Executive Summary

**Smartphones have become an indispensable part of our daily lives.** Smartphone penetration has risen to 44% of the population and these smartphone owners are becoming increasingly reliant on their devices. 66% access the Internet every day on their smartphone and most never leave home without it. **Implication:** Businesses that make mobile a central part of their strategy will benefit from the opportunity to engage the new constantly connected consumer.

**Smartphones have transformed consumer behavior.** Mobile search, video, app usage, and social networking are prolific. Smartphone users are multi-tasking their media with 86% using their phone while doing other things such as watching TV (52%). **Implication:** Extending advertising strategies to include mobile and developing integrated cross-media campaigns can more effectively reach today's consumers.

**Smartphones help users navigate the world.** Appearing on smartphones is critical for local businesses. 94% of smartphone users look for local information on their phone and 90% take action as a result, such as making a purchase or contacting the business. **Implication:** Ensuring that clickable phone numbers appear in local results and leveraging location-based services on mobile make it easy for consumers to connect directly with businesses.

**Smartphones have changed the way consumers shop.** Smartphones are critical shopping tools with 96% having researched a product or service on their device. Smartphone research influences buyer decisions and purchases across channels. 35% of smartphone users have made a purchase on their phone. **Implication:** Having a mobile-optimized site is critical and a cross-channel strategy is needed to engage consumers across the multiple paths to purchase.

**Smartphones help advertisers connect with consumers.** Mobile ads are noticed by 89% of smartphone users. Smartphones are also a critical component of traditional advertising as 66% have performed a search on their smartphone after seeing an offline ad. **Implication:** Making mobile ads a part of an integrated marketing strategy can drive greater consumer engagement.
Understanding the Mobile Consumer

This survey is designed to gain insights into how consumers use the Internet on their smartphones

In detail:
• Facts and figures about smartphone adoption and usage
• Internet usage in general, search, video, social networking, mobile advertising and m-commerce behavior via smartphones
• This country report is part of a global smartphone study conducted in multiple countries. Visit OurMobilePlanet.com for access to additional tools and data

How are smartphones used in daily life?
How do consumers multi-task with their smartphones?
What activities are consumers conducting on their smartphones?
What role do smartphones play in the shopping process?
How do consumers respond to ads, offline and on mobile?

NEW!
Agenda

1. Smartphones are Indispensable to Daily Life
2. Smartphones Have Transformed Consumer Behavior
3. Smartphones Help Users Navigate the World
4. Smartphones Change the Way Consumers Shop
5. Smartphones Help Advertisers Connect with Customers
SMARTPHONES ARE INDISPENSABLE TO DAILY LIFE
Smartphone Penetration is on the Rise

Q1 2011: 31%
Q1 2012: 44%

Base: National representative population 16+, n=1,000
Q1: Which if any of the following devices do you currently use?
Smartphones are a Central Part of Our Daily Lives

62% have used their smartphones every day in the past 7 days

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q18: Thinking about the last seven days on how many days were you online with...
80% don’t leave home without their device

Base: Private smartphone users who use the internet in general, Smartphone n=1,000
Q52: To what extent do you agree to each of these statements?, Top2 Boxes; scale from 5 – completely agree to 1 – completely disagree. “I don’t leave house without my smartphone”
Smartphones Are Used Everywhere

Place of Use

97% At home
83% On the go
78% In a store

Base: Private smartphone users who use the Internet in general, Smartphone n= 1,000
Q16: Where do you use your smartphone? Please select first at which locations you ever use it - even if only seldom.
Allowing Users to Stay Fully Connected

66% access the Internet on their smartphones at least once a day.

<table>
<thead>
<tr>
<th>Service</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emailing</td>
<td>73%</td>
</tr>
<tr>
<td>Search Engines</td>
<td>62%</td>
</tr>
<tr>
<td>Social Networking Sites</td>
<td>60%</td>
</tr>
<tr>
<td>Video sharing Sites</td>
<td>34%</td>
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</tbody>
</table>

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q9: Using the scale below, please indicate approximately how frequently you use the Internet in general and specific services and types of websites through your browser or apps on your smartphone? Responses reflect at least once a day.
Smartphone Use is Expected to Increase

35% expect to use their smartphone more to access the Internet in the future.

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q21: Thinking about the next 12 months, what do you expect, how will you be using the internet with your…?
Smartphones Have Become so Important to Consumers that ...

33% would rather give up TV than their smartphone
SMARTPHONES HAVE TRANSFORMED CONSUMER BEHAVIOR
Smartphones are a Major Access Point for Search

57% search on their smartphones every day

Base: Private smartphone users who use the internet in general and who are searching via search engine, Smartphone n= 962
Q31: How often do you do searches (via Google, Yahoo!, Bing, etc.) on your ... ?
Smartphones Inform Our Daily Life

Q23: Which of the following activities do you do with your smartphone? Please indicate whether you ever do this at all.

**Product Info:** 59%

**Restaurants, Pubs & Bars:** 50%

**Travel:** 31%

**Job Offers:** 25%

**Apartments, Housing info:** 18%

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Smartphones are a Multi-Activity Portal

- **83%** Communication
- **53%** Stay Informed
- **88%** Entertainment

**Base:** Private smartphone users who use the internet in general, Smartphone n= 1,000

**Q23:** Which of the following activities do you do with your smartphone? Please indicate whether you ever do this at all.

- Emailed (sent or read): 75%
- Accessed a social network (e.g., updated a status message, checked messages, or friends' pages): 64%
- Read news on newspaper or magazine portals: 38%
- Reviewed websites, blogs, or message boards: 37%
- Browsed the Internet: 73%
- Played games: 63%
- Listened to music: 61%
- Watched videos on a video sharing website (e.g., YouTube.com): 54%
App Usage is Ubiquitous

28 apps installed on average

11 apps used in the last 30 days

6 paid apps installed on average

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q24: How many apps do you currently have on your smartphone?
Q25: And of the apps you currently have installed on your smartphone, how many have you used actively in the last 30 days?
Q26: And of the apps you currently have installed on your smartphone, how many have you purchased for a certain amount in an app store?
Smartphones Users are Avid Video Watchers

76% watch video

25% use video at least once a day

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q35: How often do you watch videos via websites or apps (e.g. short video clips, videos of TV shows, TV movies online, etc.) on your ... ?
Smartphone Users are Frequent Social Networkers

80% visit social networks

55% visit at least once a day

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000. Q38: How often do you visit a social network (via websites or apps) on your smartphone?
Smartphones Are Used While Multi-tasking with Other Media

86% Use smartphone while...

- Listen to music: 51%
- Watch TV: 52%
- Use Internet: 43%
- Read magazines/newspapers: 16%
- Play video games: 28%
- Watch movies: 34%
- Read a book: 17%

Base: Private smartphone users who use the Internet in general and who were online yesterday with their smartphone, Smartphone n= 843 Q22: When you use the Internet on your smartphone, which if any of the following – do you do at the same time?
SMARTPHONES HELP USERS NAVIGATE THE WORLD AROUND THEM
94% of smartphone users have looked for local information

90% have taken action as a result
Looking for Local Information is a Frequent Smartphone Activity

58% Look for local information at least once a week

27% Look for local information daily

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q33: How often do you look for information about local businesses or services on your smartphone? (Ever)
Local Information Seekers Take Action

- **70%** connected with the business
- **66%** visited the business
- **23%** told others about it
- **36%** made a purchase

**Q34:** Which of the following actions have you taken after having looked up this type of information (business or services close to your location)?

- Called the business or service: 52%
- Looked the business up on a map or got directions to the business or service: 50%
- Visited a business (e.g. store or restaurant): 50%
- Visited the website of the business or service: 48%
- Read or wrote a review about a business or service: 15%
- Recommended a business or service to someone else: 13%
- Made a purchase from a business in-store: 26%
- Made a purchase from a business online: 21%

Base: Private smartphone users who use the internet in general and who look at least less than once a month for information on their smartphone, Smartphone n= 935

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SMARTPHONES
CHANGE THE WAY CONSUMERS SHOP
Smartphones Allow Users to Research Products Anytime, Anywhere

Place of Search

- **58%** At home
- **43%** On the go
- **31%** In a store
- **29%** Work
- **19%** Restaurant
- **13%** At a social gathering
- **12%** Café or coffee shop

**Base:** Private smartphone users who use the internet in general, Smartphone n= 1.000

Q51a: And where were you when you researched for products or services with your smartphone?
96% have researched a product or service on their phone

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q51a: And where were you when you researched for products or services with your smartphone?
Smartphones are Our Primary Shopping Companions

I intentionally have my smartphone with me to compare prices and inform myself about products.

35%

I have changed my mind about purchasing a product or service in store as a result of information I gathered using my smartphone.

32%

I have changed my mind about purchasing a product or service online as a result of information I gathered using my smartphone.

29%

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q52: To what extent do you agree to each of these statements? Please answer on a scale from 1 to 5. A "1" means that you completely disagree with the statement a "5" means that you completely agree with the statement.
Research that Starts on Smartphones Leads to Purchases Across Channels

Research on smartphone

37% then purchased via computer

32% then purchased it offline

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q48: Listed below are various products or services. For each of these products or services please indicate which statement applies to you.
Smartphones Are an Emerging Point of Purchase

35% of smartphone users have purchased a product or service on their smartphone

68% of these smartphone shoppers have made a purchase in the past month

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q44: Have you ever purchased a product or service over the internet on your smartphone? With product or service we mean everything you can buy excluding apps. Base: Private smartphone users who use the internet in general and who purchased via internet on their smartphone n= 354
Smartphones Shoppers are Frequent Buyers

62% make mobile purchases at least once a month

Base: Private smartphone users who use the internet in general and who purchased via internet on their smartphone, Smartphone n=354
Q47: How frequently do you purchase products or services with your smartphone?
Mobile Commerce will Continue to Grow

31% expect to make more mobile purchases in the future

Base: Private smartphone users who use the internet in general, Smartphone n=1,000 Q51: Do you expect making purchases on your smartphone more often in the next 12 months?
Barriers to Mobile Commerce Still Exist

Would prefer to use a PC/laptop for these services: 65%

- Doesn't feel secure: 38%
- Too complicated: 12%
- Payment features were not available (no credit card): 6%
- Payment is too complex: 5%
- Too expensive: 4%
- Never heard of these services: 3%
- Other: 6%

Base: Private smartphone users who use the internet in general and who NOT purchased via internet on their smartphone n= 646  Q46: Why have you not made a purchase using your smartphone?
SMARTPHONES HELP ADVERTISERS CONNECT WITH THEIR CUSTOMERS
Offline Ad Exposure Leads to Mobile Search

66% have performed a mobile search after seeing an ad

Ad location

- TV: 58%
- Shop/business: 57%
- Magazines: 48%
- Posters / Billboards: 36%

Base: Private smartphone users who use the internet in general and who at least rarely notice advertising, n= 888
Q43a: How often do you use your smartphone to do a search in response to an ad you have seen in a magazine, on a poster, on TV or in a shop/business?
The First Page of Mobile Search Results is Key

61%

only look at the first page of results when conducting a search on their smartphone

Base: Private smartphone users who use the internet in general and who are searching via search engine, Smartphone n= 962
Q32: How many search result pages do you look at, when conducting a search with your ...?
89% of smartphone users notice mobile ads

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q41: How often do you notice advertising when you are using the browser or an app on your smartphone? (Ever)
## Mobile Ads Make an Impression

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>While in an app</td>
<td>48%</td>
</tr>
<tr>
<td>While on a website</td>
<td>46%</td>
</tr>
<tr>
<td>While using a search engine</td>
<td>40%</td>
</tr>
<tr>
<td>While watching a video</td>
<td>27%</td>
</tr>
<tr>
<td>While on a retailer website</td>
<td>25%</td>
</tr>
<tr>
<td>While on a video website</td>
<td>19%</td>
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</table>
BACKGROUND
Research Methodology

• In partnership with Ipsos MediaCT, we interviewed a total of 1,000 US online adults (18-64 years of age) who identified themselves as using a smartphone to access the Internet

• The distribution is according to a national representative CATI Study

• A smartphone is defined as “a mobile phone offering advanced capabilities, often with PC-like functionality or ability to download apps”

• Respondents were asked a variety of questions around device usage, mobile search, video, social, web and commerce behavior and mobile advertising

• Interviews were conducted in Q1 2012
Demographics

Base: Private smartphone users who use the Internet in general, wave 2, n= 1,000
Demographics

**Education**
- Grade school or some high school: 2%
- Completed high school: 13%
- Some college but did not finish: 24%
- Completed a two year college degree: 13%
- Completed a four year college degree: 34%
- Completed a post-graduate degree such as a Master’s or Ph.D.: 14%

**Employment Status**
- Employed (full-time/part-time): 66%
- Retired: 5%
- Student: 10%
- Unemployed / homemaker: 19%

**Income**
- Less than 15,000 USD: 6%
- 15,000 - 24,999 USD: 10%
- 25,000 - 39,999 USD: 18%
- 40,000 - 49,999 USD: 11%
- 50,000 - 74,999 USD: 24%
- 75,000 - 99,999 USD: 12%
- 100,000 USD or more: 13%
- Don't know/ no answer: 7%

Base: Private smartphone users who use the Internet in general, wave 2, n= 1,000

D4. What is the highest level of education you have completed? D5. Which of the following best describes your employment status? D8. Which of these ranges comes closest to the total (annual) income of your household before anything is deducted for tax National Insurance (Social security) pension schemes etc.?