broadband Speeds in Selected Countries** 

Example of a Video Screen With and Without AVA Technology

Percentage of Broadband Households with a Pay-TV Service Subscription

U.S. Households with Internet-Connected CE (2010 - 2014)

U.S. Households with Internet-Connected TV by Pay-TV Subscription

Most Frequently-Used Connected CE Device

Example of Netflix Interface

Example of TiVo Interface Showing Programming by Channel App

Appeal of Personalized Content Recommendations

Example of Changhong Smart TV Interface

Opera TV "Before" Interface

Opera TV "After" Interface

LG Smart TV Interface

Fan TV Interface with TWC Programming

Time Warner Cable App on Roku Device

Interest Levels in Smart TV Interaction Methods

Examples of Remote Controls with Content Buttons

Consumer Electronics Accessories Product Adoption

Consumer Electronics Accessories Purchase Trends

Most-Used Streaming Media Device

Streaming Media Device Sales by CE Manufacturer

Using Voice or Gesture Commands with Xbox One

Smart Home Privacy Concerns

Willingness to Share Smart Home Data

Average Monthly Content Expenditure for Most-Used Device

© 2014 Parks Associates. All rights reserved.



# Winning the Consumer: Profiting from Superior User Interfaces

By Barbara Kraus, Director of Research

4Q 2014

# **List of Companies**

Amazon Logitech Microsoft Apple **NBCUniversal CBS** Changhong Netflix Com Hem Oculus Comcast Opera **DIRECTV** Pandora Facebook Roku Fan TV Rovi Fox Samsung Giraffic Sony Suddenlink Google **HBO** Thalmic Labs Hulu Time Warner Cable Konka TiVo V<u>irgin Media</u> LG

# **Attributes**

# Parks Associates

15950 N Dallas Expwy, Suite 575 Dallas TX 75248

800.727.5711 toll free 972.490.1113 phone 972.490.1133 fax

parksassociates.com sales@ parksassociates.com Authored by Barbara Kraus Executive Editor: Tricia Parks Published by Parks Associates

© December 2014 Parks Associates Dallas, Texas 75248

All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.

Printed in the United States of America.

### Disclaimer

Parks Associates has made every reasonable effort to ensure that all information in this report is correct. We assume no responsibility for any inadvertent errors.