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**OVERVIEW**

In an increasingly mobile world, the Smartphone has become a lifestyle-changing device.

The Smartphone is the first device to provide instant access to the internet and online information resources wherever consumers go. Time-starved consumers say that Smartphones improve their quality of life by allowing them to multitask on-the-move.

For marketers, this creates a new opportunity to maintain contact with consumers throughout the day and influence purchase decisions in ways never before possible.

Universal McCann and AOL partnered with Questus, a leading interactive marketing and research firm, to conduct an extensive multi-phase research project examining how Smartphones are influencing American lifestyles and media consumption. This research report analyzes the intersection between consumer media usage, lifestyle and purchase preferences.
SMARTPHONE
LIVING
Who did we speak with?

Approximately 1,800 participants were selected for this study based upon their frequent use of Smartphone devices, with nearly all participants indicating they access the mobile web at least several times per week. The study also included a sample of “lead users,” who were asked to keep daily usage diaries.
1 of every 7 minutes of media consumption today is through a mobile device.

Mobile is not hype. It’s a social transformation.

It’s more than mobile.

The Smartphone is considered a great convenience for many Americans, enabling them to access internet content, applications and services anywhere and anytime and to have a constant link with their social circles. It’s more than a medium of transmission; it’s the preeminent tool for both social communication and daily life management.
The Smartphone is the biggest technology shift since broadband, representing a truly lifestyle-changing innovation. Consumers enjoy their Smartphones and how they improve their quality of life.
When study respondents were asked to associate certain attributes with various channels, mobile was highly distinctive with a virtual monopoly of leading edge media concepts.
Constant Contact

Smartphones have enabled Americans to consume media throughout their daily routines, with 82% using mobile devices at work and 81% using mobile devices while shopping. The mobile web has also become a ritual with commuters, who use the mobile web as part of their workday commute. This creates an unprecedented opportunity for marketers to transition with consumers as they move from activity to activity throughout the day.
Consumers rely on their mobile devices to share experiences with their friends, family and colleagues. Over three out of every four smartphone users are sharing photos, articles and videos across their social networks.

Smartphones serve as a consumer’s compass to get from one place to another, as well as a guide to restaurants, shopping purchases, news and entertainment. At the same time, they provide an important social outlet.
Consumers rely heavily on their mobile devices to share experiences with their friends, family and colleagues. The majority of all surveyed Smartphone users share photos, articles and videos with their social contacts using their mobile devices. Smartphones also enable consumers to stay off the phone, with half of all users preferring text messages to telephone conversations.
Sharing content is key to the attraction.

I shared content with my friend over lunch, as we were checking the market.

I view drug information on my mobile in the morning and discuss it with my partner and clinical professor at nursing school.

...when the kids come home, my husband will laugh at us because we’ll be huddled together on the couch, each with his or her respective iPhone, sharing apps, YouTube, music, etc. It bridges a social gap.
MOBILE IS NOT A STANDALONE MEDIA SOURCE.

“MEDIA MESHING” IS A POWERFUL COMPONENT OF THE EXPERIENCE

BOUNDARYLESS MEDIA
Smartphones work powerfully with other media. For example, mobile drives consumers to other media, which also drive consumers back to mobile – generating a circuit of juxtaposed mediation. This effect is enhanced when users simultaneously consume multiple media in order to optimize productivity or enrich the content experience.
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**MEDIA MESHING**
**fills the time waiting for slow-loading content while fulfilling insatiable user hunger for content.**

I can’t get enough sports information. Yesterday, I was looking at espn.com on my phone, reading the sports section and watching pro football on TV at the same time.

I have a slow connection on the phone, so I watch TV while pages download.

I will flip through a magazine while surfing on my phone, using it to pass the time while the pages load.
WHO’S USING THE MOBILE WEB?
Mobile trends are led by two groups: younger users and iPhone owners.

High usage among iPhone owners may be due to the fact that these consumers are often early adopters and that the iPhone interface is among the most sophisticated in terms of offering a rich and rewarding user experience.
Not surprisingly, users aged 13 to 24 – those raised on the web and mobile communications – are among those with the heaviest consumption habits, using their Smartphones for social interaction and often in front of the television.
SMARTPHONE MARKETING
BRANDS HAVE A COMPELLING OPPORTUNITY TO ENGAGE WITH USERS IN THE MOBILE ARENA

27% Using mobile web & apps
33% Using web on computer
13% Watching television
17% Reading a magazine
19% Reading the newspaper
6% Listening to radio

% completely focused

GETTING THEIR ATTENTION
While the broader media environment is typically full of noise and distraction, consumers report being surprisingly focused when using the mobile internet. This finding is significant to marketers seeking to compete with external distractions and engage consumers in a meaningful way.
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It’s pretty amazing how focused I am when I use my iPhone. The screen is tiny but I can completely ignore the world around me when I’m using my favorite apps. The word I use to describe my state of mind when using the mobile web is CURIous.

I feel grateful when I’m using the mobile web. Rather than wasting time, I can take care of my family.

Users are in a primed emotional state. Simply using their device creates feelings of appreciation & curiousity.
Mobile offers brands the opportunity to reach consumers in new places and new ways, and mobile users report acceptance and even appreciation of mobile advertising. In fact, over one-third of Smartphone consumers report having taken action from a mobile ad.

Smartphone users are clicking on advertisements (53%), requesting more information or a coupon (35%), and making purchases via their Smartphones (24%).
MOBILE ADVERTISING IS BEGINNING TO DRIVE CONSUMER BEHAVIOR

More than 1 in 5 have had a mobile ad...

29% Lead them to share info
22% Influence a purchase
21% Create product awareness

Mobile advertising provides multiple routes to brand building, both viral and direct. Smartphones serve as both the engine and the vehicle for sharing product information. Users also report that mobile advertising is capable of influencing their purchase behavior and brand awareness.
Significantly, nearly one of every four Smartphone users has made a purchase of non device-related products or services from their phones – indicating growing comfort with the medium as a shopping tool.
Smartphones offer marketers unique opportunities to influence consumers at the very moment they are considering purchase decisions and comparing prices.
Unlike traditional coupons, males and younger users have the highest degree of interest.

% of sample who would consider redeeming coupons via mobile

MOBILE MOTIVATION
Mobile also provides a new and perhaps the ideal platform for distributing online coupons, a notion that appeals to nearly 3/4 of all Smartphone users.

Surprisingly, the study showed that males are the most open to this mode of couponing. Also unexpected was the high percentage of young consumers open to this activity – with 25 to 34 year-olds representing the age group most interested in mobile coupons.
I have a Bank of America app. Every time I use my phone, I see the icon. When I need account information, it’s just a click away. I don’t know if that is advertising, per se, but it makes me feel better about my bank.

It’s not just about screaming a message at me anymore. It’s about providing value and that, to me, is so much better than trying to influence me by interrupting my favorite TV shows.
Six of every 10 Smartphone users surveyed expect their mobile internet usage to increase significantly over the next two years and to become an even more integral part of their lifestyles. This growing reliance on mobile internet is a signal to smart marketers that they need to have a presence on mobile touchpoints.
As usage expands, so will consumer confidence in the security of the mobile web for privacy-sensitive tasks such as banking. This is clearly an area where merchants have an opportunity to reassure and woo customers with appropriate messaging and protective features.
Smartphone users are reaching for their devices to help answer unmet needs and will increasingly do so as speed and compatibility issues are resolved. Services that don’t have dedicated mobile formats are going to miss out on this significant shift in consumption.
**CONCOMITANT MARKETING:**
The Smartphone represents the first marketing channel for marketers to move with and message consumers everywhere they go. Mobile is less about “wireless online” and increasingly a highly personal and customized medium.

**MESHING:**
Smartphones are the ultimate media meshing tool, with consumers simultaneously consuming media on multiple screens and utilizing their Smartphones to enhance their TV viewing experience.

**INFLUENCER VEHICLE:**
Mobile is perceived as cool, active and timely – the attributes of a vibrant brand that is positioned for growth and viral adoption. Mobile advertising provides an opportunity to reach trendsetters and make a lasting impression on the influencers who are a key audience to any brand’s success.

**ACCEPTANCE:**
The Smartphone is improving consumers’ quality of life. They appreciate marketers who sponsor their mobile experiences. They want advertising that is appropriate for their frame of mind and passions. They understand the role that advertising plays in providing free content and prefer advertising that delivers more relevant messages to them.
ABOUT UM
UM is a global media communications agency that represents the world’s leading marketers and strategic thinkers including Coca-Cola, ExxonMobil, Johnson & Johnson, MasterCard, Microsoft, Sony, Bacardi, L’Oreal and UPS. Part of the Interpublic Group of Companies (IPG), UM has roughly 169 offices in 130 countries and more than 3,600 employees with headquarters in New York. UM provides a full spectrum of media services including media and communications planning, digital strategy consultation, analytics and economic modeling, research and consumer insight. The company’s mission is to deliver Curious Minds for Surprising Results.

ABOUT AOL
AOL is a global Web services company that operates some of the most popular Web destinations, offers a comprehensive suite of free software and services, runs one of the largest internet access businesses in the U.S., and provides a full set of advertising solutions. A majority-owned subsidiary of Time Warner Inc., AOL LLC and its subsidiaries have operations in the U.S., Europe, Canada and Asia. Learn more at AOL.com.
THE TEAM
Graeme Hutton, Karen Ring, Maggie Fosdick and Ali Ponce De Leon, Universal McCann
Stu Rodnick and Maria Pousa, AOL

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RESEARCH INQUIRIES CAN BE DIRECTED TO:

**Graeme Hutton**  
Director of Consumer Insights, UM  
Tel: 646.865.3437  
Email: Graeme.Hutton@umww.com

**Stu Rodnick**  
Senior Director Strategic Insights, AOL  
Tel: 917.534.5069  
Email: stu.rodnick@corp.aol.com