

GLOBAL CONSUMER SURVEY 2012:

Understanding Mobile Content and Commerce Usage & Trends Worldwide

Executive Summary

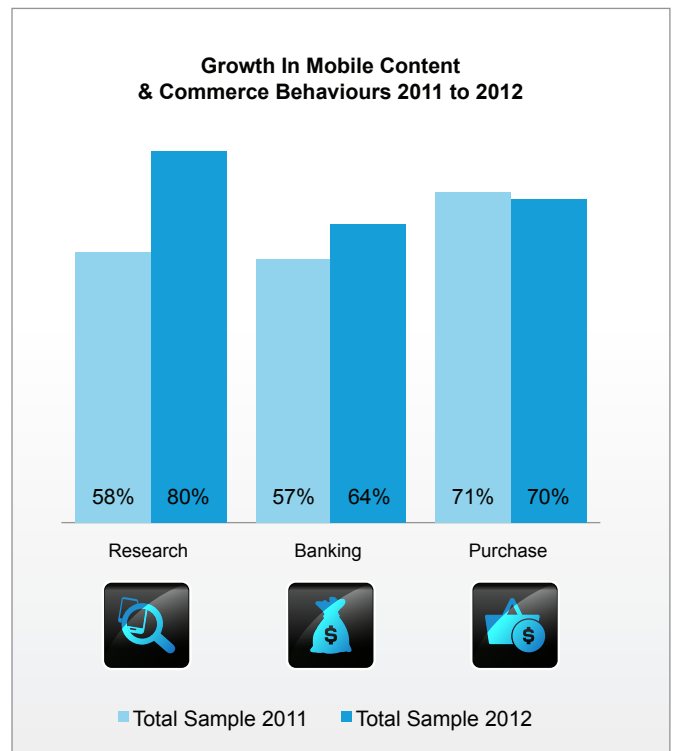
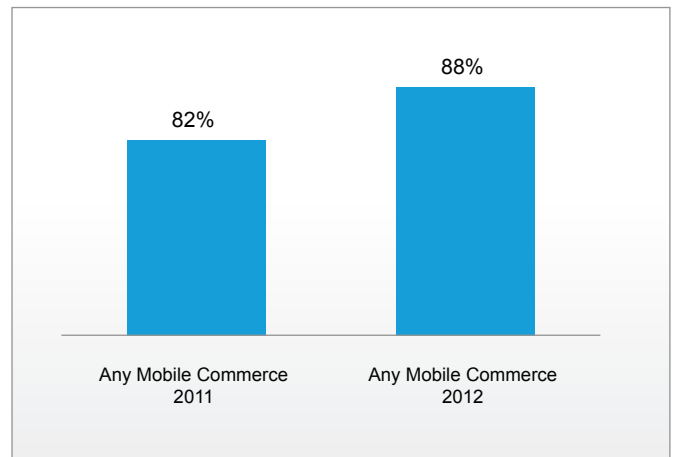
All over the world, mobile content and commerce is growing, with mobile now becoming not only a purchase tool, but a channel through which consumers can manage their daily lives.

The MEF Global Consumer Survey 2012, which uncovers the attitudes of global mobile users, found **nearly nine in ten (88 per cent) of the world's mobile media users had engaged with some form of mobile content and commerce** in the last six months. That's up from 82 per cent in 2011.

It's a statistic that confirms the huge transformation in social behaviour wrought by the permanently-connected smartphone. Before the emergence of iPhone and Android – and the data bundles that make affordable connection to the mobile internet possible – mobile content and commerce was restricted to a relatively small group of consumers.

Now, it's becoming ubiquitous. The report revealed that a clear majority of mobile media users are now actively engaging across the three key areas in question – product research, purchase and mobile banking.

It revealed that **80 per cent have used their phones to aid the purchase process by researching a product or service**, up by an impressive 22 per cent in 2011 (58 per cent). Meanwhile, 71 per cent have made a direct purchase via the handset and 64 per cent have performed some kind of banking function (up from 57 per cent).



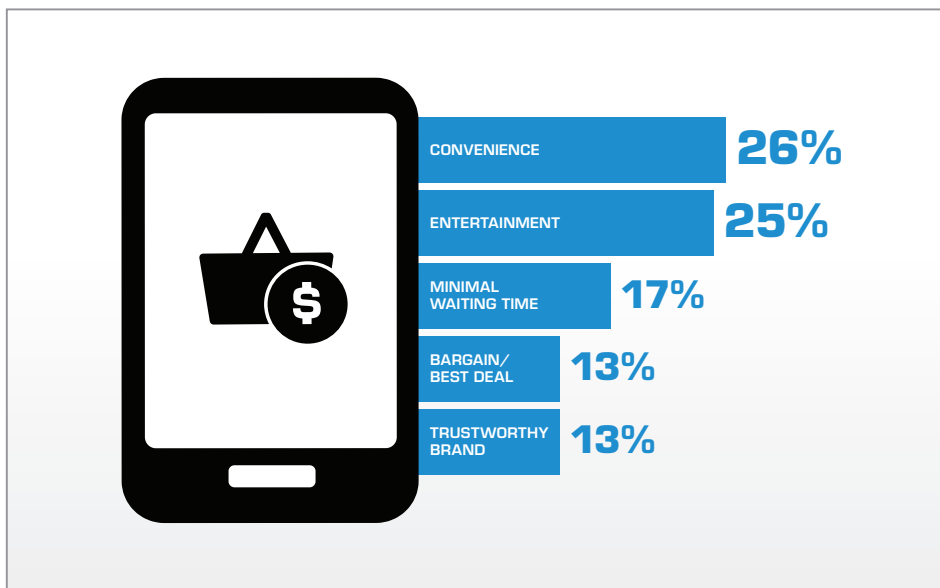
entertainment
growth markets
convenience
product research
banking consumer trust

Key findings

The study tracks current levels of mobile engagement across both developed and growth markets, and reveals significant trends and changes in mobile media user behaviour.

Mobile content is not just about entertainment – but also about convenience

When the study asked ‘why did you purchase items on your mobile phone?’, only 25 per cent cited entertainment as their primary reason. The other responses all reflected the fact that **the phone is now seen as a channel** for purchasing everyday items. Thus, 26 per cent bought because it was convenient, 17 per cent ‘to get something immediately’ and 13 per cent ‘because it was a bargain’.



Mobile content and commerce is engaging a wider demographic than the market for pure entertainment

For the most part, console-style gaming dominated the formative years of the mobile content market. The inevitable result was that users were overwhelmingly male and youthful. Today, phones are easier to use, and certainly easier to spend money with. This is **changing the demographic complexion of the active user base**.

The global market is still skewed towards young males, with 71 per cent of all mobile content and commerce activity undertaken by men, and 77 per cent of it by under-35s. But in mature markets, the difference is fading away, and it's women and older consumers that are increasing their engagement the most.

Apps and mobile sites are making the m-commerce market like the high street – dominated by fewer bigger brands

A good proportion of mobile content and commerce activity is still taking place in the app stores, with consumers continuing to buy digital products such as games (29 per cent have purchased from an app store in 2012). But it's also true that consumers are purchasing ‘real world’ products from a variety of other channels, most of which are increasing in importance.

Evidence suggests major brands are starting to establish control of the new mobile channel. The report found **13 per cent of people bought because ‘it was from a brand I know and trust’**. The bigger merchants are moving in fast because they recognise the increasingly pivotal role of mobile in the buying process.

Key findings

Operator billing is still lagging behind card payments

M-commerce can be broadly split into two broad categories: first, using the mobile handset as a channel through which to pay using existing payment instruments (card, PayPal etc); second, paying for items using the phone bill. The research shows that, in all areas, direct operator billing lags behind.

From the total sample, 27 per cent used any form of card for m-commerce in the last six months, against 25 per cent for payment from the phone *bill*. Not much of a difference. However, half the 'pay by mobile' activity comprises people making airtime transfers – in other words, sending phone credit to friends and family. This is a highly popular activity in some growth markets. Take this away, and it leaves just 14 per cent of all mobile media users making payments from the phone bill.

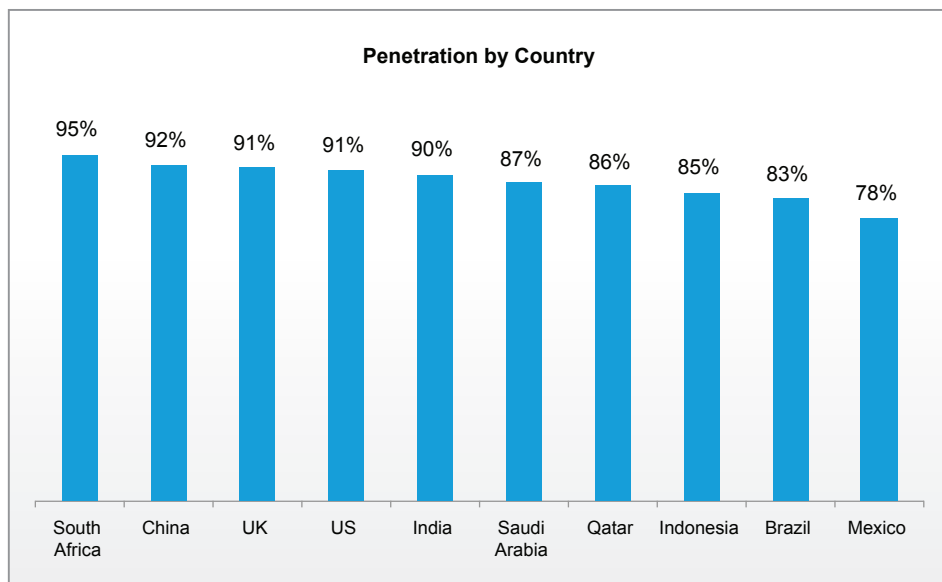
Trust remains a barrier to the growth of mobile content and commerce

The mere idea of mobile commerce and payments still worries many consumers. They're instinctively uneasy about the notion of any kind of digital wallet held within a device that's so easy to lose or have stolen. The research reflects this trepidation, with **35 per cent of respondents admitting that concerns around trust are a barrier** to purchasing more from a phone.

Interestingly, though, only seven per cent of mobile media users are resistant to m-commerce because they had 'had a previous bad experience', which indicates that the reality is perhaps more benign than the perception.

Growth markets are buoyant

Today, **engagement with mobile content and commerce is mainstream** all over the world. Indeed, the ten countries in the report all revealed high levels of activity among mobile media users, with South Africa highest at 95 per cent and Mexico lowest at a still impressive 78 per cent.



For many people in growth markets, mobile represents the main or only available form of digital communication and commerce. And for this reason, it has given rise to some innovative new mobile content and commerce services – many of which differ from the prevalent services in mature regions. Airtime transfer, for example. This service is rare in Europe and North America, but the report shows 59 per cent of South Africans and 44 per cent of Mexicans have used it.

About The Report

Commissioned by MEF – the global community for mobile content & commerce – with analysis from Tim Green, editor-in-chief Mobile Money Revolution, the survey was carried out by On Device Research in Q3 2012, which questioned 9,500 mobile media users in ten countries, namely: US, UK, China, India, Qatar, South Africa, Mexico, Brazil, Indonesia and Saudi Arabia.

The 2012 study digs deep into consumer trends and attitudes, providing insight and analysis on their wider industry impact with mobile content and commerce broken down into three distinct activities:

- Purchase – digital or physical goods
- Research – using the phone to support product/purchase research
- Banking – transaction or accessing bank accounts

The report delivers insight that can help both mobile specialists and those who are new to mobile to develop targeted mobile strategies and fully exploit the rich opportunities that mobile provides.

To find out more, download the full MEF Global Consumer Survey 2012 and the 10 Country insight reports. MEF members can download the reports for free and non-members can purchase them at www.mefmobile.org

MEF is the leading global trade association for companies wishing to engage consumers and monetize their goods, services and digital products via the mobile connected device. With global headquarters in London and operational chapters and offices in Africa, Asia, EMEA, Latin America, Middle East and North America, MEF is a member network with global reach and strong local representation, ideally placed to drive market growth. Established in 2000, MEF provides an impartial, consistent and powerful voice for the foremost companies and entrepreneurs from across the mobile content and commerce value chain.

