



MOBILEMARKETINGASSOCIATION

Global Perspectives: The Smartphone User & The Mobile Marketer

June 16, 2011



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Agenda



1 Research Objectives and Methodology

2 Understanding Consumer Smartphone Usage

3 Understanding Advertisers' Mobile Marketing Strategies & Activities

4 Key Findings and Implications

Research Objectives



How are **smartphones** shaping
consumer behavior?

Where is consumer **smartphone**
usage **headed**?

How are **advertisers** integrating mobile
into their **marketing strategy**?

What **ROI** are advertisers achieving on their
investments in mobile marketing?



Research Methodology



Smartphone User Study

- Online interviews with smartphone users (ages 18+) in 30 countries.
- This presentation will focus on the following markets:
 - United States (n=6,000)
 - United Kingdom (n= 2,000)
 - France (n= 2,000)
 - Germany (n= 2,000)
 - Japan (n= 1,000)
- Interviews were conducted in Q1–Q2 2011
- Data for other countries released over next few months

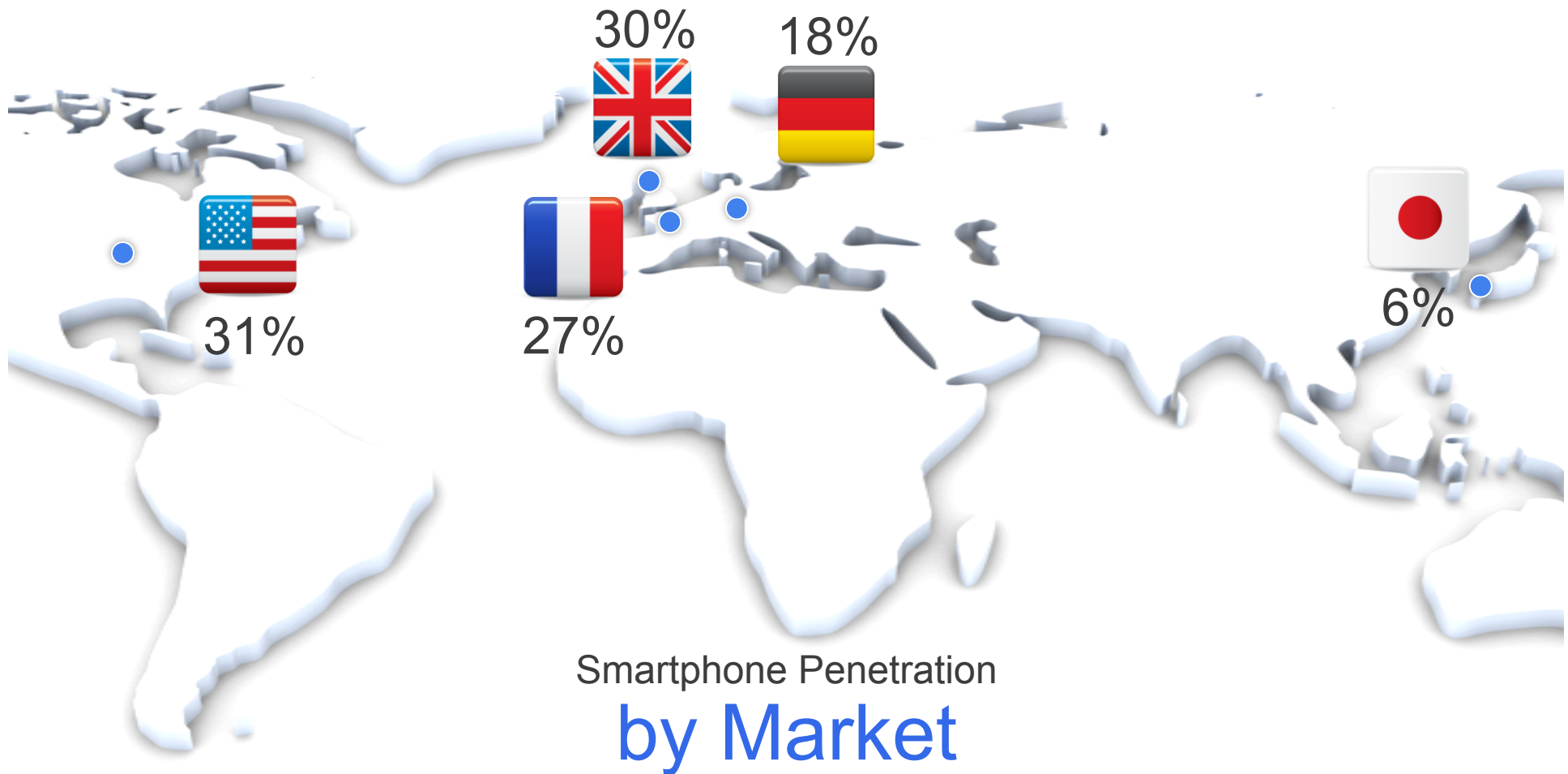
Marketing Decision Maker Study

- Telephone interviews with advertisers who sell products and services online.
 - Must have involvement in marketing or advertising activities on the client side
- 200 interviews in each of 5 countries: US, UK, France, Germany and Japan
- Data directional in nature
- Interviews were conducted in Q1–Q2 2011

1 Consumer Smartphone Usage



In Key Markets Smartphone Ownership Is Significant



Source: Smartphone Enumeration Study (CATI)

Base: Total Respondents (Qualified & Non-Qualified Respondents)

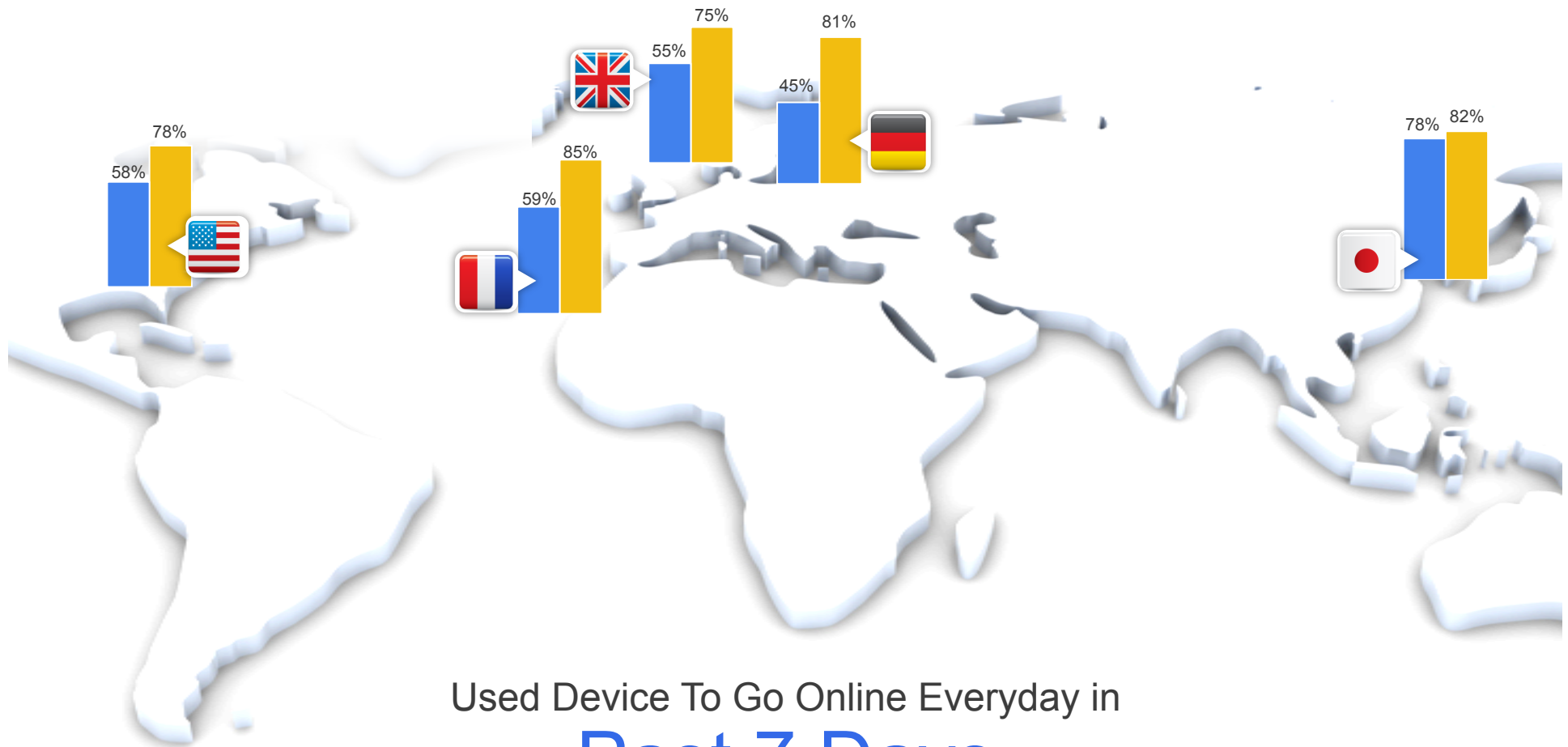
Q. Which, if any, of the following devices do you use?

Note: Smartphone classification was determined by self-reported manufacturer/brand of mobile phone owned.

Users are Accessing The Web Through Desktop, and Now Mobile



Smartphone PC



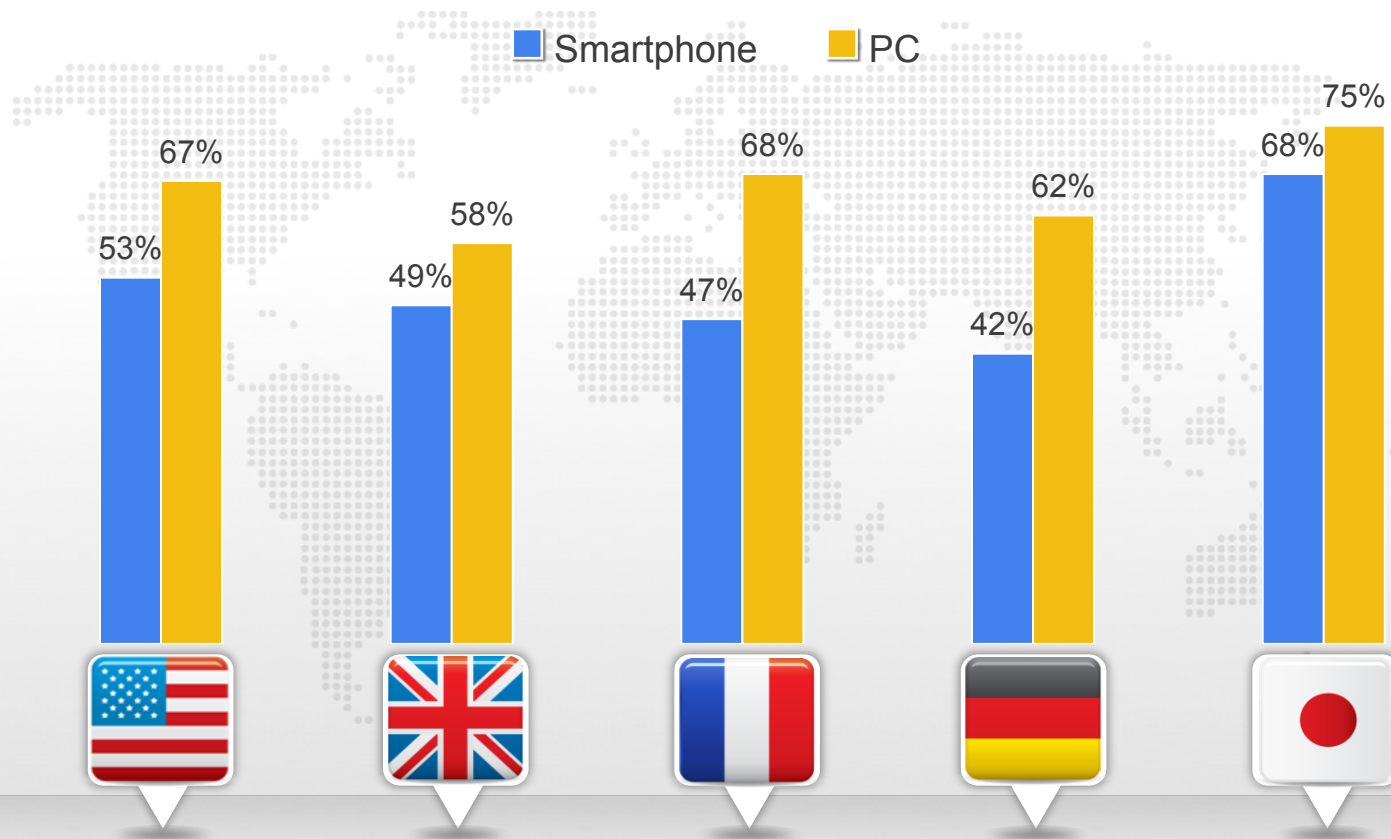
Used Device To Go Online Everyday in
Past 7 Days

Base: Smartphone Users (US: 6000; UK: 2000; FR: 2000; DE: 2000; JP:1000).
Smartphone Users Who Use Computer (US: 5905; UK: 1983; FR: 1984; DE: 1983; JP: 982).
Q. Thinking about the last seven days on how many days were you online with ...?

Both Mobile & PC Are Accessed Frequently



Used Device Multiple Times Yesterday to Access Internet

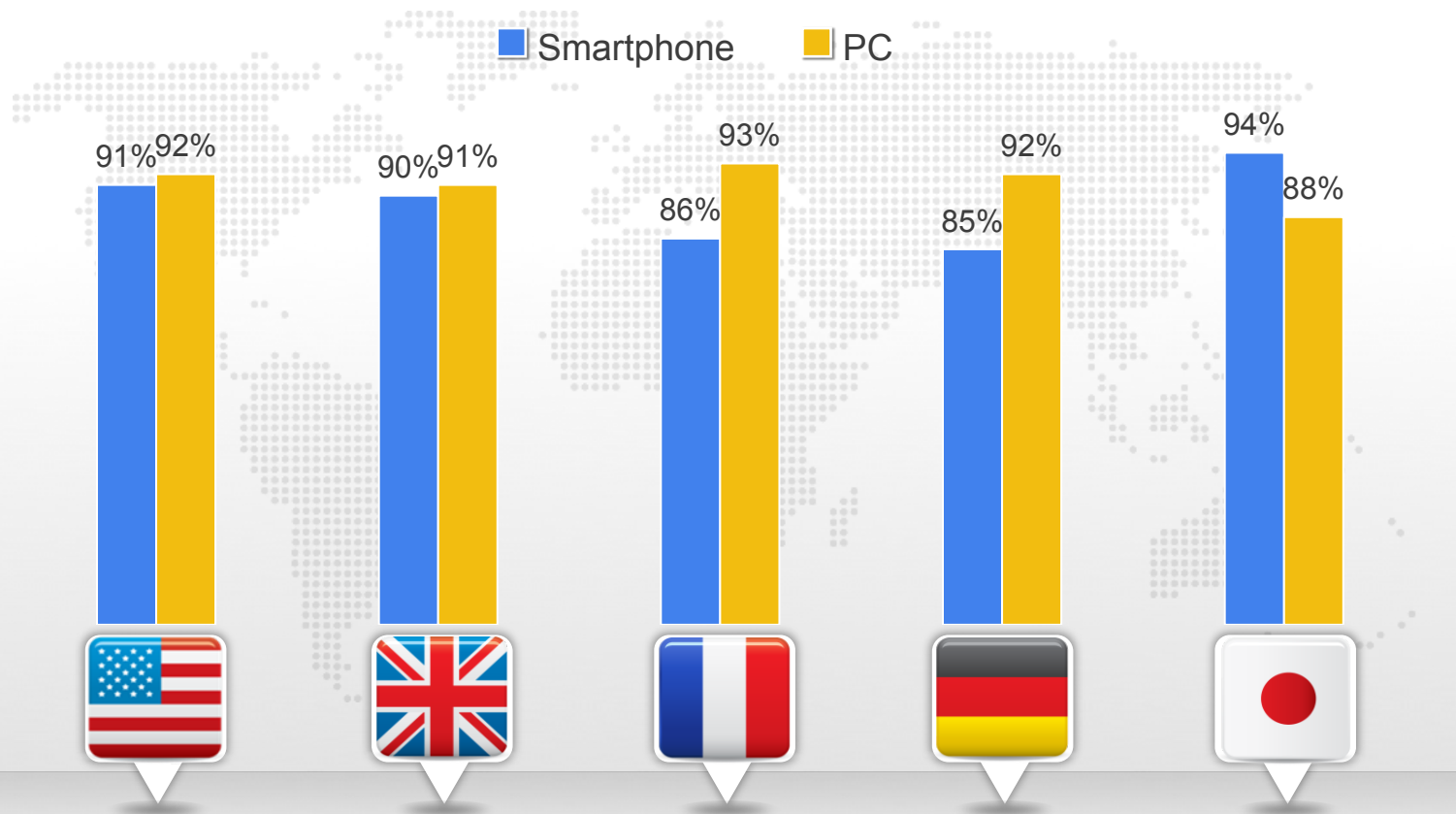


Base: Smartphone Users (US: 6000; UK: 2000; FR: 2000; DE: 2000; JP:1000).
Smartphone Users Who Use Computer (US: 5905; UK: 1983; FR: 1984; DE: 1983; JP: 982).
Q. Now, thinking about yesterday, how often were you online with your [smartphone or computer]?

Nearly All Users Plan to Maintain or Increase Online Usage of Their Digital Devices



Expected Smartphone & Computer Internet Usage in Next 12 Months

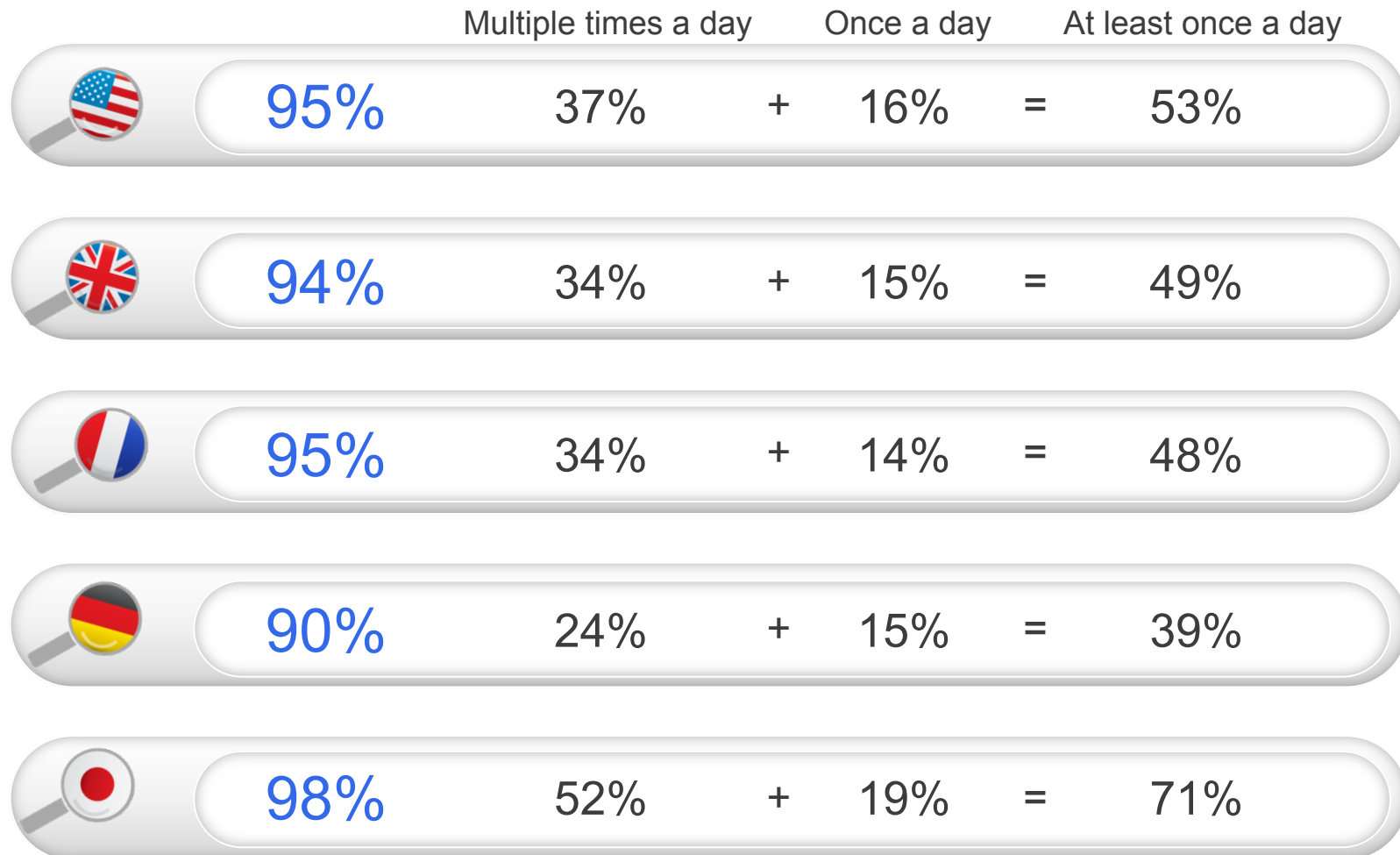


Base: Smartphone Users (US: 6000; UK: 2000; FR: 2000; DE: 2000; JP:1000).

Smartphone Users Who Use Computer (US: 5905; UK: 1983; FR: 1984; DE: 1983; JP: 982).

Q. Thinking about the next 12 months, how will you be using the Internet with your... *Note: "Don't know/No Answer" excluded.

Search Engines Are a Daily Touchpoint



Base: Smartphone Users (US: 6000; UK: 2000, FR: 2000; DE: 2000; JP:1000).
 Q. Which of the following search engines do you use to search for information on your ... ?
 Base: Smartphone Users Who Use Search Engines (US: 5968; UK: 1873, FR: 1905; DE: 7197; JP: 985).
 Q. How often do you do searches (via Google Yahoo! Bing etc.) on your ... ?

App Usage Is Prevalent



	Average Number of Apps Installed	Average Paid Apps	Average Apps Used in Past 30 Days
United States	23	5	10
United Kingdom	23	8	9
France	27	5	11
Germany	21	10	9
Japan	45	8	9



Base: Smartphone Users Who Use Apps (US: 5708; UK: 1884; FR: 1959; DE: 1845; JP: 991).

Q. How many apps do you currently have on your smartphone?

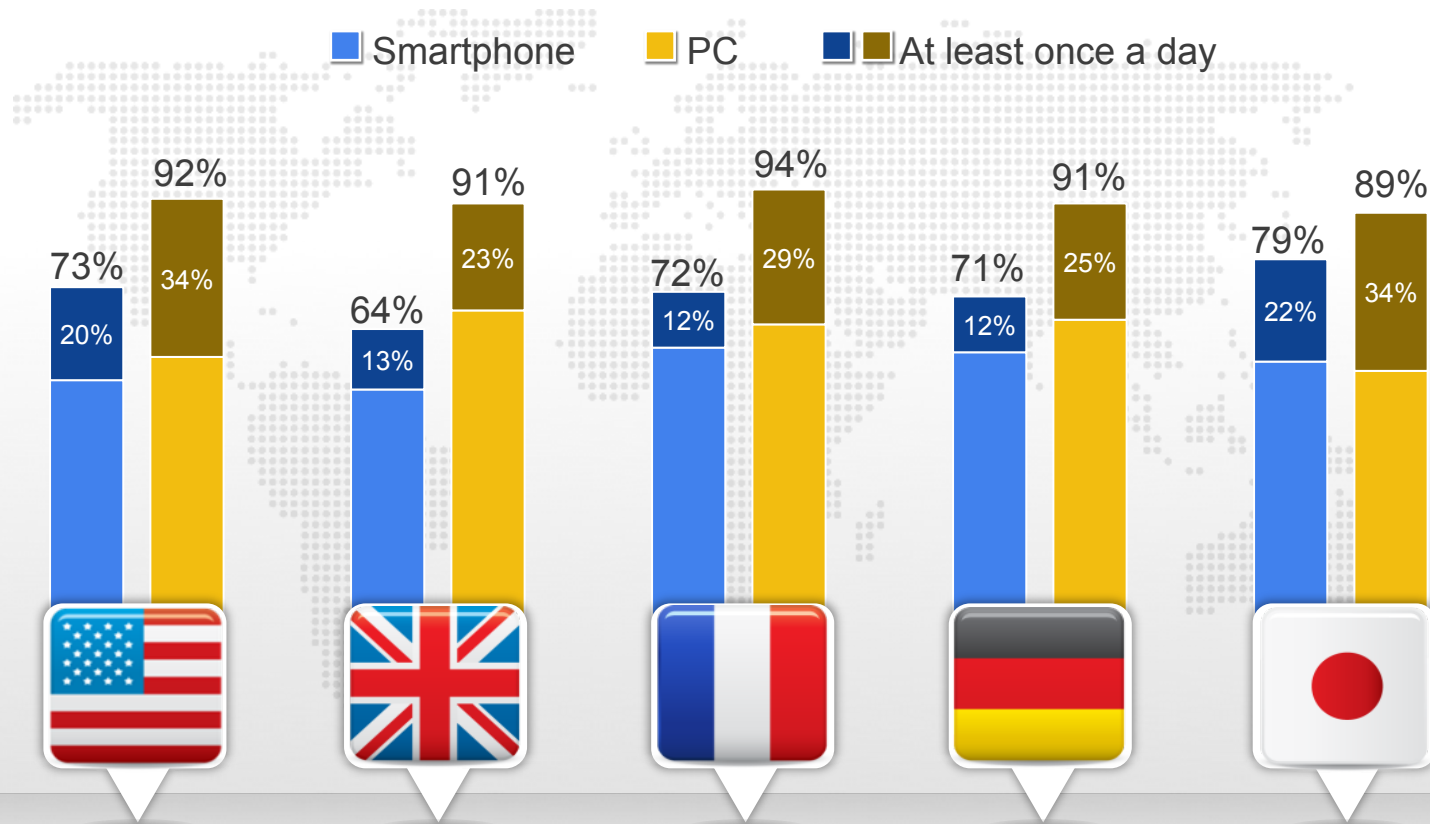
Q. And of the apps you currently have installed on your smartphone how many have you purchased for a certain amount in an app store?

Q. And of the apps you currently have installed on your smartphone, how many have you used actively in the last 30 days?

Smartphone Users Are Avid Video Watchers



Online Video Consumption



Base: Smartphone Users (US: 6000; UK: 2000; FR: 2000; DE: 2000; JP:1000).

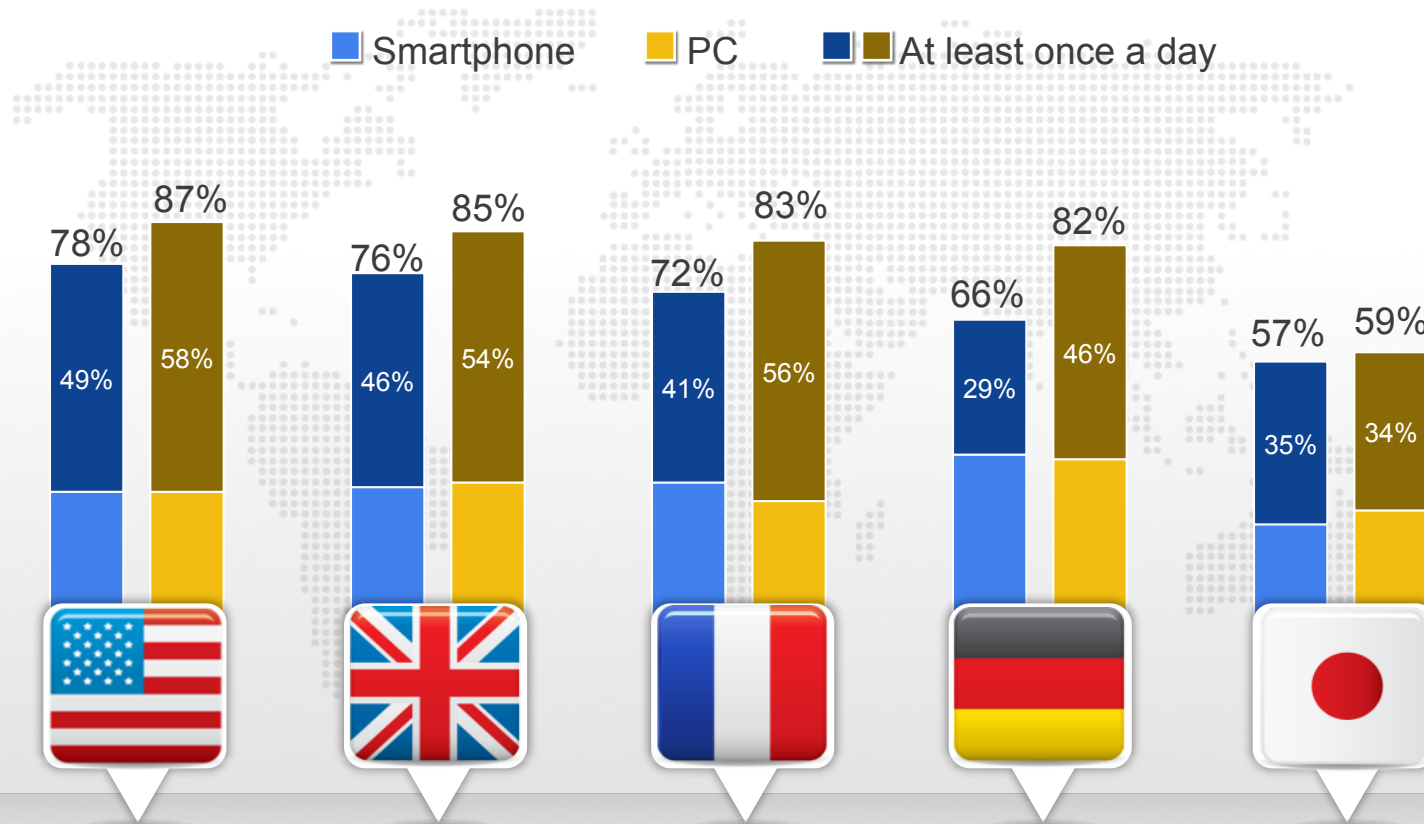
Smartphone Users Who Use Computer (US: 5905; UK: 1983; FR: 1984; DE: 1983; JP: 982).

Q. 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 [device]...?

Smartphone Users Are Frequent Social Networkers

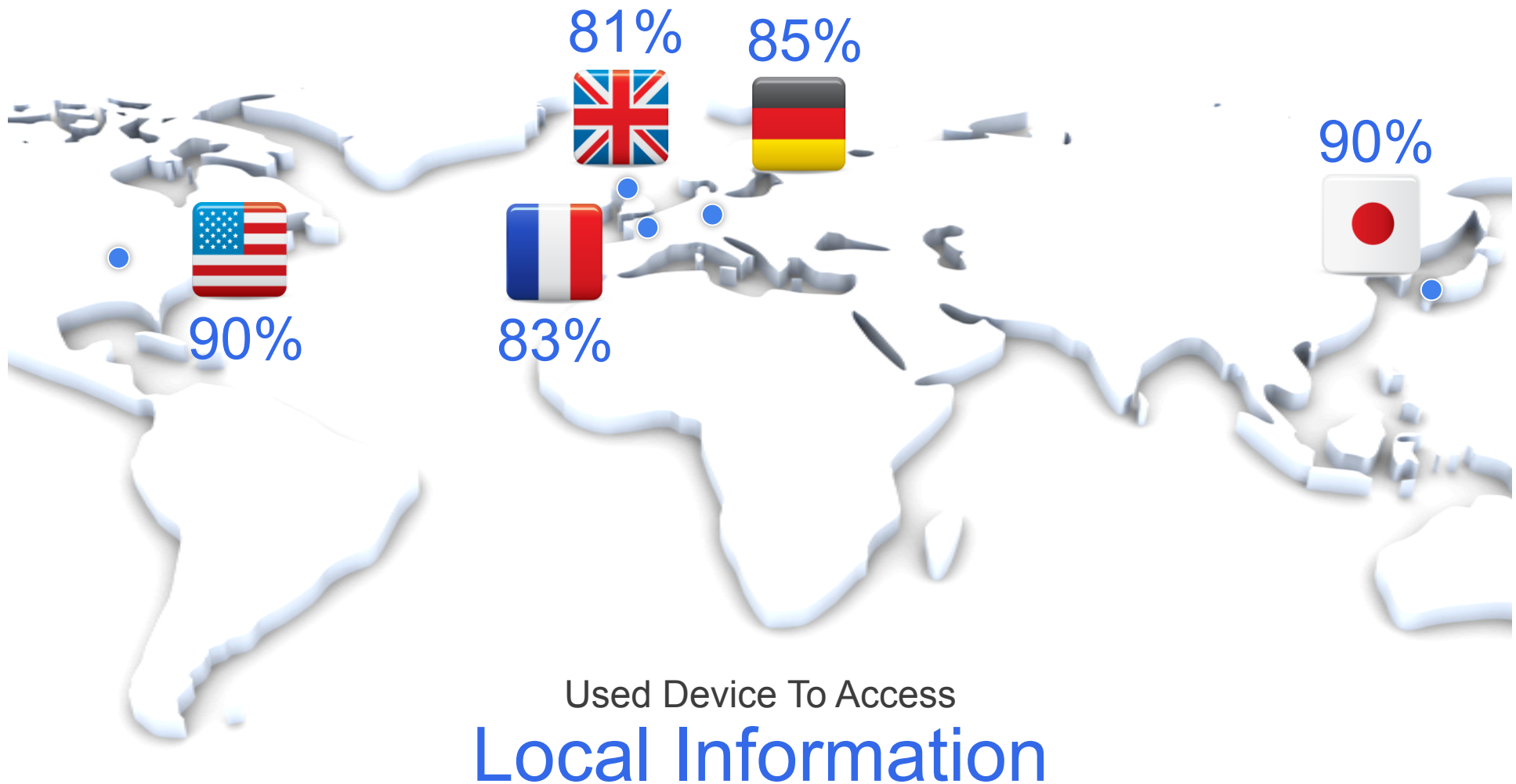


Social Media Usage



Base: Smartphone Users (US: 6000; UK: 2000; FR: 2000; DE: 2000; JP:1000).
 Smartphone Users Who Use Computer (US: 5905; UK: 1983; FR: 1984; DE: 1983; JP: 982).
 Q. How often do you visit a social network (via websites or apps) on your...?

Smartphone Users Are Local Information Seekers

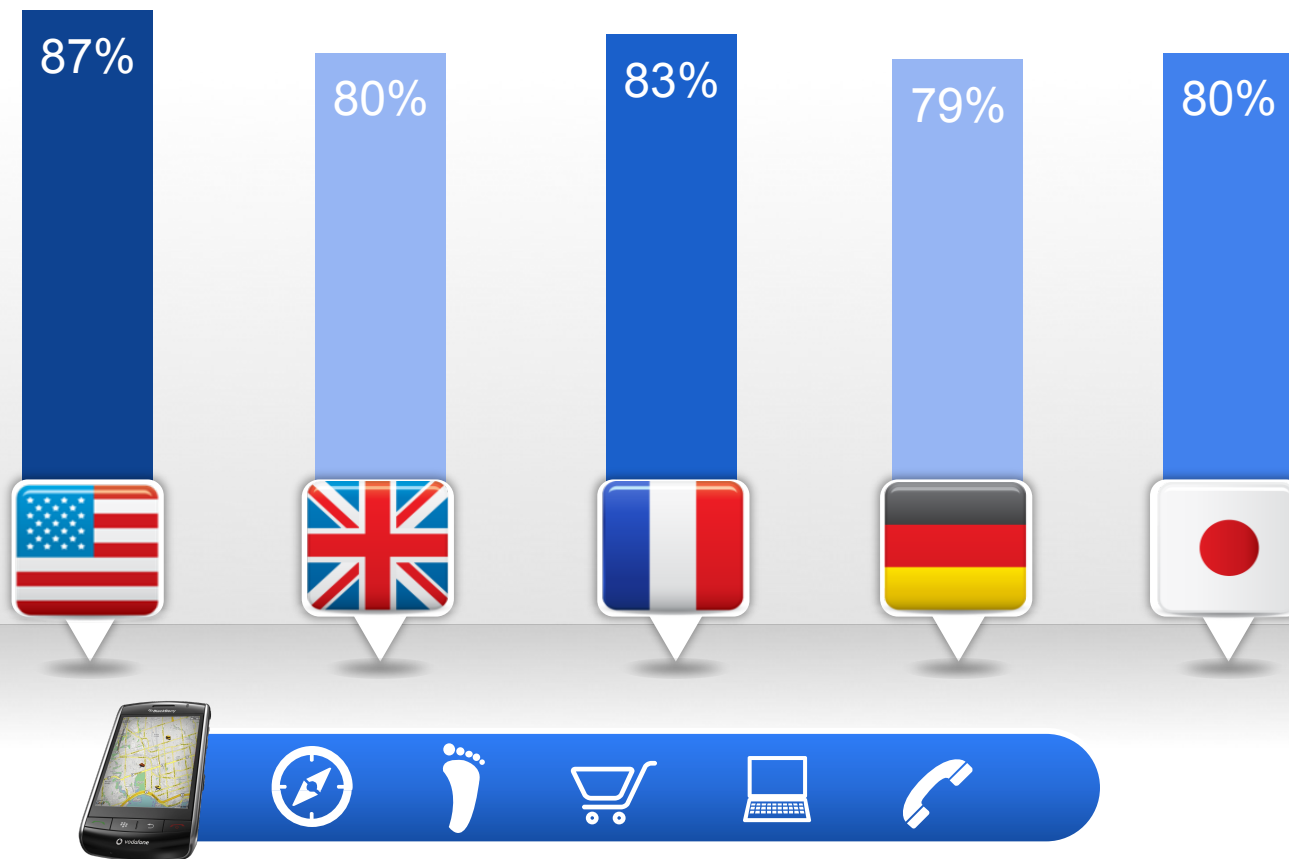


Base: Smartphone Users (US: 6000; UK: 2000; FR: 2000; DE: 2000; JP:1000).
Q. How often do you look for information about local businesses or services on your smartphone? Think about any information you may access in your immediate location, in your home area, while traveling, etc.

...And, These Local Information Seekers Take Action



Have Taken Action After Looking Up Local Content



Base: Smartphone Users Who Access Local Content (US: 5395; UK: 1620, FR: 1657; DE: 1694; JP: 902).
Q. Which of the following actions have you taken after having looked up this type of information?

Actions Triggered by Local Search Are Wide Ranging



Top Actions Taken After Looking up Local Information

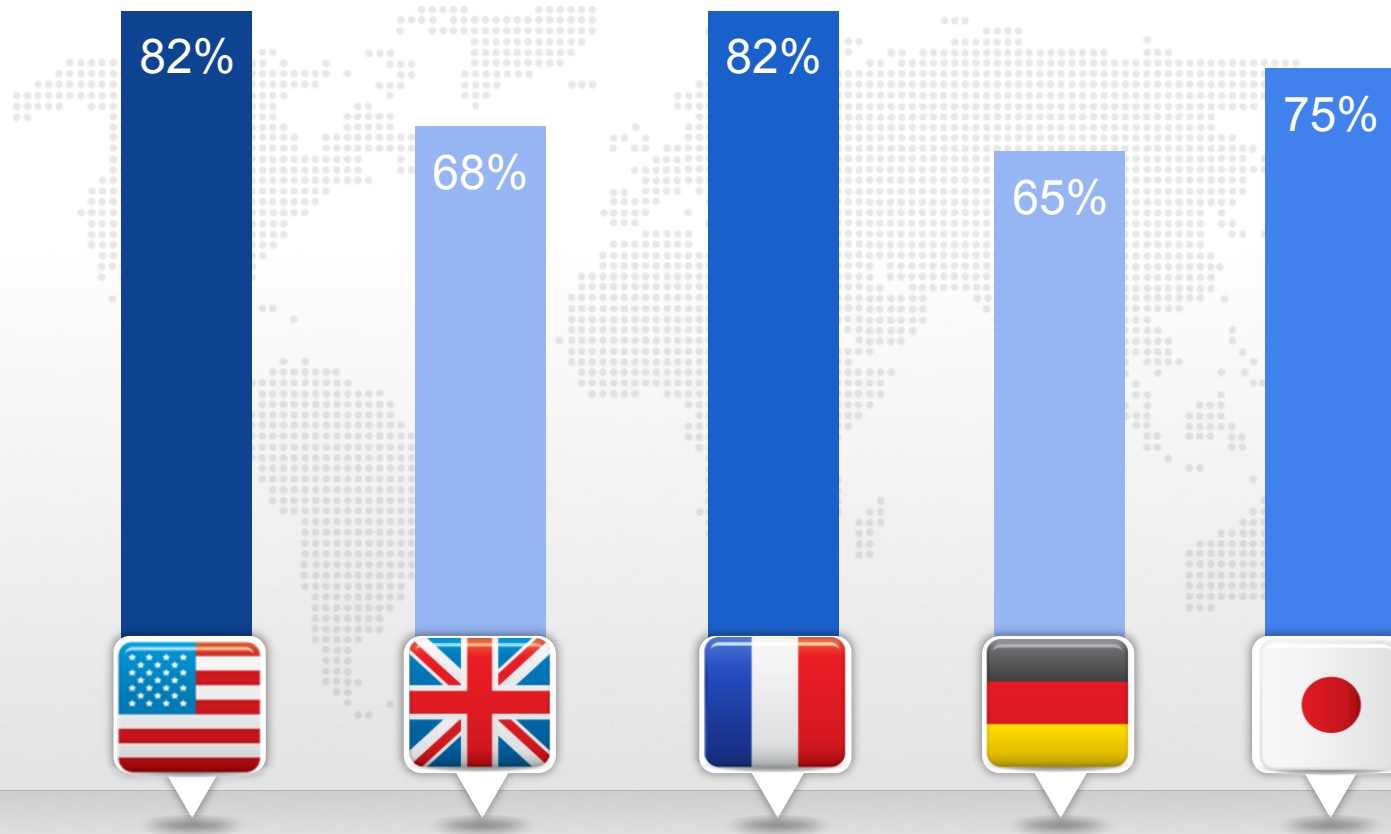


Base: Smartphone Users Who Access Local Content (US: 5395; UK: 1620, FR: 1657; DE: 1694; JP: 902).
Q. Which of the following actions have you taken after having looked up this type of information?

The Smartphone Is a Consumer's Always-on Companion...Especially While Shopping



Use Smartphone in a Store

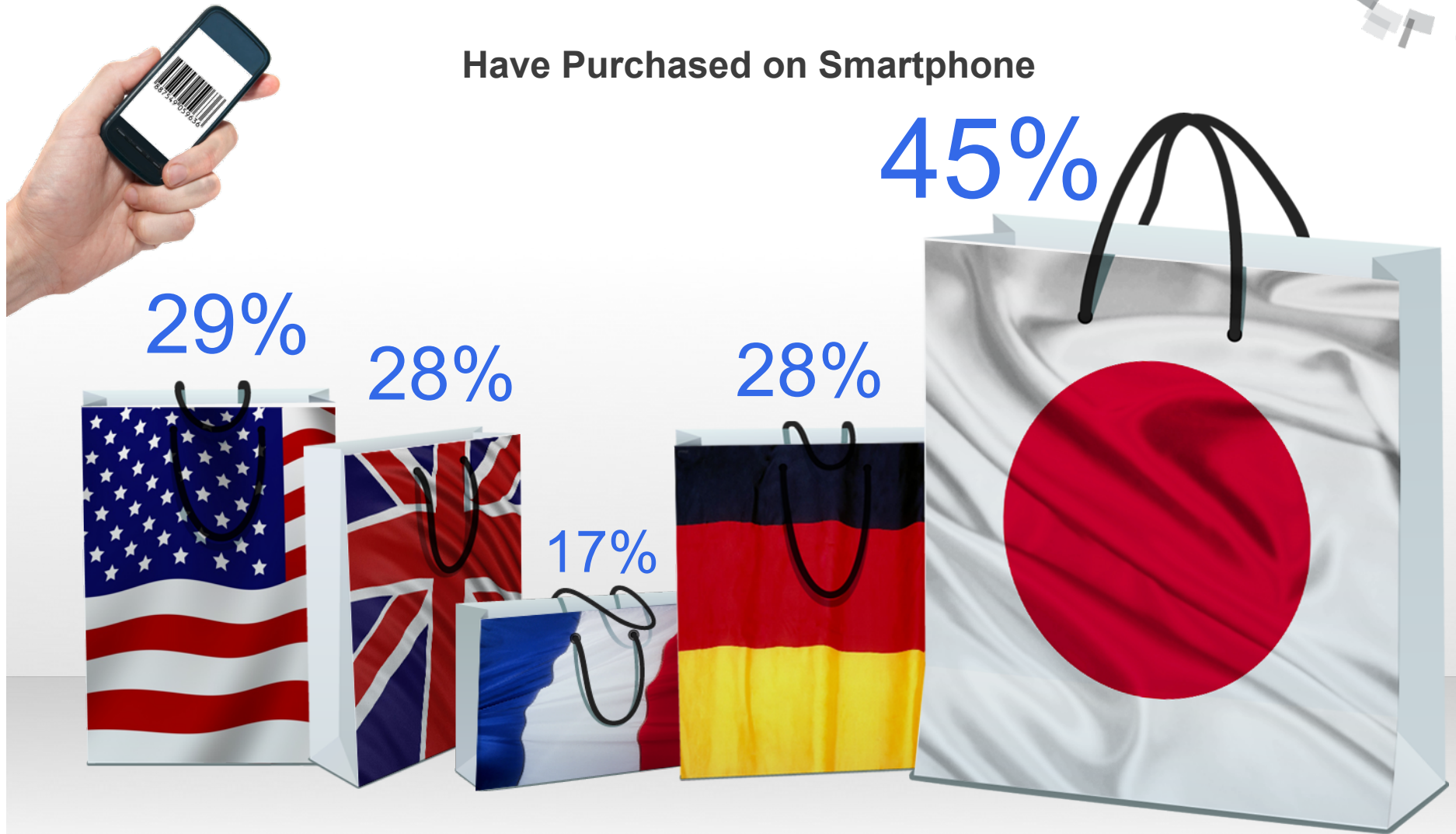


Base: Smartphone Users (US: 6000; UK: 2000, FR: 2000; DE: 2000; JP:1000).
Q. Where do you use your smartphone?

Mobile is an Emerging Point of Purchase



Have Purchased on Smartphone

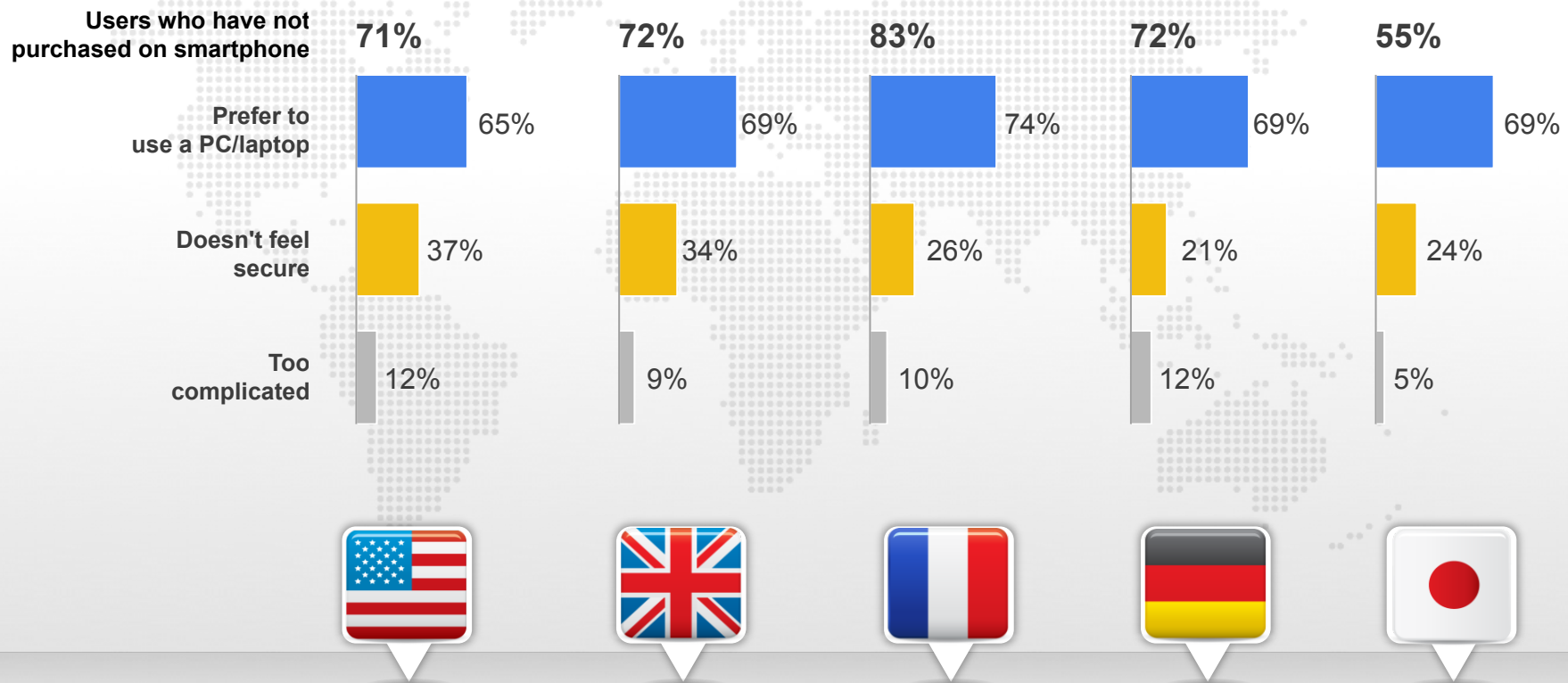


Base: Smartphone Users (US: 6000; UK: 2000; FR: 2000; DE: 2000; JP:1000).
Q. Have you ever purchased a product or service over the Internet on your smartphone?

Preference For Computer and Concerns of Security Are Main Barriers to Mobile Purchasing



Reasons for Not Purchasing on Smartphone



Base: Smartphone Users (US: 6000; UK: 2000; FR: 2000; DE: 2000; JP:1000).

Base: Smartphone Users Who Have Not Made a Purchase on Device (US: 4444; UK: 1559; FR: 1653; DE: 1442; JP: 554).

Q. Why have you not made a purchase using your smartphone?

2 Advertisers' Mobile Strategies & Activities



Mobile Site Optimization Varies Widely Throughout the Globe



33%



17%



12%



37%



43%

Respondents' Top Reasons for Building Mobile Ready Sites

- Get new customers
- Increase branding presence to all touchpoints
- Increase traffic on mobile website
- Stimulate users during the pre-purchase and research phase
- Increase traffic on stationary website

Base: Advertisers (US: 200; UK: 200; FR: 200; DE: 200; JP:200).

Q. Does your company have a mobile optimized website? Mobile optimized means a website that is formatted or developed specifically to be used on a mobile device.

Base: Advertisers Who Have Mobile Optimized Website (US: 65; UK*: 34, FR*: 23; DE: 73; JP:85). *Caution: Small base size.

Q. What is your primary goal your company seeks to achieve with its mobile optimized website?

Note: In Japan, 80%+ also reported "Increase purchase online" and "Have a better presence after a sale" as goals.

Fewer Than 1 in 3 Advertisers Have an App



19%



15%



18%



26%



10%

Respondents' Reasons for Having an App

- Communicate with clients
- Generate leads
- New business model

Reasons For and Against Investing in Mobile



Respondents' Reasons *for* Investing in Mobile

- More consumers have access to smartphones (78%)
- Ability to target certain demographics based on devices (61%)
- Attractive ad formats (42%)

Respondents' Reasons for *Not* Investing in Mobile

- Limited advertising budget (55%)
- No mobile optimized website (48%)
- Unsure of how mobile advertising can work for my business (46%)
- Not sure about ROI (41%)

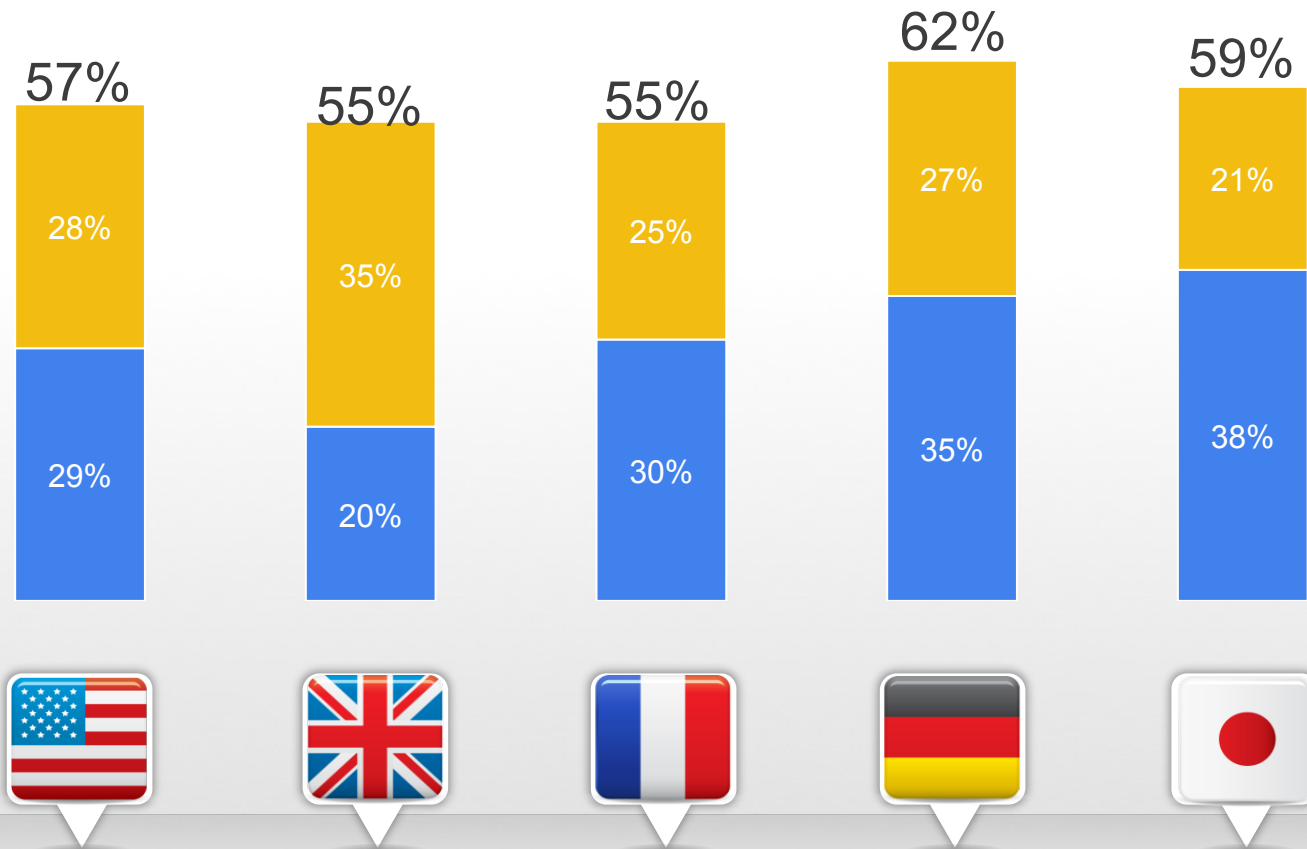


Base: Advertisers Who Are Familiar with Company's Mobile Initiatives (664).
Q. What are your drivers to investing in mobile advertising
Base: Advertisers Who Do not Invest in Mobile Advertising (191).
Q. Why have you never tried mobile advertising?

Alignment With Other Marketing Activities



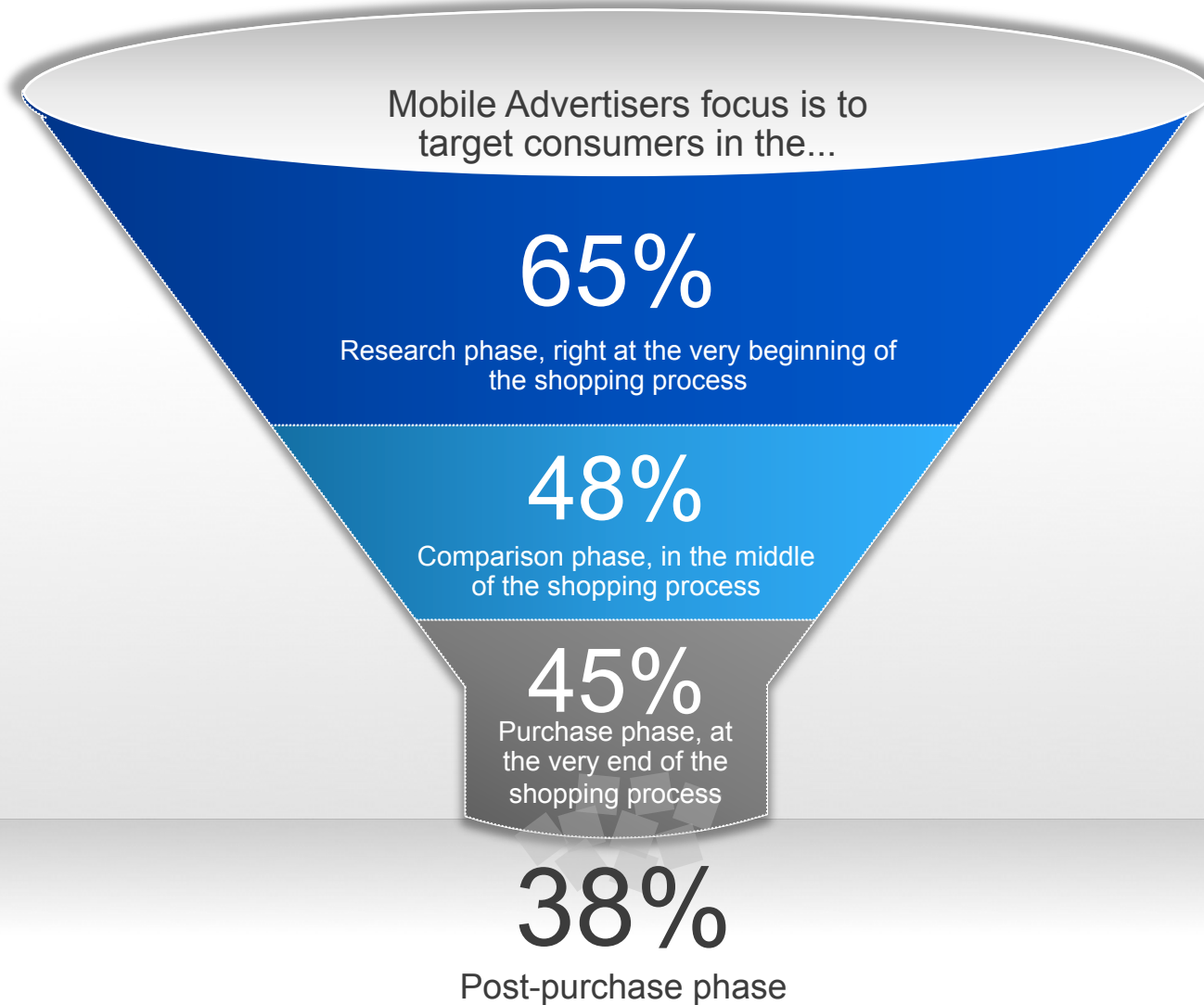
■ Closely Aligned ■ Slightly Aligned



Base: Advertisers (US: 200; UK: 200; FR: 200; DE: 200; JP: 200).

Q. Now I would like you to think about mobile in the context of your total marketing strategy. How is the mobile strategy aligned with the other marketing activities?

Mobile Commerce Strategy Primarily Targets Upper Funnel Activities

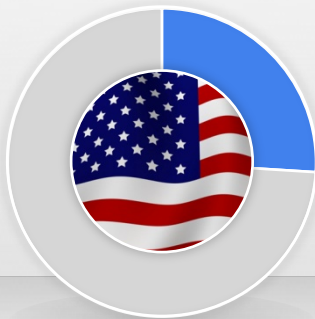


Base: Total Advertisers Who Do Mobile Advertising Currently (325).
Q. What is the main focus of your mobile commerce strategy?
Q. Is there any other focus of your mobile commerce strategy?

Few Marketers Quantify the Impact of Mobile Marketing on In-Store Sales



26%



7%



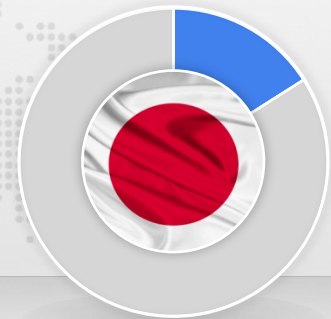
8%



16%



16%



Base: Advertisers Who Have Retail Stores(US: 46; UK*: 28; FR*: 37; DE: 56; JP: 44). *Caution: Small base sizes.
Q. Have you quantified the impact of mobile advertising on in-store sales?

Key Findings and Implications



- While mobile use is prevalent and on an upward trajectory, its growth is not at the expense of computer Internet use.
- Smartphone users have a high incidence of search, video viewing, and local information seeking.
- Japanese smartphone users are unique. They are active smartphone users and may represent a window into the future of smartphone use in other countries.
- Businesses seem to be lagging behind the consumer in terms of use/support of mobile. This represents a significant opportunity.
- Barriers to further growth in mobile marketing seem to be easily addressed.
- While the mobile revolution is moving at different speeds across the globe, it is evident everywhere.



Thank you

For more information, contact the Google mobile team or your MMA representative