



Our Mobile Planet: Japan

Understanding the Mobile Consumer

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Ipsos OTX MediaCT
The Media, Content and Technology Research Specialists

Executive Summary



Smartphones have become an indispensable part of our daily lives. Smartphone penetration has risen to 20% of the population and these smartphone owners are becoming increasingly reliant on their devices. 77% 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 80% using their phone while doing other things such as watching TV (53%). **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. 91% of smartphone users look for local information on their phone and 79% take action 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 100% having researched a product or service on their device. Smartphone research influences buyer decisions and purchases across channels. 39% 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 90% of smartphone users. Smartphones are also a critical component of traditional advertising as 62% 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?

Agenda

- 1** Smartphones are Indispensable to Daily Life

- 2** Smartphones Have Transformed Consumer Behavior

- 3** Smartphones Help Users Navigate the World

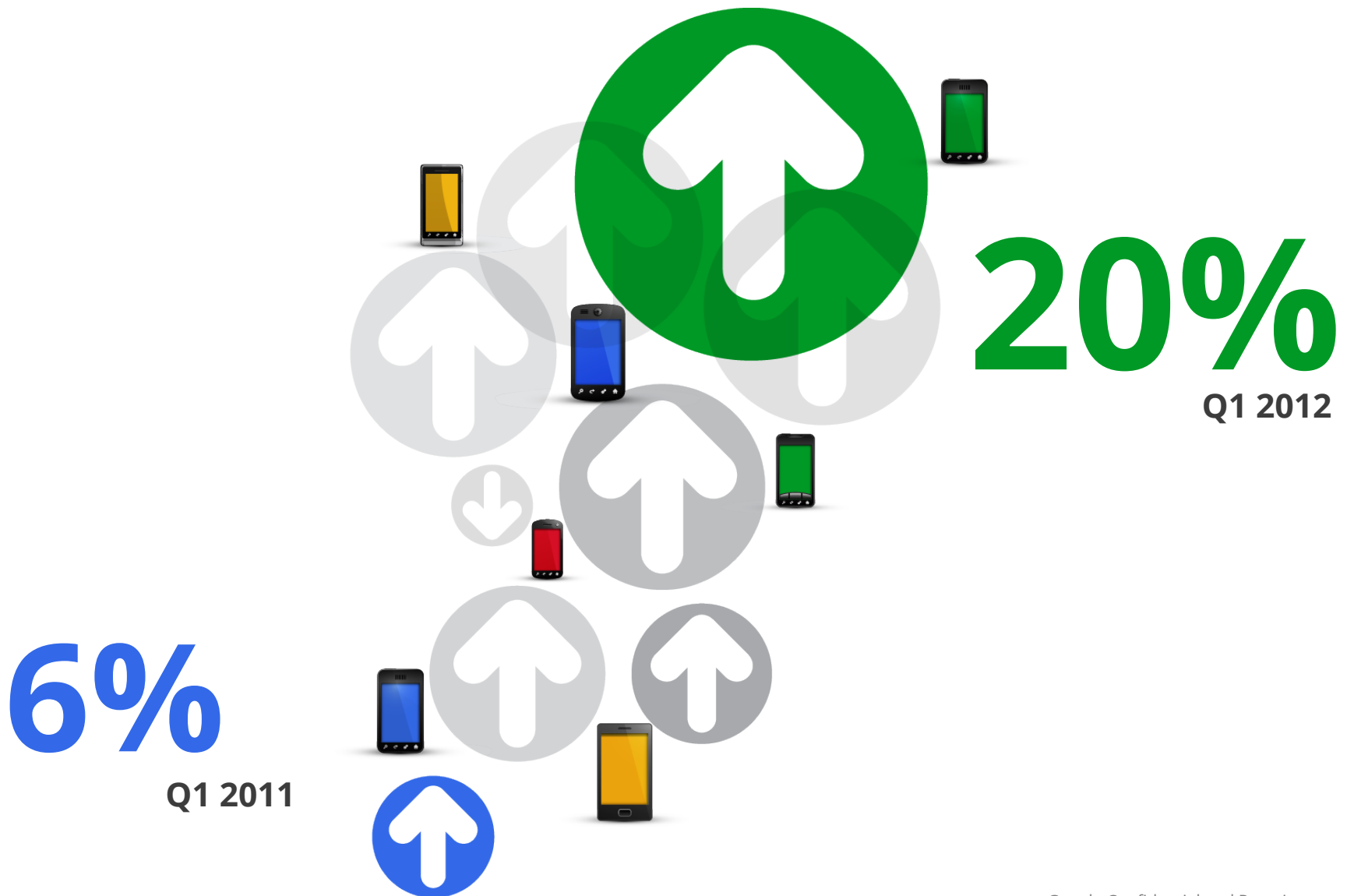
- 4** Smartphones Change the Way Consumers Shop

- 5** Smartphones Help Advertisers Connect with Customers

SMARTPHONES **CHANGE THE WAY CONSUMERS SHOP**



Smartphone Penetration is on the Rise



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

77%

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 ...?

Smartphones are Always On, Always with You

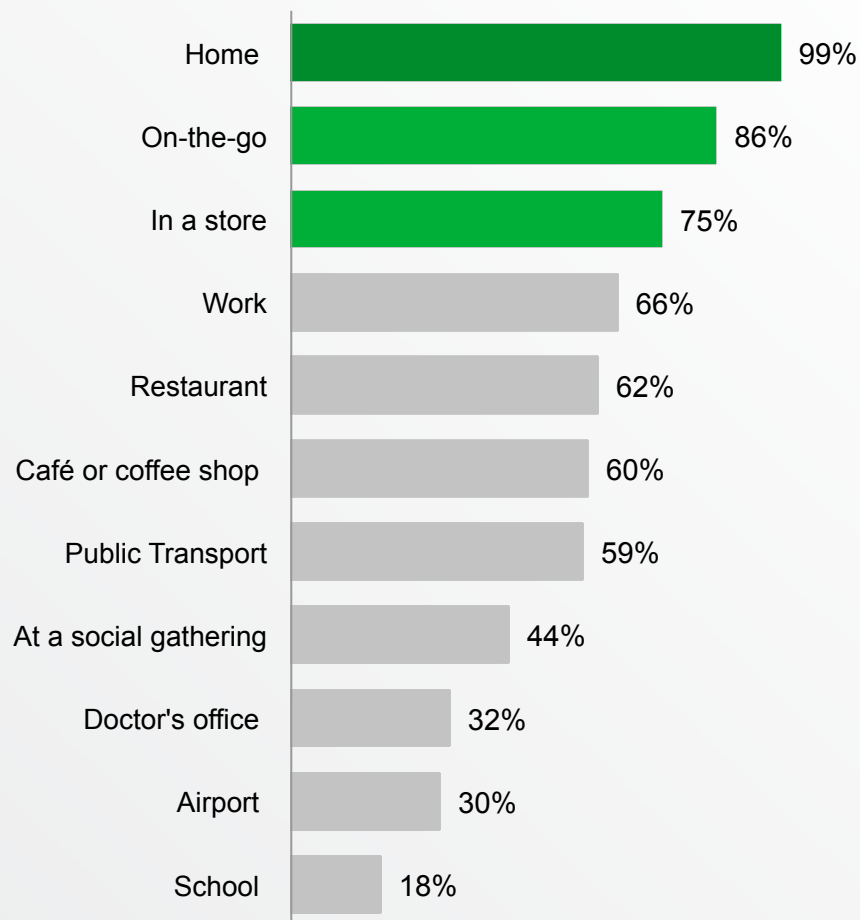
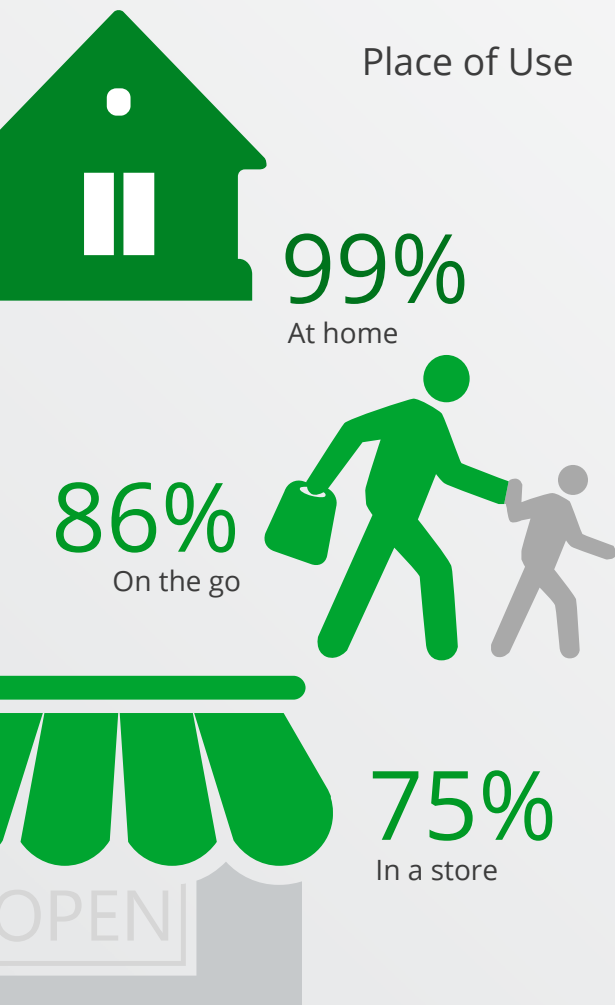


78%
don't leave home
without their device

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

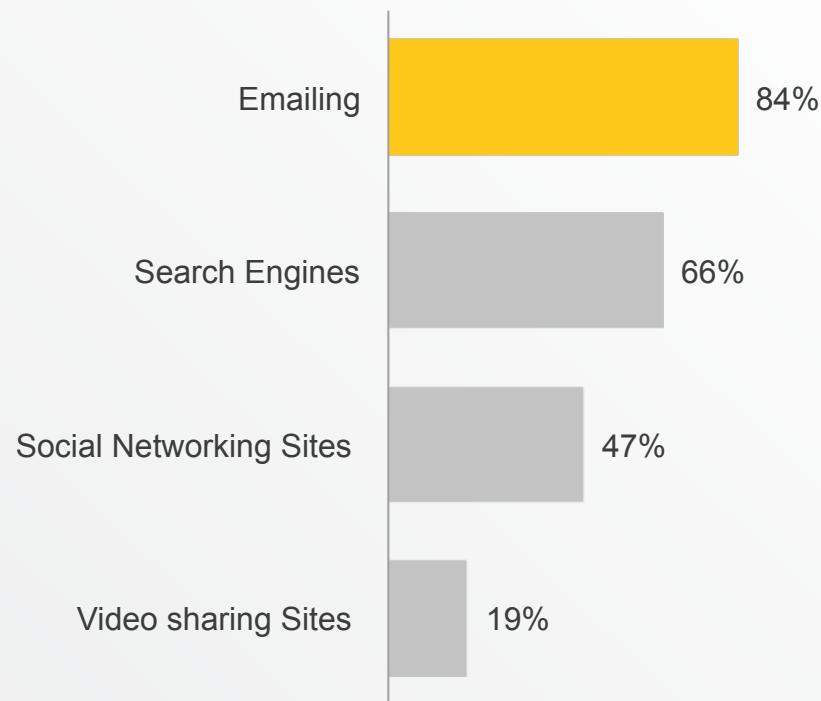


Allowing Users to Stay Fully Connected



82%

access the
Internet on their
smartphones at least
once a day



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

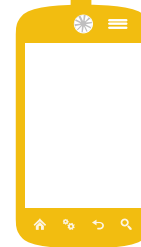
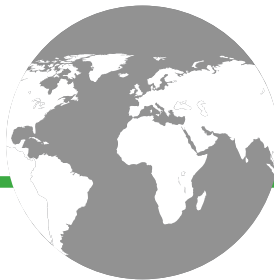
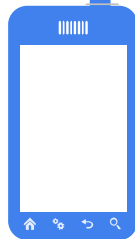
Q9: Using the scale below, please indicate approximately how frequently you use the Internet in general and specific services and types of websites through your browser or apps on your smartphone? Responses reflect at least once a day.

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Smartphone Use is Expected to Increase

46%

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...?

Google Confidential and Proprietary

Smartphones Have Become so Important to Consumers that ...

36%

would rather give up
TV than their smartphone



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 would rather give up TV than my smartphone, 'I would rather give up my TV / desktop PC than my smartphone'

SMARTPHONES
HAVE TRANSFORMED
CONSUMER BEHAVIOR



Smartphones are a Major Access Point for Search

68%

search on their
smartphones
every day



Smartphones Inform Our Daily Life



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.

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Smartphones are a Multi-Activity Portal



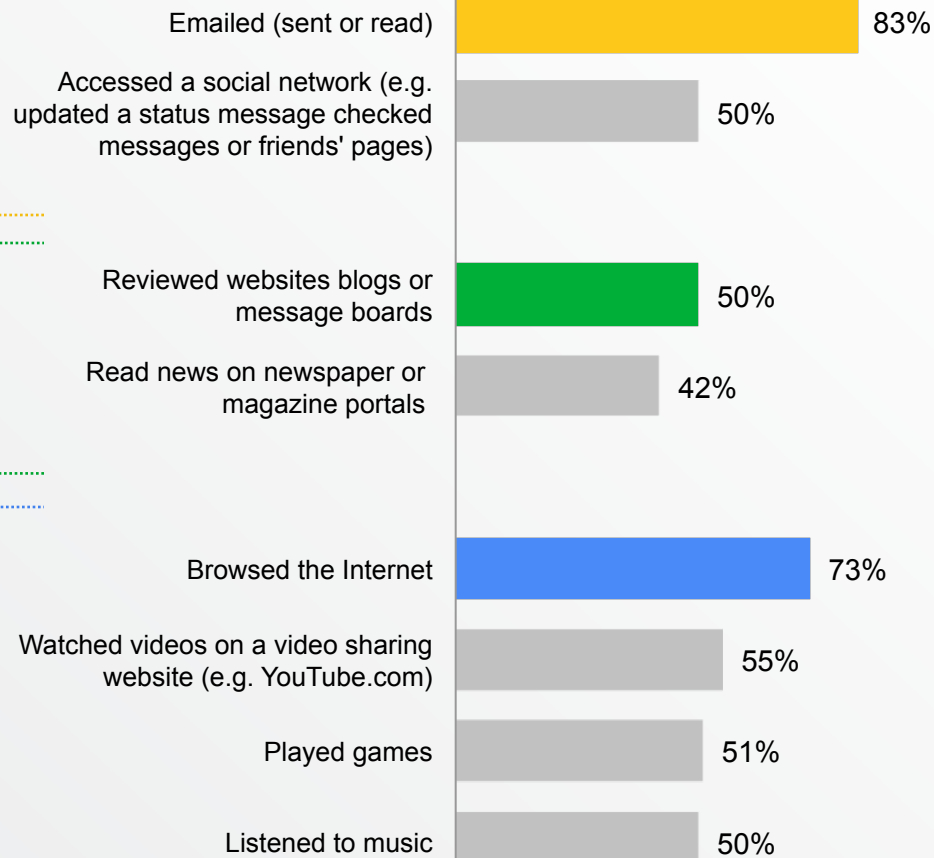
88%
Communication



63%
Stay Informed



87%
Entertainment



App Usage is Ubiquitous



40 apps installed
on average

8 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?

Base: Private smartphone users who use the internet in general and who have at minimum one app on their smartphone, n= 989

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



CLICK TO WATCH VIDEO

76%

watch video

16%

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 ... ?

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Smartphone Users are Frequent Social Networkers

63%

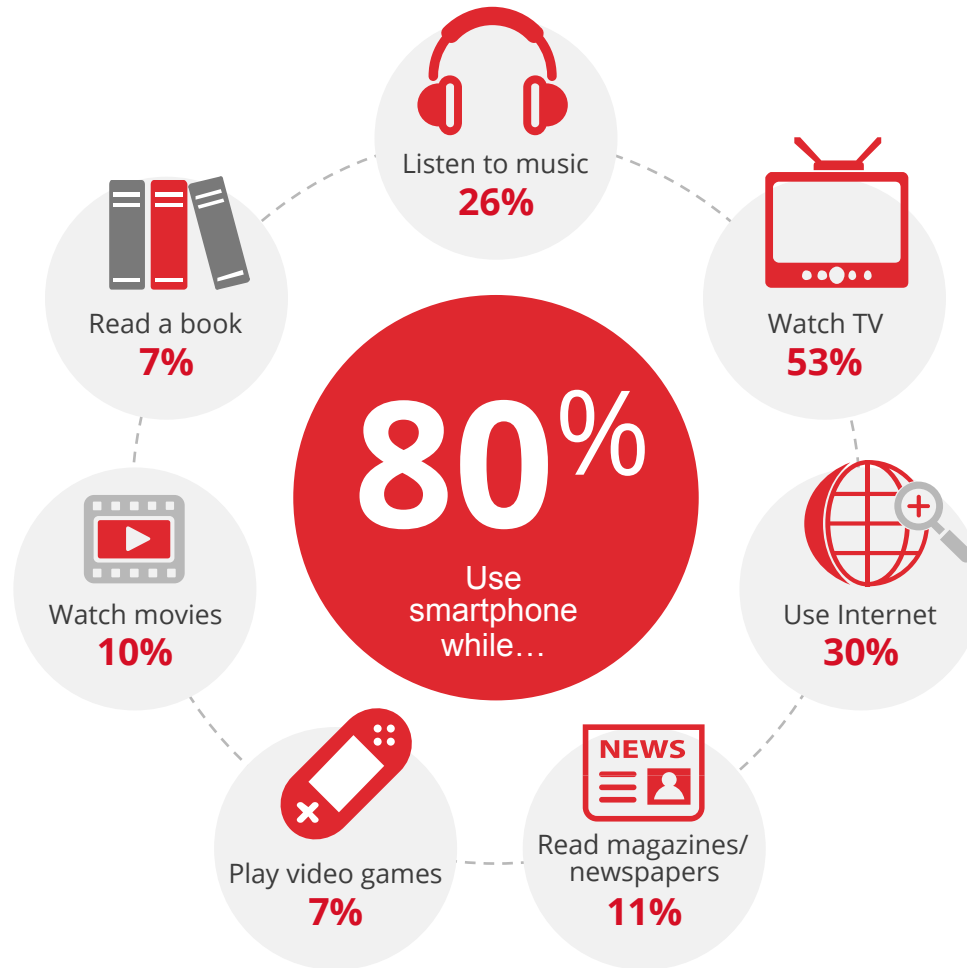
visit social
networks

41%

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 ... ?

Smartphones Are Used While Multi-tasking with Other Media



SMARTPHONES
HELP USERS
**NAVIGATE THE WORLD
AROUND THEM**





91%

of smartphone users
have looked for local
information

79%

have taken action as
a result

Base: Smartphone users who use the internet in general. Smartphone n=1,000
Q43: How often do you look up information on the internet for local businesses or services on your smartphone? (Ever)
Base: Smartphone users who use the internet in general and who look at least less than once a month for
information on the internet. Q44: Which of the following actions have you taken after having
looked up information on the internet for local businesses or services close to your location)?

Looking for Local Information is a Frequent Smartphone Activity



52%

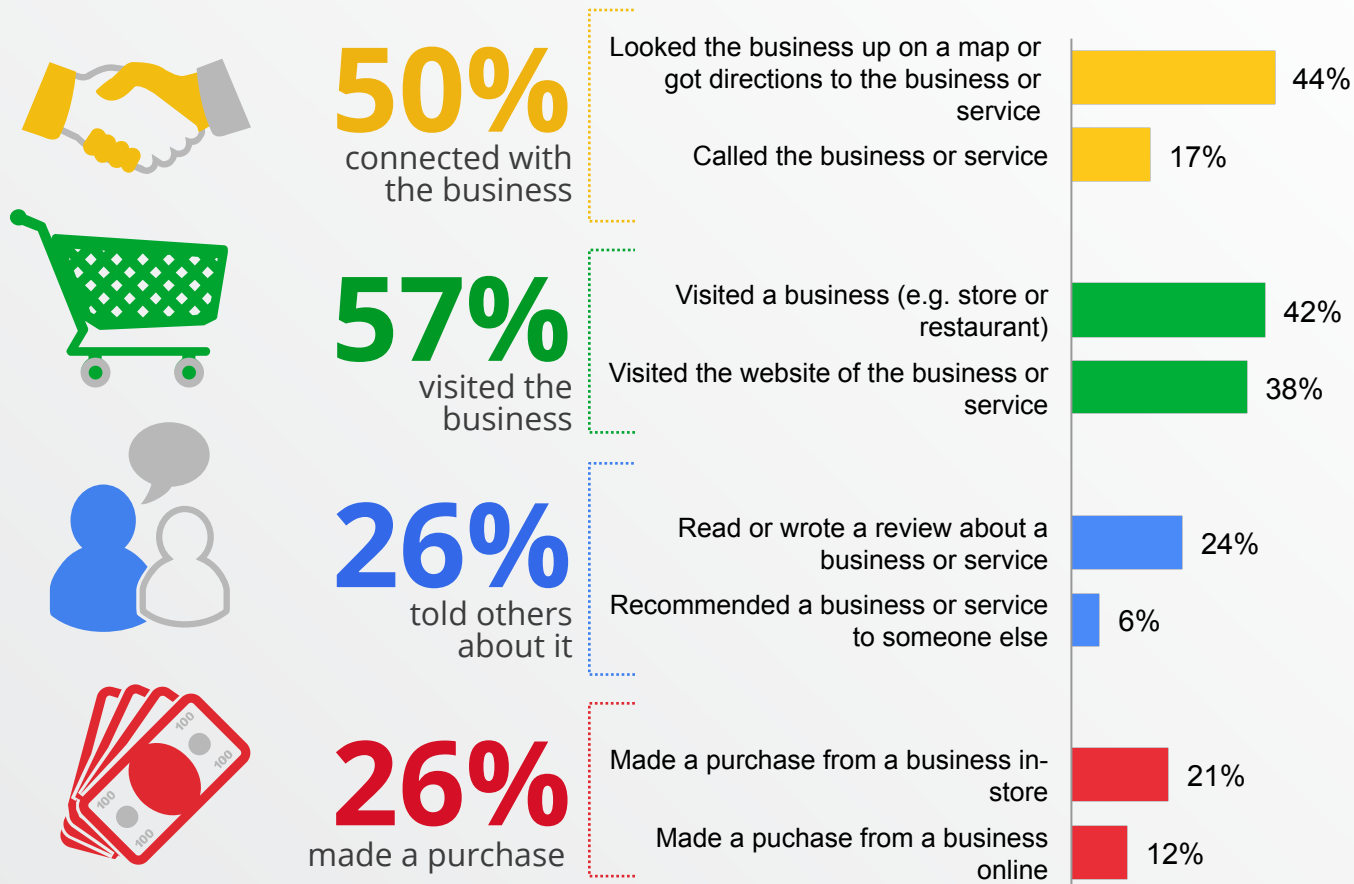
Look for local information at least **once a week**



24%

Look for local information **daily**

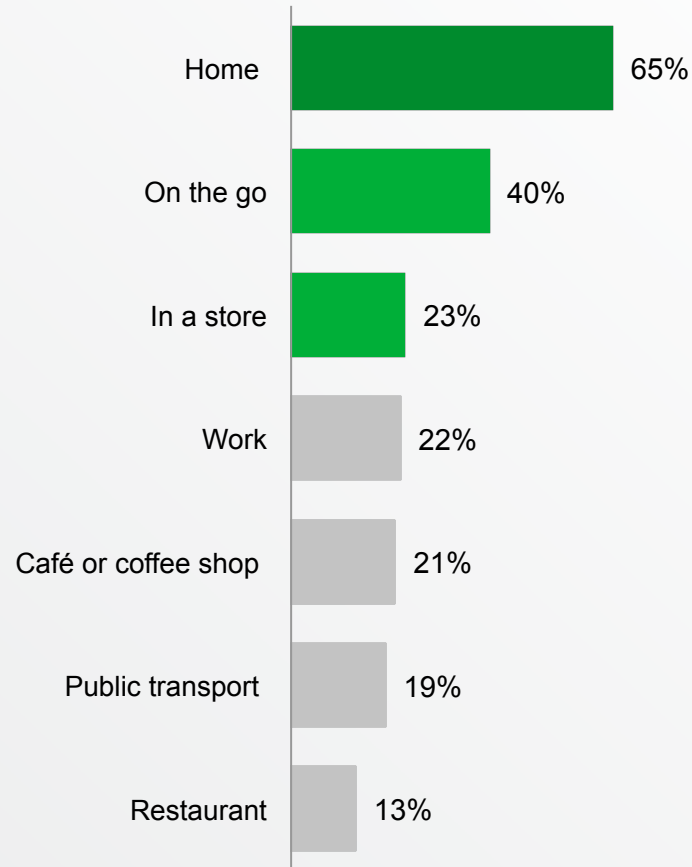
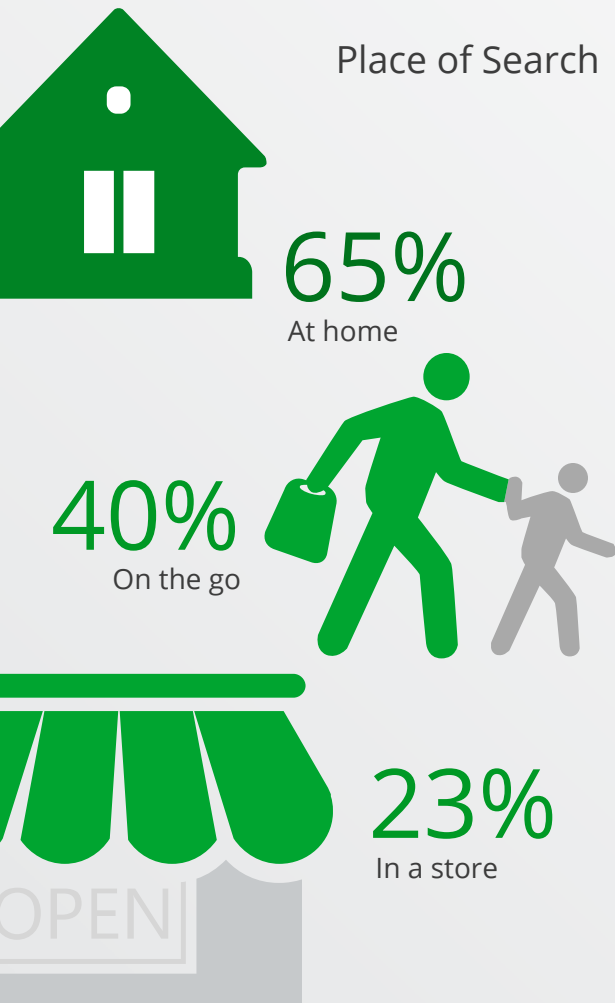
Local Information Seekers Take Action



SMARTPHONES CHANGE THE WAY CONSUMERS SHOP

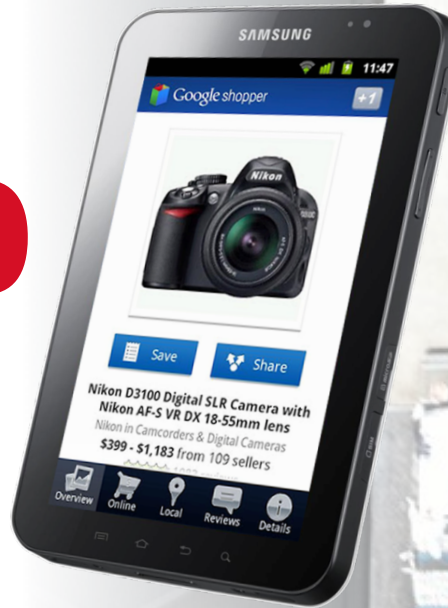


Smartphones Allow Users to Research Products Anytime, Anywhere



100%

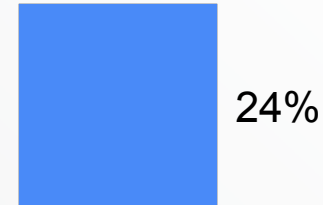
have researched
a product or service
on their phone



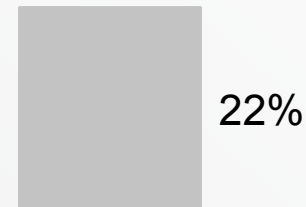
Smartphones are Our Primary Shopping Companions



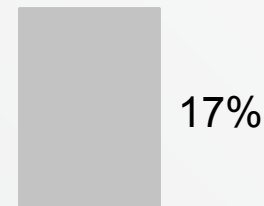
I intentionally have my smartphone with me
to compare prices and inform myself about products.



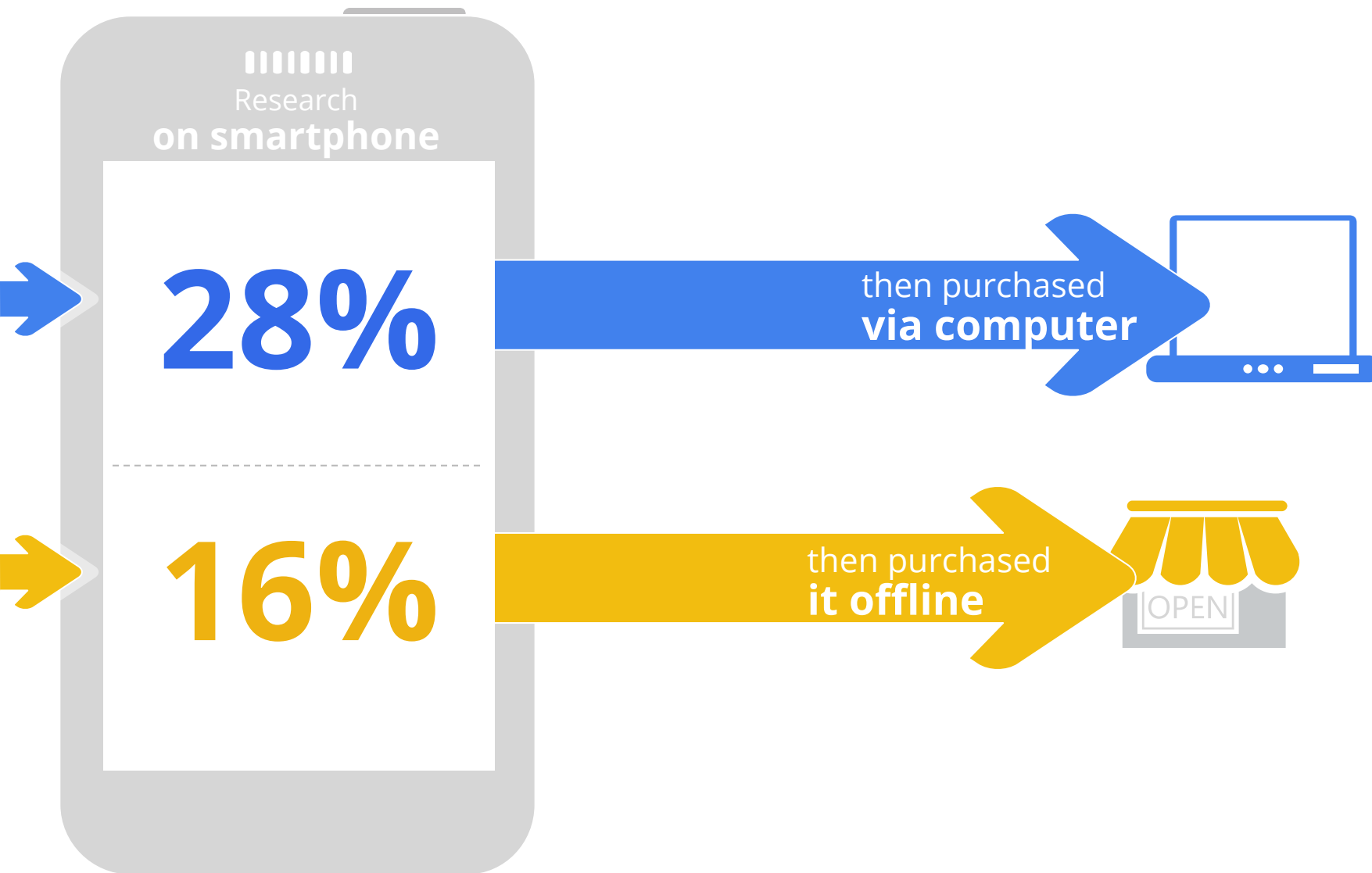
I have changed my mind about purchasing a product or service in store as of a result of information I gathered using my smartphone.



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



Research that Starts on Smartphones Leads to Purchases Across Channels



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.

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Smartphones Are an Emerging Point of Purchase



39%

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

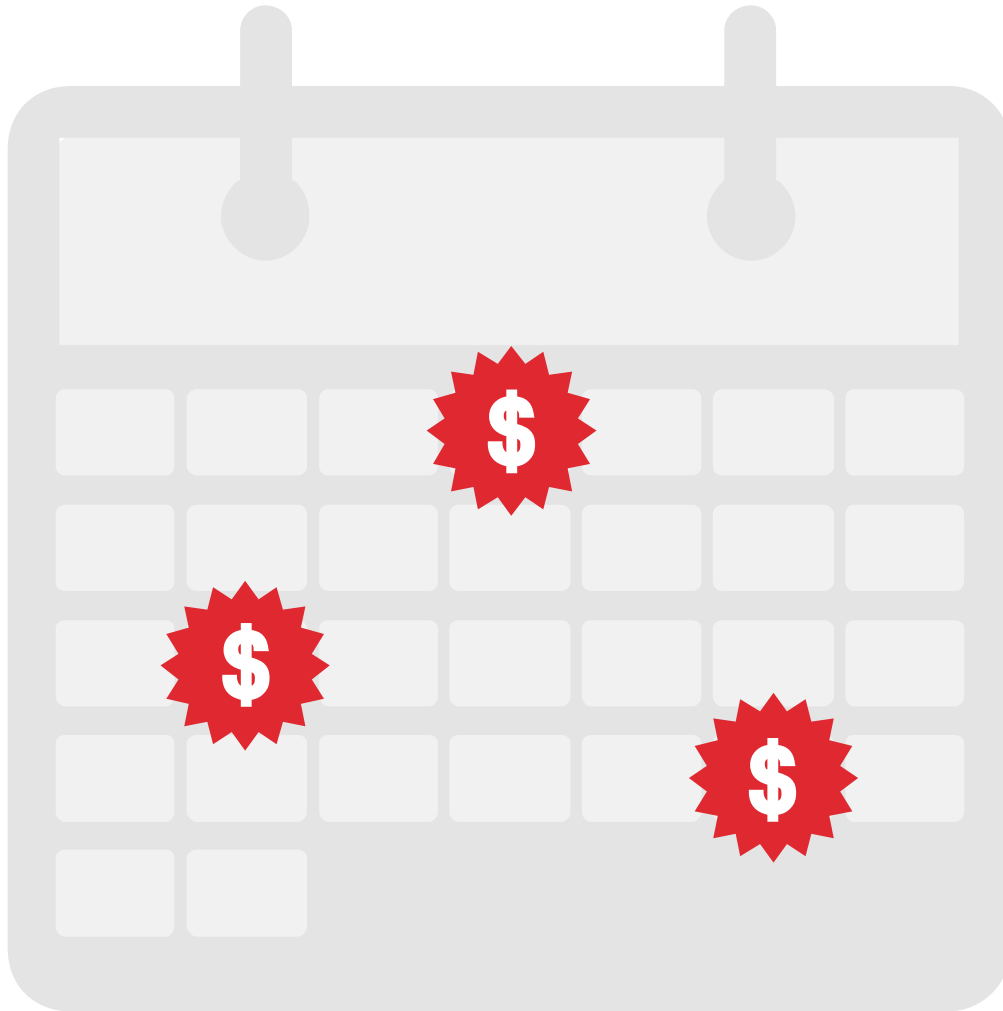
59%

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= 385
Q45: Have you made a purchase by using your smartphone in the past month?

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Smartphones Shoppers are Frequent Buyers



51%

make mobile purchases
at least once a month

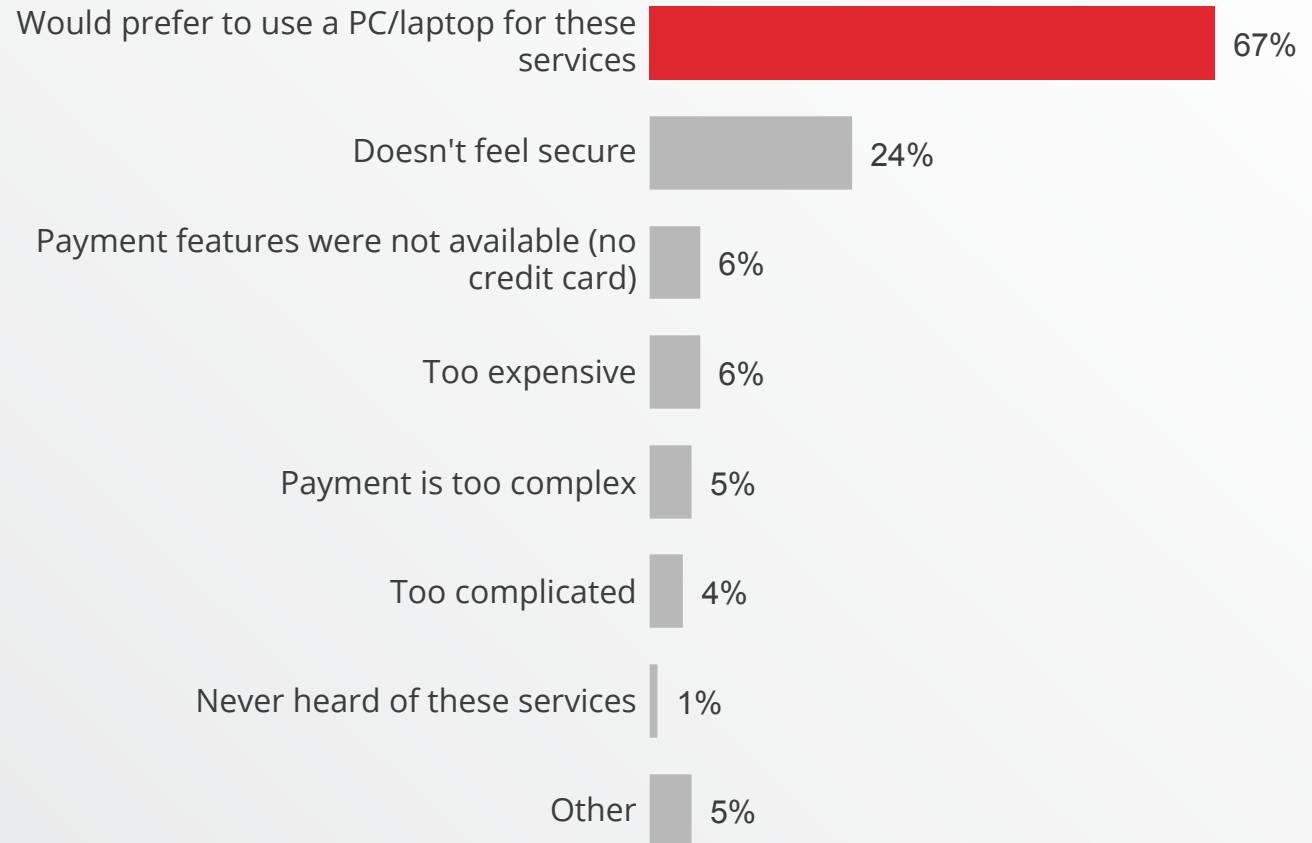
Mobile Commerce will Continue to Grow



24%

expect to make **more mobile purchases** in the future

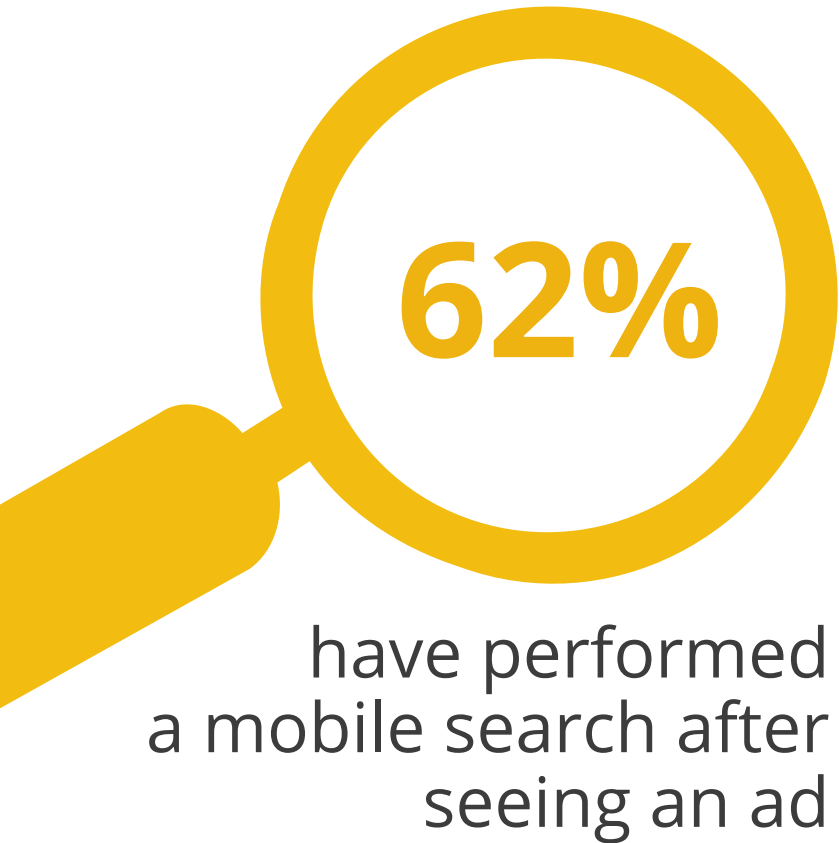
Barriers to Mobile Commerce Still Exist



SMARTPHONES
HELP ADVERTISERS
**CONNECT WITH THEIR
CUSTOMERS**



Offline Ad Exposure Leads to Mobile Search



Ad location



TV
54%



Shop/business
51%



Magazines
43%



Posters / Billboards
35%

The First Page of Mobile Search Results is Key

47%

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





90%

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

48%

While on a website



47%

While using a search engine



45%

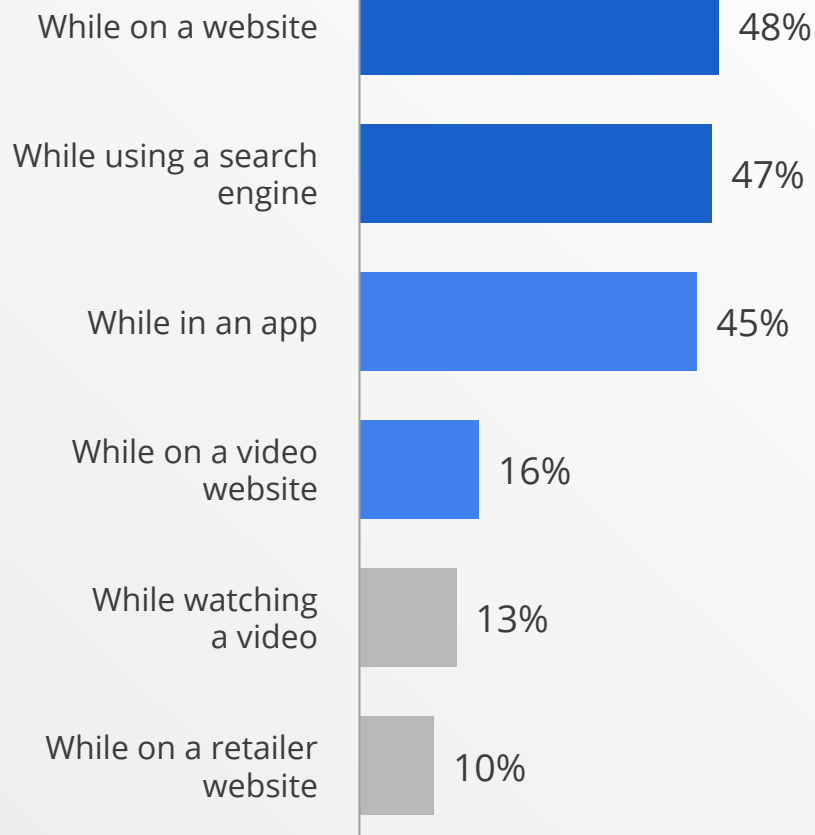
While in app

13%

While watching a video



Where Mobile Ads Are Noticed



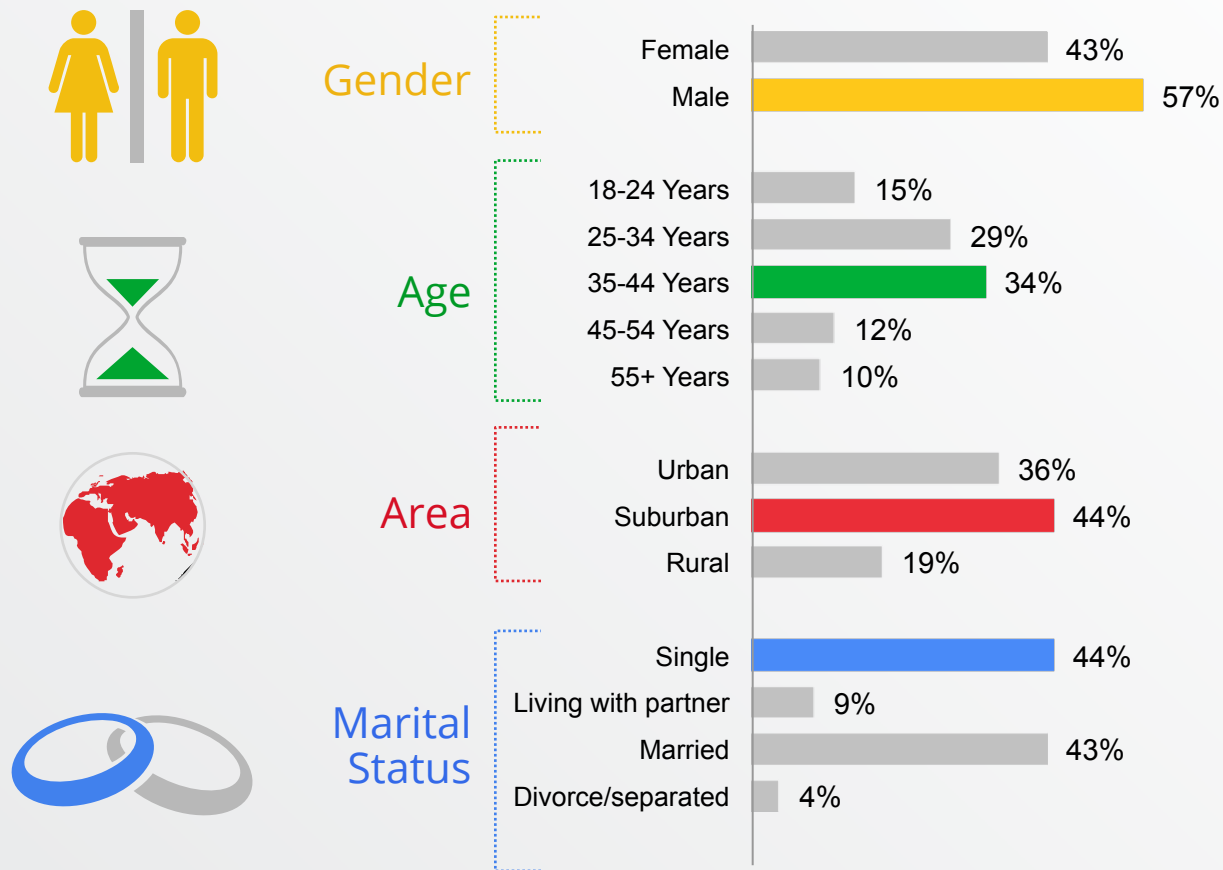
BACKGROUND



Research Methodology

- In partnership with Ipsos MediaCT, we interviewed a total of 1,000 Japanese 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

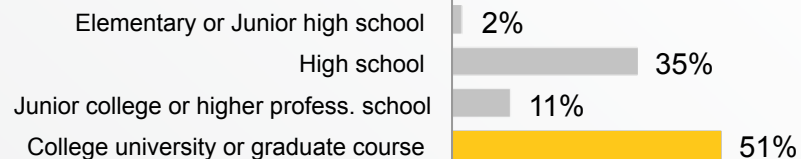
Demographics



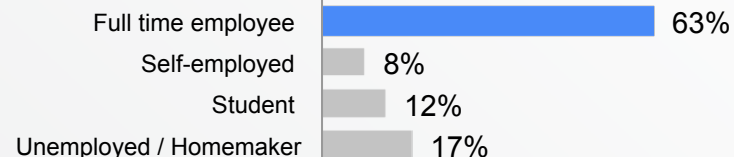
Demographics



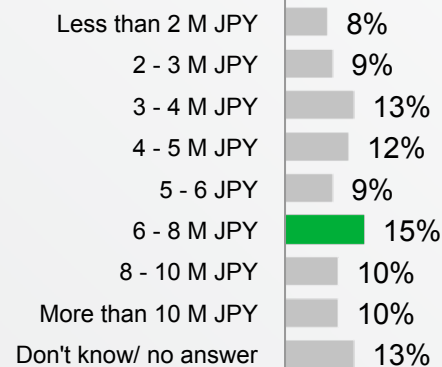
Education



Employment Status



Income



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? D9. 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.?