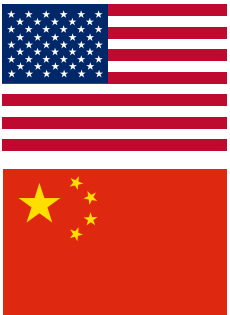


IAB U.S./China Mobile Data Usage Study

August 2014



Background

IAB, in partnership with IAB China, commissioned GfK to conduct a primary research project examining the role that mobile phones and tablets play in consumers' lives in China as compared with the United States.

Main Objectives of the Research

Compare and contrast American and Chinese consumers' experiences, attitudes, and behavior patterns across both smartphones and tablets, including...

- What aspect of connectivity to the mobile internet do people value most?
- When in the course of a typical day are consumers most likely to use mobile data services?
- What places are consumers most likely to use mobile data services?
- For mobile video in particular, when and where are consumers most prone to using this media type?

Study Overview

Who?

- Persons in China and United States were screened for age 18+ and weekly+ users of either a smartphone or a tablet and assigned to one of those device quotas
 - Additionally, China respondents were targeted in 11 major metro areas *
- Survey was conducted on a tablet or smartphone, depending on which quota assigned to
- Full surveys were completed with approximately 500 respondents per country:
 - United States - 255 smartphone users; 250 tablet users
 - China - 252 smartphone users; 250 tablet users
- U.S. data was weighted on age/gender to smartphone and tablet owner benchmarks; no weighting for China data

When?

- July 23rd – August 4th, 2014

How?

- Via a 6-minute online survey

What?



* Beijing, Shanghai, Guangzhou, Nanjing, Shenyang, Chengdu, Xiamen, Shijiazhuang, Guiyang, Wenzhou, Weihai

Key Takeaway #1: Mobile contributes to life success in China



Six in ten Chinese smartphone users feel the device makes them more successful in their personal life – twice that of American smartphone users; these proportions are also identical among tablet users in each country. Chinese smartphone users react more with ads on the device – almost six in ten do so at least once a day – triple that of American users. Almost half (43%) of tablet users in China interact with ads daily, again higher than the U.S. (27%)



The strong role mobile devices play in Chinese consumers achieving personal success, combined with their frequent interaction with digital ads, creates an attractive scenario for marketers



Highlight these facts when selling mobile ad placements in Chinese markets

Key Takeaway #2: Mobile media consumption varies by country



U.S. mobile device users consume media on their device more when they get up in the morning than users in China, while China users do so more after work and right before bed. Chinese users also do media-related activities on their smartphone during their commute and at coffee breaks more than U.S. users. American tablet users are twice as likely as China to use the device as a second screen while watching TV



Variances exist in when and where mobile device users consume media in both countries due to both lifestyle and transportation system differences. The classic broadcast TV/radio dayparts that seem most affected by mobile are “early morning TV” in the U.S. and “drive time” in China.



Advertisers should take heed of these nuances in targeting of ads in mobile media. Mobile use in China can be paralleled with “drive time” radio in the U.S. Ads could be served in China during the commute which would facilitate purchase with an easier diversion to a store or restaurant on the way.

Key Takeaway #3: Mobile ads inspire video viewing/coupon downloading



Ads related to something being shopped for are most likely to garner a response from both tablet and smartphone users in both countries, followed by 'fun' ads and ads for their favorite brands. Mobile users in China are more likely than U.S. users to react to mobile ads overall, as well as for ads related to their daily routines. Common actions in both countries taken as a result of a mobile ad is viewing a video, receiving a coupon or investigating a product/service, especially the latter two in China



Consumers appear willing to interact with marketing messages, resulting in a number of outcomes....



...but the key is getting them interested in interacting at the outset. Chinese mobile users are more open to ad interaction and taking action as a result than those from the U.S., but in either case the message must be compelling; it's no surprise that a product or service already being considered for purchase are most likely to elicit a response.

Key Takeaway #4: Chinese mobile use fills computer gap



When at home, mobile users in both countries most commonly use the device for communication and web browsing. Shopping is more likely to be done in China on both devices than U.S., as are TV related and family activities on smartphones. Americans are more likely to post to social media on a tablet than the Chinese.



Though capable of so many functions in consumers lives, communication and information seeking remain the core functions of mobile device use. Slightly lower levels of PC usage (74% in the US vs 65% in China, per Google¹) means Chinese consumers need to fill this “Internet gap” with their mobile devices



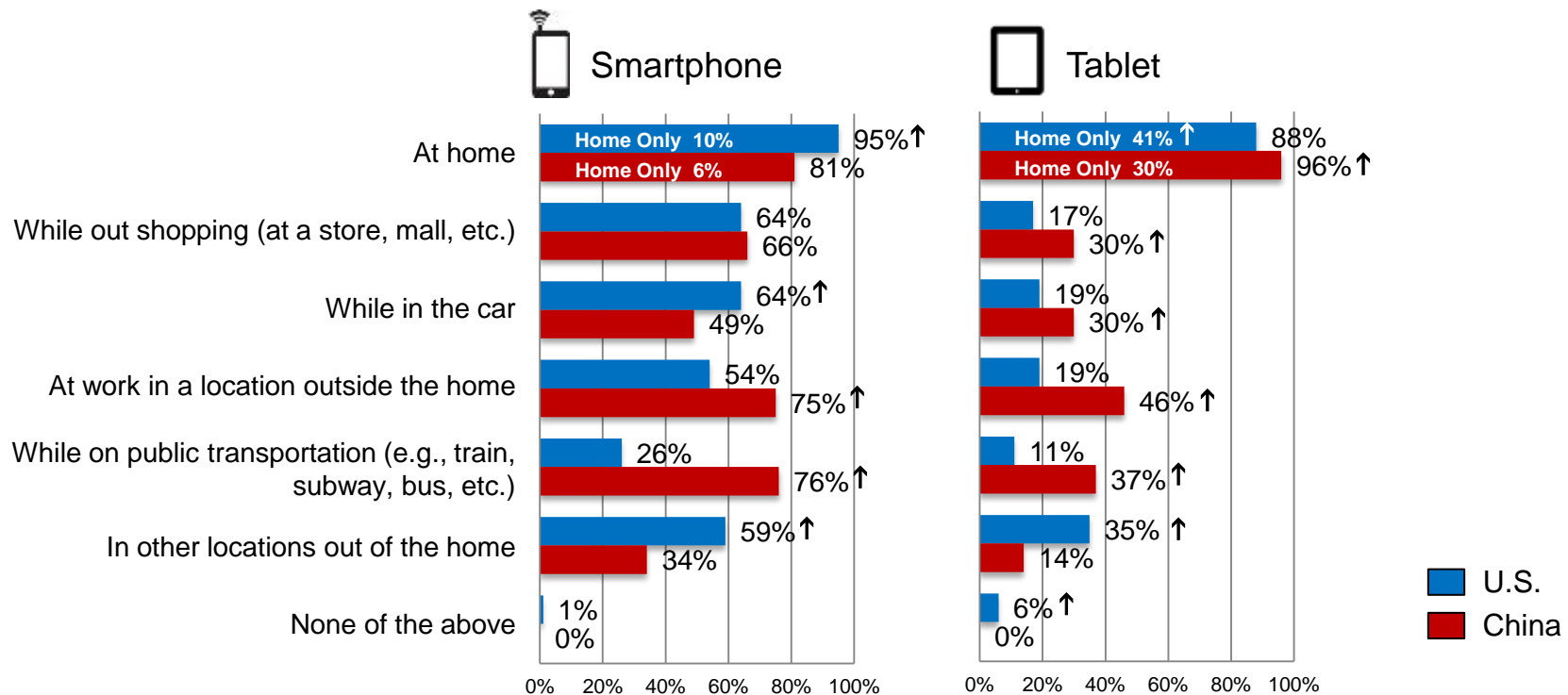
With mobile’s substitution for personal computers, the connection to personal success, and their receptivity to ads, Chinese mobile users are excellent targets for mobile digital marketers

Detailed Findings

Locations

- The portability of smartphones results in use both at and away from home. As would be expected, public transportation use is much higher in China than in the U.S; and use at work is also higher in China
- Tablet use tends to be more home-centric in both countries, however, cases of out of home use of the device in China are higher than in the U.S.

Locations Used Device in Past 3 Months – Device Users –



Q2. In the past three months, where have you used your [smartphone] [tablet] to access mobile data services?

Base: Device Users (US/China) - Smartphone (n=255/252); Tablet (n=250/250)

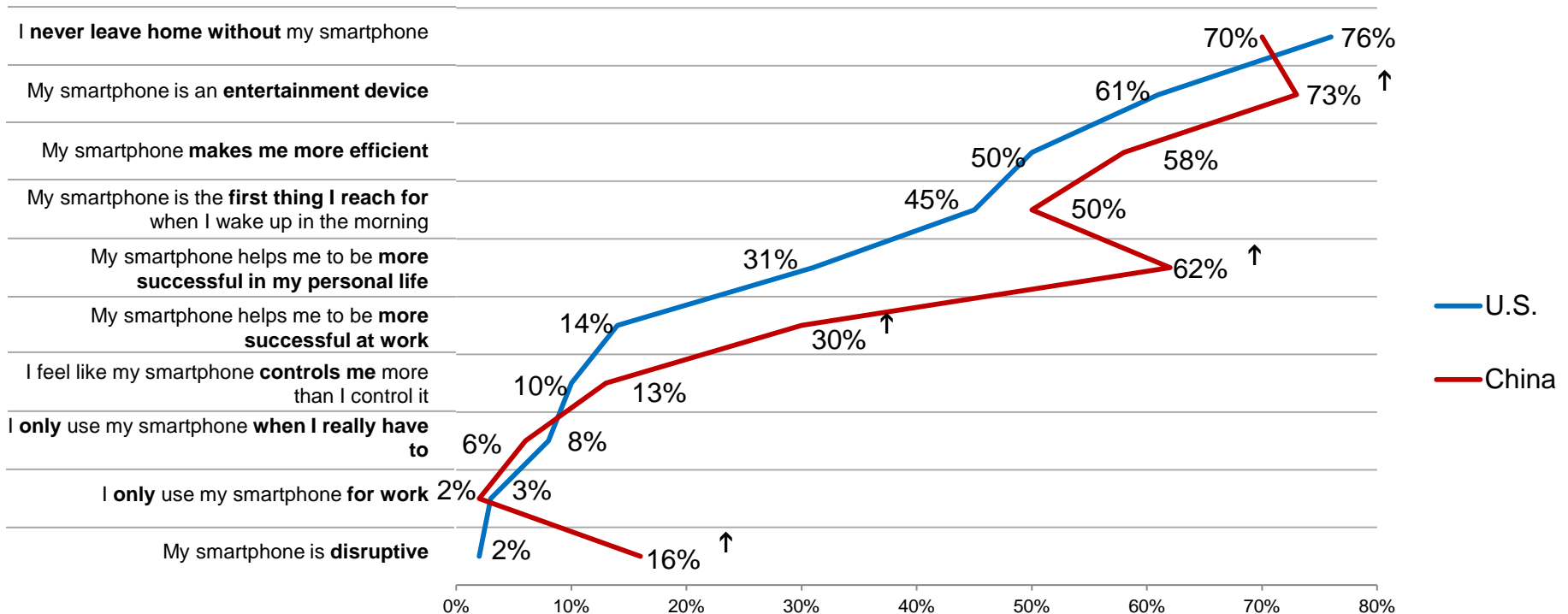
Attitudes/Behaviors - Smartphone

- Two times as many Chinese as U.S. users feel their device makes them personally and professionally more successful – perhaps attributable to more reliance on mobile in China due to lower PC penetration
- More users in China feel their smartphone is for entertainment than in the U.S.
- Roughly three quarters of smartphone users in each country never leave home without the device

Statements That Apply to You – Smartphone Users –



Smartphone

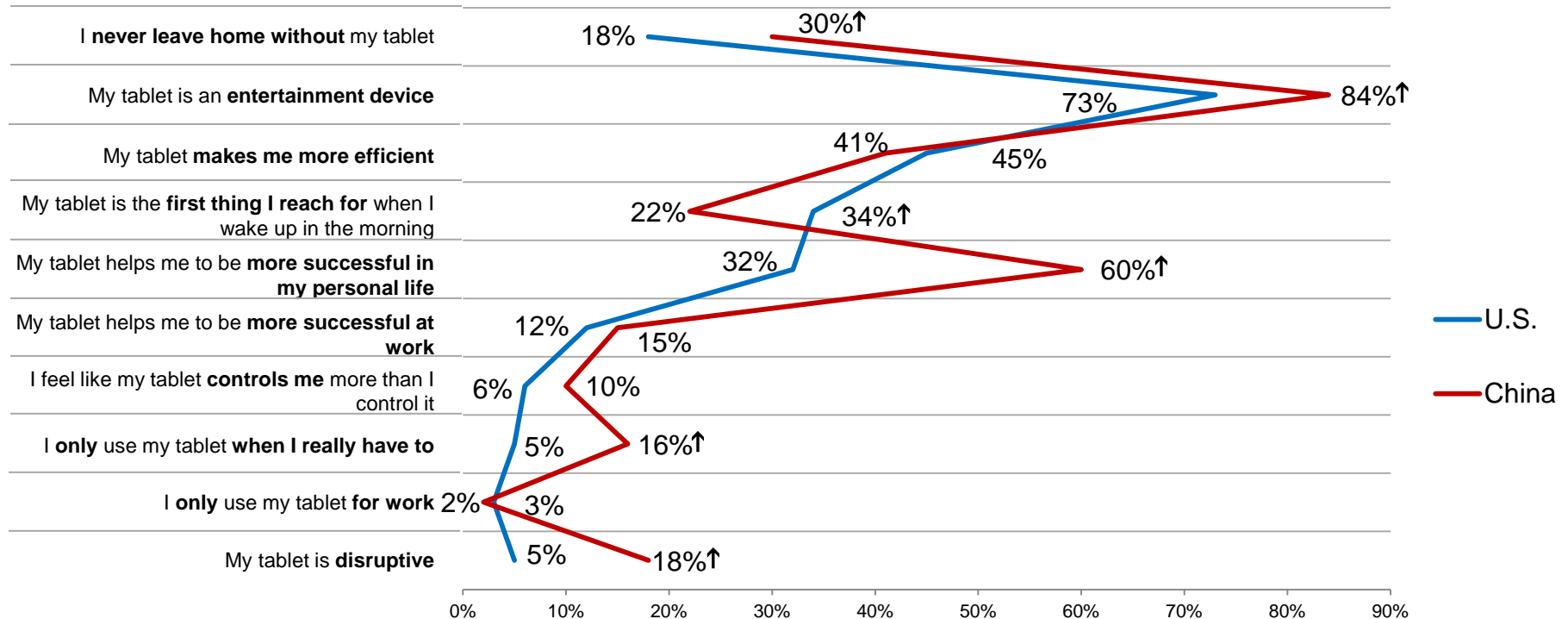


Q11. Which, if any, of the following statements apply to you?
Base: Device Users (US/China) - Smartphone (n=255/252)

Attitudes/Behaviors - Tablet

- Similar country differences emerge with tablets – twice as many Chinese users feel it aids personal success than American users. Also, more Chinese users feel their table is for entertainment.
- U.S. tablet users are more likely to grab their device when they first wake up, and Chinese more likely to take it with them on the go

Statements That Apply to You – Tablet Users –

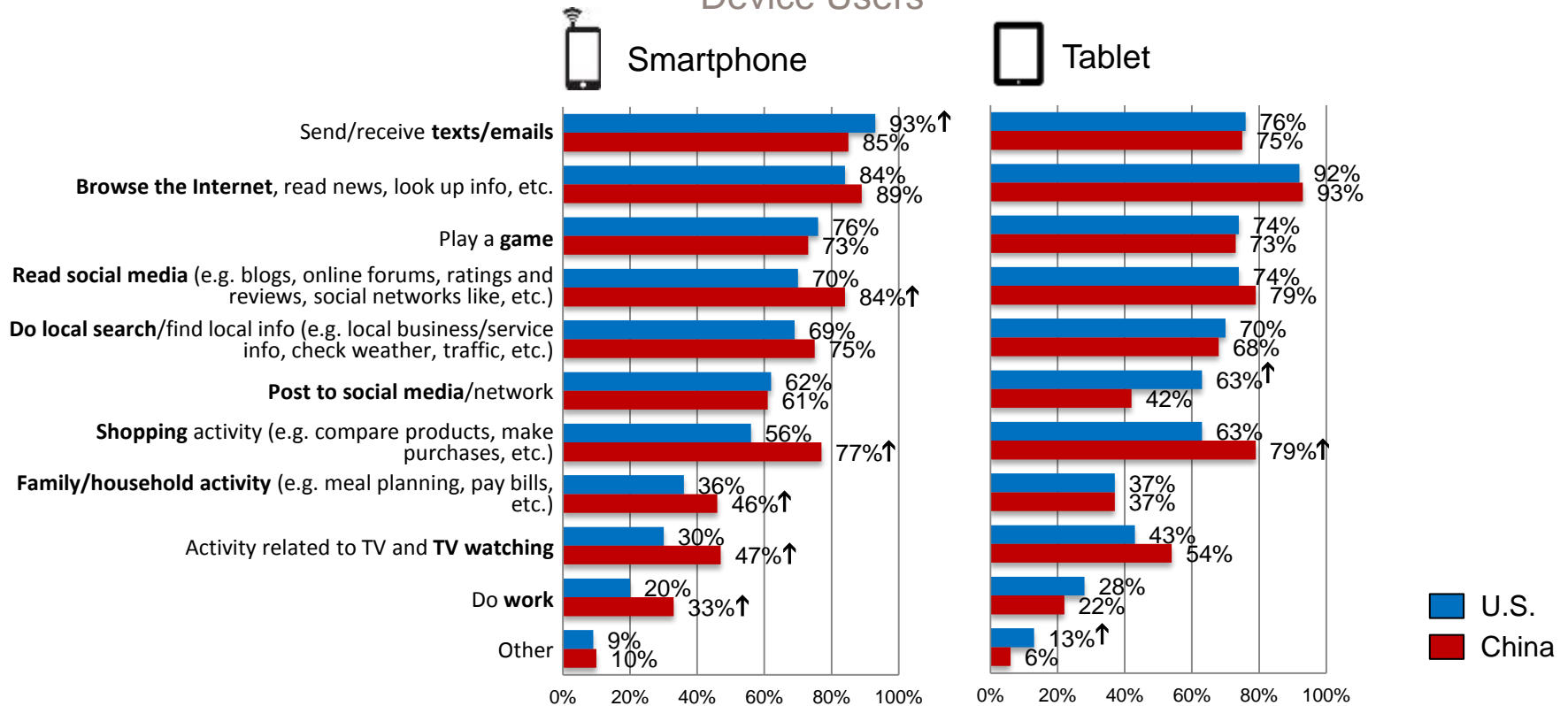


Q11. Which, if any, of the following statements apply to you?
Base: Device Users (US/China) - Tablet (n=250/250)

Activities At Home

- When at home, smartphone and tablet users in both countries most commonly use the device for communication and web browsing
- Shopping is more likely to be done in China on both devices than U.S., as are TV related and family activities on smartphones. Americans are more likely to post to social media on a tablet than the Chinese

Activities Used Device For At Home in Past Month – Device Users –



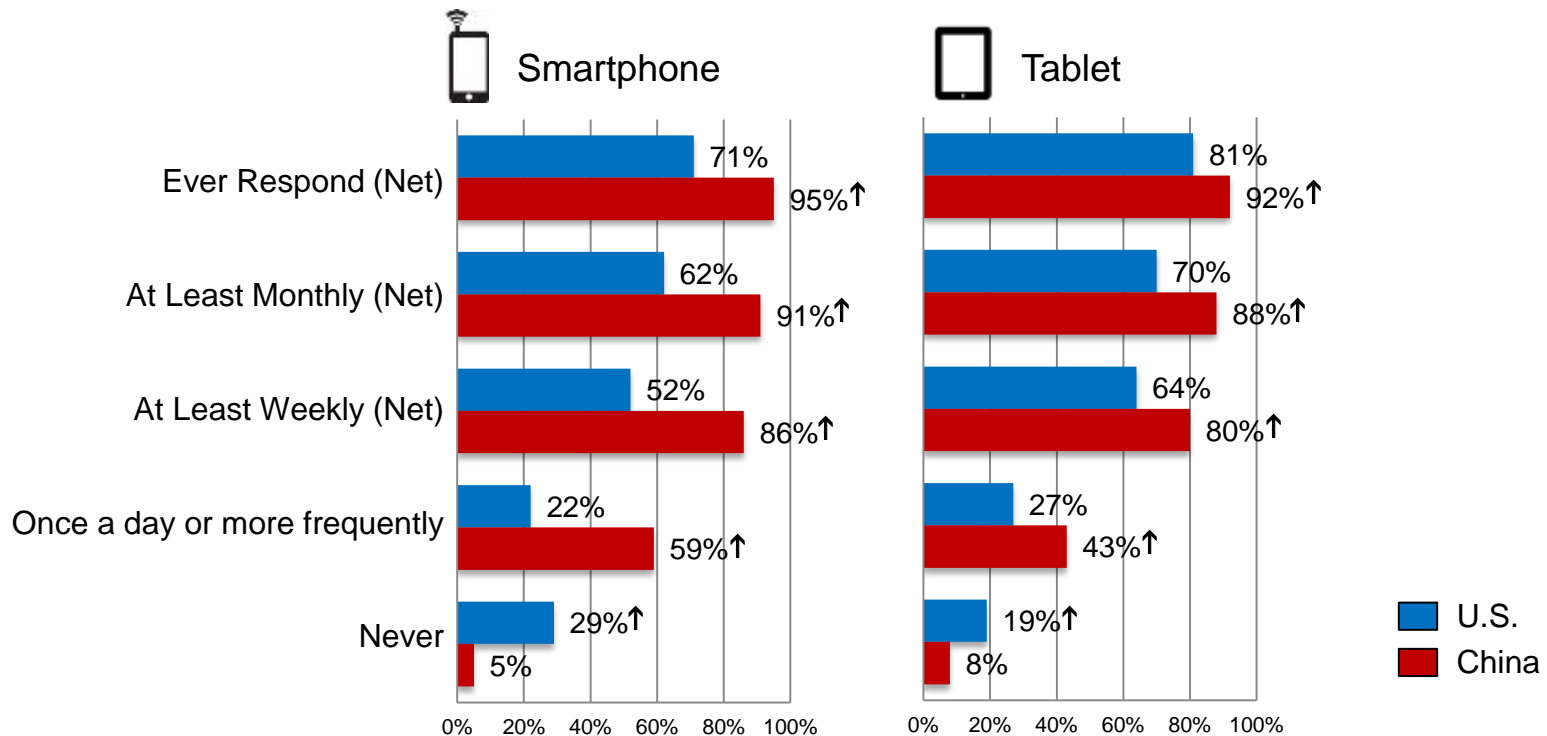
Q3. Which of the following have you done on your [smartphone] [tablet] while at home in the last month?
Base: Device Users (US/China) - Smartphone (n=255/252); Tablet (n=250/250)

Mobile Advertising

Ad Interaction Frequency

- Chinese smartphone users react more with ads on the device – almost six in ten do so at least once a day – triple that of American users (22%)
- Tablet users in China also tend to interact more with ads, though the differential over U.S. users is narrower

Frequency of Interaction w/Ads on Device in Past Month
– Device Users –



Q4. In the past month, how often would you say you typically interact with, tap, view, get more information or respond to an advertisement you see on your [smartphone] [tablet] ?
Base: Device Users (US/China) - Smartphone (n=255/252); Tablet (n=250/250)

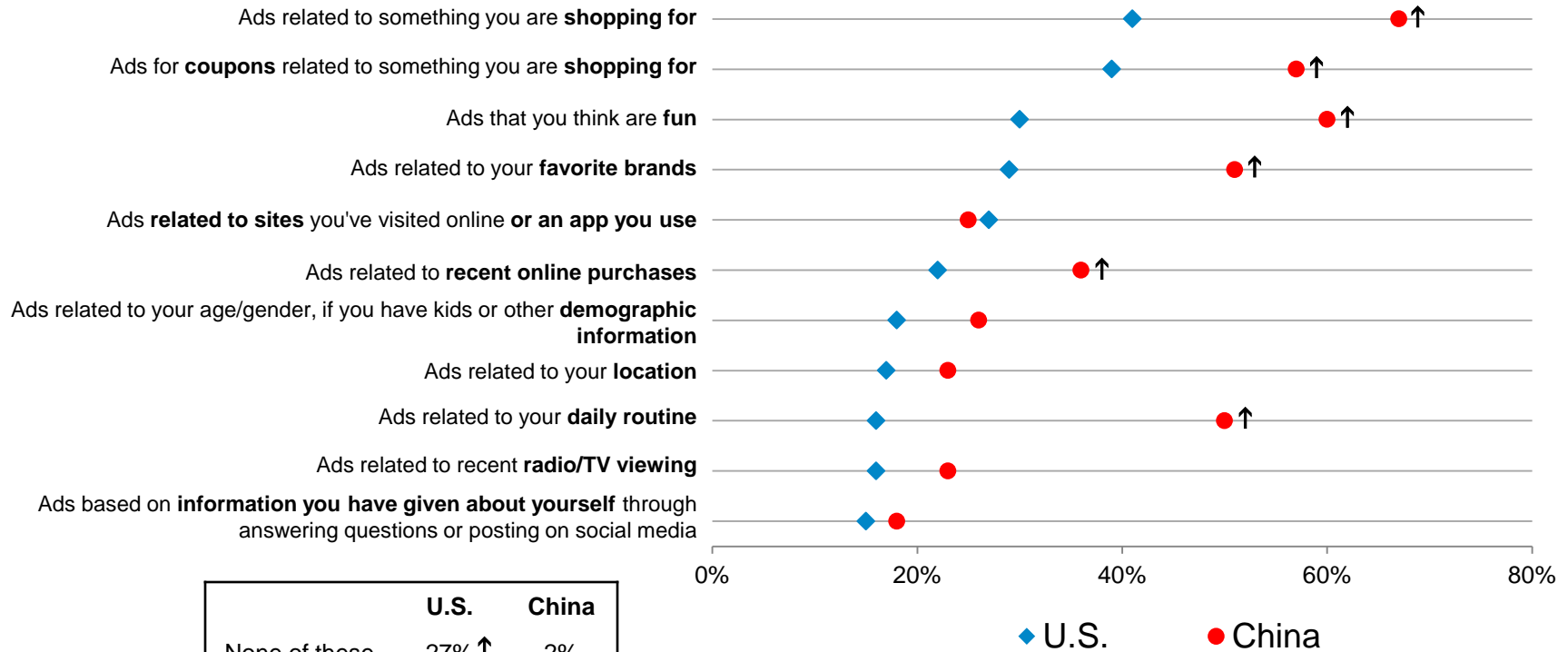
Ads Likely to React to - Smartphone

- Ads related to something being shopped for are most likely to elicit a response from smartphone users in both countries, followed by 'fun' ads and ads for their favorite brands
- Smartphone users in China are more receptive than U.S. users to mobile ads overall - especially the aforementioned types - as well as for ads related to daily routines

Ads Most Likely to Respond to On Smartphone – Smartphone Users –



Smartphone



Q5. What kinds of ads are you most likely to respond to on your [smartphone] [tablet]?
Base: Device Users (US/China) - Smartphone (n=255/252)

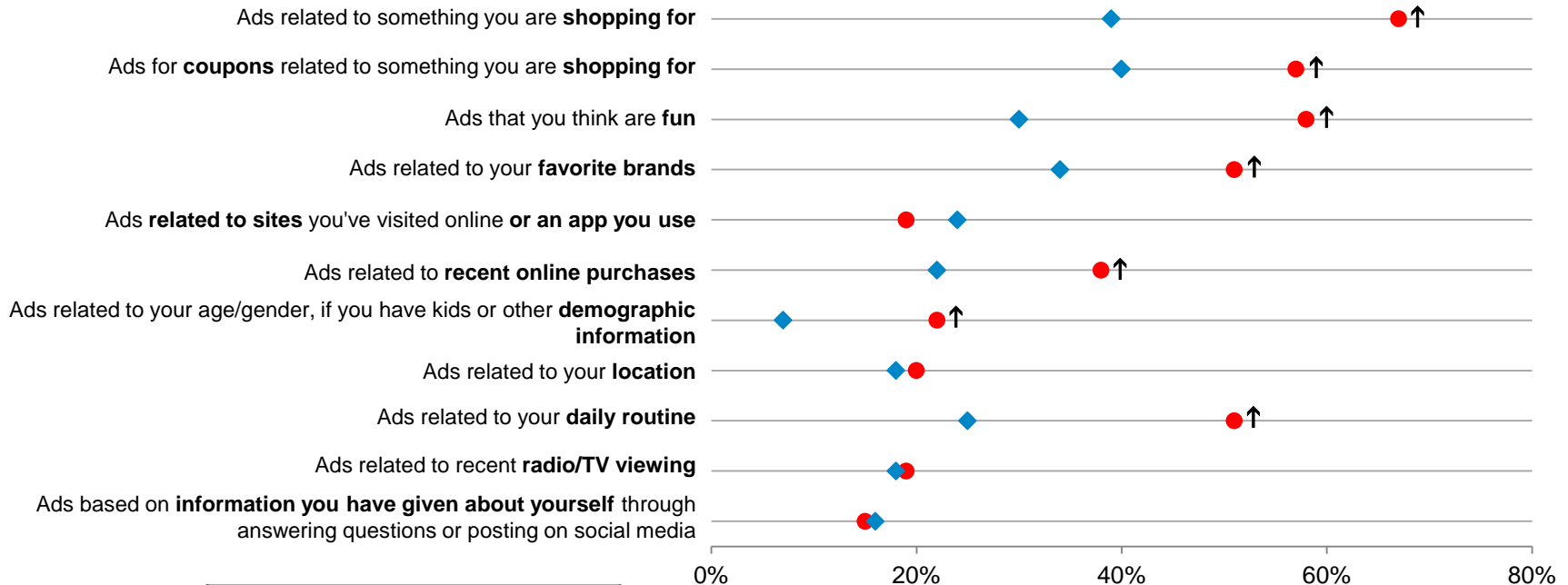
Ads Likely to React to - Tablet

- The most effective types of ads on tablets largely mirror that of smartphones in both countries – shopping item-related, fun and favorite brands – and with the same large differential for China over U.S.
- Ads targeting by demographic criteria are reported to be especially ineffective by U.S. tablet users



Tablet

Ads Most Likely to Respond to On Tablet – Tablet Users –



	U.S.	China
None of these	15% ↑	3%

◆ U.S. ● China

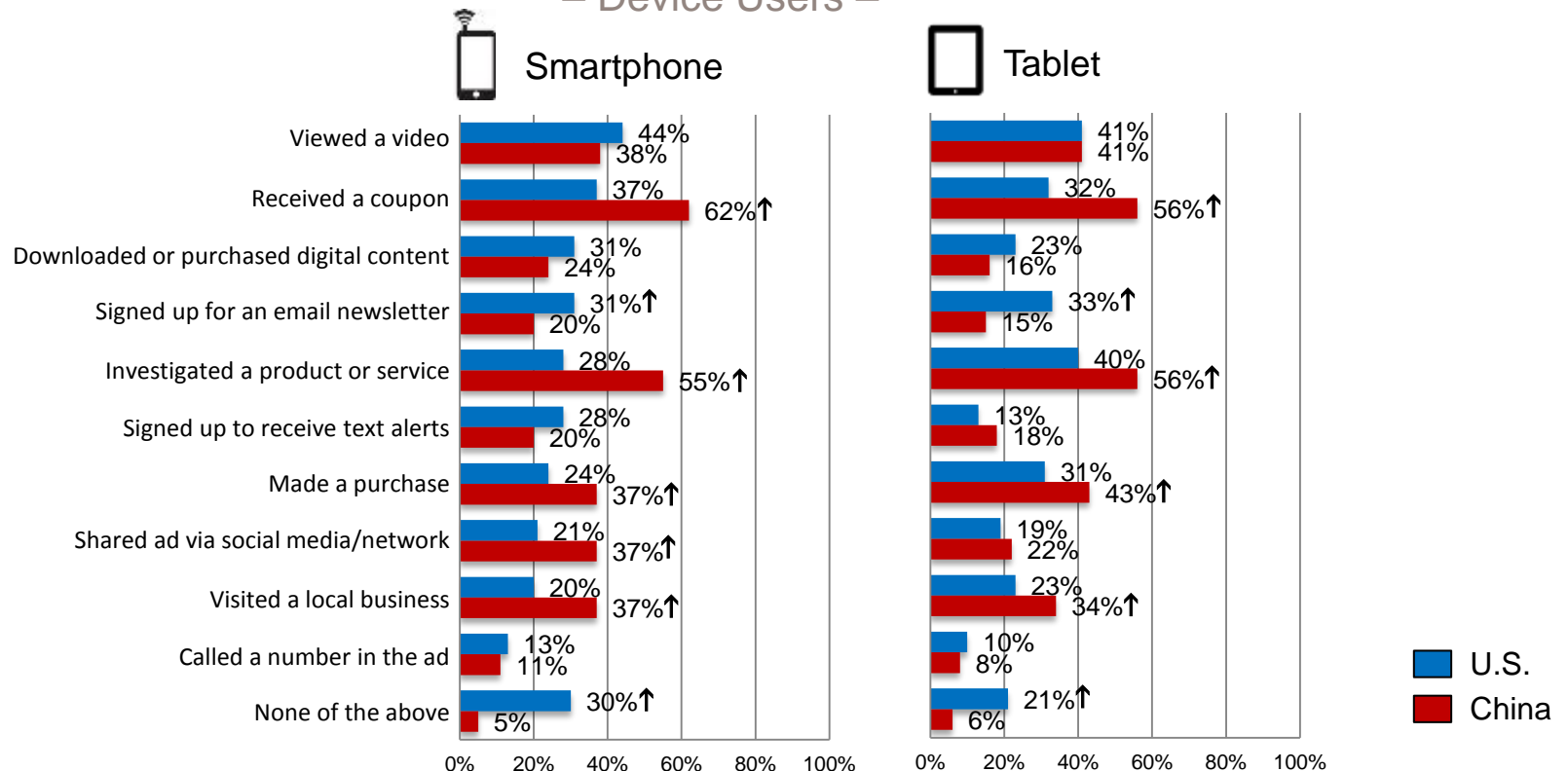
Q5. What kinds of ads are you most likely to respond to on your [smartphone] [tablet]?
Base: Device Users (US/China) - Tablet (n=250/250)

Ad reactions

- U.S. smartphone users have most frequently viewed a video or gotten a coupon as a result of clicking on an ad on their device. In China, smartphone users are much more likely than in U.S. to have received a coupon or investigated a product/service via an ad, and it also drives purchasing more than in the U.S.
- Viewing a video and investigating a product/service are the most common reactions to clicking an ad in the U.S., and both are notably higher among Chinese tablet users, who are also more likely to make a purchase

Action Taken After Viewing/Clicking an Ad on Device

– Device Users –



Q6. Which, if any, of the following have you done as a result of viewing or clicking on an ad on your [smartphone] [tablet]?

Base: Device Users (US/China) - Smartphone (n=255/252); Tablet (n=250/250)

Mobile Social Media Behavior

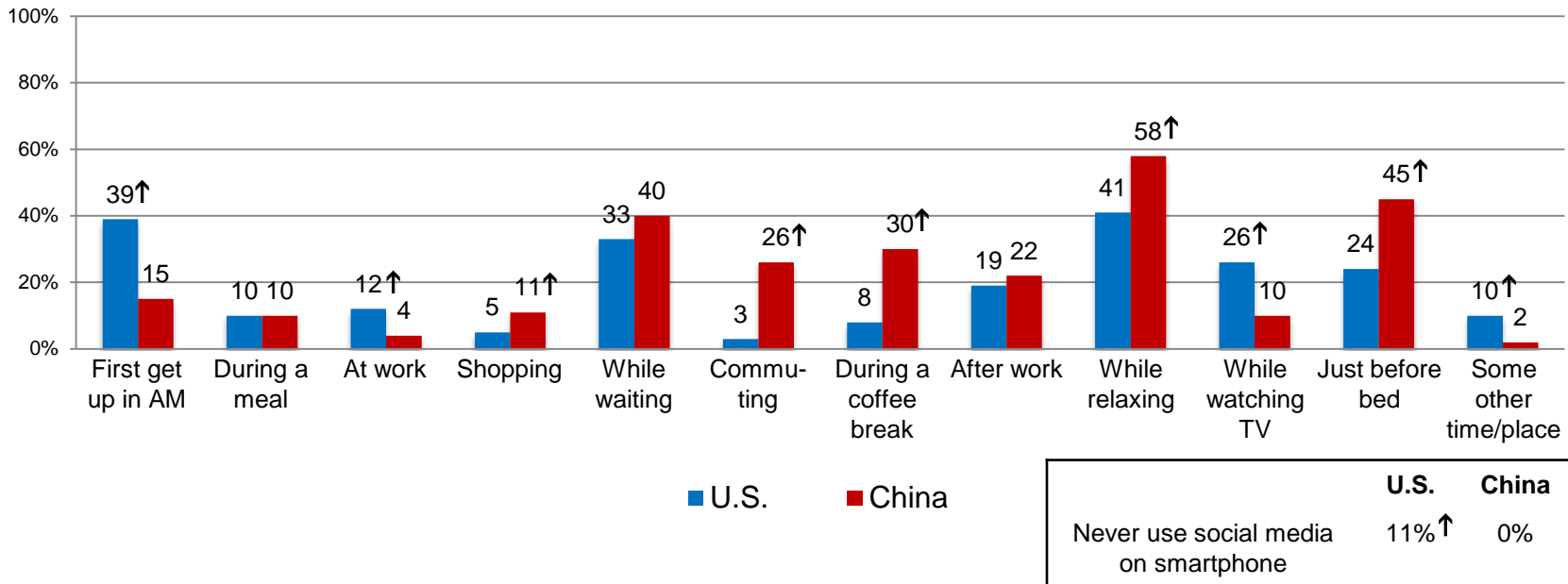
Social Media Use - Smartphone

- American smartphone users engage with social media on their device when they first get up, while Chinese do so more before they go to bed
- Social media use on the device is more prominent while watching TV in U.S., and Chinese are more likely to check in during a coffee break or while commuting

When Use Social Media on Smartphone – Smartphone Users –



Smartphone



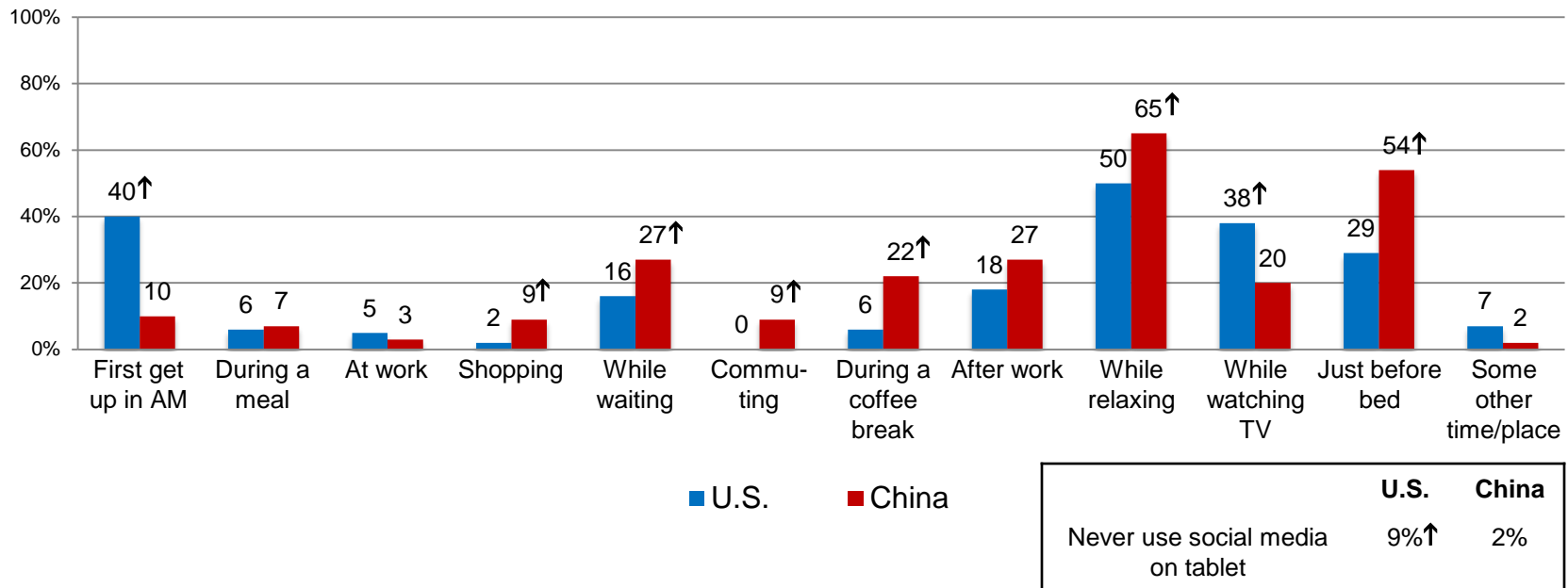
Q7. When, if at all, do you most use social media (e.g. blogs, online forums, ratings and reviews, social networks like [IF U.S. Facebook, Twitter ; IF CHINA: Weibo, Wechat] on your [smartphone] [tablet]?

Base: Device Users (US/China) - Smartphone (n=255/252)

Social Media Use - Tablet

- Social Media tablet use differs between the countries in much the same way – U.S. more use when they first get up and as a second screen, and Chinese more on a coffee break and before bed

When Use Social Media on Tablet – Tablet Users –



Q7. When, if at all, do you most use social media (e.g. blogs, online forums, ratings and reviews, social networks like [IF U.S. Facebook, Twitter ; IF CHINA: Weibo, Wechat] on your [smartphone] [tablet]?

Base: Device Users (US/China) - Tablet (n=250/250)

Mobile Media Consumption

Media-related Activities - Smartphone

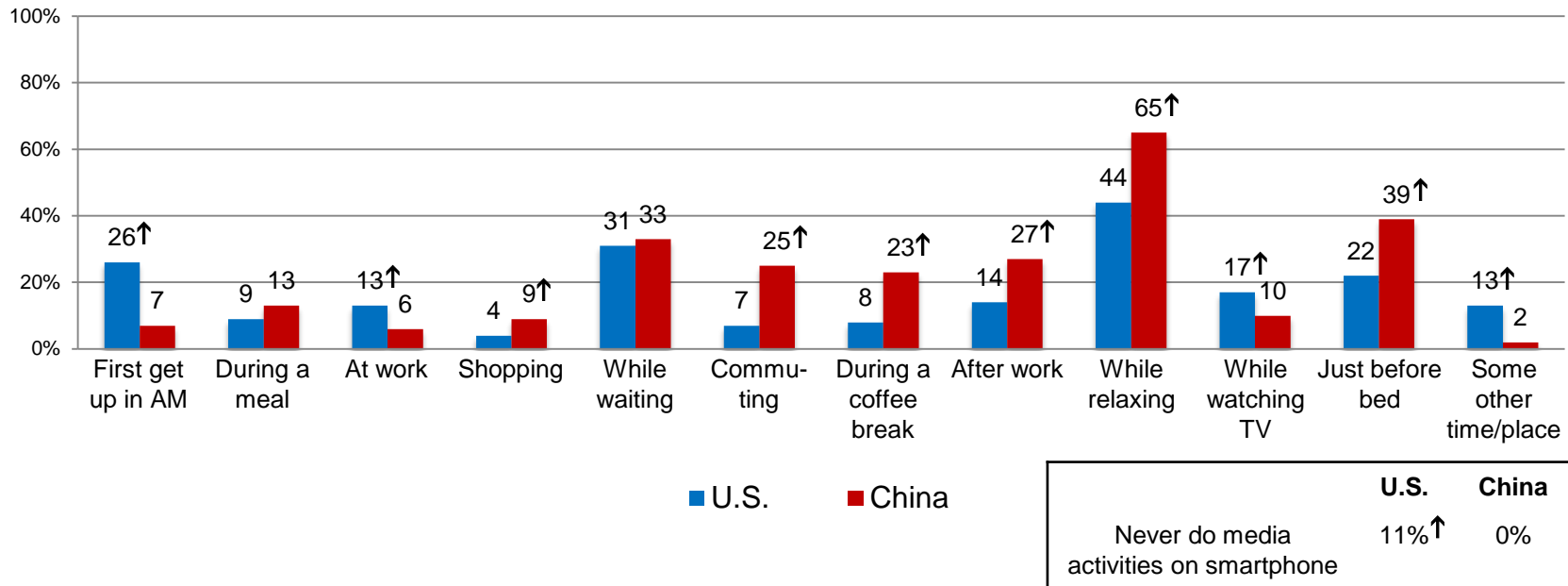
- U.S. smartphone users consume media on their device more when they get up in the morning than users in China, while China users do these activities more after work and right before bed
- Chinese users also do media-related activities on their smartphone during their commute and at coffee breaks more than U.S. users

When Do Media-Related Activities on Smartphone

– Smartphone Users –



Smartphone



Q8. When are you most likely to do media-related activities on your [smartphone] [tablet]? By this, we mean activities such as reading a digital magazine or newspaper, watching an online video, watching TV online, etc.

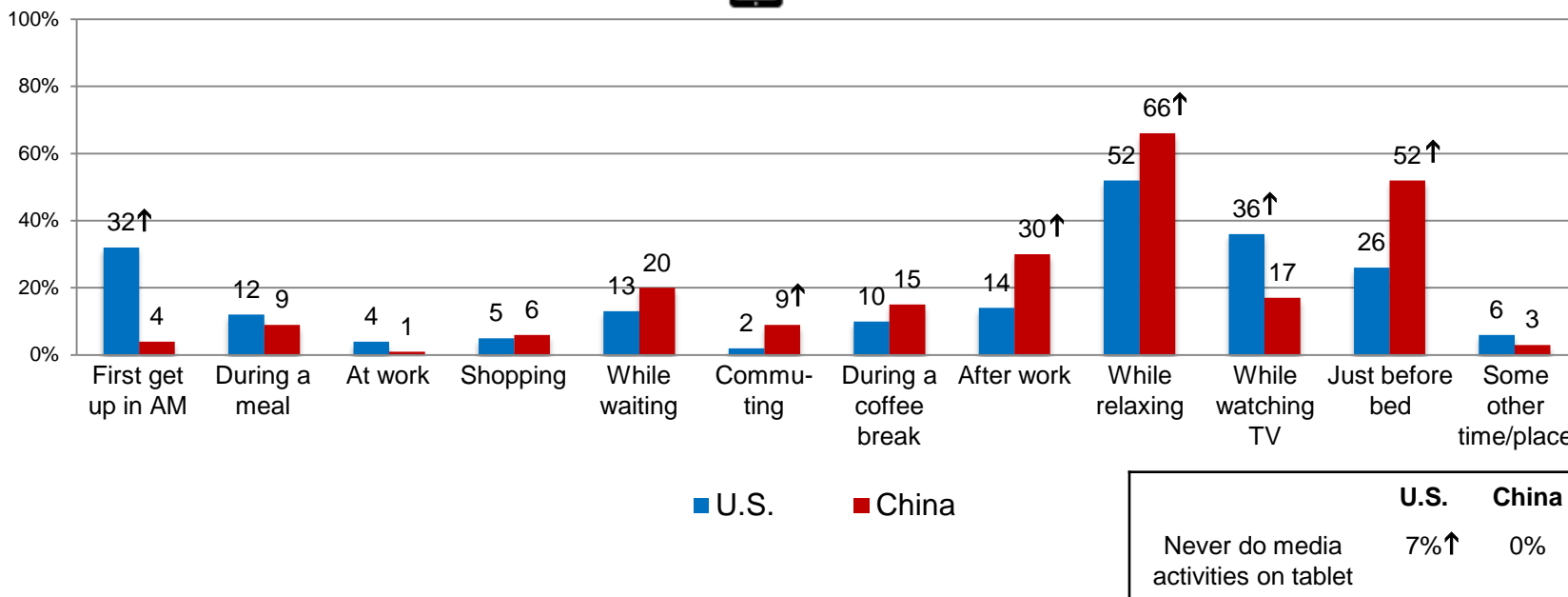
Base: Device Users (US/China) - Smartphone (n=255/252)

Media-related Activities - Tablet

- Similar to smartphone users, U.S. tablet users tend to consume media on the device early in the day, while Chinese users do so more after work and before bed
- U.S. tablet users are twice as likely as China to use the device as a second screen while watching TV (36% vs. 17%)

When Do Media-Related Activities on Tablet

– Tablet Users –



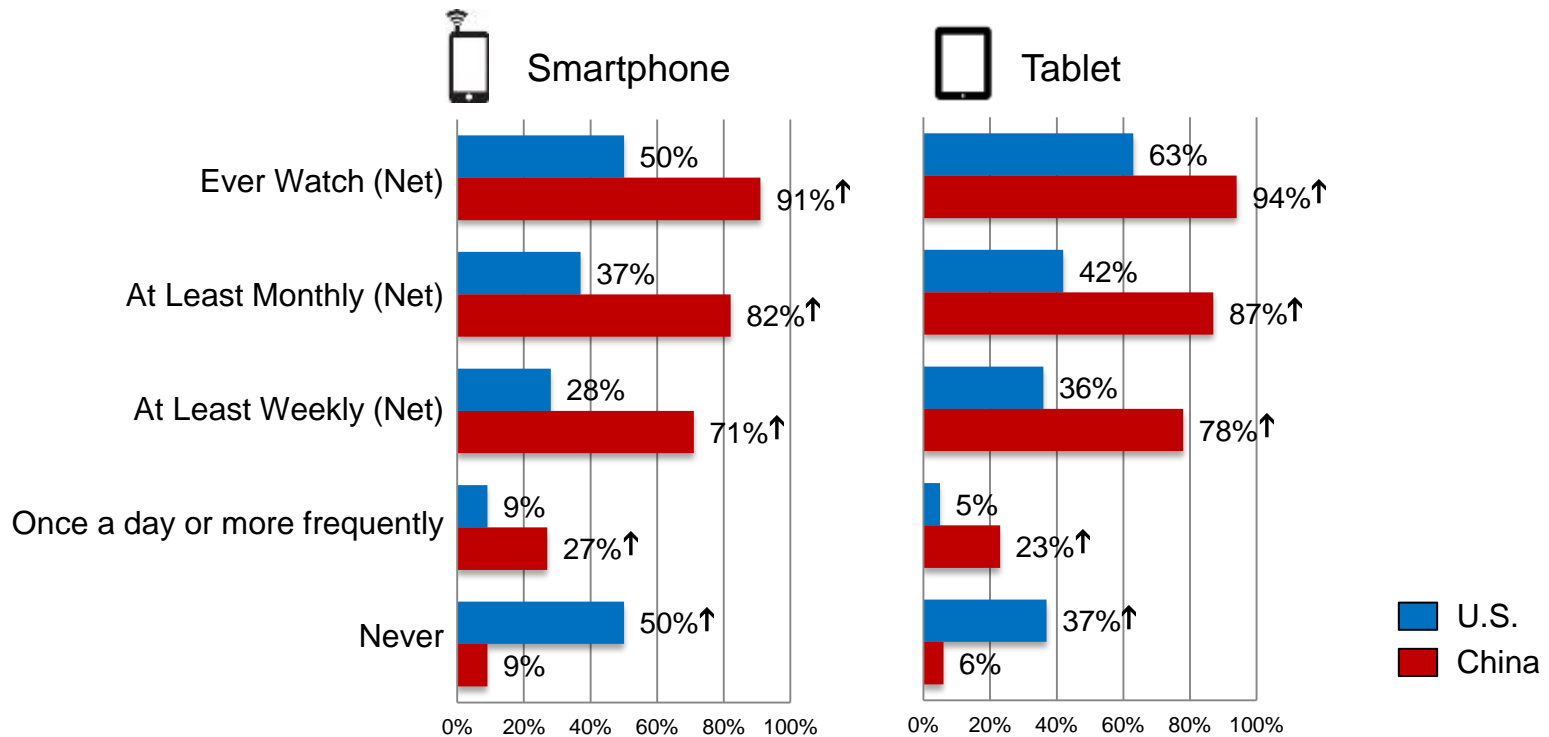
Q8. When are you most likely to do media-related activities on your [smartphone] [tablet]? By this, we mean activities such as reading a digital magazine or newspaper, watching an online video, watching TV online, etc.

Base: Device Users (US/China) - Tablet (n=250/250)

Full-length TV episodes

- Viewing full-length TV shows on a smartphone is much more prominent in China than in U.S. – three quarters of Chinese device users do so on a weekly basis compared to only a quarter in U.S.
- The same country frequency pattern holds for tablet viewing, and is possibly a result of more public commuting versus driving to work

Frequency of Watching Full-Length TV Episodes on Device
– Device Users –

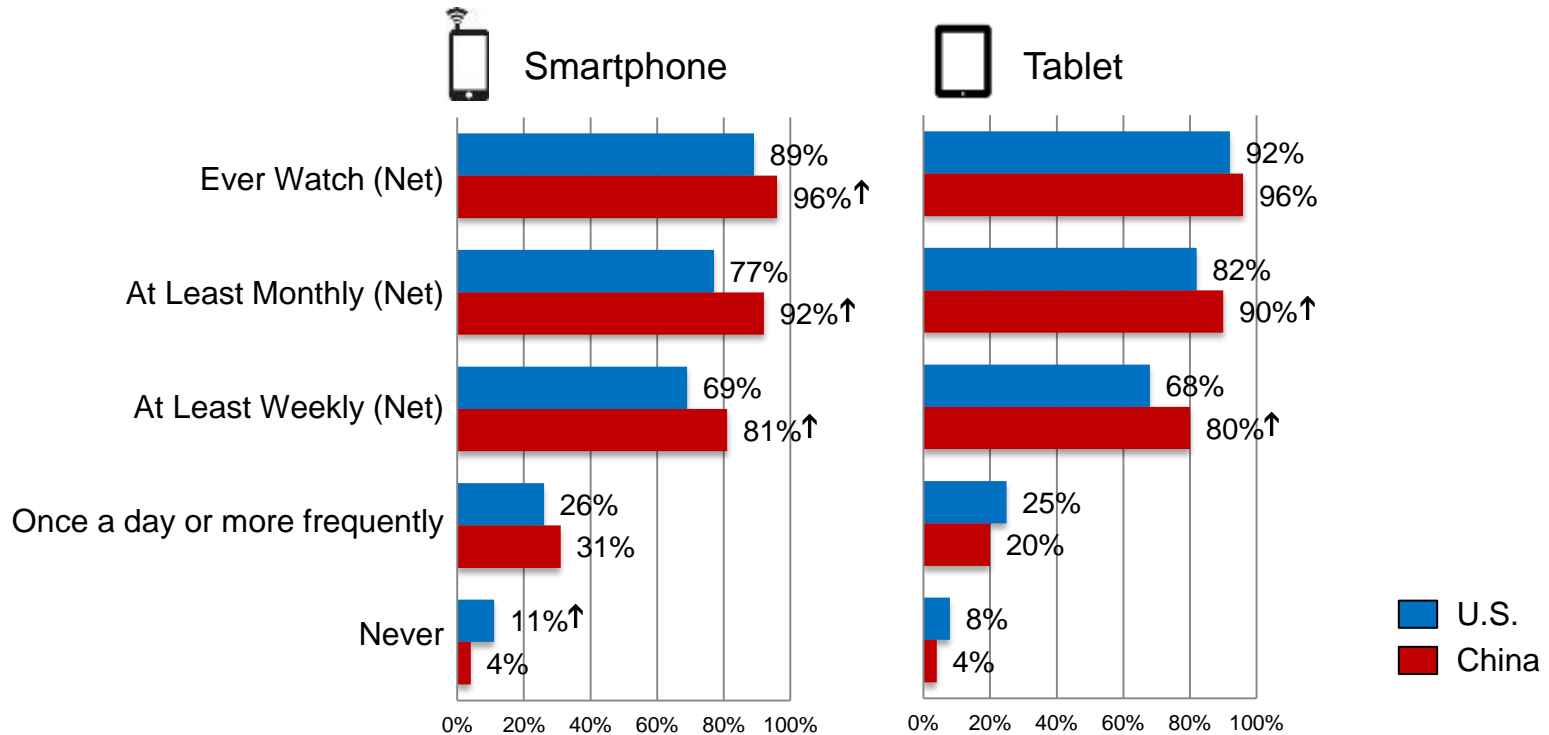


Q9. How often do you watch full-length TV episodes on your [smartphone] [tablet]?
Base: Device Users (US/China) - Smartphone (n=255/252); Tablet (n=250/250)

Short video clips

- Viewing of short clips on smartphones is also done by more Chinese device users on a weekly basis than U.S. users, though the differential is not as stark as with full-length episodes
- Clips are viewed on tablets with almost the same frequency as they are on smartphones in each country

Frequency of Watching Short Video Clips on Device
– Device Users –



Q.10 How often do you watch short video clips (e.g., [INSERT IF U.S. : YouTube INSERT IF CHINA: iQIYI.com] , music videos, how-to videos or other clips under 10 minutes) on your [smartphone] [tablet]?

Base: Device Users (US/China) - Smartphone (n=255/252); Tablet (n=250/250)

Mobile Device Networks/OS

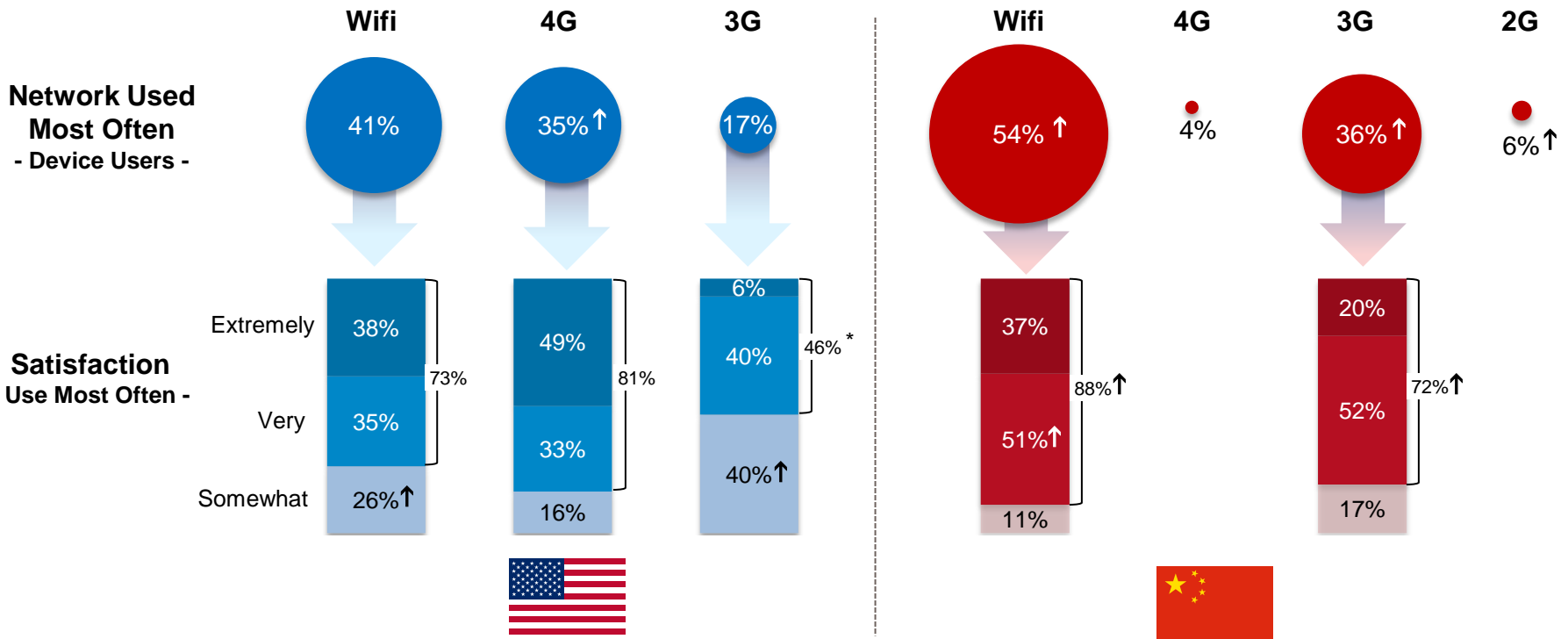
Network Satisfaction

- Smartphone users in China claim Wifi is the data network they use the most
- 4G is used almost as much as Wifi in the U.S., and 3G is much more prominent than 4G in China
- Wifi satisfaction is slightly higher in China compared to U.S. 4G satisfaction in U.S. is better than 3G is in China

Network Used Most Often/Satisfaction



Smartphone



Q12. What kind of data network do you use **most often** for your [smartphone] [tablet]?

Base: Device Users (US/China) - Smartphone (n=255/252)

Q13. How satisfied are you with the [2G / 3G / 4G / WiFi] network connection speed for your [smartphone] [tablet]?

Base: Data Network Used Most Often (US/China) - Smartphone Wifi (n=108/135); 4G (N=81/9**); 3G (N=49*/90); 2G China (N=16**)

Caution: * Small Base Size, ** Very Small Base Size (Satisfaction not shown due to base)

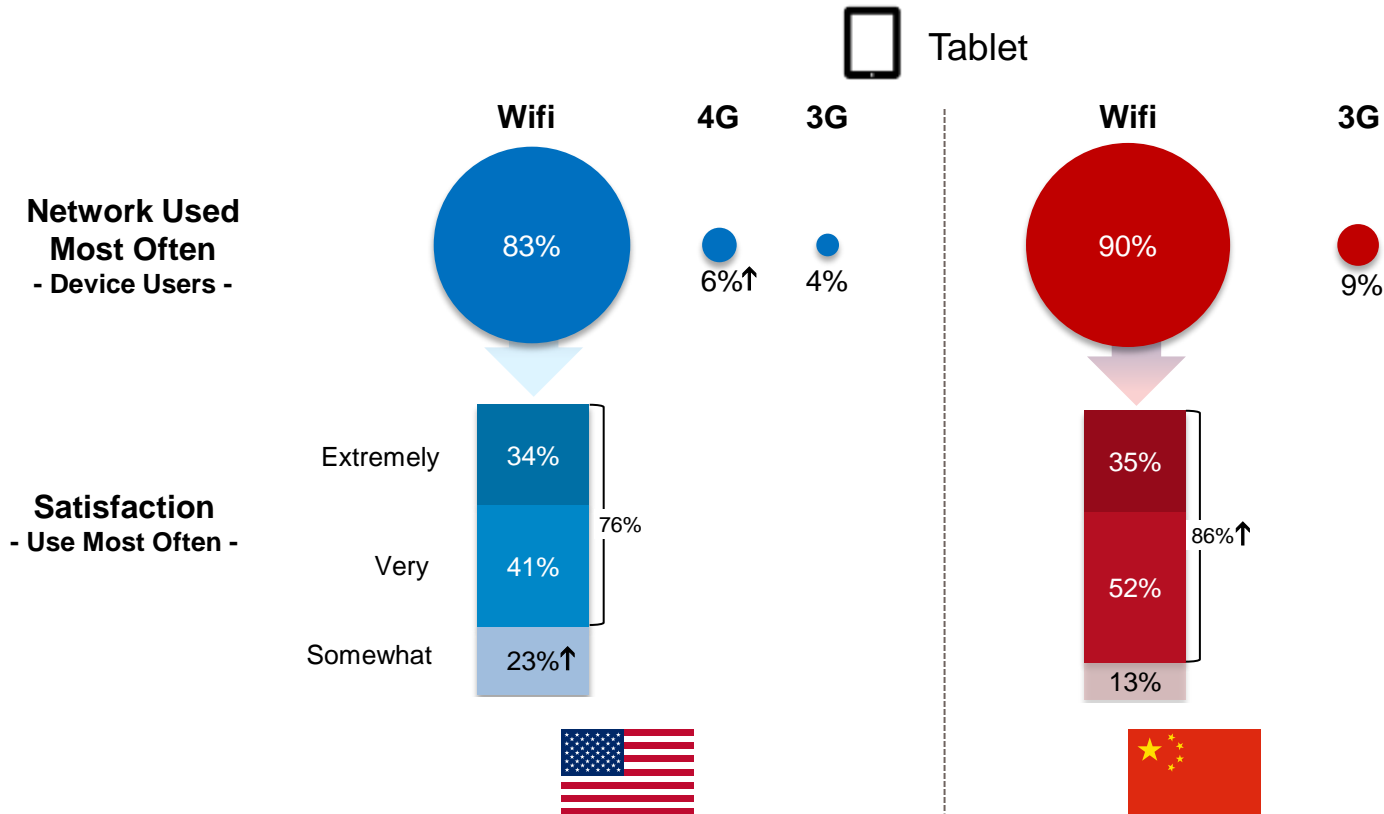
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Arrows indicate difference between countries – 95% confidence level. 27

Network Satisfaction

- Wifi is the dominant data connection for tablet users in both countries
- Network satisfaction is high in both but a little better in China

Network Used Most Often/Satisfaction



Q12. What kind of data network do you use most often for your [smartphone] [tablet]?

Base: Device Users (US/China) - Tablet (n=250/250)

Q13. How satisfied are you with the [2G / 3G / 4G / WiFi] network connection speed for your [smartphone] [tablet]?

Base: Data Network Used Most Often (US/China) - Tablet Wifi (n=202/225); 4G (N=11**/2**); 3G (N=14**/22**); 2G (N=2**/1**)

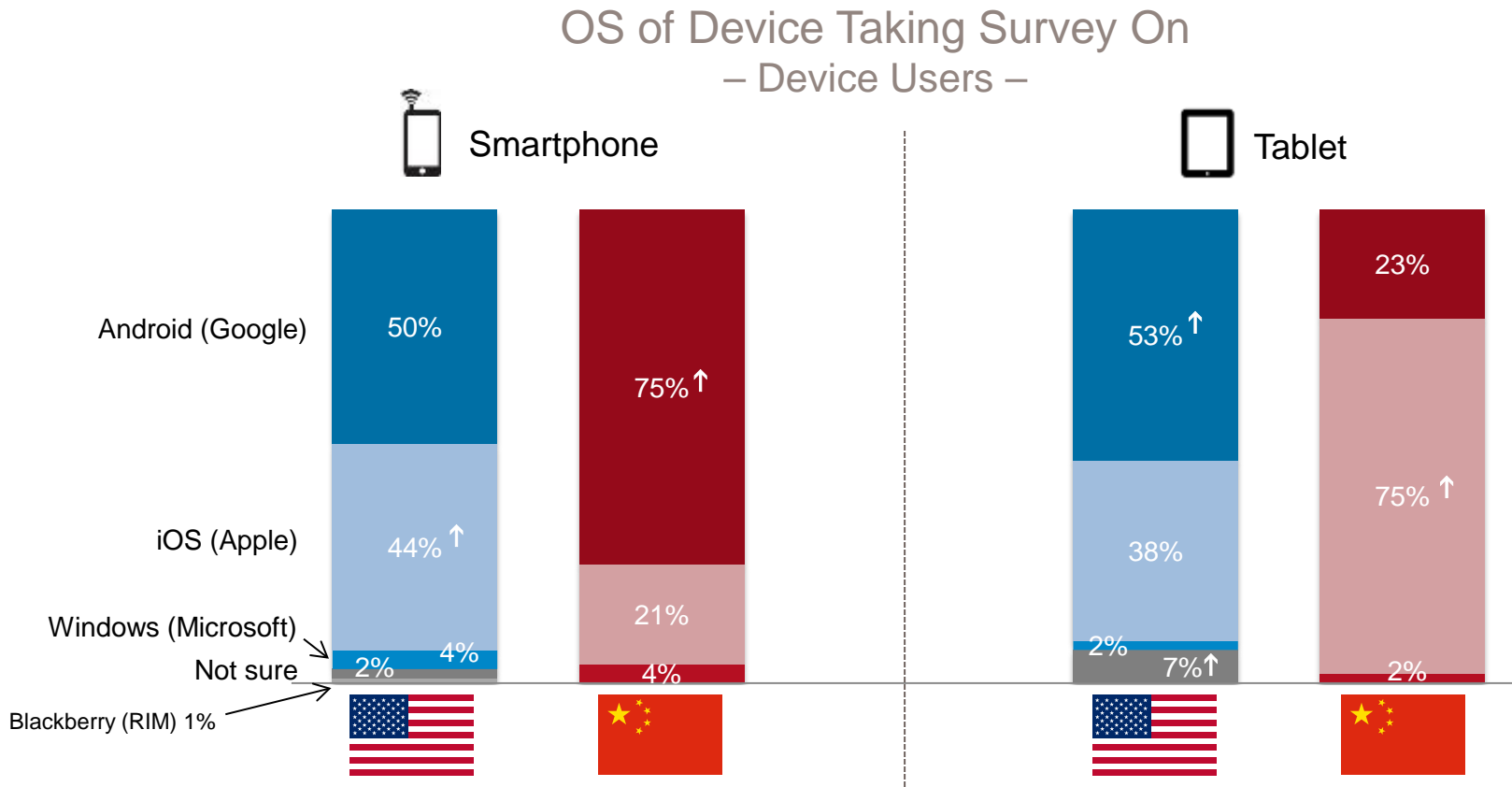
** Caution: Very Small Base Size (Satisfaction not shown due to base)

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Arrows indicate difference between countries – 95% confidence level. 28

Operating Systems

- Android smartphones are much more prominent than Apple in China, while the Android lead over iOS in the U.S. is minimal
- The reverse is true in China for tablets – iOS dominates. Android also leads iOS on tablets in U.S.



Q1. What is the operating system of the [smartphone] [tablet] on which you are completing this survey?

Base: Device Users (US/China) - Smartphone (n=255/252); Tablet (n=250/250)

Ease of Taking Survey

- The vast majority in both countries feel the survey was easy to take on their device
- More tablet users in the U.S. than China felt it was *very easy* to take

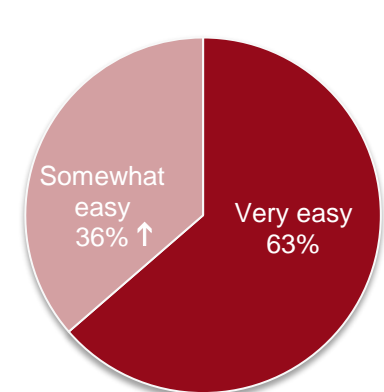
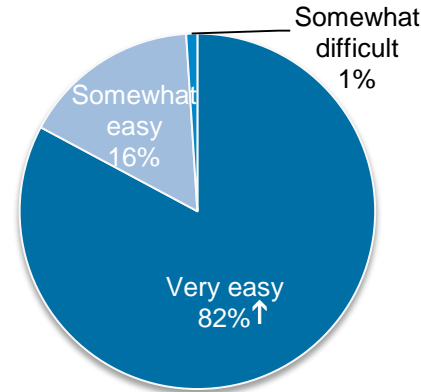
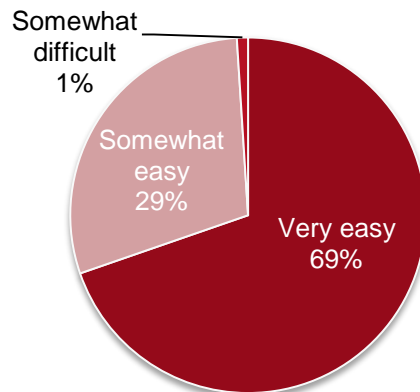
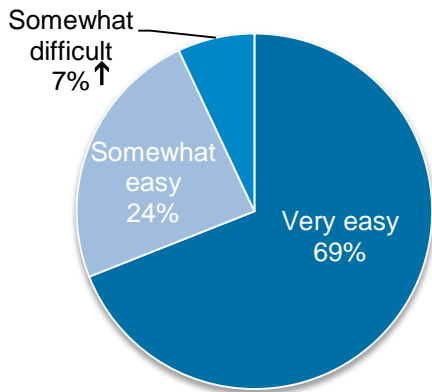
Ease/Difficulty of Taking Survey on Device – Device Users –



Smartphone



Tablet



Q14. And finally, how easy or difficult is it to take a survey like this using your [smartphone] [tablet]?
Base: Device Users (US/China) - Smartphone (n=255/252); Tablet (n=250/250)

GFK AND IAB CONTACTS

David Tice

Senior Vice President,
Brands and Consumer Experience

GfK

+1.973.599.3628

david.tice@gfk.com

Mike Picco

Senior Research Manager,
Brands and Consumer Experience

GfK

+1.818.276.9113

michael.picco@gfk.com

Sherrill Mane

Senior Vice President,
Research, Analytics, and Measurement

IAB

+1.212.380.4702

sherrill@iab.net

Joe Laszlo

Senior Director,
Mobile Marketing Center of Excellence

IAB

+1.212.609.3722

joe@iab.net