

THE TRUTH ABOUT THE MOBILE ECONOMY

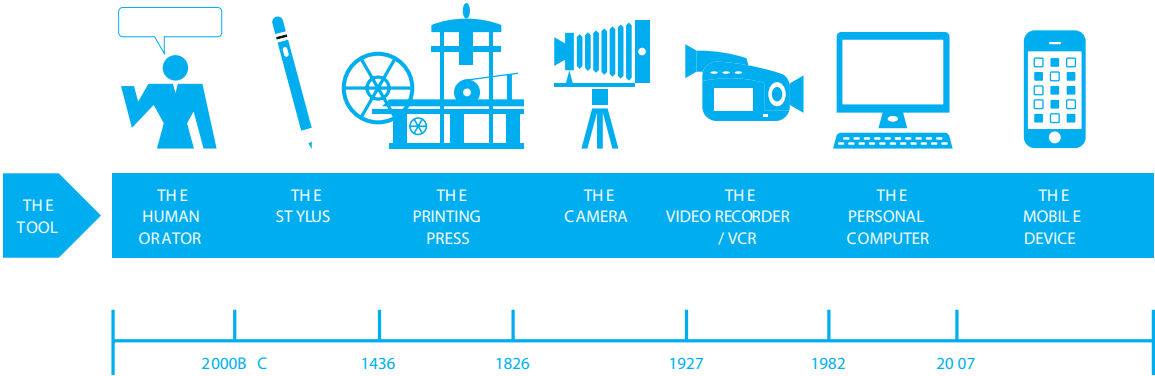
McCANN
TRUTH CENTRAL

THE TRUTH ABOUT THE MOBILE ECONOMY

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Introduction

That we are in the midst of a communication revolution is unquestionable. From the advent of human language thousands of years ago, to the evolution of the stylus and written communication, to the invention of the printing press, the camera, the video recorder and the personal computer, there have been a number of moments in history that have changed the way we entertain ourselves, share ideas and ultimately, live our lives.



To understand mobile, the latest revolution in the history of communication, McCann Truth Central conducted an online survey of 4317 respondents spread across Chile, India, UK, US, Hong Kong and Japan, to get a global perspective on the ways in which mobile devices impact and enhance our lives. What we discovered is that we are in a new era—one that is dominated by mobile. With these mobile tools, we are more liberated than ever before, but we have new security concerns that need to be cracked. For brands that get mobile right, though, the potential is limitless.

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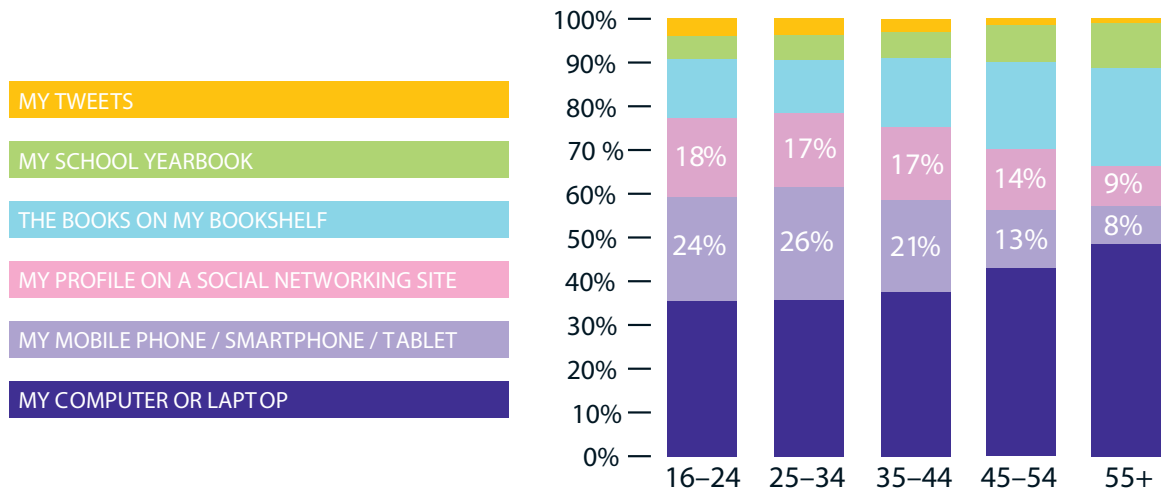
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The Mobile Era

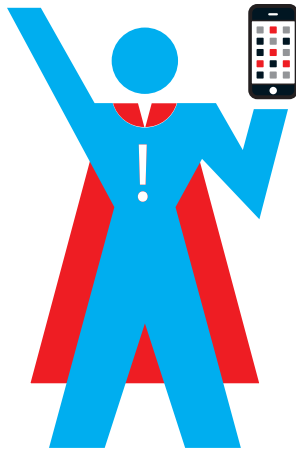
Mobile devices act as physically small yet extremely powerful repositories of their users' activities. 54% of respondents said that they love the fact that cameras and video recorders are now so easily accessible, allowing content to be captured quickly and seamlessly exchanged among a large network of people in real time.

Perhaps a crucial difference between the previous technologies for recording and communicating human history and mobile is that mobile is no longer merely a piece of equipment, but something of a sixth sense through which users interact with the world around them. Indeed, 53% of 16–22 year-olds said they would rather give up their sense of smell than their personal technology.

Further, 42% of 16–24 year-olds said that their social networking profiles and mobile devices would be the two most valuable resources for anyone who wanted to write their biography (as opposed to only 17% of respondents 55 or older who would be more likely than younger respondents to point to traditional sources like their school year book or the books on their book shelf). Considering that 41% of 16–44 year-olds spend four hours or more on their mobile devices every day, it is hardly a surprise that this is where they are writing and recording the story of their lives.



Our phones do so much that they make us feel almost invincible. One respondent said that with his mobile phone he feels like Superman, but that without it, he finds it difficult to remember how to do even simple things. Another respondent even drew a picture of Tom Hanks in Castaway to explain how he feels when he loses his mobile phone. This deep emotional bond that people have with their phones is strongest in India where 67% of respondents said they could not imagine life without their mobile phones.



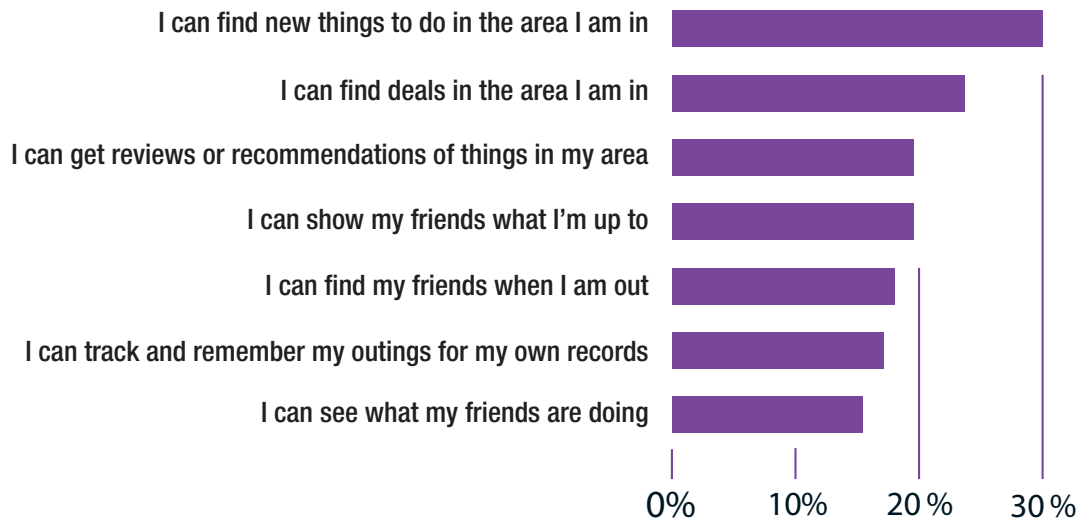
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Liberated Through Mobile

The enthusiasm for mobile stems in part from its ability to liberate people by provoking an instinct for exploration and a desire for novelty. Asked what the top two benefits of location-based services were, 28% of respondents selected “discovering new things to do in the area I am in,” and 22% selected “finding deals in the area I am in.”

The appetite for information and novelty is also reflected in the fact that 57% of respondents said that most of the time they spend on their mobile devices is spent browsing the Internet, surpassing voice calls at 51%.

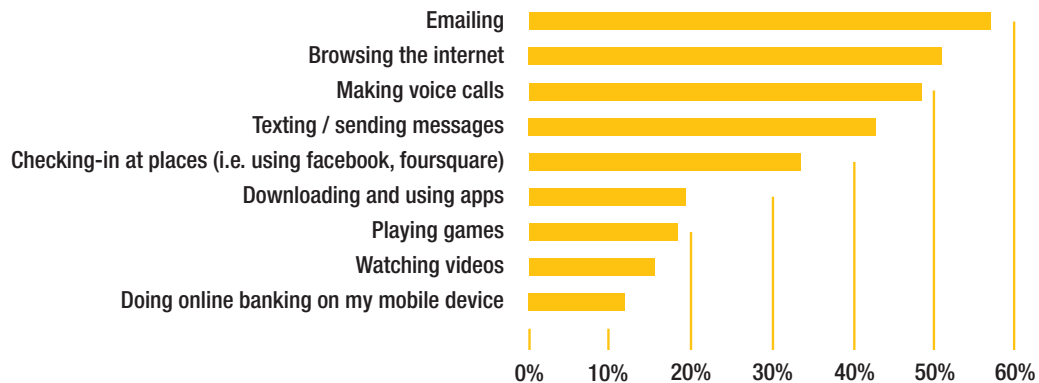


Somewhat paradoxically, respondents spend so much time on their mobile devices because it saves them time to do so, making every minute more productive than it would have been before mobile technology. 35% of respondents said that the biggest advantage of mobile commerce was that it saves them time to do things on their phones, and a further 29% said it was the most convenient way to shop.

Of course, part of the appeal of using mobile devices is the social aspect—sharing your location, latest purchase or favorite meal with friends and finding out about their lives in return. Younger people have been quicker to go social on mobile than older people, with 75% of 16–44 year-olds accessing social networks on their mobile devices and only 40% of those 45+ doing so. People in developing economies also tend to be more gregarious mobile social networkers, with about 75% of mobile device users in India, Chile and Hong Kong accessing social networks on their mobile phones, and only 37% of Japanese and 44% of Britons doing the same.



Today's consumer is constantly searching, researching and killing time on the mobile web, yet according to Google, 79% of their largest advertisers' websites are not optimized for the mobile platform. Increasingly, as impatient customers refuse to persevere with clunky interfaces, innumerable sale opportunities will be lost if brands do not create a mobile browsing experience that is nimble and intuitive. 31% of 16–44 year-olds prefer surfing the Internet on their mobile device rather than on a desktop or laptop, saying it is more convenient and time-efficient. In fact, one respondent said that when buying movie tickets, even if he is sitting in front of his laptop, he makes the final purchase through an app, because the process is so streamlined and efficient.



The uses of mobile devices aren't limited to online shopping. More and more, consumers are using mobile Internet in-store to scan barcodes, comparing prices between retailers, snapping pictures to get opinions from their friends, looking up reviews, and sometimes even paying with their phone. For those that use mobile payments, 45% say that mobile payments are the fastest and most convenient way to pay. The challenge for brick-and-mortar retailers will be to keep consumers in-store, through such strategies as geo-specific deals, to minimize the incidence of scan-and-scam.

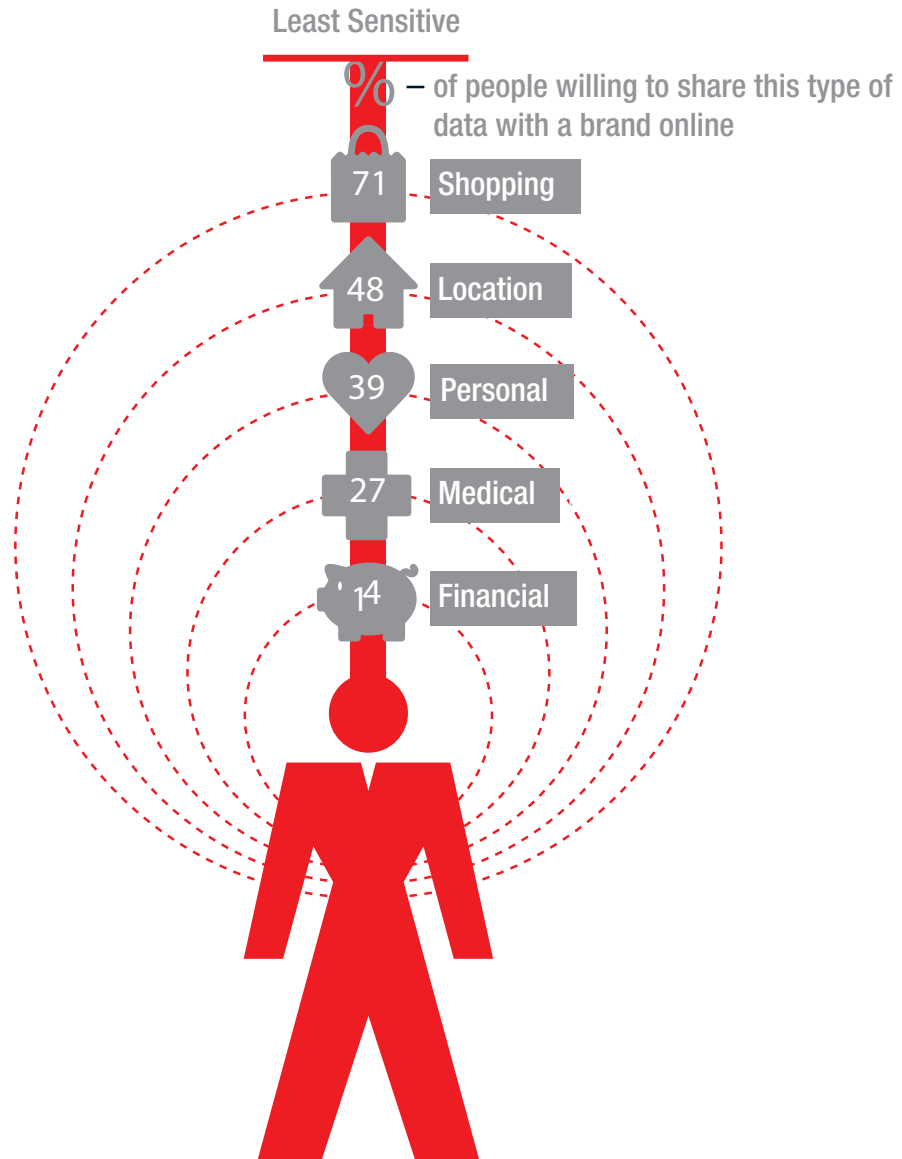
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Cracking Security

Such abundant sharing does of course have its consequences, and mobile technology users are increasingly concerned about the amount of data they are making available every time they use their mobile devices. This is not to say all data is held equal— 71% of respondents say they are willing to share their shopping data with brands; as one American man put it, “my shopping data is not me.” However, consumers become progressively more concerned when they are asked to share their location-based, personal, medical and financial data: for instance, only 48% of people are willing to share their location, and only 14% of people are willing to share their financial data.



As the use of mobile technologies is on the rise, consumers are concurrently raising their expectations for mobile security. 72% of smartphone/tablet users say they wish their devices had more privacy protections, and 68% say the mobile internet is developing faster than the ability to keep it safe. To protect themselves, consumers have limited the ways in which they use their devices, keeping the full potential of mobile in check—32% of our respondents don't connect to unsecured wireless networks, and a further 32% don't conduct financial transactions online. Another 20% have disabled all location-based/GPS/tracking services.

*“It deals with my money
and my identity”*

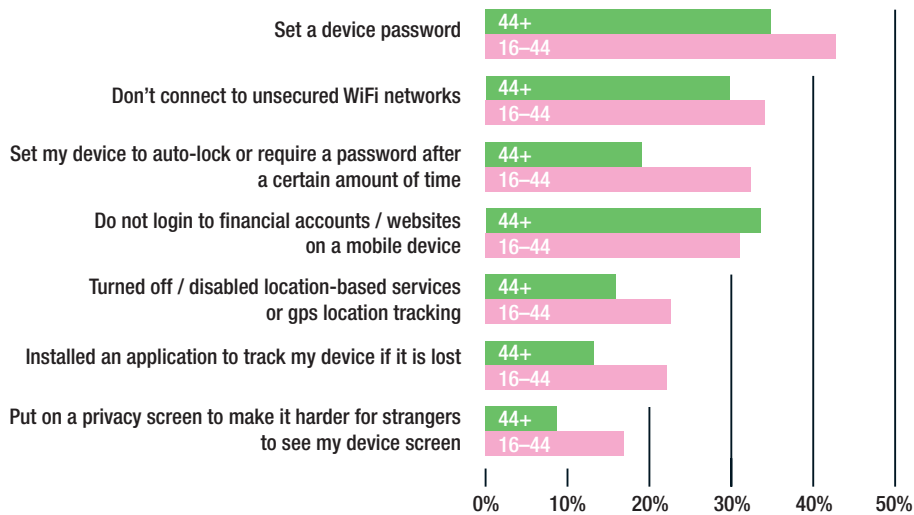
—Italy, 25

*“My shopping data
is not me”*

—US, 35–45

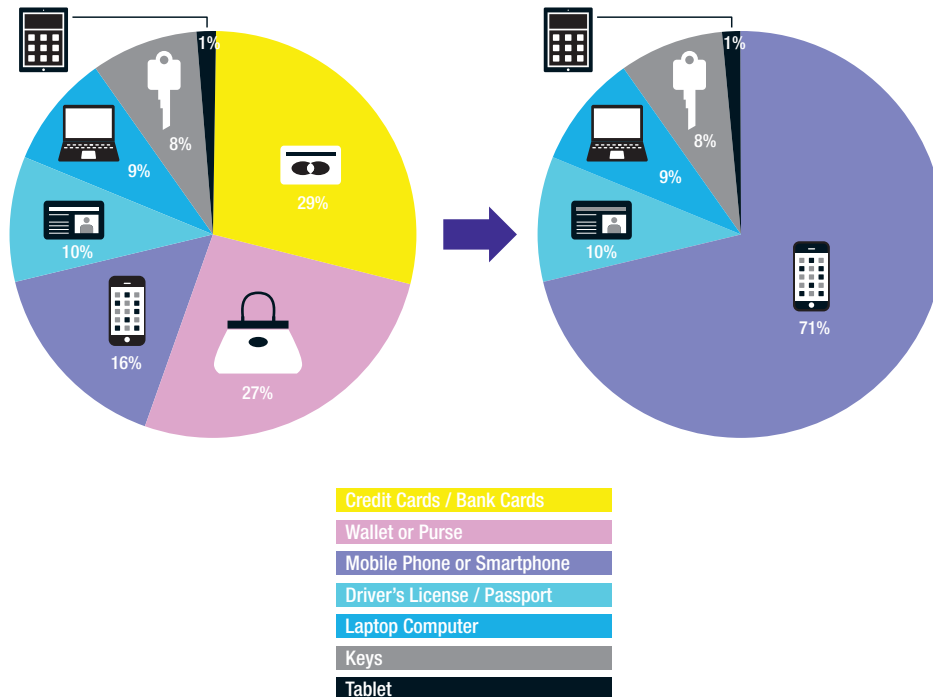


However, the good news is that three-quarters of device users have taken some steps to protect their privacy, particularly the young, 80% of whom have taken precautionary measures, while only 66% of older users have also done so. These precautionary measures include simple things like setting a device password (40% of all mobile users have done this), and more complicated ones such as installing an application to track the device if it is lost (20% of all mobile users have done this).



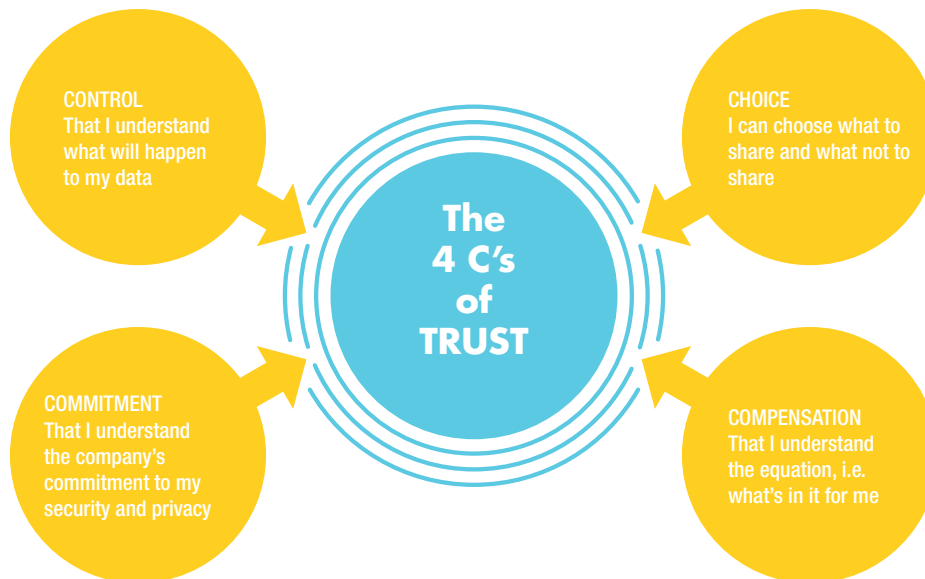
While 41% of mobile users recognize that acting responsibly is the first line of defense against data theft, 25% believe their mobile network operator/network service provider has the greatest responsibility for protecting consumers. When consumers think about security, they think about what information is flowing in and out of their device via the network and what controls are in place. A further 15% say that the manufacturer of their phone's operating system should shoulder the responsibility for protecting privacy. There is certainly a big opportunity for a mobile brand to step up in this space.

We asked consumers what they were most nervous of losing, and while an average of 16% said their mobile phone (this figure is higher the younger the respondent age-group), 56% of people are more worried about losing their wallet and credit/debit cards, demonstrating once again the sensitivity of financial information. Given that this is the case, when talking about mobile payments, one barrier that may need to be broached is that of putting all one's eggs in one basket (i.e. customers may feel that if they make their phones their primary means of payments, they'll have more to lose if its stolen or misplaced). On the flip side, paying by mobile is like paying with "a credit card you can lock," as one of our respondents called it. By opting into mobile payments, consumers can better secure the information they are most afraid of losing.



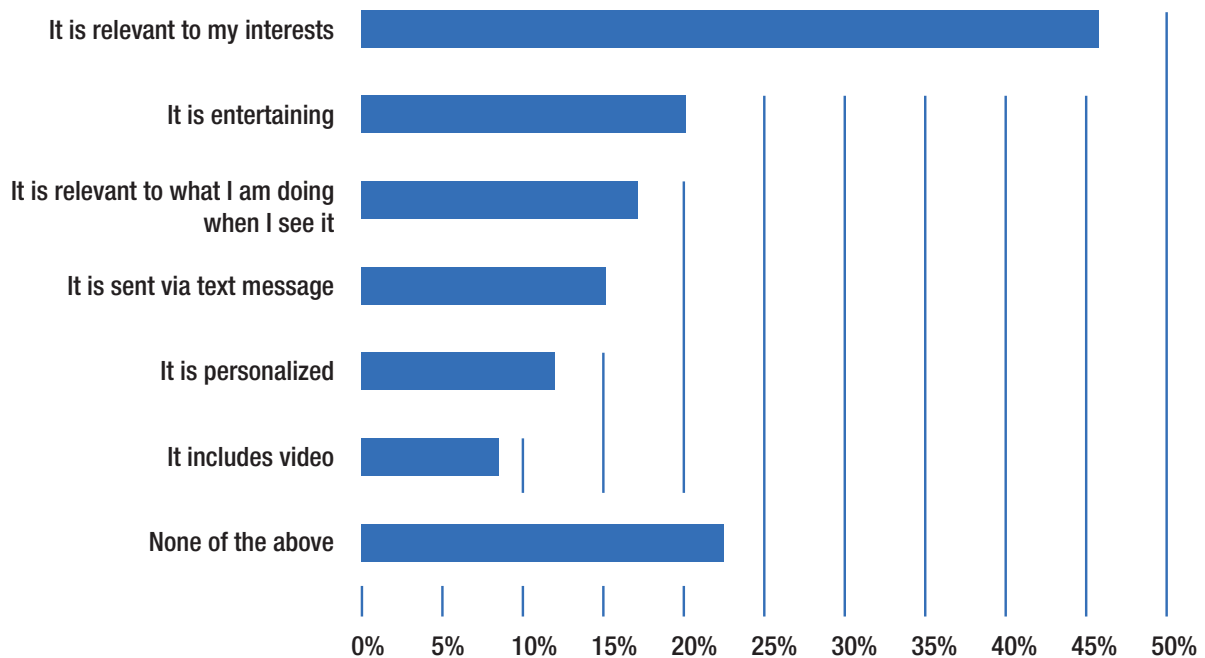
Get It Right And The Potential Is Limitless

Counterarguments and perspective changes can only be a small part of the larger strategy of alleviating consumers' data security fears. In order to be successful, brands will need to adhere to the 4 Cs of mobile marketing, namely Control (helping consumers understand what will happen to their data), Choice (giving them the option of what data to share and what to withhold), Compensation (giving them something in exchange for their data) and Commitment (keeping consumers' data totally secure).



The most successful brands will adopt the 4Cs to speak to different types of consumers, for example offering controls to help protect the security of the most prolific mobile users and offering the choice to opt out to those with more severe security concerns.

Once the 4 Cs are integrated into their mobile marketing plan, brands must strive to ensure that their content is relevant and entertaining. In addition to an attractive, efficient mobile-optimized interface, 46% of respondents said that relevance was the single most important characteristic of ads they paid attention to (followed by entertainment value at 20%).



In addition, mobile users are most receptive to receiving promotional offers and deals through free apps. 67% of mobile users say they don't mind receiving promotional offers or deals through text messages, but even more (72%) say they don't mind receiving these offers through free apps. In general, Indians and Chileans are the most open to communications from brands, whereas Britons are the least positive about them. As far as age differences are concerned, only 11% of those aged 16–44 express negativity towards advertisements on free apps, whereas this number rises to 21% among those 45 years old and over.

If brands get it right, the opportunities end only with our collective imagination, perhaps best summed up in this anecdote by journalist Charlie Brooker:

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“We went out and asked members of the public to comment on a new invention we were claiming was real: a mobile phone that allowed you to call through time, so you could speak to people in the past or future. Many people thought it was real: not so much a testament to gullibility, but an indicator of just how magical today’s technology has become.”

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Conclusion

While discovering the Truth About the Mobile Economy, Truth Central saw a glimpse of the mobile future consumers have in mind, from wireless charging, to docks that project the contents of phones into 3D holograms. It is abundantly clear that consumers are ready to go where technology takes them—and brands need to lead the way in unlocking the potential of technology for them, creatively and securely.



