

How mobile raises the bar for brand communications



Contents

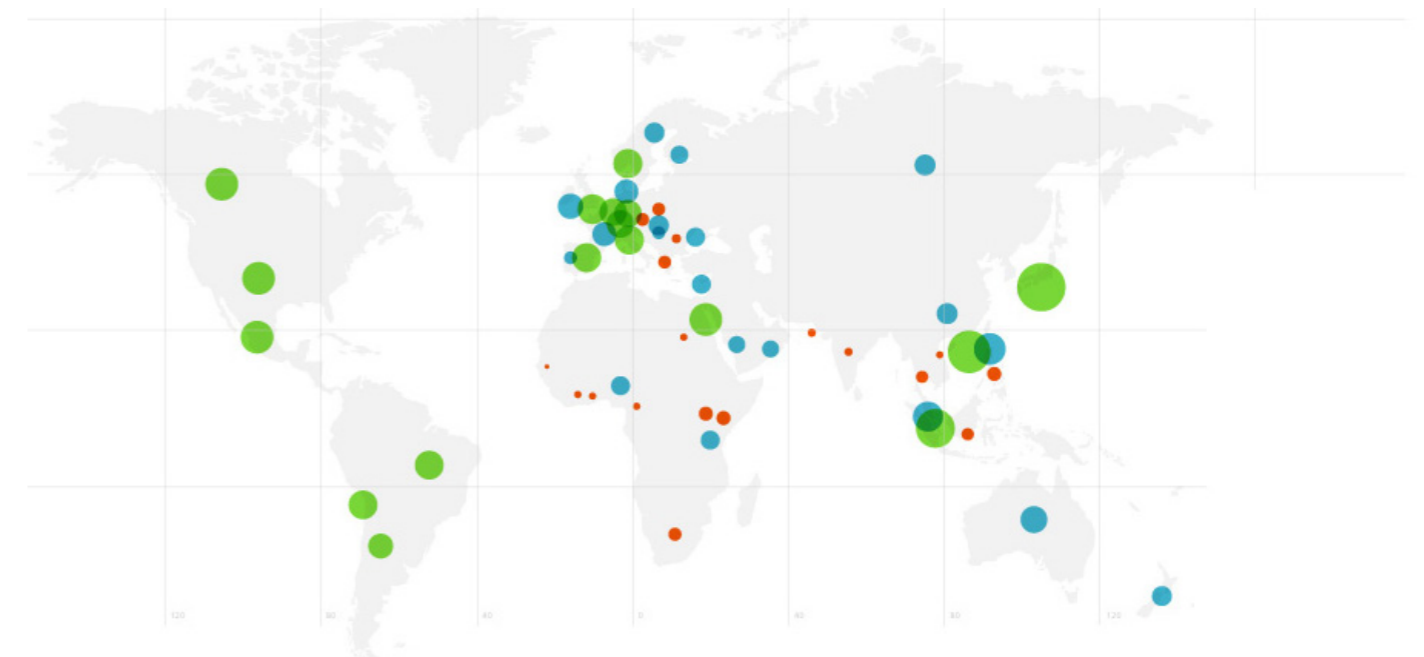
1. How mobile raises the bar for brand communications Right here, right now, right for me	04
2. An evolving role: For mobile and for Mobile Life	06
3. Global overview	08
4. From fashion to features to interactivity	10
5. Becoming a part of consumers' mobile world	12
6. Experience: Enrich my life	14
7. Independence: Set me free	18
8. Convenience: Save my time	20
9. Relevance: Context is everything	24
10. Reassurance: Give my decisions the green light	28
11. Opportunity or challenge: The choice is yours	32
12. About Mobile Life	38

1. How mobile raises the bar for brand communications

Right here, right now, right for me

A place on a consumer's mobile phone is becoming a powerful opportunity for marketers to influence behaviour, build loyalty and drive purchase. It is also very challenging to achieve and very difficult to maintain. And while the mobile represents a major opportunity for brands that can earn a place on its home screen, it represents a significant challenge to those unable to adapt to mobile-powered consumer behaviour.

For ever-increasing numbers of consumers, across markets, income levels and demographics, the mobile phone is the device and the communications channel closest to their hearts. It is by definition intimate and personal, carried everywhere, used throughout the day and customised through taking and saving personal photos, downloading music, adding wallpapers, creating shortcuts and, increasingly, through the selection of apps and functions. "My phone" is not simply a declaration of ownership; a consumer makes their mobile their own.



Snapshot of the Mobile Life findings available at www.tnsglobal.com/mobilelife

2. An evolving role: For mobile and for Mobile Life

Mobile Life, TNS's annual investigation into the behaviours, motivations and priorities of the world's mobile phone owners has been an essential source of insight for the technology and communications industries since it began in 2005. But the scope of Mobile Life has evolved with the role of the phone itself. The findings of the 2012 study confirm that a mobile strategy is a requirement for any brand, and that a proper understanding of consumers' relationship with their phones is essential if advertisers are to master the world's most ubiquitous communications platform.

Mobile Life researchers spoke to 48,000 people in 58 markets about how they use, rely on and value their phones, covering a wealth of cultures and the full spectrum of economic and infrastructure development, from countries where basic mobiles are providing Internet access to large sectors of the population for the first time, to emerging economies where smartphones already play a leading role, to markets where advanced handsets are disrupting the role of previously established consumer technologies. Across all of these markets, Mobile Life found that consumers' use of their handsets is creating a very personal mobile world, a series of regular actions and engagements that form a core part of their experience - we were able to identify the key consumer needs and desires that brands must fulfil to earn a place in this inner circle of trust.

Mobile Life researchers spoke to

 **48,000**

People in

 **58** countries

3. Global overview

The mobile age is a worldwide phenomenon. Although different regions have their own patterns of mobile behaviour, their own stages of mobile development and their own preferences for handsets and operating systems, the centrality of the device to people's lives is absolutely universal.

In Senegal, people own only 2.3 items of technology on average – and yet 90% own a mobile phone. In emerging markets with little legacy of personal technology, the mobile is central to consumers' interaction with the world. For many, the mobile is camera, PC and music player combined. It is the only personal communication channel. And it plays that role even when it contains a less advanced operating system. Amongst non-smartphone owners worldwide, 27% still use their mobile to browse the Internet.

Smartphones, however, are changing the game – and transforming mobile's potential. Already over 30% of mobile owners globally use a smartphone, a figure exceeded in North America (46%), developed Asian countries (42%), China (39%), Latin America (32%) and Europe (31%). Change is coming rapidly to other markets, powered both by consumers' willingness to spend on their most important device (in nearly all markets consumers are prepared to spend more on their next phone than they did on their last) and the increasing availability of low-cost smartphones targeted at emerging markets.

In Senegal, people own only

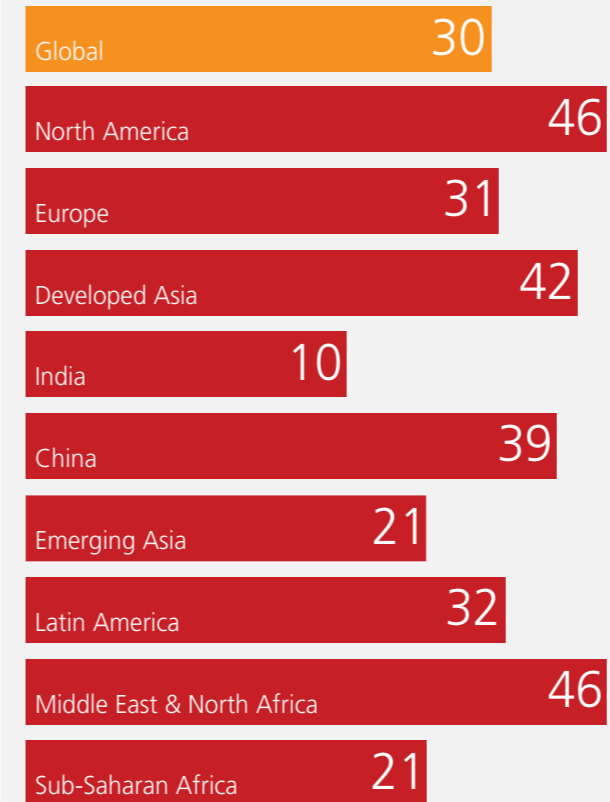


items of technology on average and yet



Own a phone

Smartphone ownership



James Fergusson,
Global Head, Digital & Technology Practice



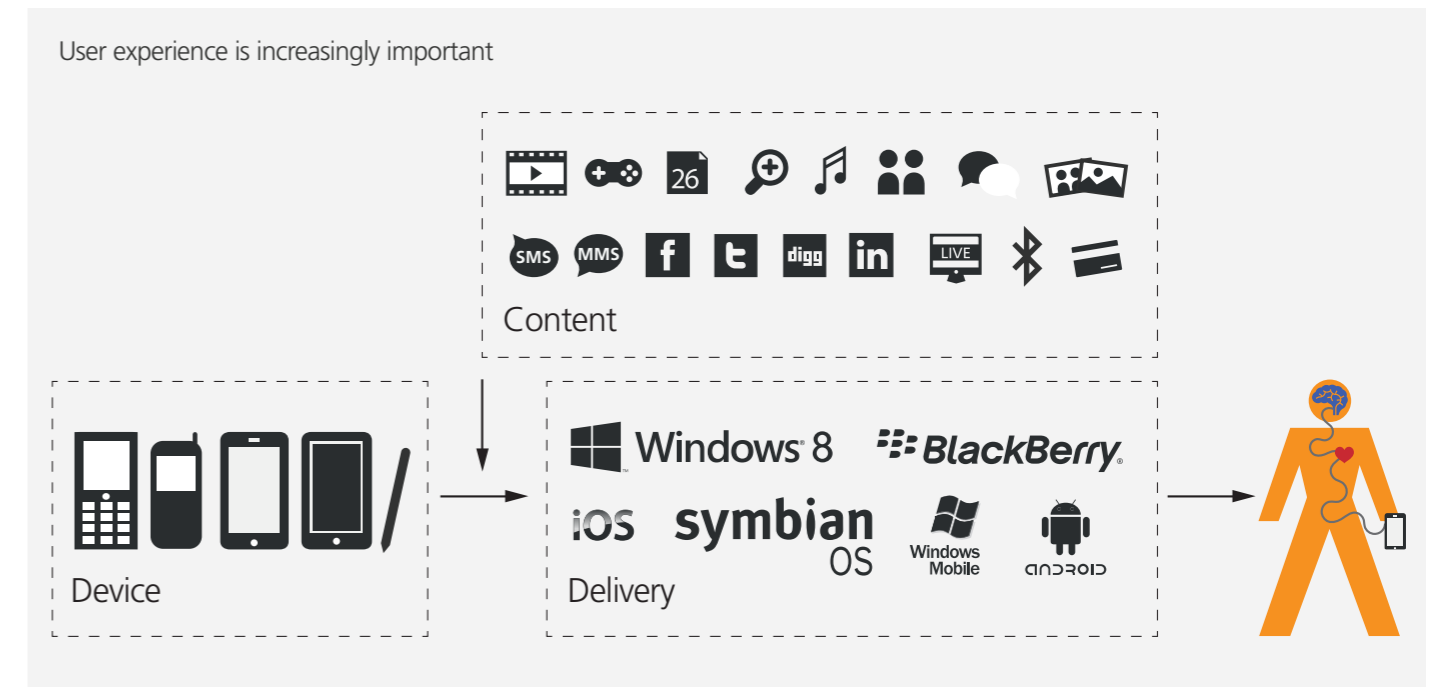
“With prepaid low-cost smartphones retailing at \$100 USD or less, ownership is set to explode.”

And things change when people in these markets upgrade their handsets, backed by 3G infrastructure and ever-more competitive data plans. The importance of voice calling recedes and a broad range of other mobile services take their place. With consumers using their phones for web browsing, social networking, mobile commerce, video and music, even controlling the home, it seems increasingly anachronistic that mobiles are referred to as phones at all. And across markets, smartphones greatly enhance mobile's influence over consumers' interaction with brands, and particularly over their purchase decisions.

4. From fashion to features to interactivity

The ways in which consumers choose and value their phone changes with that phone's capabilities. Once upon a time, consumers cared mainly about what their mobile looked like and whether it could carry out basic functions such as play music or take photos. Then their concern shifted to phone content such as social networking, Internet browsing, apps and gaming. As smartphones become increasingly common,

consumers pay more attention to how the content on their mobiles is delivered. Operating system becomes an ever-more important aspect of consumer choice through brands such as Android, Windows Phone and iOS. As smartphone devices increasingly present similar calibre offerings, the user experience and the way that the phone delivers content become more important.



5. Becoming a part of consumers' mobile world

The increasingly interactive user experience provided by mobile gives consumers the potential to empower and personalise their experience of the world. And this makes mobile hugely relevant to businesses across every category. Understanding consumer mobile behaviour and formulating a mobile strategy is now a business imperative.

Huge benefits become available when a brand is invited into a consumer's mobile world. However to gain entry (and to remain relevant enough to stay there) a brand must continue to deliver against one or more of the core consumer needs that mobile is particularly well suited to addressing: **Experience, Independence, Convenience, Relevance and Reassurance.**

Rosie Hawkins,

Global Head, Brand & Communication Practice



“Mobile is changing how, when and where brands interact with consumers. The ability to interact on a more personal level creates exciting new opportunities to engage and reward consumers, while providing brands and retailers with valuable insights and learnings.”

6. Experience: Enrich my life

Consumers want to enhance their everyday experiences and improve their interaction with the world around them, and their mobile provides a premium means for doing this. Brands that can move beyond simple information and entertainment to deliver these enriching interactive experiences will be rewarded with greater affinity and a more secure place within consumers' mobile world.

The key to success lies in activating two types of mobile feature for which there is well-established consumer demand: the mobile's ability to engage and entertain, and its capability for adding new layers to consumers' experience of the world. Taking photos, listening to games and playing music are the three most used mobile functions worldwide; augmented reality, scanning QR codes and location-based services are amongst those with the highest consumer interest.

Brands can successfully satisfy consumers' demand for experience by fusing interactivity with entertainment, sometimes with, but often without a specific product promotion.



Heineken campaign

Heineken brought its new “Open your World” brand message to life at music festivals through a Heineken tent where festivalgoers could create and print their own QR code stickers, making it easier than ever to meet people at the events. The campaign was a hit, reinforcing one of Heineken’s core brand value of “enjoying life” and creating huge affinity amongst a key target audience.



Lupe Fiasco

QR codes were again to the fore for the launch of a Lupe Fiasco album that was publicised via social networking and used mobile to draw in fans and create a sense of excitement and exclusivity akin to a secret gig. Fans could get access to the tracks first by scanning a huge QR code projected at Union Square in New York City. Video of fans racing to scan the code created additional excitement and word of mouth around the launch.



Cadbury

Cadbury has used mobile to take advantage of the fact that often workers reach for both chocolate and mobile gaming during the post-lunch afternoon slump. Capitalising on this provides a strong basis for a product-centred mobile experience through a simple yet addictive game accessed by scanning a chocolate wrapper. Consumers happily blasted away at ducks on their mobiles before sharing their scores via Facebook.

Added value is key to the success of such strategies.

Unique or exclusive opportunities that fit naturally with the brand or the role of its products have a significant role to play in strengthening consumer affinity through mobile.

7. Independence: Set me free

One of the most established benefits of mobile in the mind of the consumer is the ability to manage life on the go. This is a liberating technology that frees them from previous restrictive working practices and the frustrations of less flexible devices – and ensures that consumers are increasingly accustomed to immediate information access and feedback from the world. Brands and products can benefit by adding to mobile's valued capability for managing life on the go and by adapting their own brand activity to be constantly accessible through mobile devices.

The independence that mobile promotes is often a freedom from traditional working practices or location-restricted technology: landline phones, wired Internet access and emails that are delivered only to specific computers. However, consumers are also interested in freedom from traditional ways of organising their own lives, or of accessing entertainment. They want to decide on, download and listen to music on the go – and the freedom to buy and read a book without having to find it in a bookshop first.

Smartphone adoption has a significant impact on independence-related mobile activities. Over 70% of smartphone owners use calendar functions, 59% send personal emails and 36% read eBooks, magazines and newspapers on their device.



The North Face

Outdoor clothing brand The North Face has used mobile to provide hikers with an alternative to traditional maps, with users able to search for hikes by proximity, distance and user ratings and share their own reviews and photos. The Layar augmented reality app shows the potential impact of mobile independence on buying habits, with consumers able to scan posters of grocery products and order delivery of them direct from their device.

The key to strengthening a brand

through mobile independence lies in delivering relevant tools that help to satisfy consumers' increasing demand to do the things that matter to them, wherever they are.

8. Convenience: Save my time

People used to spend time saving money. Today, particularly in developed economies, they are prepared to spend money to save time. But thanks to the mobile, they don't always have to. As the pace of life increases, simple solutions that save time and effort hold increasing appeal – and mobile's innate immediacy and flexibility make it the device consumers increasingly turn to for these.

Convenience plays a key role in consumer's choice of mobile device – and the functions that they use it for. Ability to do things at any time, from anywhere, ranks third in the reasons for smartphone purchases; the ability to manage life better ranks ninth. Convenience is the number one driver for mobile banking and mobile wallet usage and dominates the reasons that consumers give for using location-based services.



Mobile banking and mobile wallet functionality show significant potential for growth worldwide, although the consumer motivation for these services varies somewhat according to economic development. Where the mobile wallet is concerned, convenience and speed are the dominant drivers in developed and rapidly growing markets; freedom from the need to carry cash is by far the most significant motivating factor in emerging countries, where safety and the lack of a banking infrastructure for cash deposits and withdrawals are significant factors. Within mobile banking services, the ability to make simple payments (bills, public transport, in-store items, person-to-person transfers) shows the strongest potential.



Starbucks

The popular Starbucks iPhone app brings together several aspects of mobile convenience to ease the process of buying and drinking coffee: location-based alerts highlight nearby stores, removing the need for customers to search either physically or through their phone, consumers can order on their way to the store to avoid queueing, pay through their mobile (avoiding the need to carry cash) and collect and redeem loyalty points without the requirement to swipe a card.

Satisfying the consumer demand

for convenience through mobile is one of the most successful strategies for securing a valued place in consumers' mobile circle of trust. Brands that are able to delight a target audience with simple, smart, time saving solutions are rewarded in both increased engagement and greater motivation for purchase.

9. Relevance: Context is everything

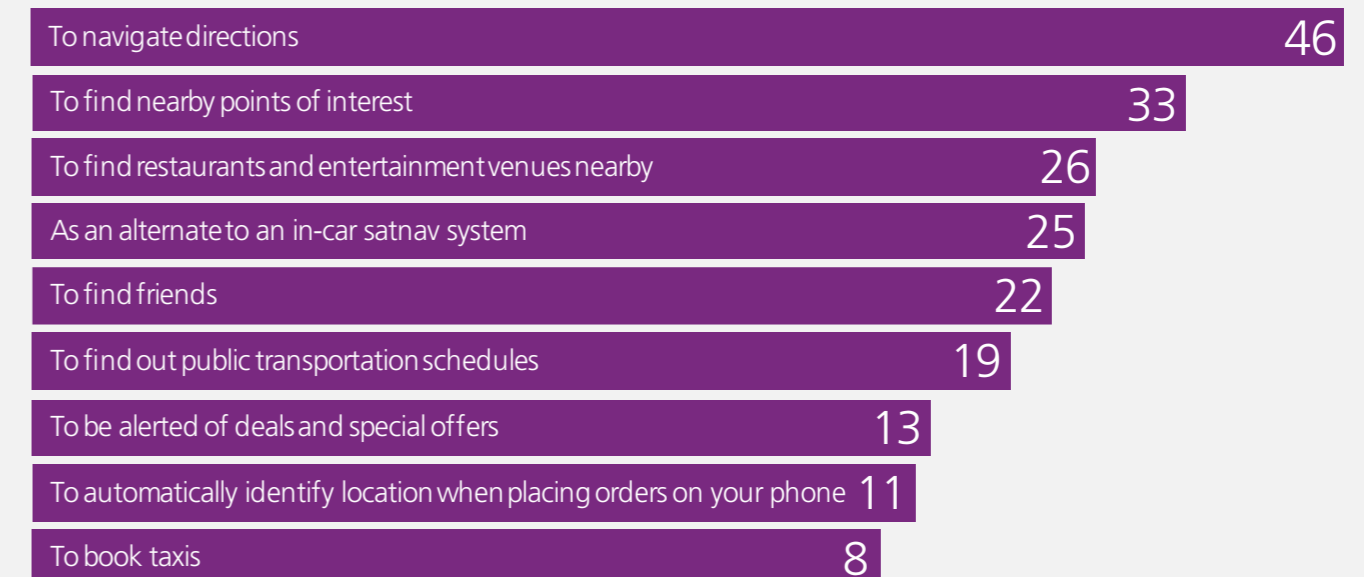
Consumers value products and solutions far more when they are delivered at the right time, in the right place and in a relevant context. Mobile greatly enhances brands' ability to achieve this.

Amid consumers' criteria for engaging with mobile advertising, relevance stands out. In the global Mobile Life study, 23% of consumers agreed that they would be interested in mobile advertising if it were related to something they were interested in; 21% said they would be interested if it related to a deal near their current location. In the mobile

environment, where intrusive brands are likely to be penalised by removal from a consumer's circle of trust, accurate targeting of advertising is very important.

Location-based services are the leading mobile channel providing brands with an opportunity to deliver relevance. Consumers' primary drivers for using location-based services are already relevance-based, and their appetite for brands leveraging such features to deliver timely offers is clear: 33% of consumers say that they love being able to get deals when they are near a store that they like.

Reasons for using location-based services



Mobile banking and mobile wallet functionality show significant potential for growth worldwide, although the consumer motivation for these services varies somewhat according to economic development. Where the mobile wallet is concerned, convenience and speed are the dominant drivers in developed and rapidly growing markets; freedom from the need to carry cash is by far the most significant motivating factor in emerging countries, where safety and the lack of a banking infrastructure for cash deposits and withdrawals are significant factors. Within mobile banking services, the ability to make simple payments (bills, public transport, in-store items, person-to-person transfers) shows the strongest potential.



Sportsgirl

Australian retail brand Sportsgirl used this innate desire for responsive, relevant brand engagement to transform a store renovation into a mobile commerce opportunity. When a popular outlet closed for refurbishment, Sportsgirl covered the windows with billboards showing a range of top products, with QR codes that shoppers could scan in order to buy the clothes through their phone and order delivery.



Shopkick

The Shopkick app provides an example of a third party moving to engage consumers through the same demand for relevance. It rewards shoppers for using the app to scan products in-store, alerting them to relevant deals and providing instant benefits such as price reductions, or redeemable cinema, holiday and restaurant vouchers.

Relevance through mobile provides brands with a significant opportunity to drive increased conversions through delivering the right deal or the right product information at exactly the right time.

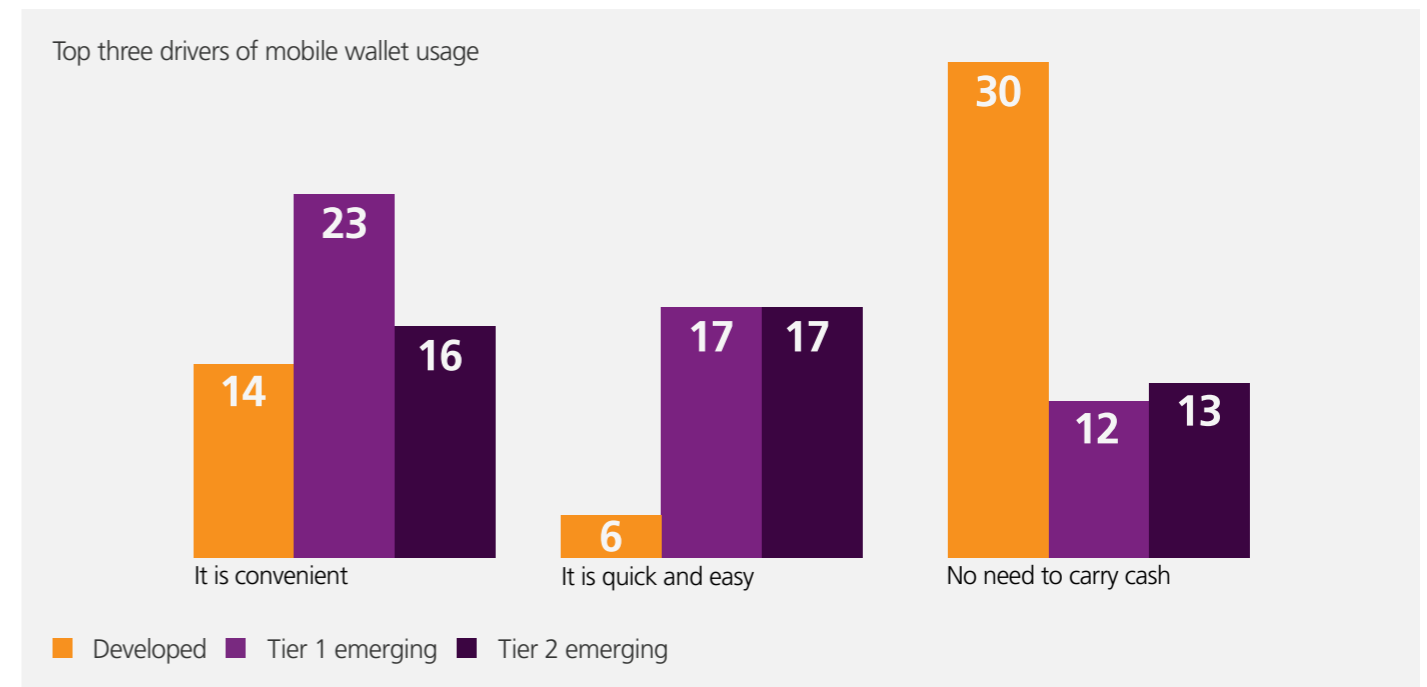
Location-based services are the mobile channel most frequently used to achieve this. However, consumers' appetite for personalising their phone provides further opportunities for relevance based on individuals' interest. Brands are leveraging their ability to deliver relevant information based on location to engage consumers throughout the purchase funnel – and in particular, at the point of sale. However, as Shopkick demonstrates, they may encounter third parties and competitors equally focused on engaging consumers in the store environment.

10. Reassurance: Give my decisions the green light

Growing financial pressures are combining with mobile capabilities to drive a new consumer demand for more informed purchase decisions. Consumers want to take the risk out of decision-making by assuring themselves of the value of the products they buy using trusted and often independent, sources. The Internet has fostered these capabilities and mobile is empowering consumers further by enabling them to access such information within the store environment. In this way, mobile introduces rival authorities to compete with sales assistants, in-store branding and Point of

Sale information. In doing so, it is starting to alter radically the final stages of the path to purchase.

In developed markets, 34% of mobile owners use their devices to compare prices and 18% scan product barcodes to get more information. In emerging markets, with typically lower smartphone penetration, the numbers are smaller but still significant: 25% of mobile owners in these countries use their phones to compare prices.





Red Laser

Red Laser is one of the best established apps used for product scanning. Through it, consumers are able to use barcodes and QR codes to receive instant price comparisons and product reviews, with integrated maps to help decide whether it pays to buy the product in the store where they are standing, or to spend time walking to a cheaper alternative. Best Buy's use of QR codes to enable in-store comparisons shows how retailers can respond to this apparent threat. Through customers' mobiles, the QR codes provide access to detailed product information and customer reviews giving reassurance as to product value while retaining consumers in-store. In this way, Best Buy has reasserted control of information within the store environment in a way that no longer completely depends on the abilities of a store assistant.

Consumers' demand for reassurance shows no sign of receding.

Their ability to get it through mobile services is changing the game for brands and retailers. Brands that can provide credible information to guide consumers in the store environment are likely to be rewarded with increased engagement and trust, whilst retaining greater control of consumer behaviour at the point of purchase.

11. Opportunity or challenge: The choice is yours

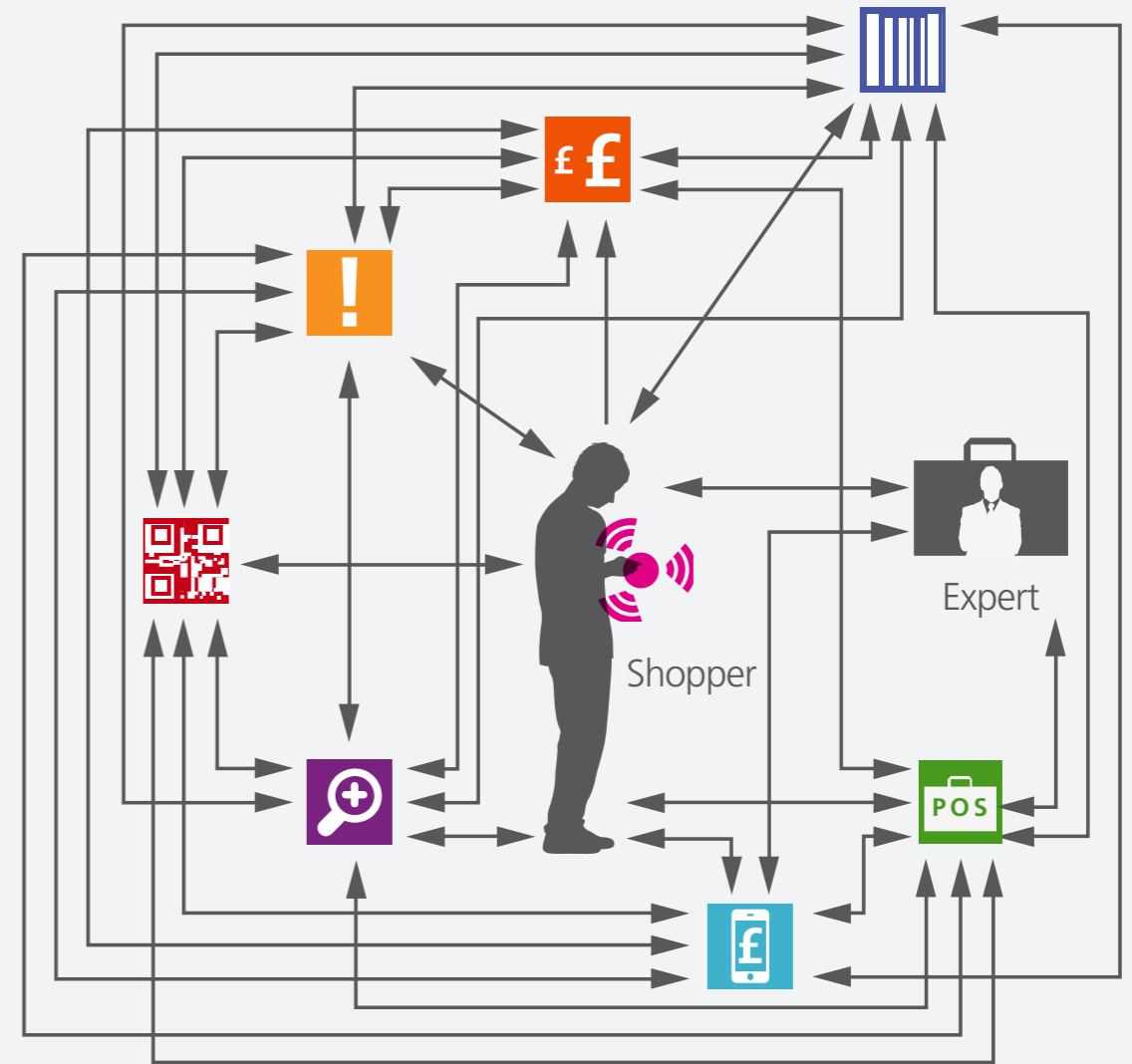
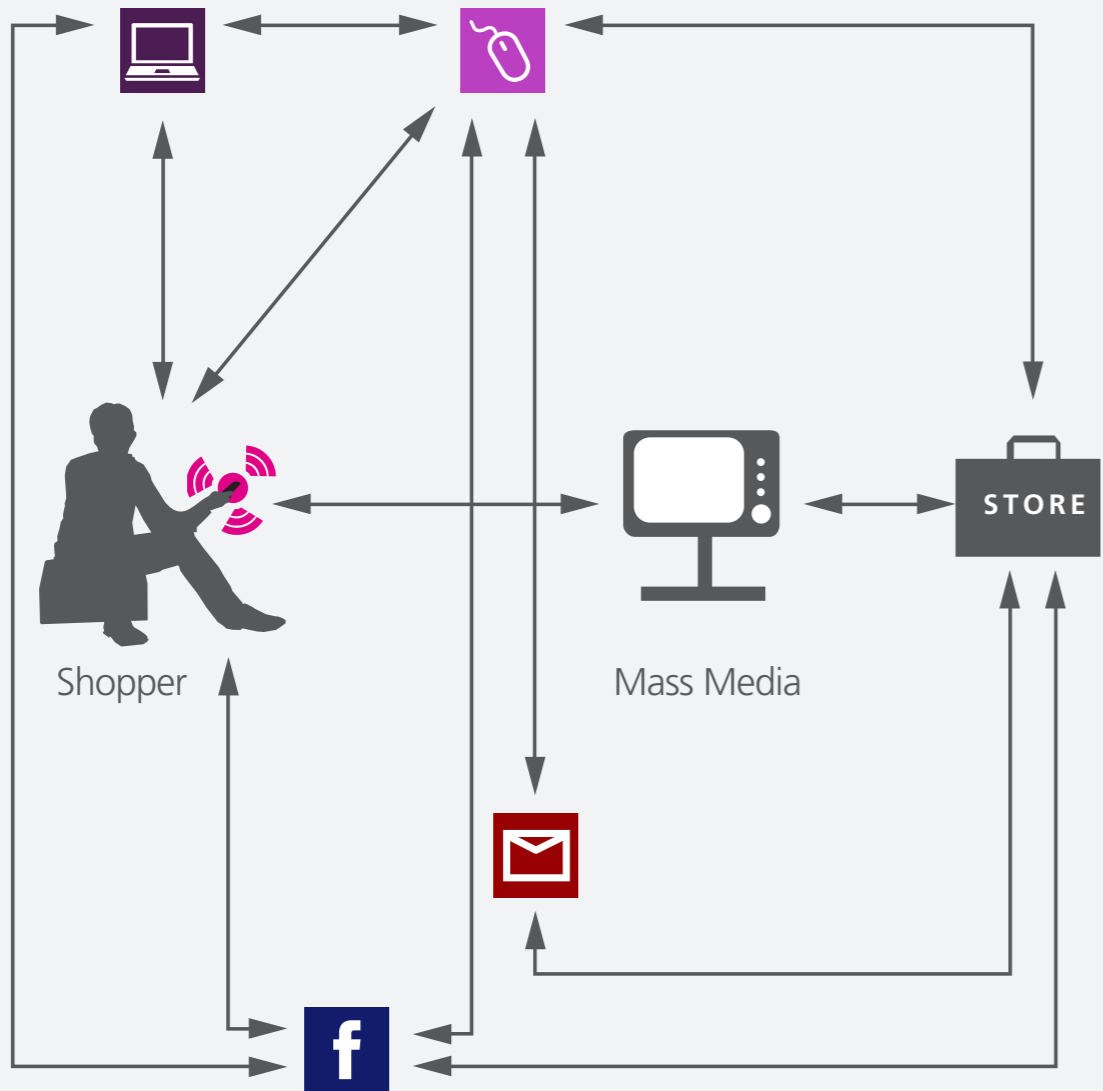
Barry Lemmon,
Global Head, Retail & Shopper, TNS














“The phrase ‘game-changing’ can be over-used, but mobile is having a hugely disruptive impact in retail. However, there are new opportunities for brands that get it right.”

Each of these areas of consumer mobile behaviour represents an opportunity for brands. However, in none of them can those brands assume control of information – or a captive audience. Experience, Independence, Convenience, Relevance and Reassurance are all driven by consumer need and consumer initiative. The mobile is shifting power to shoppers to access the information and services that they demand in these areas – and they have many potential suppliers in each. If brands are not able to engage consumers in the mobile space and earn a place in the mobile circle of trust then they may find competitors and third parties occupying such a place in their stead – undermining their engagement with consumers at key points in the path to purchase.

This becomes clear when we look at the ways in which the traditional purchase journey is changing under the influence of mobile. Today's consumers can respond to a TV ad without interrupting their viewing experience, conducting product research from their sofa using their mobile; they can search for and redeem vouchers and offers using their phone, receive location-based, relevant deals that trigger purchase behaviour, and compare prices and product reviews in-store, using independent sources of information to assess purchases on their terms rather than deferring to an 'expert', on-location store assistant.



Mobile transforming the retail environment

-  Barcode scanning
-  In-store research
-  LBS alerts & coupons
-  Point of sale
-  Buy online
-  Receive specials
-  Mobile payment
-  Price comparisons
-  QR codes
-  Social networks
-  Online research

Retailers must be aware of the alternative sources of information available to consumers through their mobile – and adjust their strategies accordingly. This includes matching online prices and offers where possible, potentially adjusting stock control practices to carry less items in store as standard but enabling consumers to priority order for home delivery, at a cheaper price. Brands need to accept the role of mobile as an alternative or at least supplementary source of information to sales assistants, facilitating the process by ensuring that their own information is readily available to shoppers, as QR codes incorporated into POS material for example.

It can be tempting to think of mobile's disruption of consumer behaviour as an issue for developed markets with high smartphone penetration. Mobile Life results suggest that this would represent a major missed opportunity. Smartphone ownership is at the point of exploding across a broad range of emerging markets. These handsets will accelerate existing mobile trends in these markets and may well disrupt the traditional purchase journey to a greater extent than has been seen in more developed regions. Brands that act now to develop effective mobile strategies in emerging markets could gain a significant first mover advantage.

Mobile's disruptive role can appear threatening because it undermines traditional sources of brand and retailer power.

However, the threat can be transformed into competitive opportunity by brands with the confidence and know-how to engage consumers actively through their mobile. Failure to develop a mobile strategy or refusal to engage in the mobile space is the only course guaranteed to undermine brands in the future. Willingness to do so will continue to generate new opportunities.

12. About Mobile Life

About Mobile Life

Mobile Life is an annual investigation into the behaviours, motivations and priorities of the world's mobile phone users. Now in its seventh year, Mobile Life is the most comprehensive view of how the world's consumers are using their phones today and the opportunities this presents for brands.

Based on 48,000 conversations in 58 countries, Mobile Life is designed to capture the entire population of mobile users in each market and includes:

Argentina, Australia, Belgium, Brazil, Cameroon, Canada, Chile, China, Colombia, Cote D'Ivoire, Czech Republic, Denmark, Egypt, Finland, France, Germany, Ghana, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kenya, Malaysia, Mexico, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Philippines, Poland, Portugal, Romania, Russia, Saudi Arabia, Senegal, Singapore, Slovakia, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Tanzania, Thailand, Turkey, UAE, Uganda, UK, Ukraine, USA, Vietnam.



A snapshot of the findings from the study are available at www.tnsglobal.com/mobilelife, to learn more please get in touch at



connectedworld@tnsglobal.com or [@tns_global](https://twitter.com/tns_global).

How to use Mobile Life

There are many different ways to access the full study, from purchasing an in-depth report on a specific geography or category, through to access to all reports and the raw data itself, together with a tool to further interrogate it. The real benefit of Mobile Life comes from collaborating with one of TNS's mobile experts, operating in over 80 markets globally to address a specific business challenge. TNS's strong local presence enables us to provide recommendations for growth that are based on a close understanding of the individual market.

About TNS

TNS advises clients on specific growth strategies around new market entry, innovation, brand switching and stakeholder management, based on long-established expertise and market-leading solutions. With a presence in over 80 countries, TNS has more conversations with the world's consumers than anyone else and understands individual human behaviours and attitudes across every cultural, economic and political region of the world. TNS is part of Kantar, one of the world's largest insight, information and consultancy groups.