
IAB Mobile Marketing Center of Excellence

Apps and Mobile Web:

Understanding the Two Sides of the
Mobile Coin

16 December 2014

Agenda

- Introduction
- Where Mobile Users Spend Their Time
- Explaining the “App Gap”
- Search and Social are the Mobile “Front Door” for Web Content

Introduction

Mobile internet use is divided into two modes: browsing the mobile web and using mobile applications (“apps”). Many kinds of content or service can be provided or accessed equally well via either app or mobile web; however, some are available exclusively via one or the other.

Media companies, agencies, and marketers face some confusion regarding whether they should focus their strategies predominantly on apps or mobile web. At the simplest level, many measurement firms report that mobile internet usage gravitates very heavily toward mobile apps, and so a naïve view emerges that apps have somehow “won,” and that mobile web is unimportant.

This overlooks the important role mobile websites play in people’s total mobile internet experiences. In practice, in daily use of the mobile internet, consumers make use of both apps and mobile browsing, trading off based on expediency and personal preference.

To investigate the question of browsing versus using mobile apps, the IAB commissioned Harris Poll to survey over 2,000 U.S. adults about their views on apps and mobile websites, and how they find and share both apps and websites that they access on their smartphones. The survey was conducted online in December, 2014.

Key Findings

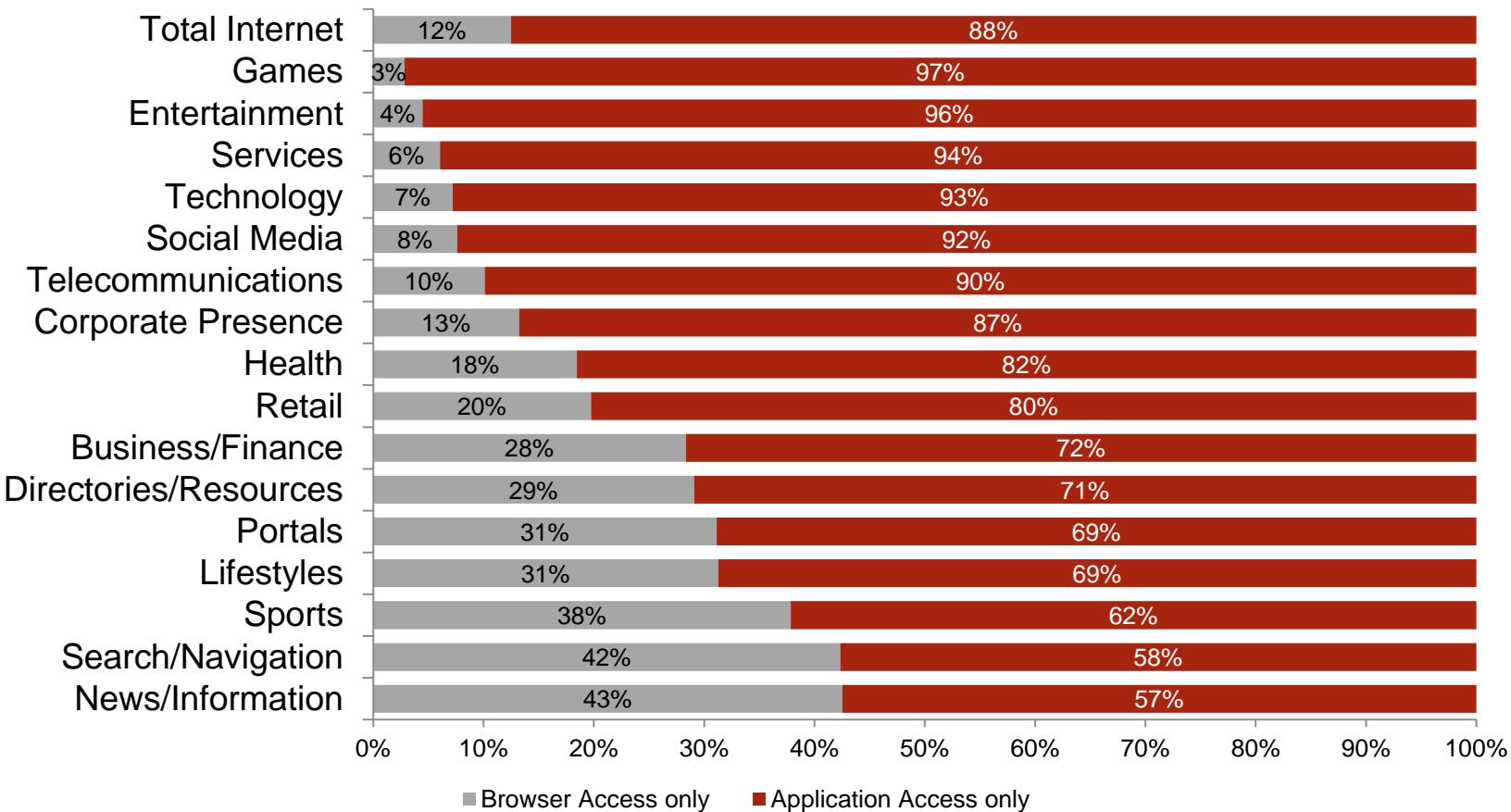
- October, 2014 comScore audience data indicates 88% of consumer mobile* internet time is spent in apps, while 12% is spent browsing the mobile web.
- But only 18% of mobile internet users perceive their usage as skewing heavily toward apps. A perception of balanced app-web use holds across demographics.
- The “app gap” created by this disparity between perception and time spent needs explanation.
- For some important content types, app and web usage is very balanced. 42% of mobile internet users prefer mobile web for search, and app-web preferences are balanced for shopping, news, and local directory information.
- Moreover, app usage can actually be mobile web use in disguise. 52% of smartphone owners say they tap links in mobile apps that take them to web articles they want to read sometimes or more frequently. Men are more likely than women to use apps to access web articles at least sometimes.
- Search and social media are important as the new front doors to mobile web content. 54% of mobile internet users cite searching (for topics or publications) as a primary way they find websites they visit, while 29% cite word-of-mouth, and 26% cite links in social media.

Apps and Mobile Web

Where Mobile Users Spend Their Time

ComScore Measurement Data Shows Skew Toward Apps for Mobile Internet Time Spent

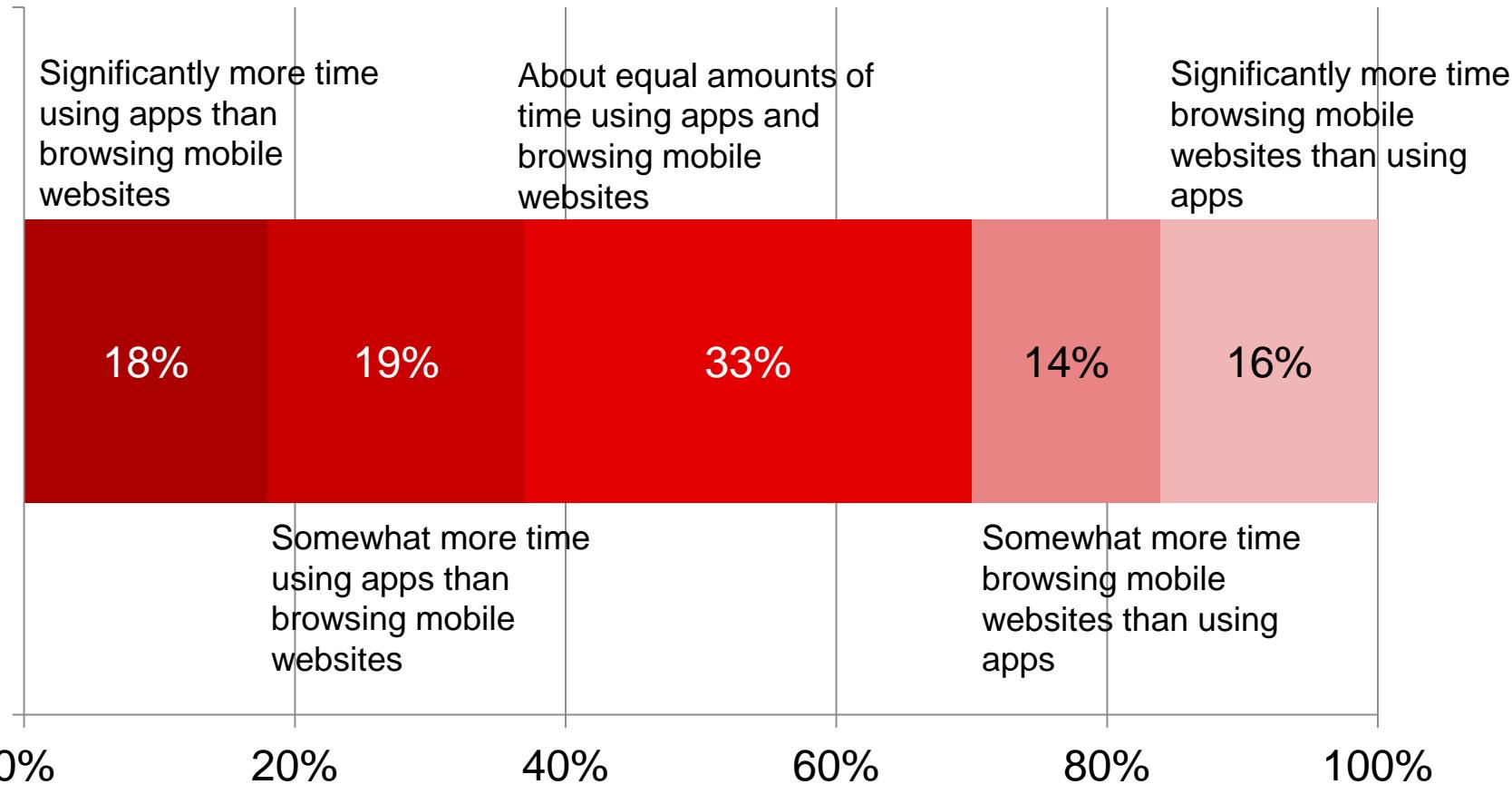
Time Spent by Category: Browser vs. Application
October 2014, All Smartphones.



5 Note: Top-level comScore categories with over 5 million monthly smartphone minutes of use shown.
Source: comScore Mobile Metrix Key Measures, US Only, October 2014

But Only 18% of Mobile Internet Users Say Their Time Spent Skews Strongly Toward Apps

Which one of the following statements best describes how you use the mobile internet on your smartphone?

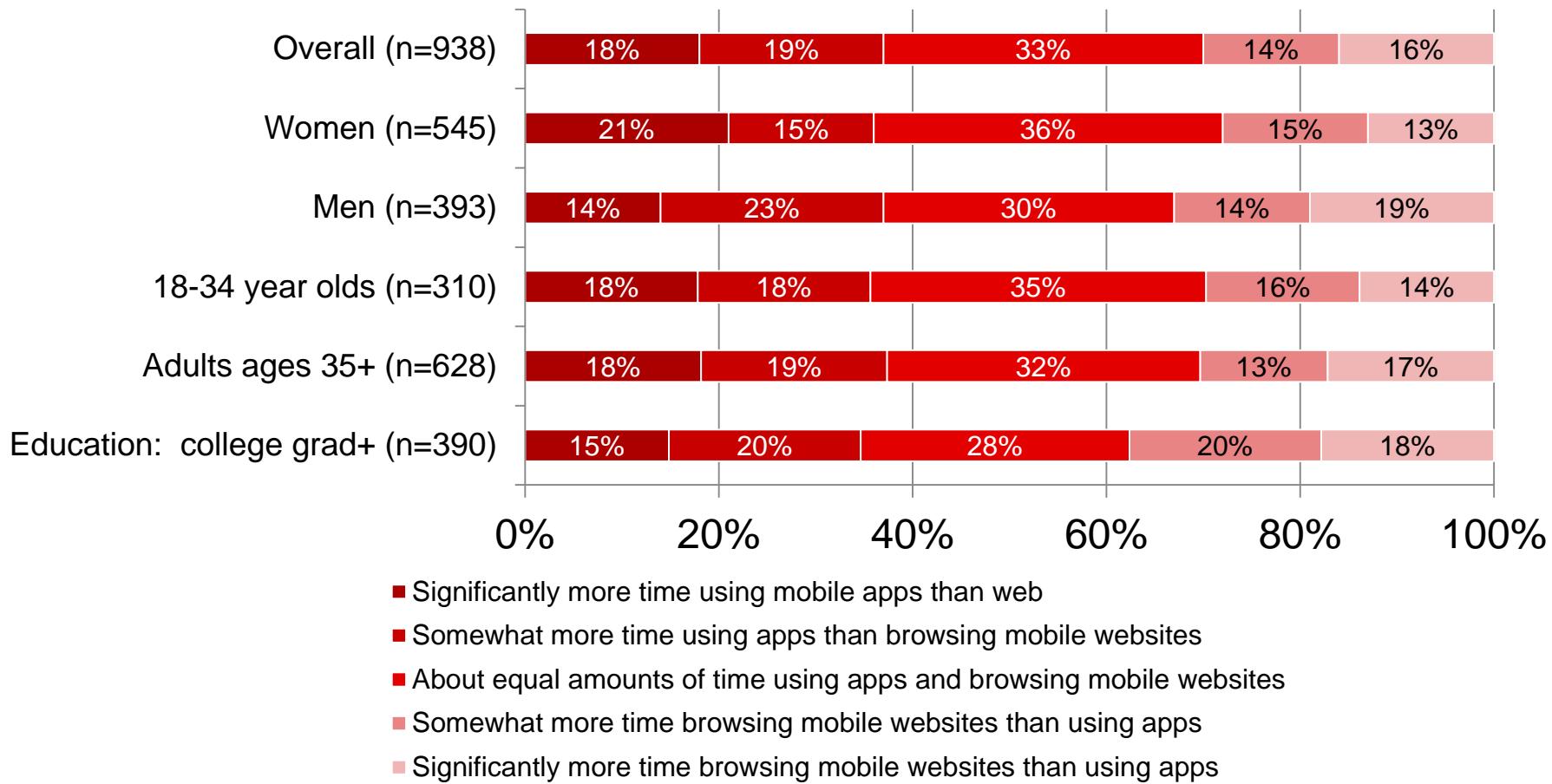


Base: US smartphone owners who use mobile internet on their phones (n=938)

Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

And This Fairly Balanced Outcome Holds True Across Demographic Groups

Which one of the following statements best describes how you use the mobile internet on your smartphone? (Smartphone users who use the mobile internet on their phone.)



Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

Conclusions

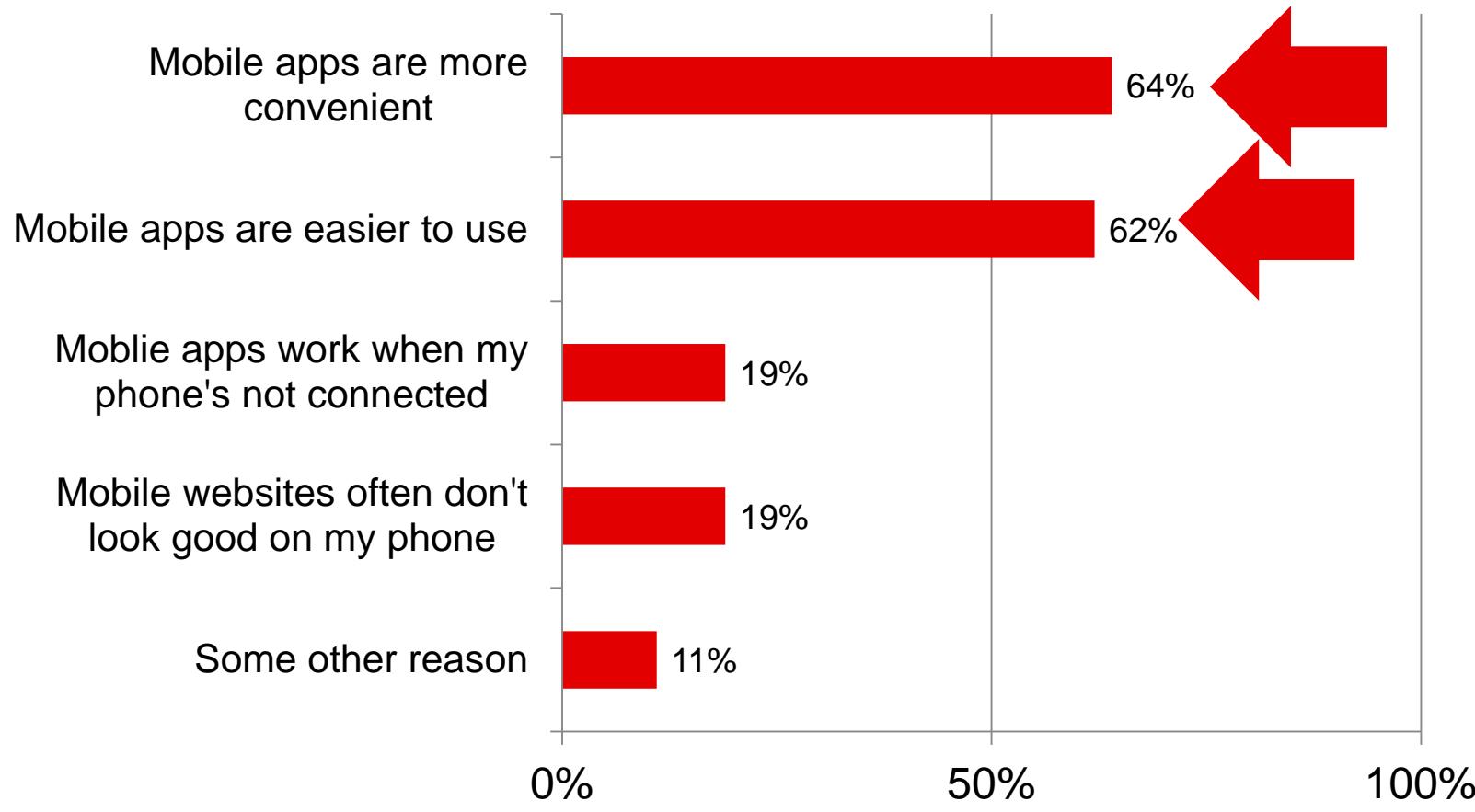
- **Mobile internet users' perceptions of how they spend their online time don't match up with measurement data from comScore and other sources.**
- **While some demographic segments show a slight tendency toward mobile apps, and one (people with college degrees or more education) shows a tendency toward mobile websites, those skews are not dramatic.**

Ease of Use Helps Drive Both App and Web Preference

- We asked mobile internet users who said they spend more time using mobile apps why that is. 64% said apps are more convenient, and 62% said apps are easier to use, by far the most cited responses. (Page 10.)
- We also asked those who said they spend more time browsing the mobile web why they opt for that. While 49% said they wanted to avoid paying for apps, 42% said using a browser is easier than using apps. (Page 11.)
- We conclude that people are pragmatic about their mobile internet use, opting for convenience and ease to accomplish any given task. Sometimes the convenient path will lead to an app, and sometimes it will lead to a mobile website. So consumers split their usage.

Convenience, Ease of Use Rule for Consumers Who Prefer Apps to Mobile Web

You indicated you use mobile apps more than you browse mobile websites to access the mobile internet on your smartphone. Which of the following reasons describe why you do this? Please select all that apply.

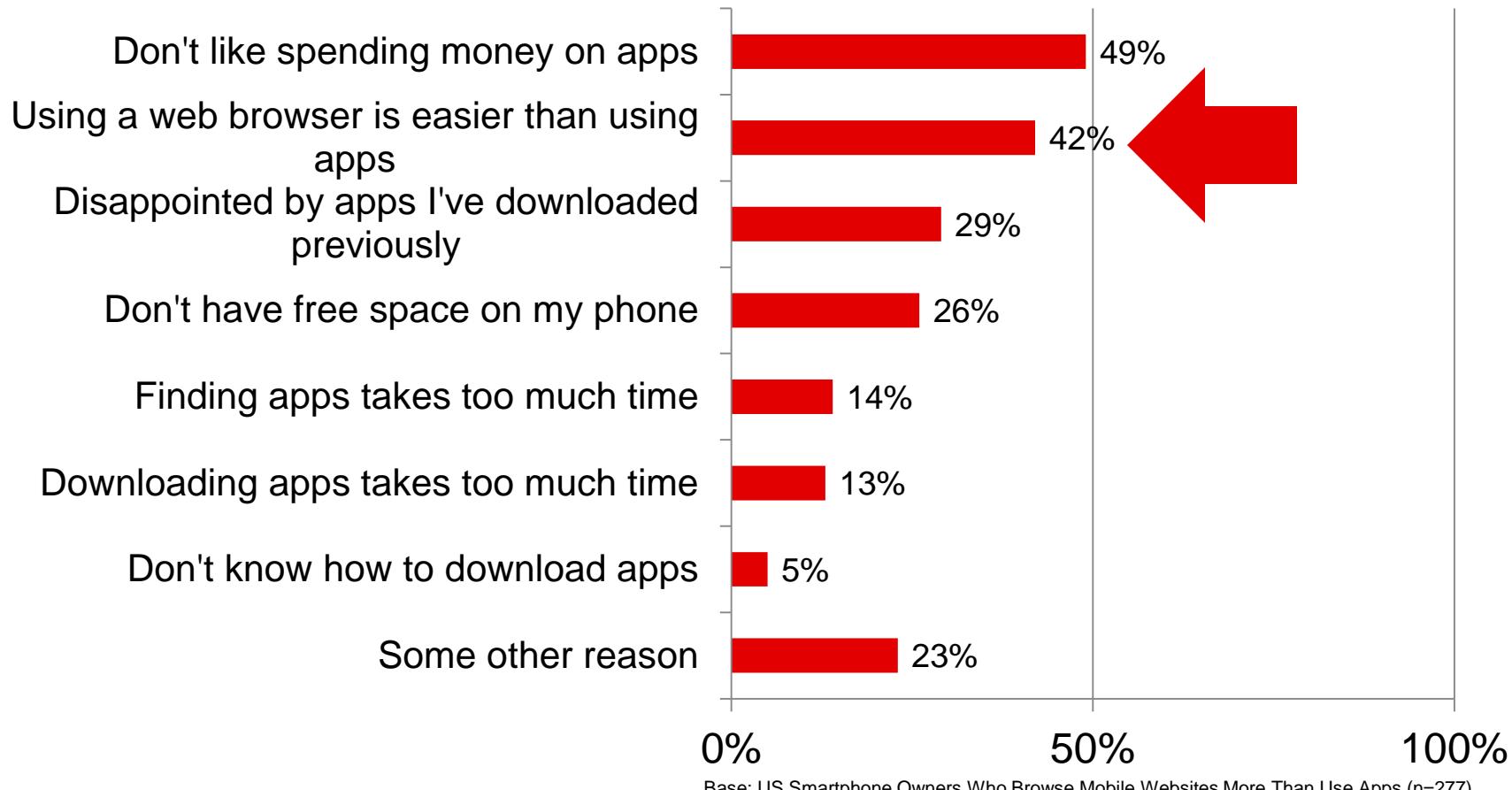


Base: US Smartphone Owners Who Use Apps More Than Browse Mobile Websites (n=344)

Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

Perceived Cost of Apps, Ease of Use, Motivate Those Who Prefer Web to Apps

You indicated you browse mobile websites more than you use apps to access the mobile internet on your smartphone. Which of the following reasons describe why you do this? Please select all that apply.



Base: US Smartphone Owners Who Browse Mobile Websites More Than Use Apps (n=277)

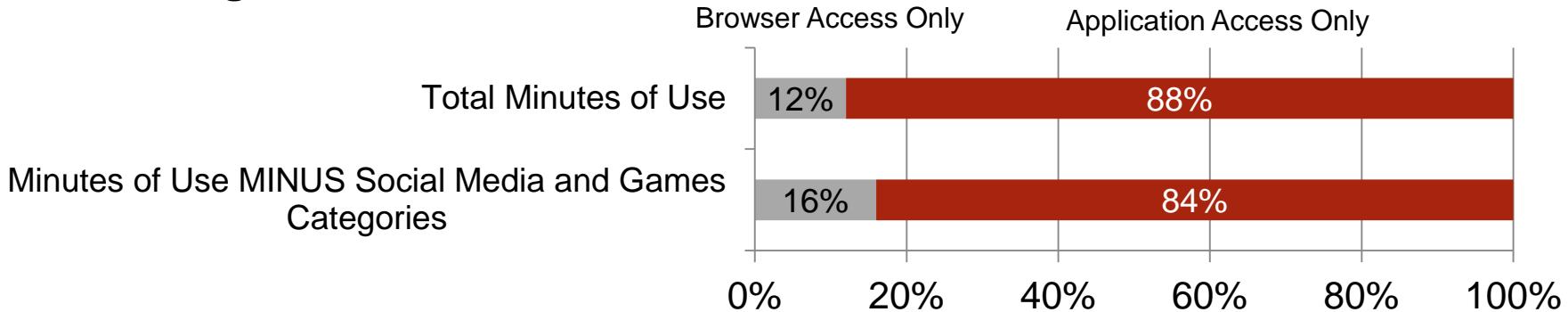
Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

Apps and Mobile Web

Explaining the “App Gap”

Why Don't Perceptions Align with the Measurement Data?

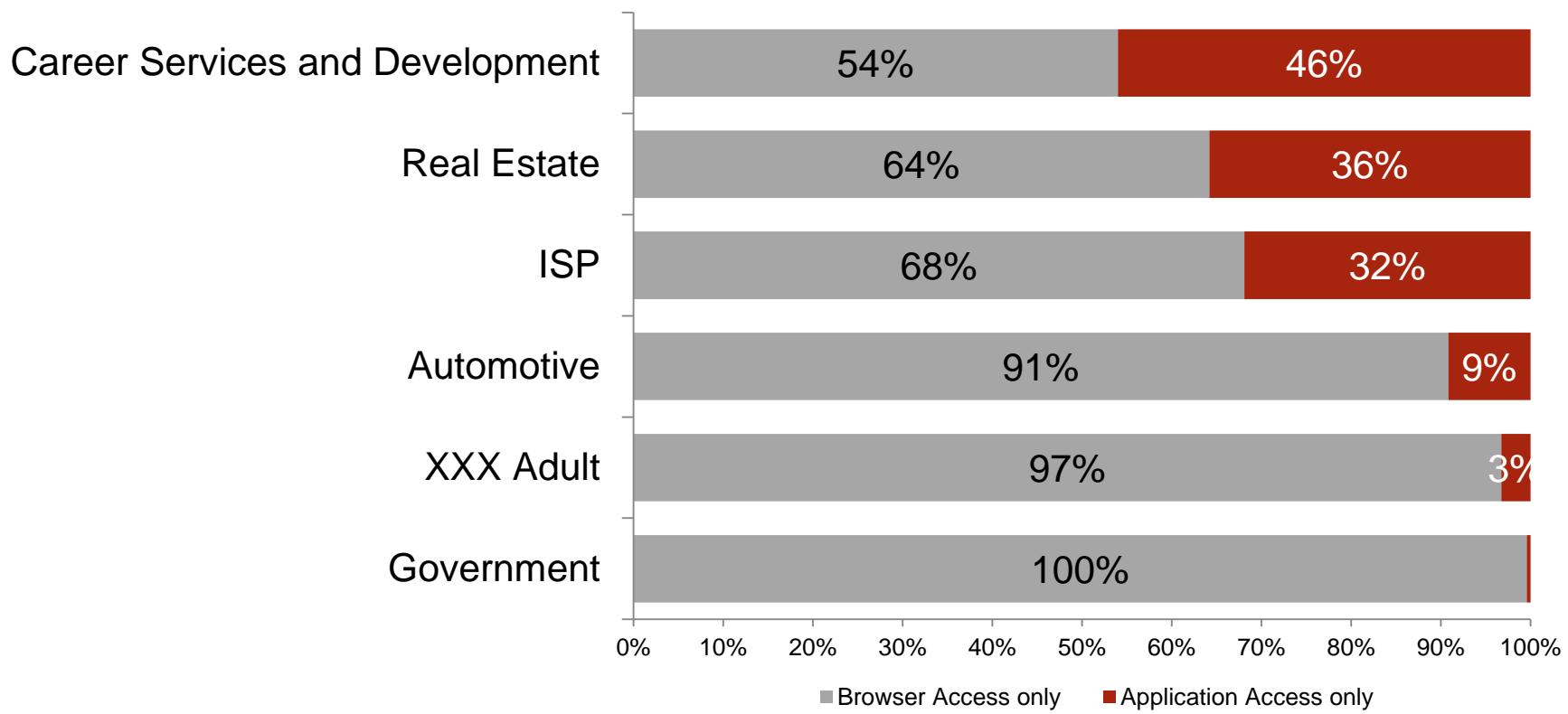
- Some have argued that the app/web time spent result is driven by games and social media, which skew toward apps. ComScore's data suggest this is not a sufficient explanation.
- Removing “Social Media” and “Game” minutes does not significantly change the overall minutes of use breakdown.



- However, some categories such as News/Information and Search/Navigation, show a much closer to even app-and-web split.
- And a few categories, like Government and Automotive, skew strongly toward mobile web (see next page).

Some comScore Categories Skew Heavily Toward Mobile Web

Time Spent by Category: Browser vs. Application
October 2014, All Smartphones

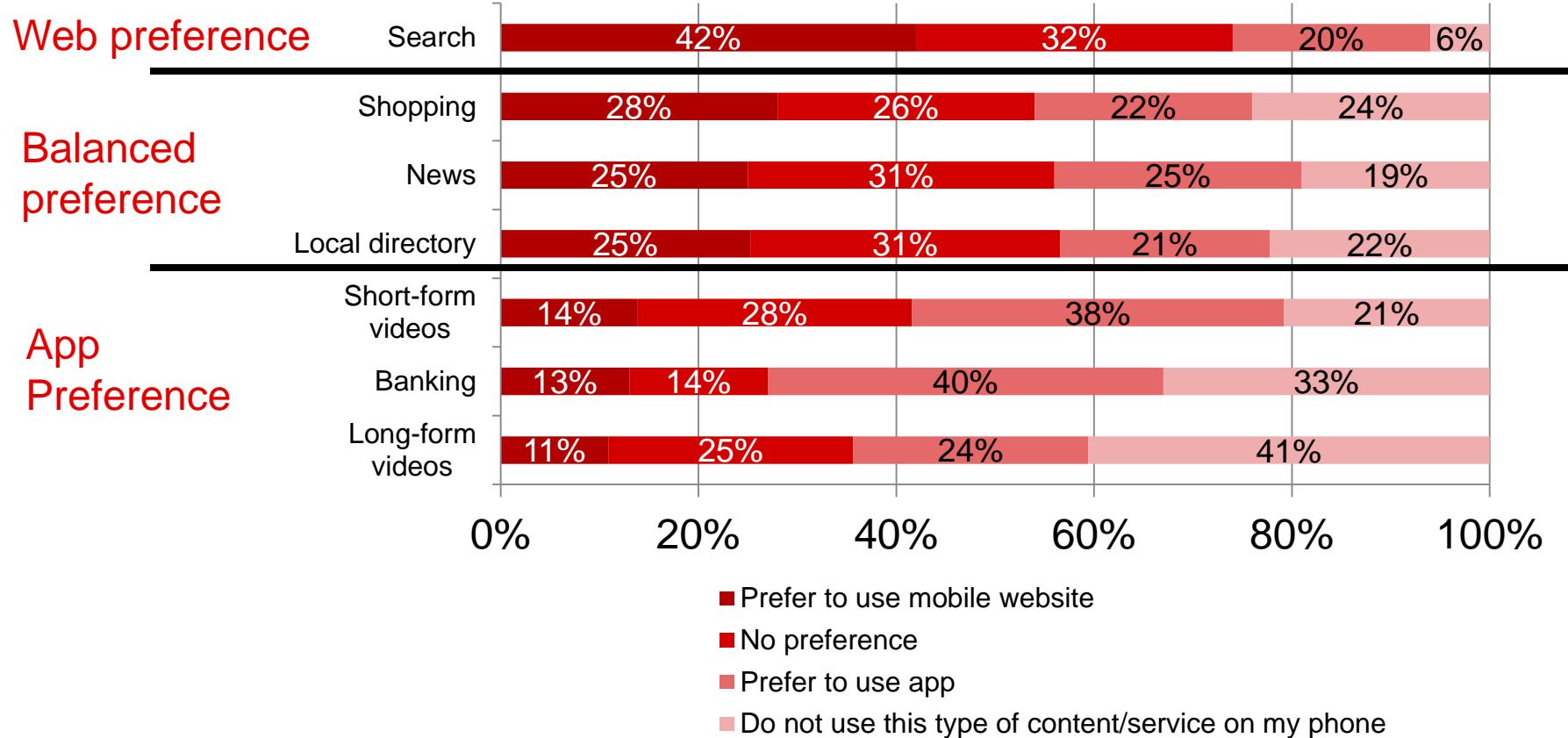


Checking Mobile Internet Users' Perceptions

- We tested comScore's results against mobile users' perceptions by asking about 7 specific kinds of mobile content and service.
- For search, mobile internet users tend to prefer mobile web.
- For three content types: shopping, news, and directories, mobile internet users are balanced between preference for apps versus preference for mobile web.
- We speculate that the perceived importance of some of these content types may skew perceived time spent away from apps.

Consumers Show Balanced App/Web Preferences for Some Content/Activity Types

Thinking of the online content or services you use regularly (i.e., at least weekly) on your smartphone, please indicate whether you prefer to use a mobile app or visit a mobile website.



Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

App-Web Preferences: Some Demographics

Shopping

- Those with HH incomes over \$100K are more likely than those with HH income of less than \$50k to prefer websites (36% vs. 24%, respectively).

News

- Those with HH incomes over \$100K are more likely to prefer websites than those with HH income of less than \$75k (32% vs. 20%, respectively).
- Men are more likely than women to prefer mobile websites (29% versus 21%).

Search

- Non-parents of kids under 18 show a stronger preference for mobile web (46%).
- Those with incomes over \$100K are more likely to prefer mobile websites than those with HH income of less than \$100K (51% vs. 38% respectively).

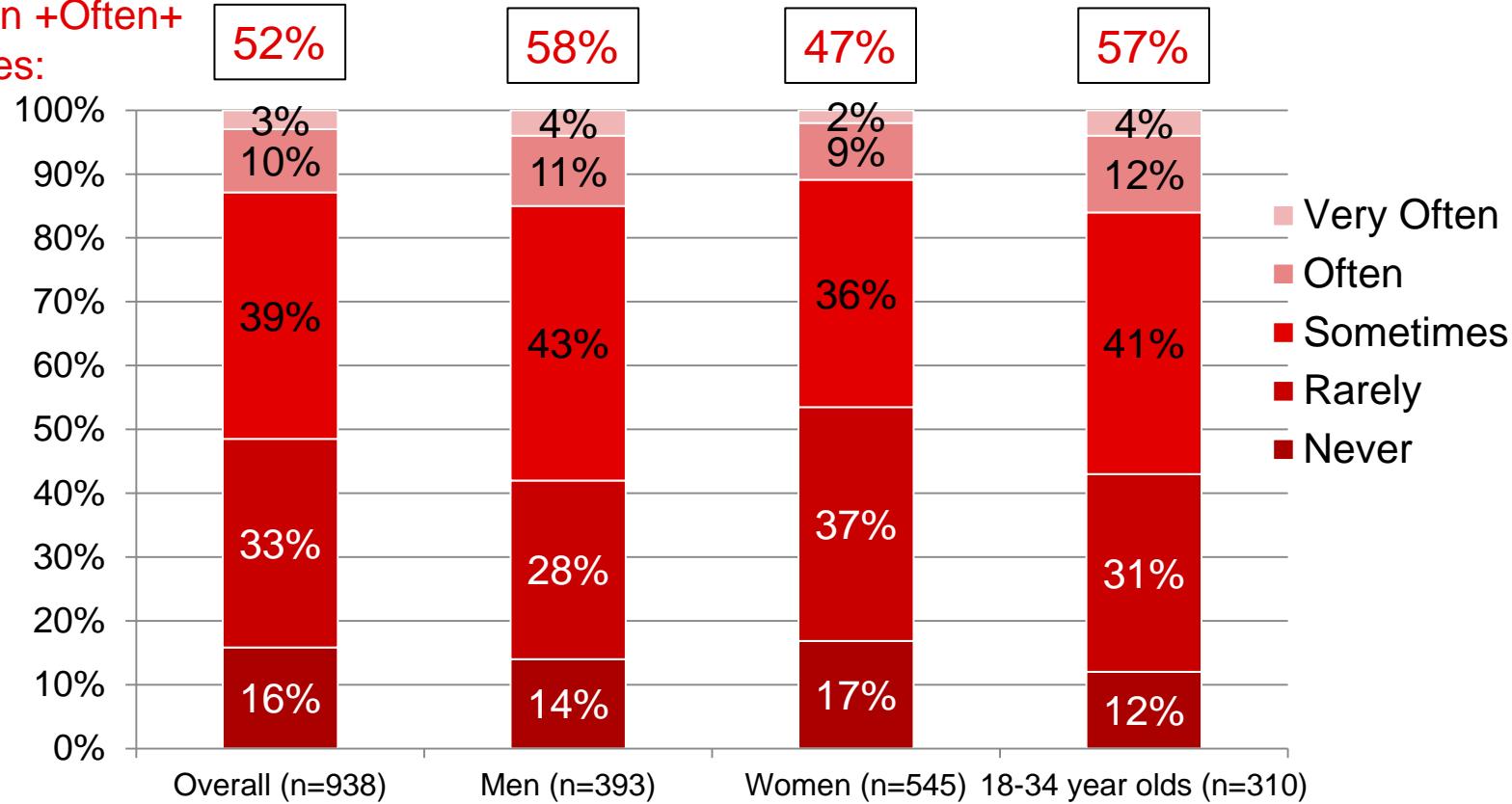
In-App Browsing

- IAB believes that another driver of the app/web perception disparity is that mobile internet users browse mobile websites while in non-browser apps.
- Many kinds of apps include browser capabilities, including news aggregators and social media apps.
- We asked consumers about accessing web articles via apps, and over half of smartphone users say that access such articles at least “sometimes.”
- And consumers value apps for webpage discovery.
- While the survey data don’t allow us to conclude how much mobile web browsing happens inside non-browser apps, we believe it is significant.

Smartphone Owners Use Apps as a Portal to Web Articles

How often do you tap or click on links in mobile apps (e.g., social media apps, news apps) that take you to mobile websites containing an article you wish to read?

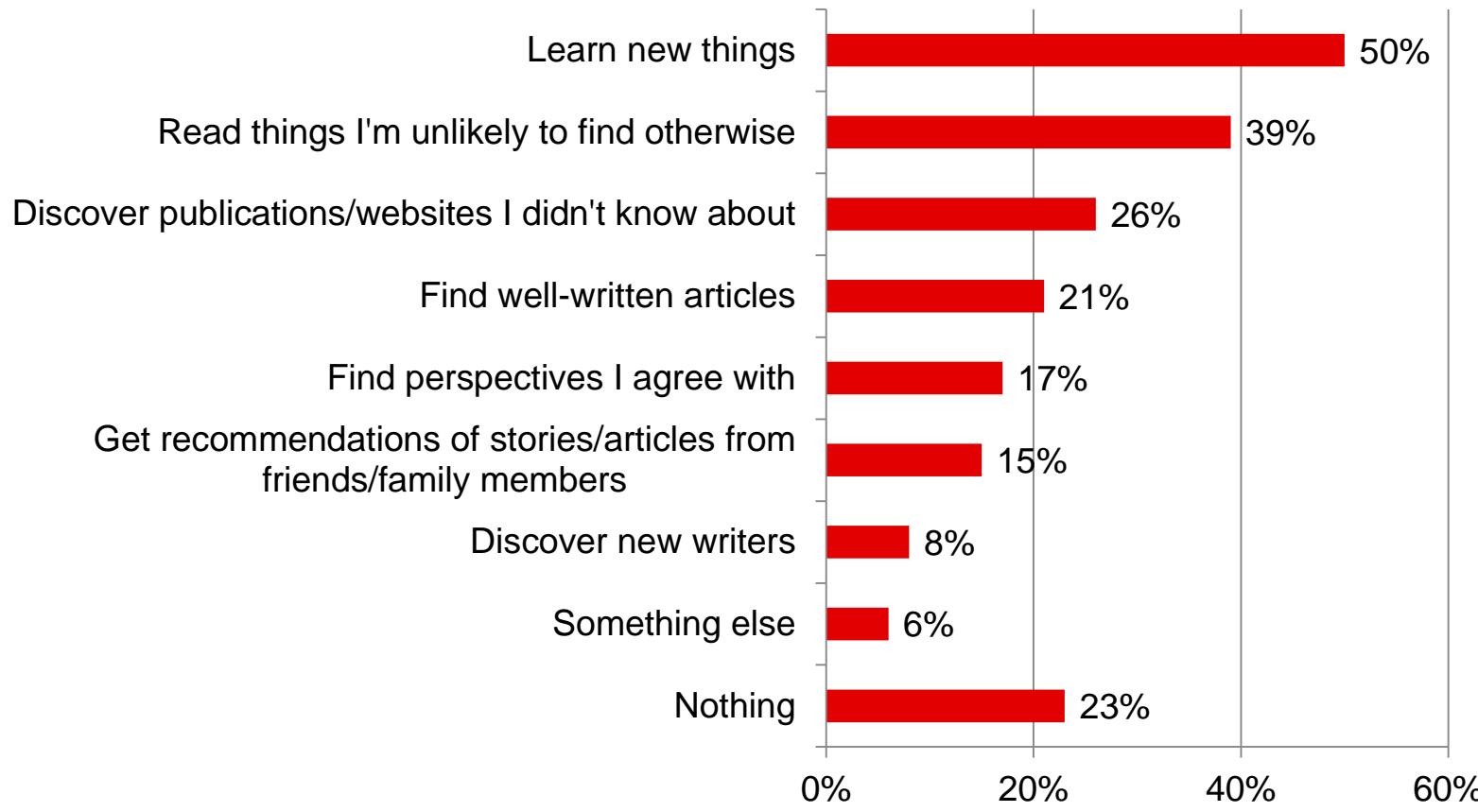
Very Often + Often +
Sometimes:



Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

Most Smartphone Owners Find Value in Articles They Find Via Links in Mobile Apps

Think about the times you tap/click a link within a mobile app that takes you to a mobile website containing an article you want to read. What, if at all, do you find valuable about web articles you discover in this way, relative to articles you discover via internet search or by browsing websites on your smartphone? Please select all that apply.



Base: Mobile Internet Users Who Ever Tap/Click Links in Apps That Go To Mobile Websites with Article They Want to Read, n=770

Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

Apps and Mobile Web

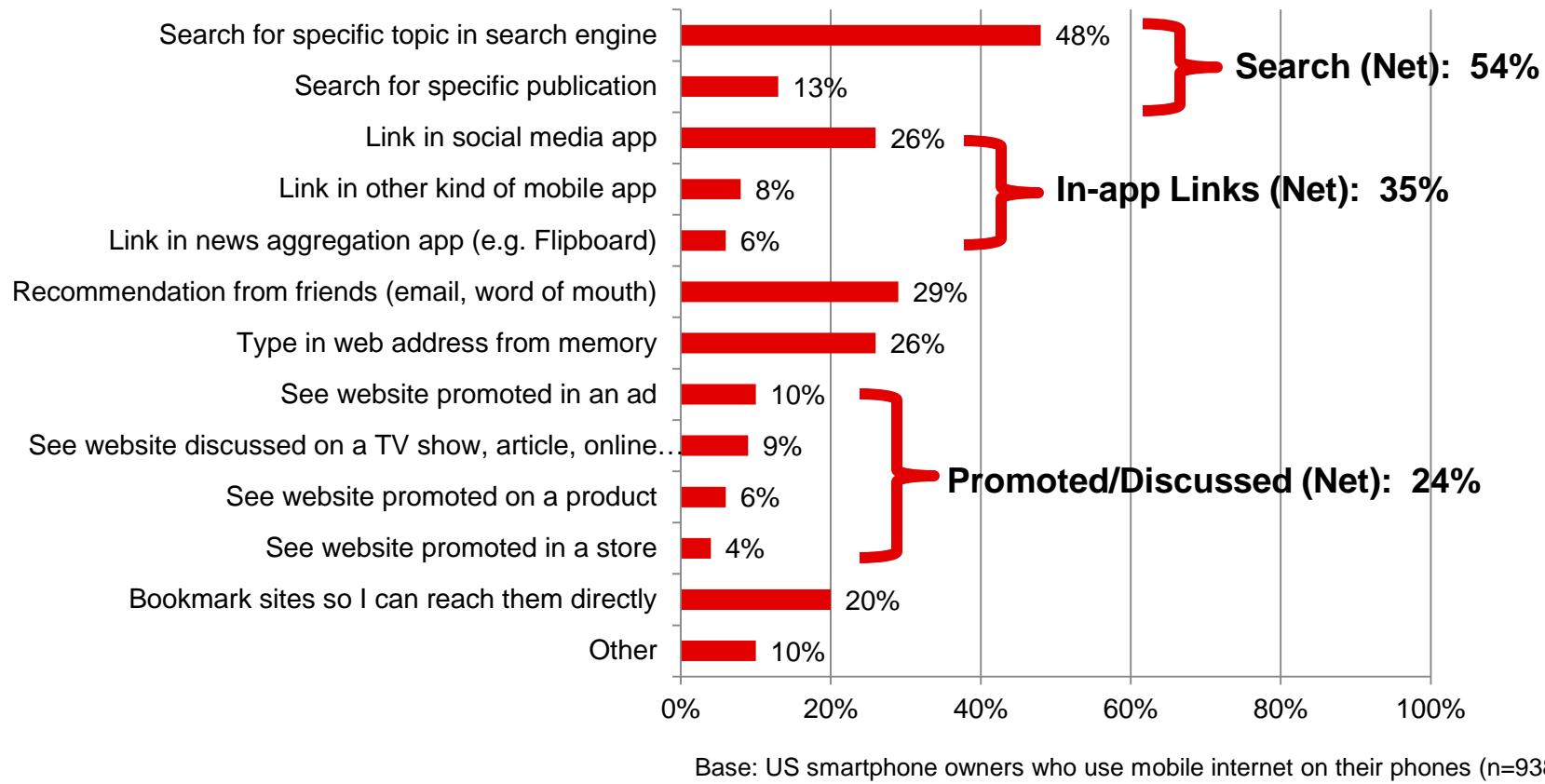
**Search and Social are the Mobile
“Front Door” for Web Content**

Search and Social Media as Web Drivers

- Our survey demonstrates that search and shared links from apps (primarily via social media) are the most commonly cited ways mobile internet users find websites they visit on their smartphones.
- In the other direction, word of mouth, email, and social media are frequently used ways people share mobile sites they like with others.

Smartphone Owners Verify Search and Links in Apps As Key Routes to Mobile Websites

In which three of the following ways, if any, do you usually find mobile websites that you access on your smartphone?
Please select up to three responses.

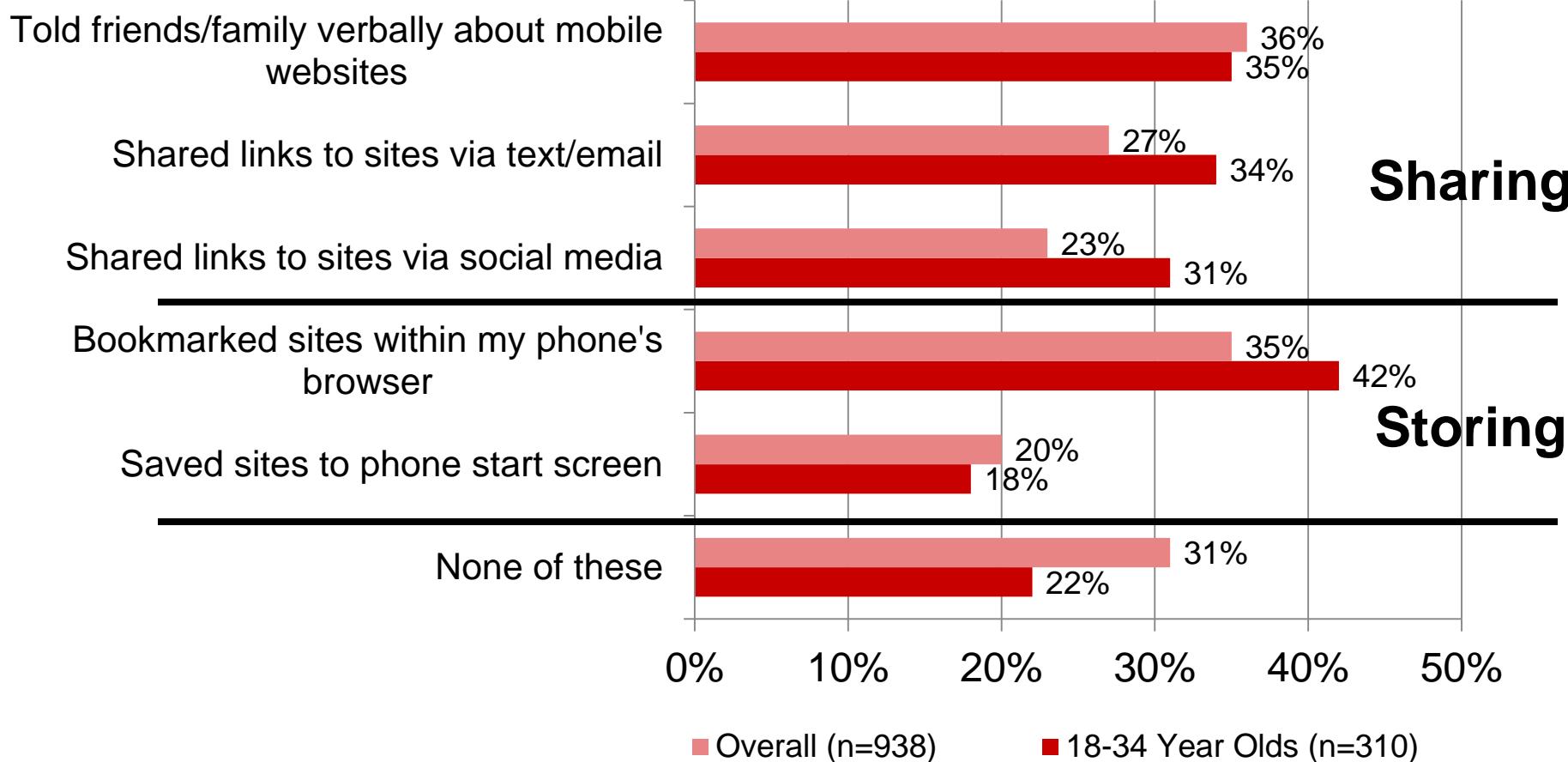


Base: US smartphone owners who use mobile internet on their phones (n=938)

Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

Mobile Users--Especially 18-34-Year Olds--Share and Store Mobile Websites

Which of the following, if any, have you ever done with relation to mobile websites you visit on your smartphone?
Please select all that apply.



Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

Conclusions

- US mobile internet users' perception of their usage of apps and mobile websites diverges from the time spent data.
- For mobile internet users, ease and convenience help dictate a preference for apps AND mobile web browsing. These can nudge people toward either mode, depending on the task at hand.
- Marketers should follow the lead of mobile consumers, and adopt a pragmatic attitude toward the two modes of mobile. Including both in media plans will help to maximize chances of achieving target reach and frequency goals for a campaign.
- Media companies must adapt their mobile web strategies to a world where search and social are vital points of access—while also encouraging old fashioned person-to-person sharing and even word of mouth.

Methodologies

The IAB survey was conducted online within the United States by Harris Poll on behalf of IAB from December 12-16, 2014 among 2,030 adults ages 18 and older, among which 1,103 are smartphone owners and 938 use mobile internet on their phones. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact mobile@iab.net.

IAB obtained exclusive access to comScore's Mobile Metrix App-Web Category Data for October, 2014.

About IAB

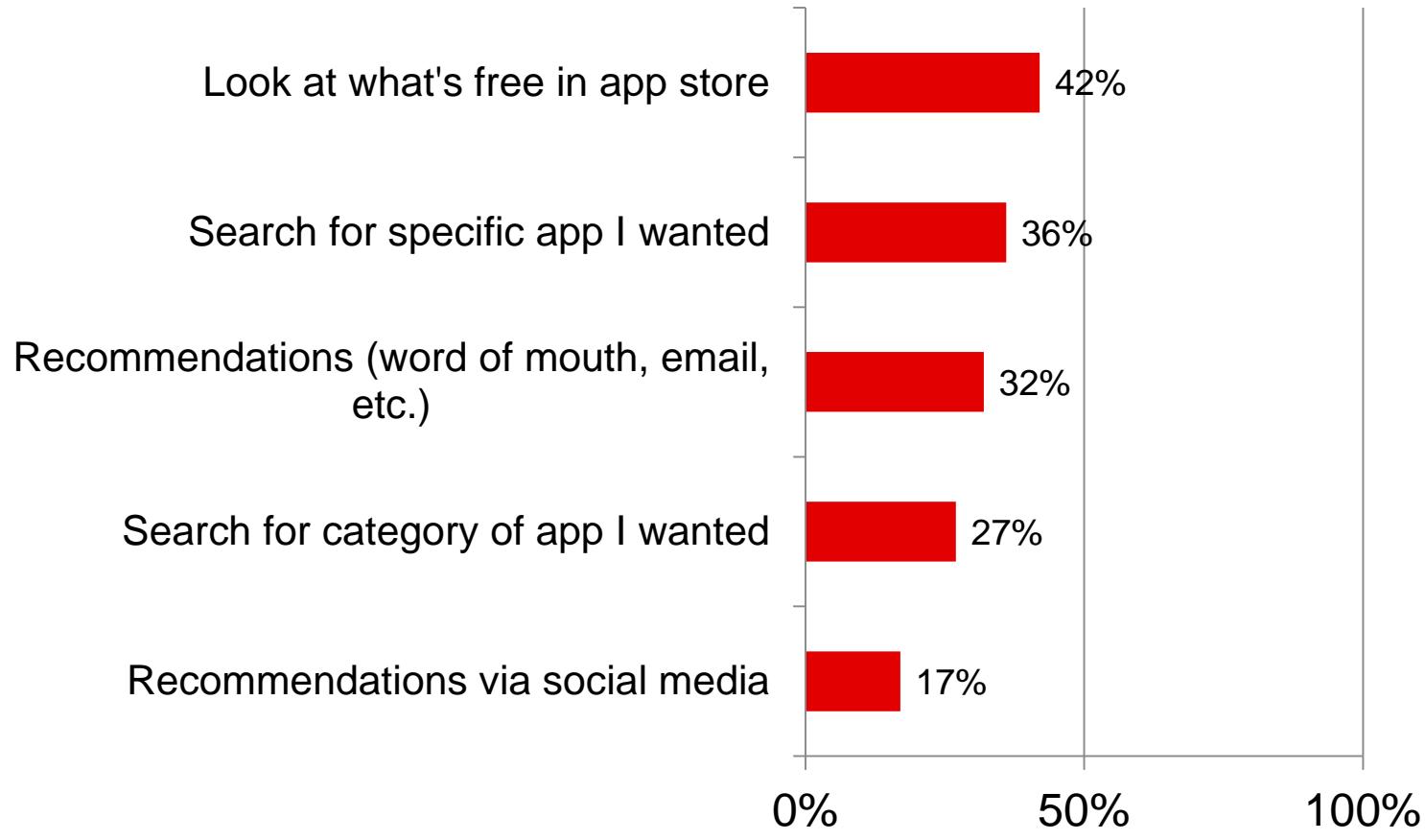
The Interactive Advertising Bureau (IAB) empowers the media and marketing industries to thrive in the digital economy. It is comprised of more than 650 leading media and technology companies that are responsible for selling, delivering, and optimizing digital advertising or marketing campaigns. Together, they account for 86 percent of online advertising in the United States. Working with its member companies, the IAB evaluates and recommends standards and practices and fields critical research on interactive advertising. The organization is committed to professional development, elevating the knowledge, skills, and expertise of individuals across the digital marketing industry. The IAB also educates marketers, agencies, media companies and the wider business community about the value of interactive advertising. Founded in 1996, the IAB is headquartered in New York City.

Apps and Mobile Web

Appendix

Smartphone Owners Cite Search, Recommendations, and “Free” to Find Apps

In which three of the following ways, if any, do you usually find apps that you download and use on your smartphone?
Please select up to three responses. (Top 5 responses shown.)

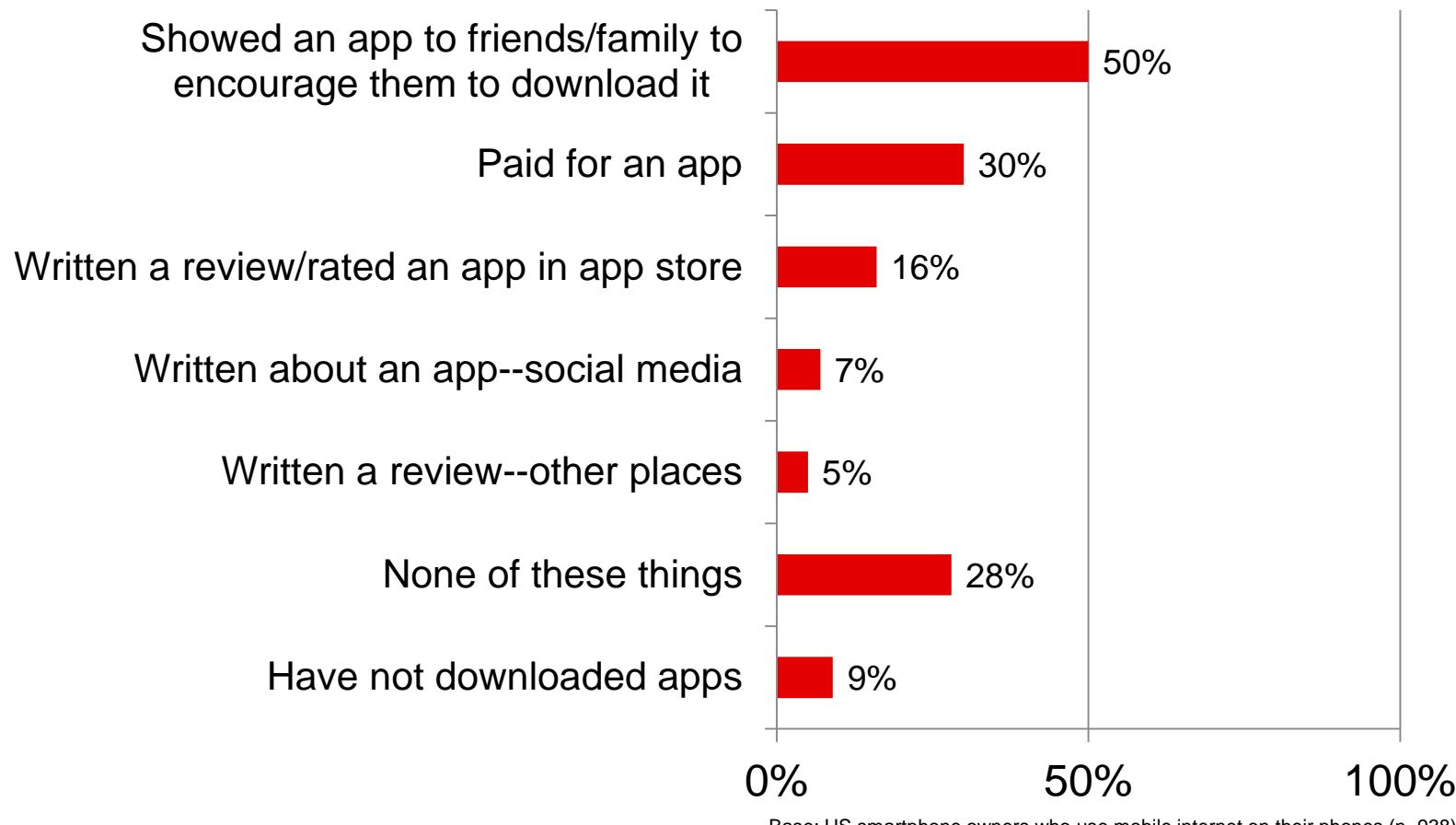


Base: US smartphone owners who use mobile internet on their phones (n=938)

Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.

Smartphone Owners Share Apps With Others

Which of the following, if any, have you ever done with relation to apps you've downloaded to your smartphone?
Please select all that apply.



Source: IAB 2014 Apps and Mobile Web Consumer Survey, conducted online by Harris Poll, December 12-16, 2014. n=2,030 US adults 18+; n=1,103 US smartphone owners 18+; n=938 US smartphone owners who use mobile internet.