

TNS study reveals penalty for not keeping up in relentlessly changing mobile category.

- Insatiable consumers continue to drive market growth for advanced mobile technologies, with video calling, live video and video downloads the next critical developments.
- Device brand is key, but handset manufacturers are losing out as content brands and partnerships make rapid gains in importance when consumers make purchasing decisions.
- Apple and Google's ability to deliver more effective rich media experiences to consumers is translating to victory in the platform wars.

London – 29 March, 2011: TNS, the world's largest custom research company, today launched TNS Mobile Life 2011, the largest ever global research study into today's mobile consumer. Now into its sixth year, TNS Mobile Life is the result of more than 25,000 hours of interviews with over 34,000 respondents in 43 countries. It provides a complete understanding of consumer experiences with mobility today and insights into how this will change tomorrow.

The findings highlight that as “static” functionality such as SMS and still imaging become commoditised, growth will be driven through further demand for social functionality and new demands for video calling, streaming and sharing services:

- The number of mobile web users visiting social networking sites grew from 30% to 46% globally, and from 26% to 50% in emerging markets*, leapfrogging much of the developed markets.
- Only 18% of consumers globally managed to upload photos or video directly to the web from their mobiles, during the same period, but a further 44% would be interested in doing so in future.
- Consumers in emerging markets are more likely to want to upload content (49%), but more than half (55%) do not have the ability to do so.

“With mobiles increasingly becoming the primary device for internet access and communication, particularly in emerging markets, entertainment and multimedia features are a key requirement for engaging with consumers,” said James Fergusson, Managing Director, Global Technology Sector, TNS. “Handset manufacturers need to ensure that entertainment offers, particularly mobile music, gaming, pictures, video and social networking are available and easy to access. Many are missing a trick in not bringing more smartphones to market in high-growth countries.”

Camera features may have reached a saturation point, growing only 1% between 2010 and 2011, but nearly a quarter of global consumers (24%) say the ability to take and share pictures and video will play a major role in their choice of next device. TNS Mobile Life shows the strongest growth in new services in the last 12 months has come from social video (10% to 15%) and Live TV (9% to 12%). Over half of consumers (54%) are interested in video calling, despite not yet using the service and half are interested in watching live TV (50%) or in downloading or streaming video (48%).

In Asia, Latin America, the Middle East and North Africa, and Sub-Saharan Africa, demand for Live TV in particular is higher still, reaching upwards of 70%. “Emerging Tier 1 markets, such as China, Brazil and UAE already have penetration levels that match mature markets,” Fergusson continues. “Multimedia content presents an opportunity to leverage growth potential in emerging economies. Income constraints in many of these markets ensure the importance of imaging and video services through mobiles increases.”

Brand, partnerships and demand for tablets – challenges in maintaining market share in a crowded environment.

Across developed (44%) and emerging (77%) markets handset brand is considered an important factor in product decision making. Content brands, however, are building equity in the mobile ecosystem, with more than 1 in 4 global consumers saying content and apps are a key consideration at the point of purchase. The results from TNS Mobile Life show that as markets mature, key purchase influencers shift to content and application offerings, along with operating system. Providing desirable content – and engaging with local partners where appropriate - is a clear opportunity to capture equity in markets where content brand share is low, but increasing. Partnerships will become increasingly important as handset manufacturers look to maintain marketshare as tablets rapidly expand on the scene. Tablets are already generating substantial momentum, with intended ownership rates as high as 31% in Asia and 28% in Europe. Fortunately for handset manufacturers, consumers typically view the tablet either as a complementary device, or as a replacement for a PC, rather than a mobile.

Apple and Google continue to win the platform war, delivering better access to rich media.

Further findings from the TNS Mobile Life study show that content and service offerings are also playing an increasingly important role in terms of operating systems, with consumer loyalty supporting the continued growth of Android and iOS systems. Google’s operating system – Android, as well as OMS and Tapas – have gained 24% share in the past 12 months, growing from 9% to 33%**. This loyalty is due, in part, to Apple’s and Google’s ability to keep pace with consumer’s content demands, particularly with regard to social networking and rich media functionality. For example:

- Over half of Apple (56%) and Android (52%) customers access social media via their mobiles daily, but this figure drops to 44% and 41% for Windows Mobile and Symbian, respectively.
- 51% of Apple and 49% of Android customers are “very likely” to stay with that operating system, while that figure drops to 30% and 31% for Windows and Symbian

“While there has been previous research into mobility, Mobile Life has truly set a precedent in its scope, depth and breadth of information on mobile consumers’ behaviour and decision influences,” said Fergusson. “The study reveals significant breakthroughs and detailed analyses of the interests, key drivers and influencers in consumers’ purchase decisions across the globe.”

*Countries included in the “emerging markets” grouping of TNS Mobile Life are:

Tier one emerging markets - S Arabia, UAE, Mexico, Brazil, Argentina, China, Indonesia, S Africa, Chile, Morocco

Tier two emerging markets - India, Pakistan, Vietnam, Thailand, Nigeria, Kenya, Philippines, Benin, Cameroon, Ghana, Guatemala & Costa Rica, Senegal, Tanzania, Uganda

**Source: Canalys estimates, 2011.

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About TNS Mobile Life

www.discovermobilelife.com

Mobile Life is an annual investigation from TNS designed to provide a deep understanding of today’s global mobile device consumers and the future impact mobile will have on our digital landscape.

34,000* interviews with mobile users across over 43 countries (including the BRIC countries, Indonesia and several key African markets) provides real insight into how consumers across the world are using and interacting with mobile technology and delivers a holistic understanding of the end-to-end consumer experience and how this will change in the future.

Invaluable insights to support:

Offer development

Identify current and future usage patterns for features, services and Apps

Brand strategy

Build strategies across the mobile ecosystem, understand brand strengths, weakness and collaboration opportunities

Activation

Track the consumer purchase process and drivers of purchase

Cross-platform planning

Prioritise your marketing strategies across mobile, PC and tablet based on current usage patterns and future preference

Countries covered

Argentina*, Australia, Benin*, Brazil*, Cameroon*, Canada, Chile*, China*, Costa Rica*, France, Germany, Ghana*, Guatemala*, Hong Kong, India*, Indonesia*, Italy, Japan, Kenya*, Korea, Malaysia, Mexico*, Morocco*, Netherlands, New Zealand, Nigeria*, Pakistan*, Philippines*, Russia, South Africa*, Saudi Arabia*, Senegal*, Singapore, Spain, Sweden, Taiwan, Tanzania*, Thailand*, UAE*, Uganda*, UK, USA, Vietnam*

*Emerging market

About TNS

TNS is the global leader in custom market research delivering actionable insights and research-based business advice to clients around the globe so they can make more effective business decisions. TNS offers comprehensive industry knowledge within the Consumer, Technology, Finance, Automotive and Political & Social sectors, supported by a unique product offering that stretches across the entire range of marketing and business issues, specializing in product development & innovation, brand & communication, stakeholder management, retail & shopper, and qualitative research. Delivering best-in-class service across more than 80 countries, TNS is dedicated to discovering growth opportunities for its clients in an ever-changing world. Through its pioneering and innovative culture, TNS understands the latest marketing challenges and research techniques, being the first to discover and solve new marketing issues for clients.

DISCOVER – A changing world: New territories, new media, new opportunities.

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About Kantar

Kantar is one of the world's largest insight, information and consultancy networks. By uniting the diverse talents of its 13 specialist companies, the group aims to become the pre-eminent provider of compelling and inspirational insights for the global business community. Its 28,500 employees work across 100 countries and across the whole spectrum of research and consultancy disciplines, enabling the group to offer clients business insights at each and every point of the consumer cycle. The group's services are employed by over half of the Fortune Top 500 companies.

For further information, please visit us at www.kantar.com

About the Project

Discovermobilelife.com is the second collaboration between the TNS team and Digit - working together to bring to life select insights of the extensive Mobile Life study through conceptual development and branding (as part of the TNS 'Life' series) and then the build of this beautiful visualisation and site.