



2015 Global Mobile Consumer Survey: US Edition

The rise of the always-connected consumer



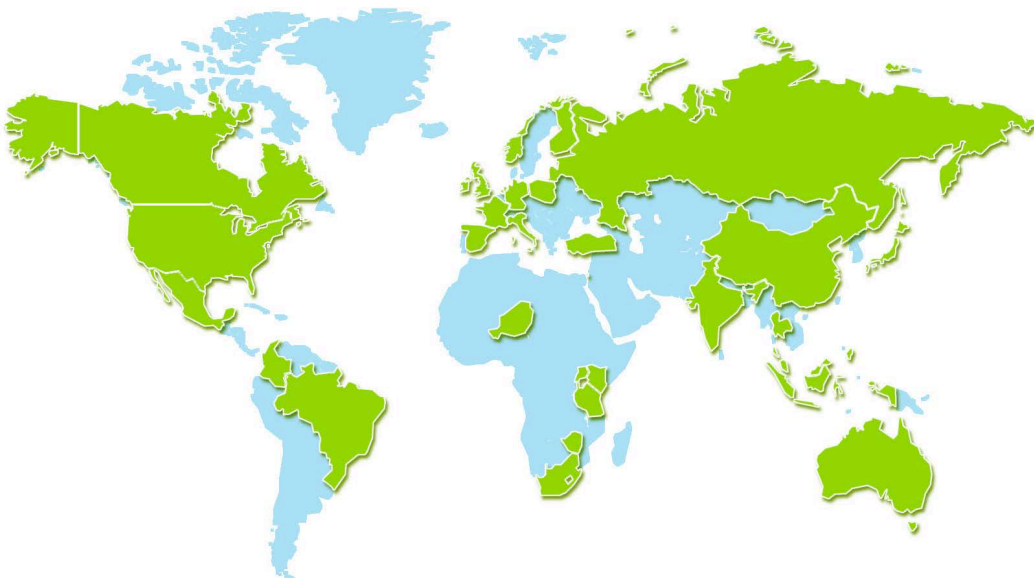
About the survey

For the past five years, Deloitte's global Technology, Media & Telecommunications (TMT) practice has commissioned an extensive online survey to develop an understanding of the usage habits of mobile consumers whose preferences are driving mobile solutions in today's fast-changing marketplace.

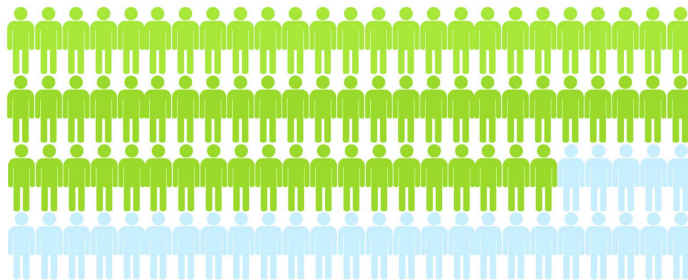
This year's survey is the biggest and most extensive to date. It covers 6 continents, 31 countries, and nearly 50,000 respondents, which represents closet to 70% of the world's population.

Fielded by an independent research firm, the survey focuses on consumer behaviors, trends and opinions for a broad range of wireless and mobility products and services. In addition to exploring year-over-year results and key insights, the survey is also designed to highlight differences between consumers across generational divides—capturing findings from six distinct age groups (ranging from 18-74 years of age).

Just like last year, this year's survey presented some very intriguing results—some that were expected, and others that were less anticipated. The insights below are extracted and analyzed from data corresponding to over 2,000 survey respondents from within the United States.



REPRESENTING
70%
OF THE WORLD'S
TOTAL POPULATION



Note: Based on total collective population of countries covered in survey vs. total global population.

Device obsession deepens into consumers' lives



Mobile devices continue to be a critical part of US consumers' daily lives, with the obsession growing and spreading across generations. It's no surprise that the youngest generation surveyed (18-24) demonstrate the heaviest

mobile use, measured in terms of "looks per day." What is surprising is that they beat the next oldest age group (25-34) by almost 50%, which is up 13 "looks" across all generations over last year.

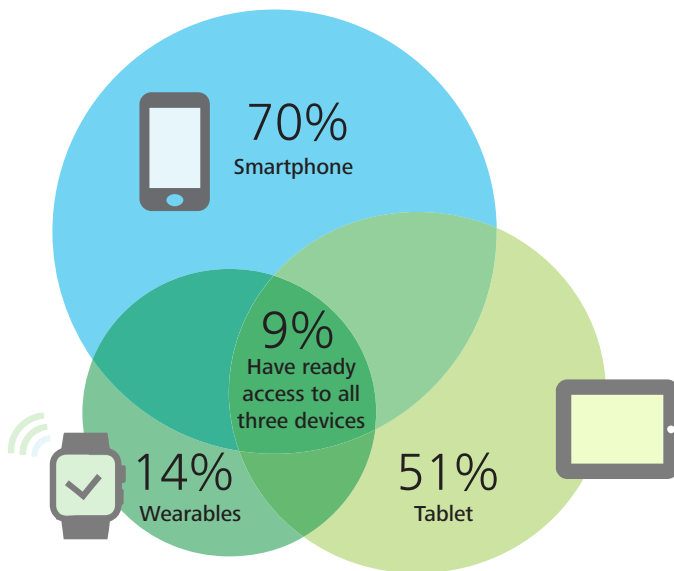
Checking our phones has become a constant in our lives. In addition to checking their phones more frequently during the day, 93% of smartphone owners have looked at their phones within three hours of waking up. For 18-24 year olds, that number is 97%.

This year, we also surveyed consumers about phone habits just before bedtime, and as it turns out, they are less likely to look at their phones just prior to going to sleep. Between 4% and 10% fewer consumers check their phones within an hour before going to bed compared to within an hour of waking up.

The rise in device obsession may be due in part to the continued increase in device ownership—with smartphone ownership jumping 12% over last year, and tablet ownership increasing by 13%. Interest in purchasing a device has also rebounded after intent to purchase figures fell across the board last year.

Finally, in tracking the ever-expanding market penetration of 'wearables' (such as smart watches, fitness bands, etc.) we found that nearly 10% of all consumers now own a smartphone, a tablet, and some form of wearable device.

Which, if any, of the following devices do you own or have ready access to?



Source: US edition, Deloitte Global Mobile Consumer Survey, May-Jun 2015
Base Graph 1: All respondents: 2015: 2,069

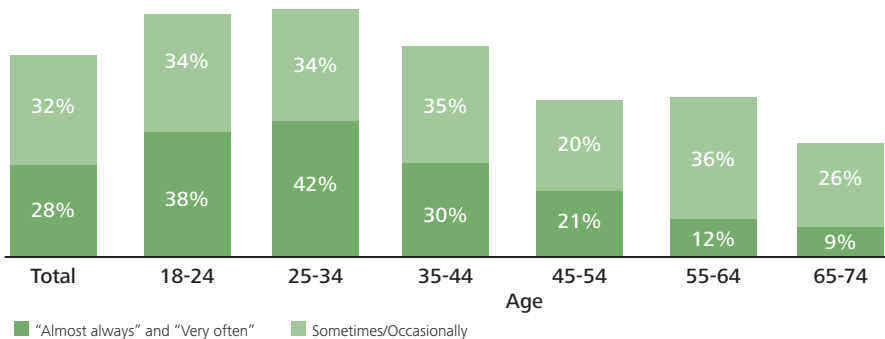
Consumers are distracted



This year, consumers responded to a variety of survey questions that asked whether they engage in certain activities on their mobile device while performing other activities—everything from watching TV, to driving, to simply spending time with family and friends. What emerged is a clear picture that mobile devices play a part in virtually anything we do on a daily basis and for more than 15% of consumers, this even includes using their device while crossing the road. So while this may not be good news for the average pedestrian, what is good news for retailers is that using their phone “while out shopping” was the #1 reason of any leisure activity questioned.

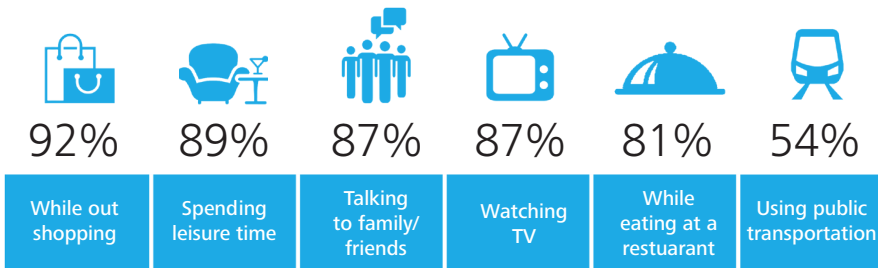
Finally, we noticed an intriguing trend this year regarding consumer use of mobile phones while watching TV. In past surveys, it has been the youngest generation (18-24) that manifests the heaviest mobile usage. This year, however, we have seen a shift, with the 25-34 year old age group reporting heaviest amount of “mobile distraction” while watching TV. This finding may indicate that behaviors of the previous 18-24 year olds, some of whom are now in the 25-34 year old age group, may be carrying forward their habits, while the new 18-24 year old age group may have differing usage profiles.

**How often, if at all, do you use your mobile phone while doing the following?
(While watching TV/a film)**



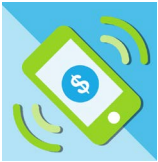
Source: US edition, Deloitte Global Mobile Consumer Survey, July 2015
 Base Age group: All: 1,429, 18-24: 243, 25-34: 330, 35-44: 275, 45-54: 256, 55-64: 207, 65-74: 119
 Note: Respondents who answered “Not applicable” and “Don’t know” are excluded from the analysis. More frequently includes respondents who answered “Almost always” and “Very often”; Less frequently includes “Not very often” and “Hardly ever.”

How often, if at all, do you use your mobile phone while doing the following (leisure activities)? (top five for those that do at least “hardly ever”)



Source: US edition, Deloitte Global Mobile Consumer Survey, July 2015
 Base: Smartphone owners: 1,458
 Note: Respondents for which a particular activity does not apply have been excluded from this analysis (i.e. respondents who do not work have not been asked if they use their phone in a business meeting), and vs. “work” based responses of “while working” and “while in a business meeting.”

2015—Indeed the year of mPayments



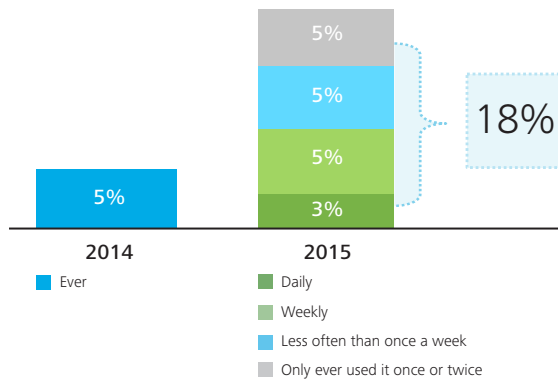
2015 was the much anticipated year for mobile payments (mPayments) and did deliver upon at least part of its promise. Although some in the market were hoping for higher adoption rates, use of mPayment technology nevertheless

increased nearly four-fold compared to last year. Not surprisingly, the younger generations lead mPayments adoption.

Concerns about security is the number one reason for consumers not using their phones for mPayments, and this is consistent across all age groups. This points to a lack of understanding of potential benefits for in-store payments—particularly given that many mPayments solutions in the marketplace are arguably more secure than other forms of payment.

Public parking, gas stations, coffee shops and fast-food purchases take the top spots for mobile payments pointing to the accessibility to easy to use systems and users’ preference of quick payment options for relatively smaller purchases.

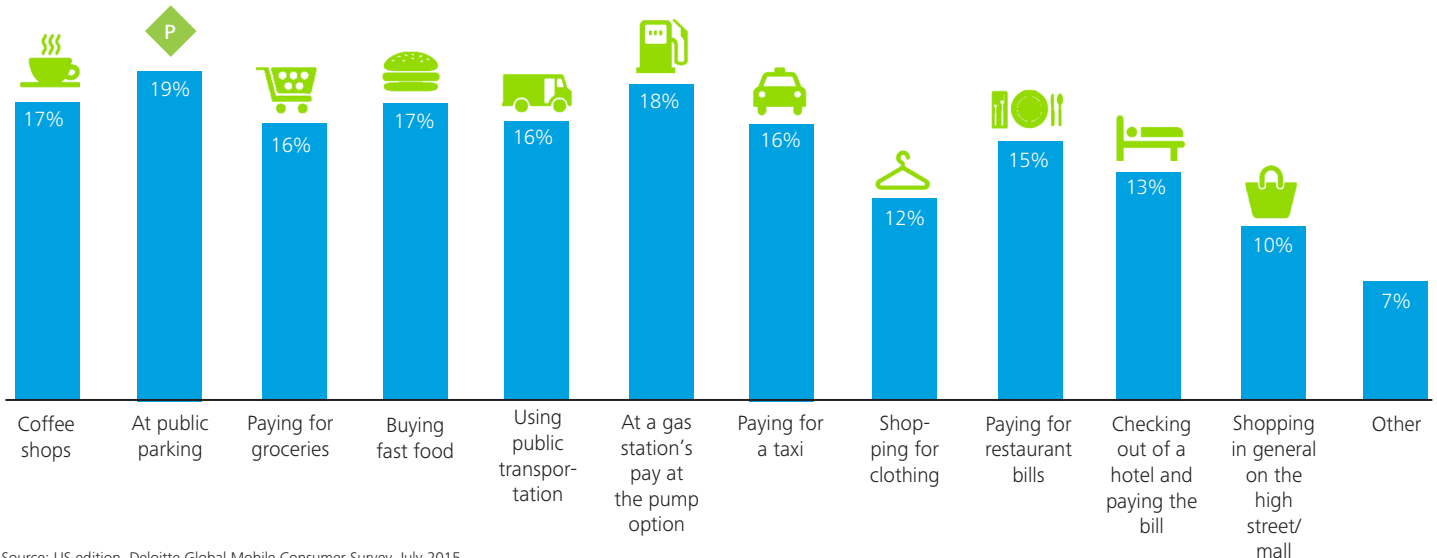
How frequently, if at all, do you use your phone to do at least one of these things (Make an in-store payment)?



Source: US edition, Deloitte Global Mobile Consumer Survey, July 2014, July 2015
 Base: All phone owners : 2014:1,635, 2015:1,828, Those who have not made an in-store payment: 2014:1,546, 2015:1,412

In which, if any of the following scenarios do you/would you find it beneficial to pay by using your mobile?
 (Those who have not used their phone to make in-store payments)

2015 Usage scenarios for mobile in-store payments



Source: US edition, Deloitte Global Mobile Consumer Survey, July 2015
 Base: Those that have not (or not sure) made an in-store payment: 1,495

The Internet of Things begins to take shape

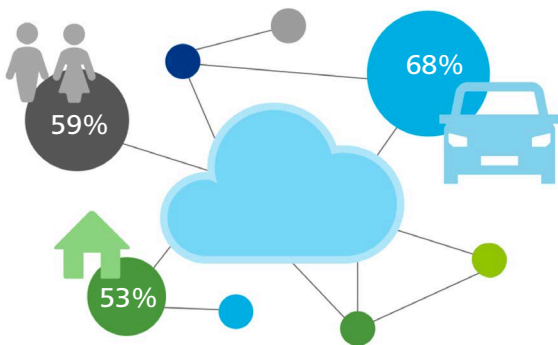


The connected, smart devices of the dawning Internet of Things (IoT) are a growing phenomenon as mobile devices proliferate and serve as the control hub for home, health and body, and car solutions.

Home control and monitoring are valued most by consumers in smart-home tech, especially by younger generation with 45% interested in home control, and 41% in home monitoring. When it comes to security and privacy concerns, the youngest generation exhibits similar concerns to older generation with 53% in each age group pointing “system hacking” as the biggest potential issue.

For health and body applications, smartwatches appear to drive more usage than fitness bands despite their later entry into the market. While only 4% of consumers own a smartwatch and 10% own a fitness band, regular usage for fitness activities is up to 10 points higher for smartwatches versus fitness bands. Forty percent of the smartwatch owners use them to monitor their fitness levels, and 37% use them for calorie intake and diet. Fitness bands reflect a similar pattern, with 37% used for fitness level monitoring and 27% for calorie intake.

Consumer-stated interest in each of the following IoT Categories



Source: US edition, Deloitte Global Mobile Consumer Survey, July 2015
Base: All adults: 2,069; All smartphone owners: 1,458; All tablet owners: 1,059

When it comes to cars, almost 70% of consumers are interested in car-based connected systems surpassing their interest in both home and health and body solutions. In terms of car-based IoT functions, route tracking, traffic and weather, and maintenance are the three functions mostly desired by consumers with between 30% to 40% selecting these functions.



So what does the future of cars hold for consumers? With autonomous (self-driving) vehicles coming closer to becoming a reality, we asked multiple questions to gauge consumer interest in this impending trend. The survey uncovered that user interest for autonomous cars is far higher than what new products typically achieve, 58% of the consumers would consider eventually owning or riding one, and almost 20% under age 44 almost ready to take the plunge now. Autonomous cars appeal to user interests by eliminating the stress of driving, removing the puzzle of finding or following directions and lastly by offering them the peace of mind driving when tired.

Security vs. Privacy—two different, but related concepts

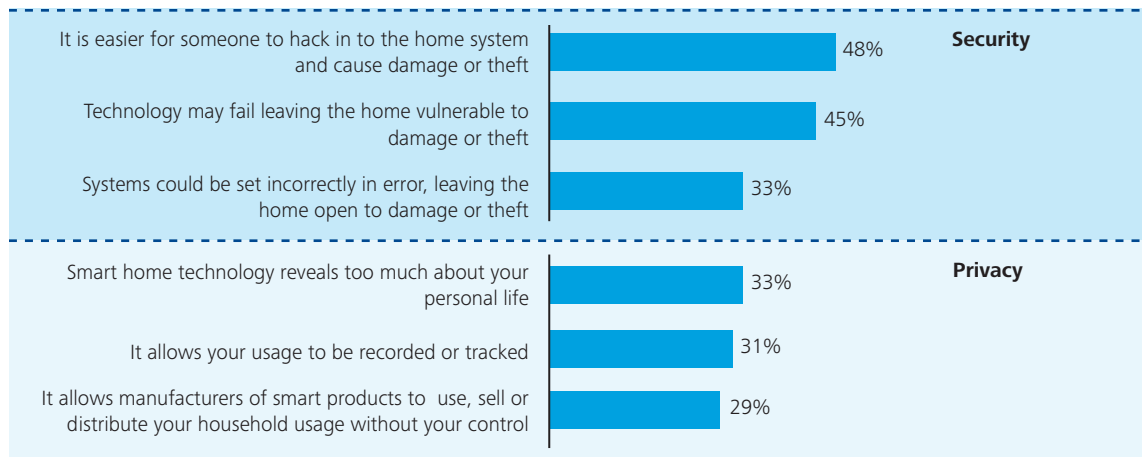


While it is relatively commonplace in the industry to refer to “security and privacy” in the same breath, this year’s survey shows that the two are in fact separate and unique concerns, albeit related.

With regard to the Internet of Things, out of the top six concerns on why consumers would not be interested in smart home technology, the top three are all security-related and the next three are all privacy related. This seems to indicate that consumers may be willing to give up their privacy, particularly younger generations who are growing up in an age of everything being online, but security is paramount.

Finally, one additional surprising finding this year is that when it comes to concerns about smart home technology, it’s actually the youngest generation surveyed (18-24) that almost exactly matches the profile of the oldest generation surveyed (65-74)—not something typically found in technology-based surveys.

Which, if any, of the following reasons for using smart home technology do you see as the greatest potential issues?
(Top six reasons)



Source: US edition, Deloitte Global Mobile Consumer Survey, July 2015
 Base Graph 1: All respondents: 2,069
 Base Graph 2: All respondents: 2,069

Tomorrow's always-connected world

It is clear from our survey results that consumers are becoming increasingly comfortable with being connected to the internet at all times through all manner of devices. However, as these devices become more and more a part of our daily lives, we may be looking at a new reality: consumers who have become increasingly uncomfortable 'not' being connected.

To learn more about Deloitte's 2015 Global Mobile Consumer Survey, please visit:

www.Deloitte.com/us/mobileconsumer

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