



Mobile Internet & Smartphone Adoption

New Insights into Consumer Usage of Mobile Devices, the Shift to Smartphones & the Emergence of Tablets

United States (US), United Kingdom (UK),
Germany (DE), France (FR) & Japan (JP)

Ipsos MediaCT Germany

The Media, Content and Technology Research Specialists

January 2011

Research conducted in January+February 2011 (phase 1) and
September+October 2011 (phase 2).

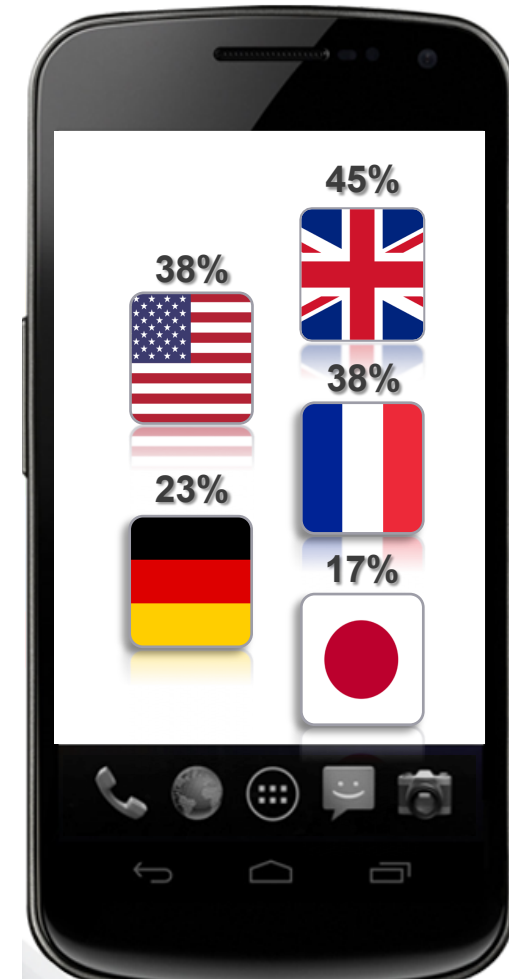


Key Insights

To gain greater insight into consumer usage of mobile devices, the shift to smartphones and the emergence of tablets as a fourth screen we conducted original research amongst the total population in the US, UK, Germany, France and Japan. Phase 1 of the research was conducted in January and February 2011 and Phase 2 in September and October 2011.

Key insights include:

- More consumers use a mobile phone (feature phone or smartphone) than a computer (desktop or laptop) across all five countries.
- Consumers are clearly shifting from feature phones to smartphones and are increasingly using their smartphones for Internet access. However, smartphone owners are continuing to get online on their computers.
- Consumers are embracing tablets as the fourth screen. Tablet usage increased across all five countries with the highest penetration in the US. The rate of tablet usage is even higher amongst smartphone owners - hitting 17% in the US, 11% in Japan and 10% in the UK.
- The demographics of smartphone users are also shifting, with an increasing percentage of women and those aged 45+ adopting smartphones. Smartphone users continue to be comparatively highly educated and have higher than average income.



Percentage of Smartphone Users by Country

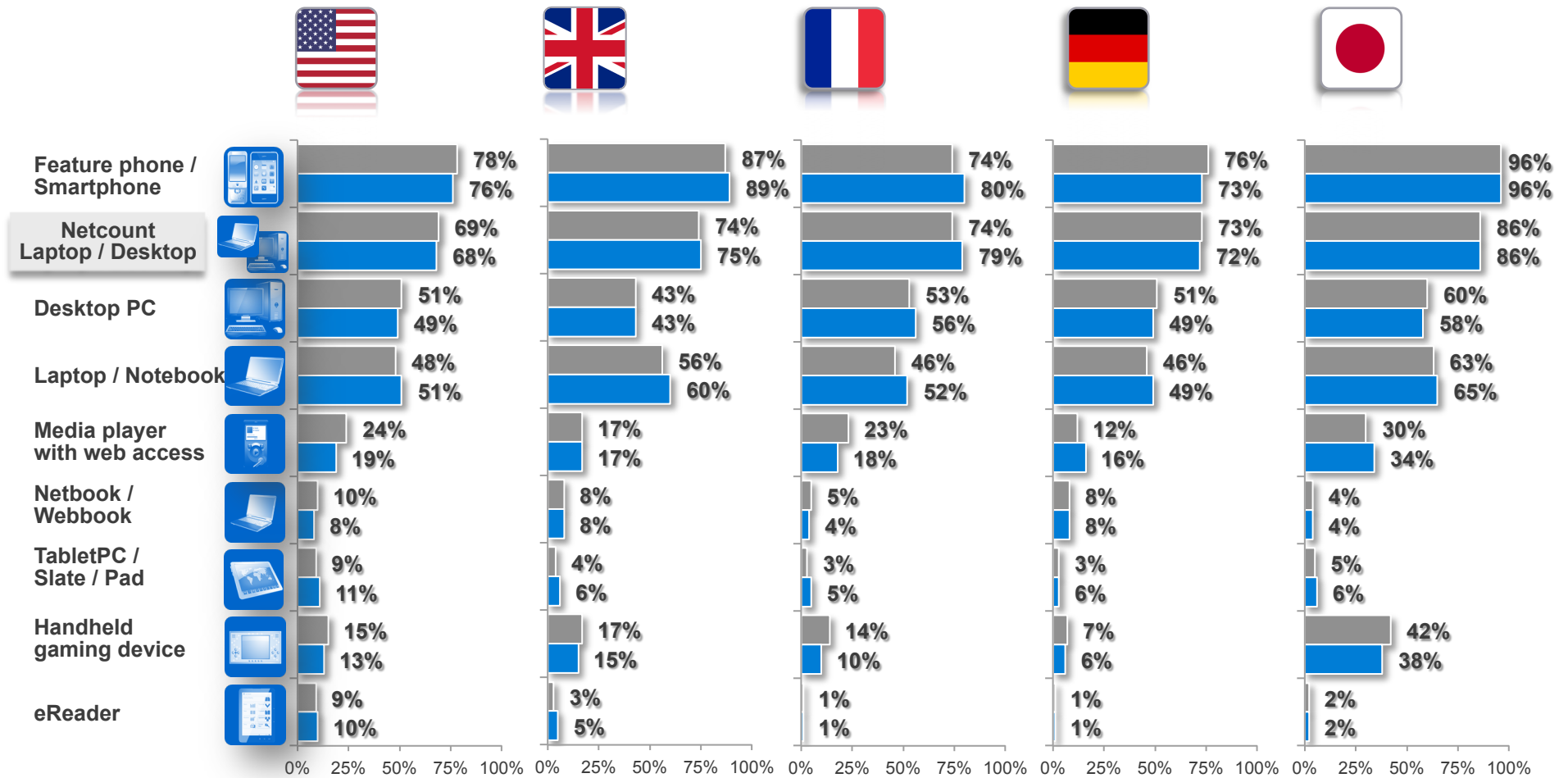


**smartphones measured are all what consumers named "private" or "personal" devices, does not include devices provided by employers.*

Google Confidential and Proprietary

Consumer Usage by Device

More Consumers Use a Mobile Phone than Use a Computer



Base: All respondents, n=2000 per country per wave
 Q1: Which, if any, of the following devices do you currently use?

■ Phase 1 (Jan+Feb 2011)
 ■ Phase 2 (Sept+Oct 2011)

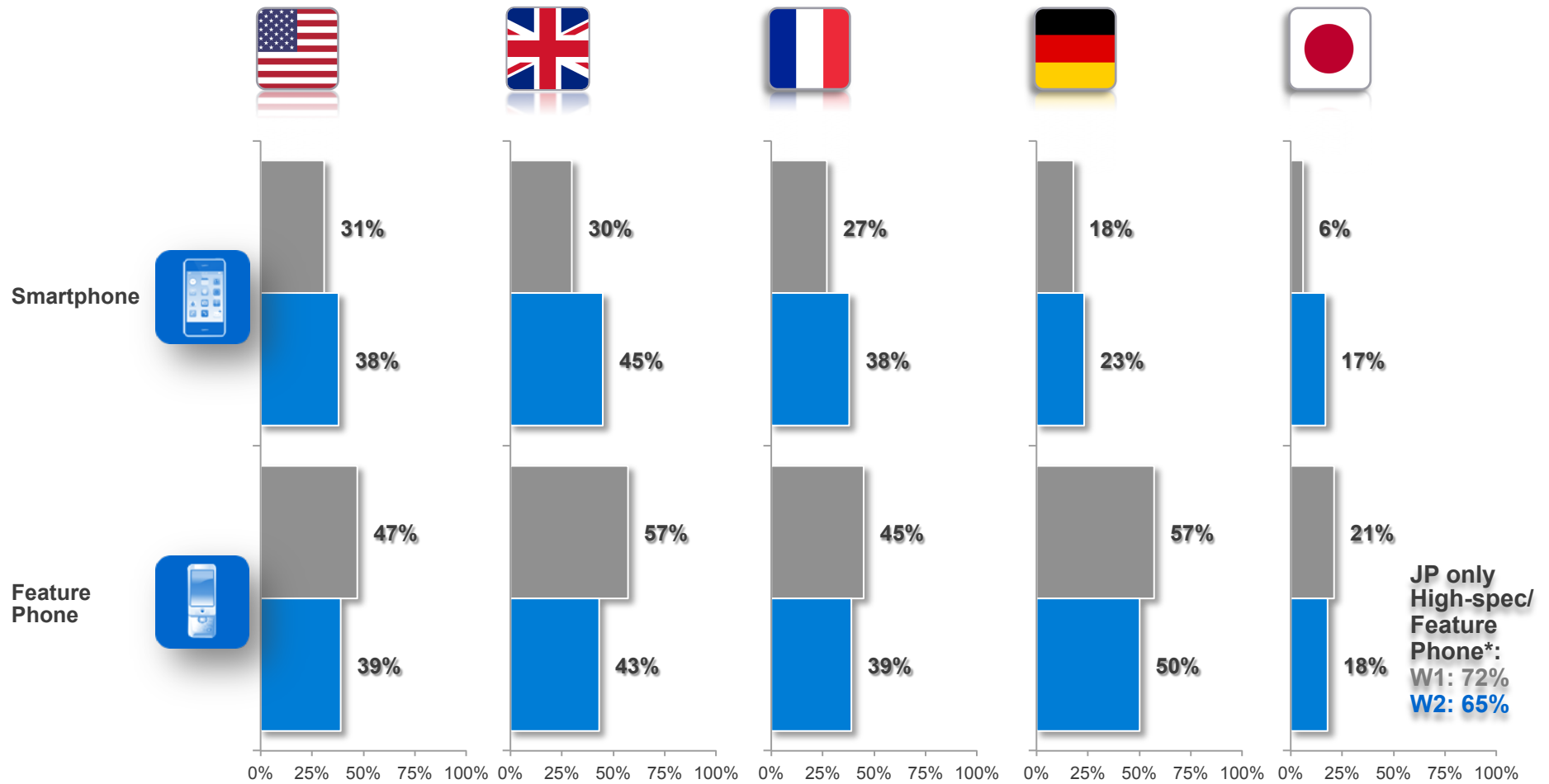
Smartphone Ownership is on the Rise



Base: All respondents, n=2000 per country per wave
Q1: Which, if any, of the following devices do you currently use?
Q6: And which of the following best describes your phones?

Share of Feature Phones vs. Smartphones

Clear Consumer Shift from Feature Phones to Smartphones



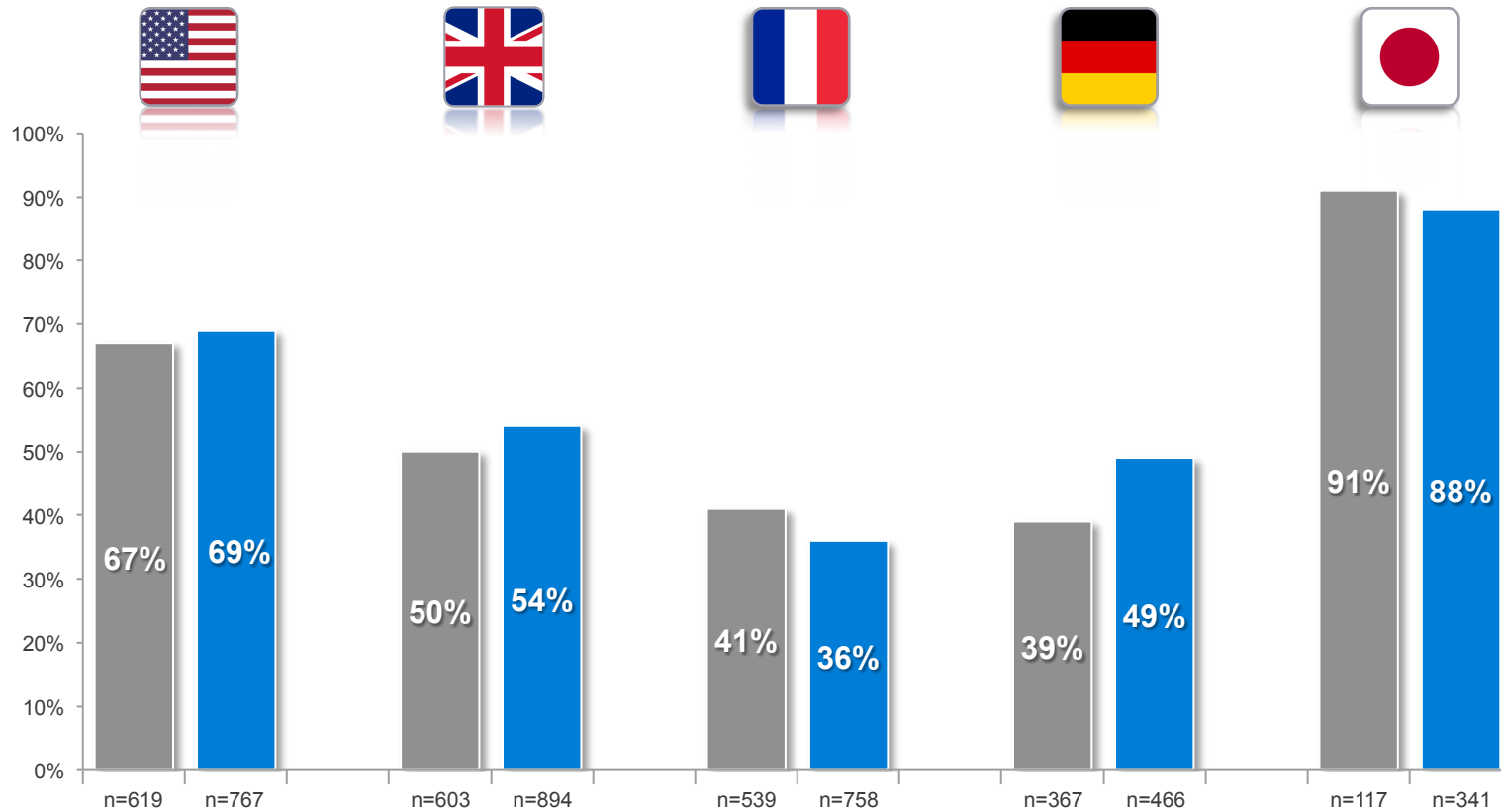
Base: All respondents, n=2000 per country per wave
 Q1: Which, if any, of the following devices do you currently use?
 Q6: And which of the following best describes your phones?

*a mobile phone without PC-like capabilities but can access mobile-specific sites, has GPS, wallet-function and/or MP3 capabilities (only Japan)

■ Phase 1 (Jan+Feb 2011)
 ■ Phase 2 (Sept+Oct 2011)

Daily Internet Usage on Smartphones

Consumers Increasingly Using Smartphones for Internet Access

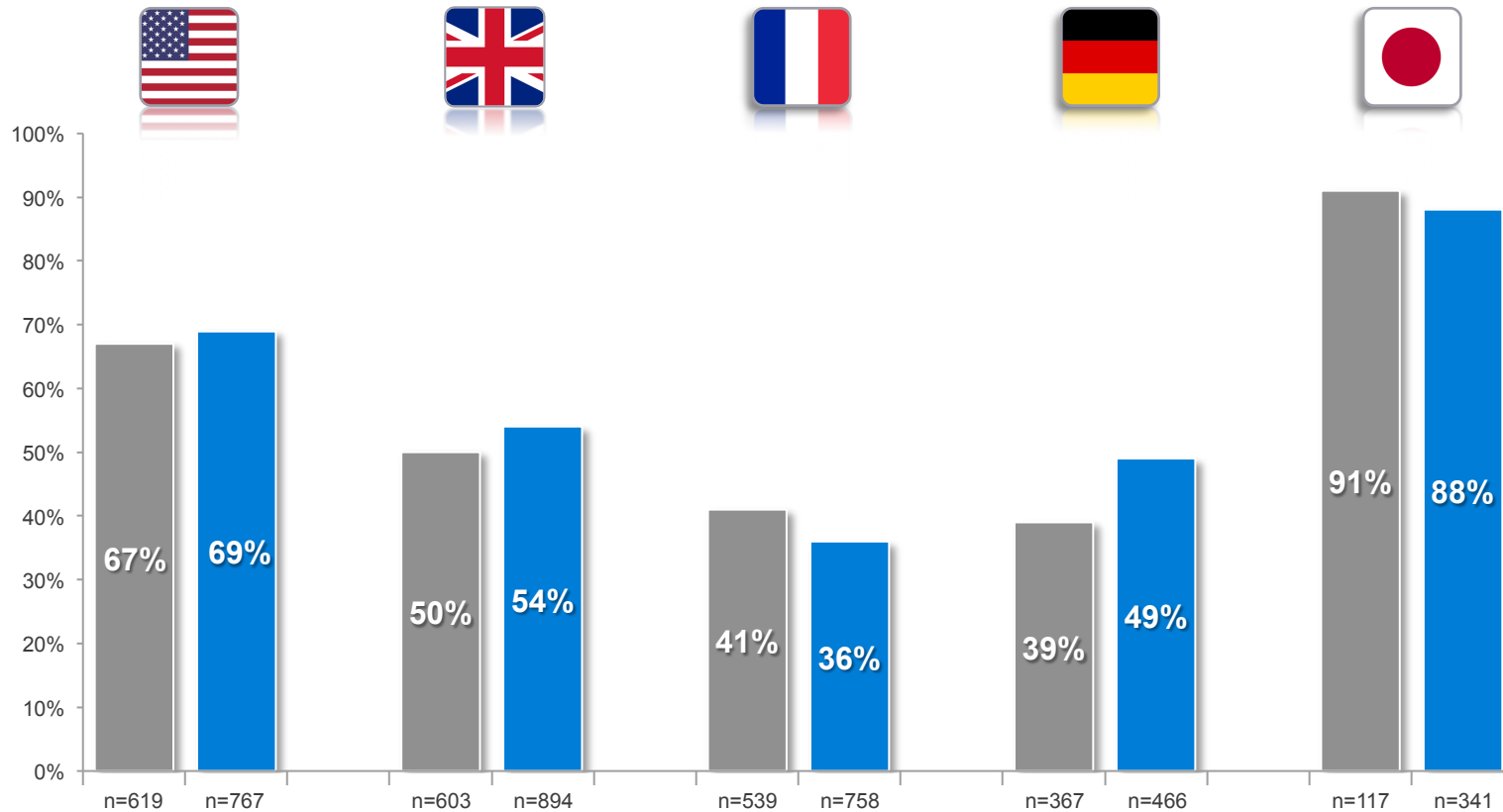


Base: All main privately used smartphones
Q9: And how frequently do you use the Internet in general and specific services and types of websites on your smartphone?

■ Phase 1 (Jan+Feb 2011)
■ Phase 2 (Sept+Oct 2011)

Daily Internet Usage on Smartphones

Consumers Increasingly Using Smartphones for Internet Access

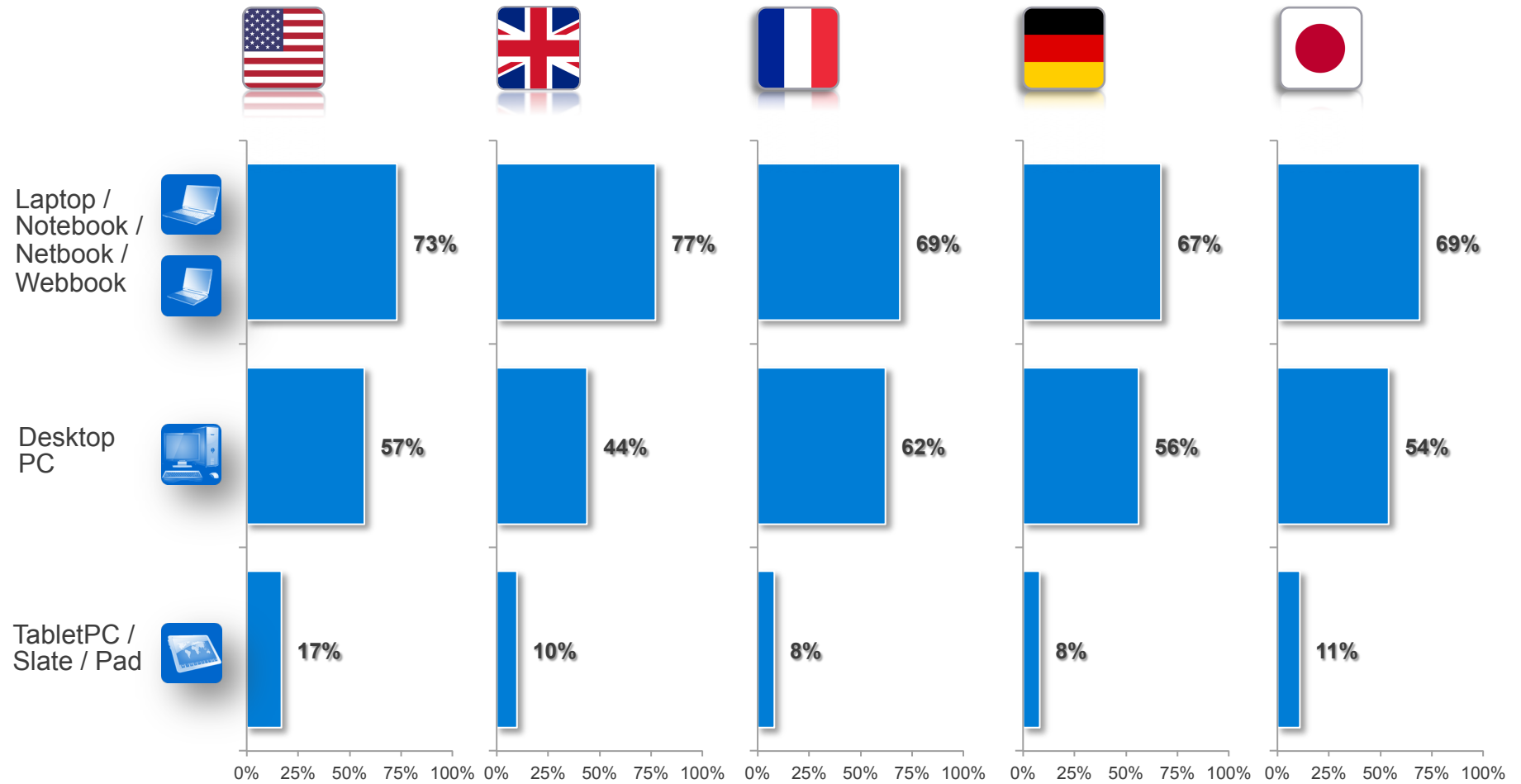


Base: All main privately used smartphones
Q9: And how frequently do you use the Internet in general and specific services and types of websites on your smartphone?

■ Phase 1 (Jan+Feb 2011)
■ Phase 2 (Sept+Oct 2011)

Smartphone Users: Usage of Laptops, Desktops and Tablets

More Laptops than Desktop across all countries, Tablets gaining share



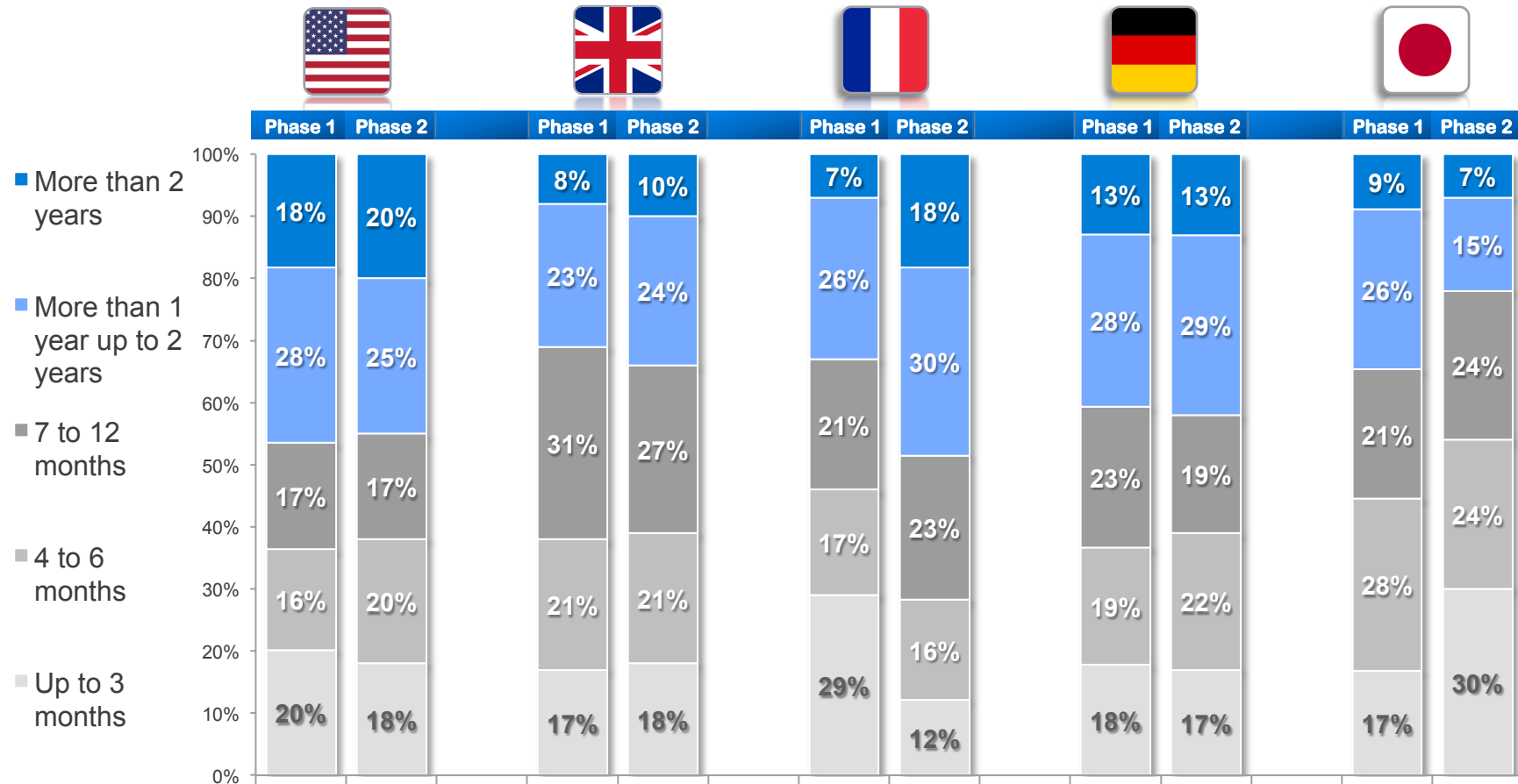
Base: All private smartphone users
 Q2a: For which purposes do you use [device]? Displayed is private usage.

Phase 2 (Sept+Oct 2011)

Google Confidential and Proprietary 8

Duration of Smartphone Usage

More Consumers are Long-Time Smartphone Owners



Base: All main privately used smartphones
 Q8: How long have you been using your smartphone?

Demographics of Smartphone Users - 1/2



Wave 1 Wave 2 Wave 1 Wave 2 Wave 1 Wave 2 Wave 1 Wave 2 Wave 1 Wave 2

	Wave 1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2	Wave 1	Wave 2	
Age	18 - 24 Years	21%	23%	21%	20%	27%	20%	21%	22%	21%	28%
	25 - 34 Years	27%	23%	26%	26%	31%	29%	29%	24%	33%	32%
	35 - 44 Years	18%	17%	26%	25%	21%	22%	19%	22%	19%	20%
	45 - 54 Years	21%	24%	15%	17%	11%	15%	19%	16%	14%	13%
	55 + Years	13%	13%	13%	13%	10%	14%	13%	16%	13%	7%
	Average	Ø 38,2	Ø 38,6	Ø 37,5	Ø 37,8	Ø 34,9	Ø 37,5	Ø 37,3	Ø 38,4	Ø 35,9	Ø 33,7
Gender	Female	47%	49%	47%	47%	45%	47%	37%	42%	27%	37%
	Male	53%	51%	53%	53%	55%	53%	63%	58%	73%	63%
Education	Low	32%	35%	22%	24%	7%	5%	14%	16%	2%	1%
	Middle	28%	27%	38%	40%	25%	24%	31%	32%	43%	59%
	High	39%	38%	40%	35%	67%	69%	54%	51%	56%	39%
Employment Status	Active (full + part time)	74%	71%	75%	73%	65%	68%	70%	73%	82%	71%
	Inactive	25%	29%	25%	26%	35%	32%	30%	26%	18%	29%



Base: All private smartphone users

Demographics of Smartphone Users - 2/2



Wave 1 Wave 2 Wave 1 Wave 2 Wave 1 Wave 2 Wave 1 Wave 2 Wave 1 Wave 2

	US	UK	FR	DE	JP						
Marital Status	Alone (US: Not married)	44%	49%	44%	45%	43%	38%	40%	39%	44%	47%
	Together (US: Married)	55%	51%	55%	55%	56%	62%	59%	59%	56%	54%
Household size	1 Person	13%	14%	9%	11%	16%	16%	20%	19%	13%	9%
	2 Persons	22%	25%	30%	28%	29%	30%	32%	34%	9%	12%
	3 Persons	23%	23%	20%	23%	18%	17%	17%	20%	23%	20%
	4 Persons and more	42%	38%	41%	38%	37%	37%	31%	27%	55%	59%
	Average	Ø 3,2	Ø 3,1	Ø 3,2	Ø 3,1	Ø 3,0	Ø 2,9	Ø 2,8	Ø 2,7	Ø 3,4	Ø 3,6
Number of children	0 Children	51%	56%	56%	56%	57%	55%	64%	65%	56%	63%
	1 Child	20%	17%	18%	18%	15%	18%	18%	17%	18%	12%
	2 Children	17%	17%	18%	18%	18%	19%	12%	13%	21%	21%
	3 Children and more	12%	10%	8%	8%	10%	8%	6%	5%	5%	4%
	Average	Ø 1,0	Ø 0,8	Ø 0,8	Ø 0,8	Ø 0,8	Ø 0,8	Ø 0,6	Ø 0,6	Ø 0,7	Ø 0,6
Household income	Top	39%	40%	59%	51%	45%	42%	40%	29%	17%	16%
	Middle	35%	31%	11%	11%	23%	17%	17%	14%	36%	28%
	Low	15%	19%	8%	9%	9%	6%	16%	14%	14%	20%
	No answer	11%	10%	22%	29%	23%	35%	27%	43%	33%	36%



Base: All private smartphone users

Background:

- The mobile internet is today's main driver of growth in time spent online.
- Rapid consumer adaptation creates opportunities for businesses to engage with consumers.
- Gaining deep insight into usage patterns provides the base and starting point of offering products, services as well as information satisfying true customer demands.

Research Objectives:

- This survey is to measure the significance of mobile Internet usage on smartphones across the world.
- It accomplishes the mission of covering not only the digitally educated population – knowing what device they are using – but also users unaware of technical differences. The developed procedure is key to valid figures on a highly representative base.

Research Design:

- Method: CATI interviews (random digital dial, fixed / mobile sample depending on country)
- Target group: General population aged 18+ years
- Sample Size: n=2000 per country, representative of the population
- Questionnaire:
 - Usage of devices / mobile phones / smartphones
 - Use of brands and operating systems
 - Internet usage behaviour, demographics