

Australian Interactive Media Industry Association  
Mobile Industry Group

# AUSTRALIAN MOBILE PHONE LIFESTYLE INDEX

7th Edition – Special Topic: Mobile Phone Advertising and Marketing  
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## *Executive Summary*

This report presents the results of the seventh Australian Mobile Phone Lifestyle Index, a collaborative industry research project carried out during June and July 2011 by:

- The Mobile Industry Group (MIG), a special interest group of the Australian Interactive Media Industry Association (AIMIA) <http://www.aimia.com.au/mobile>
- Mnet Group <http://mnetcorporation.com> and
- Mobile Experience <http://mobileexperience.com.au>

The project team at AIMIA would also like to extend a warm thank you to rda research for providing the stage of life segmentation, and to the following parties for their support in promoting the survey: 3 (VHA), Fairfax Digital, My 24/7, News Digital Media, Optus, Telstra BigPond, Virgin Mobile, Vodafone (VHA), eBay, and Yahoo!7.

The findings provide valuable information about the profile, usage behaviour and preferences of Australian mobile phone users. This information is intended to better inform mobile application developers, content aggregators, content owners, mobile telecommunication companies, handset manufacturers, analysts and other industry partners about current Australian mobile phone use, the content, services and applications market and key longitudinal trends.

This research was the seventh annual survey in a longitudinal analysis of mobile phone behaviour, usage and preferences. The first report was delivered in August 2005. Along with the core questions, each survey has included topical questions that change with each edition. The Mobile Industry Group decides on these special topics. The special topic for the 2011 Survey was Mobile Phone Advertising and Marketing.

This project is the only independent and open study of the Australian market that has been carried out with the support of major industry partners. In the past, the industry generally conducted private research, and others then assumed or pieced together information. We can now draw on this research to confidently comment upon the market for mobile phone use.

## Summary of the research design

The research involved the design, implementation and analysis of an online survey. As in previous years, the participants who completed the survey had the opportunity to win one of four prizes of either a \$220 Myer gift voucher or an Apple 16GB iPod valued at the same amount.

A total of 3,092 respondents completed the survey, which is consistent with the response rate for the past few years. However, to improve the readability of the report, the project team made a decision that would affect the sample size, but not the value of the analysis.

## What Was Done

In the 2009 and 2010 surveys, the Virgin Mobile respondents were over-represented. Although this was accounted for in the type of analysis carried out, this year the decision was made to weight the Virgin Mobile data in line with its market share to facilitate easier interpretation of the results for the reader.

## What This Means

The sample size used for the 2011 analysis was reduced to 2115. However, this is still a strong response rate. The confidence interval for this sample is still small, so we can remain confident that the results are likely to reflect the views of Australian mobile phone users, as has been the case in previous surveys.

The first few AMPLI surveys noted that the decision to use an online survey had some implications for generalizing the results to the wider population. The main issue identified was that respondents over 50 years old were fewer in number than would be expected on the basis of the population profile; consequently, the responses from this age group may not have been as representative of the wider population as were the responses of those under 50. However, the use of the Internet has continued to expand, and the responses from the over-50 age profile have increased with each survey. The past few surveys in particular have captured many older respondents, thus improving the generalizability of the results across the older age groups. For Survey 7 (2011), the results are generalizable for the 18 to 70 age group.

# The Key Results

The key findings of the 2011 Survey are summarised below. Further detail can be found in the body of the report, which is presented for the first time this year as a comprehensive PowerPoint presentation, available for download from the AIMIA website.

Please note: The intention of this project is to provide the industry with relevant analysis of the data. The explanations for these results are, for the most part, left open to interpretation by the reader.

## Section 1: About the Survey Respondents

This section shows that the results of the 2011 survey sample can be generalized to Australian mobile phone users between the ages of 18 to 70.

- Age: Ranged from 12 to 82 years of age; average age of 41. Overall, the age profile is similar to that of past surveys.
- Gender: An almost even split of 52% female, 48% male, consistent with Surveys 5 and 6, and a more even gender ratio than in Surveys 1, 2, 3 and 4.
- Location: 35% from NSW, 24% from VIC, 17% from QLD and 24% from the rest of Australia. This is broadly consistent with the Australian population distribution and the results of previous surveys.
- Residential status: 35% single, with most living independently; 46% married; 14% in a couple but not married and 5% with a partner but not living together. This breakdown is consistent with the results from the last 6 surveys. Overall, the profile appears to follow a similar shape to the ABS basic community profile for Australia, although there were comparably more married respondents; this was offset by reductions in the other categories.
- Income: The top three represented household income bands were \$51K-\$100K (27%), \$25K-\$50K (17%) and \$101K-\$150K (14%). The income breakdown of respondents was in line with last year's results and

Australian Bureau of Statistics Census data. However, of particular interest has been the steady increase in the “don't know/not prepared to say” option. This may reflect people's increasing reluctance to share “personal details”, which may be a response to increasing discussions about online privacy issues.

- Employment Status: Results were consistent with previous survey results and captured a cross section of respondents in terms of employment status: full-time employees (46%), part-time employees (14%), students (11%), self-employed (9%), full domestic home duties (8%), retired (9%) and volunteers (1%).

### ***Profile of Respondents By geoTribe***

For the first time, this year the demographics of the respondents were used to classify them into geoTribes, a profiling tool developed by rda research, a leading Australian supplier of geo-demographic solutions for companies.

Geo-demographic segmentation applies to Australians 18 and over and is based on a sophisticated spatial modelling process that combines Australian Bureau of Statistic Census demographic data with life cycle stage and socioeconomic status data from the Household Expenditure Survey. The 15 geoTribes have been applied to all of the survey respondents aged 18+ years who supplied at the least age, gender and postcode details.

Analysis of mobile phone behaviour by geoTribes was also applied to some of the questions, thus providing an even deeper understanding of survey responses (of those aged 18 and over) and the potential for the design of differential mobile strategies that are more likely to reach and/or appeal to particular groups within the Australian adult population.

Table 1 shows the breakdown of the respondents by geoTribes and the Australian National Composition. It reveals that all 15 geoTribes were represented in the survey sample. This means that the behaviours and views of Australians from a wide range of different stages of life and social status have been collected in the AMPLI 2011 Survey.

It should be noted, however, that relative to the Australian profile, Crusaders are considerably over-represented in the Survey while Survivors are significantly under-represented. This is not surprising given the profile of these segments. Crusaders are career-orientated singles and couples who probably spend a lot of time online. Survivors' priority is most likely “survival”. Living off Government benefits means that money is spent on basics like food and healthcare rather than mobile services.

**Table 1: geoTribe Segment Breakdown for Australian and the AMPLI 2011**

<b>geoTribe Segment</b>	<b>Profile of Respondents (%)</b>	<b>Australian National Composition (%)</b>
Rockafellas - affluent mature families	7	7
Achievers - ambitious younger & middle aged families	11	10
Fortunats - financially secure retirees & pre-retirees	5	7
Crusaders - career-orientated singles & couples	13	5
Preppies - mature children of affluent parents	5	4
Independents - young singles & couples	8	5
Suburban Splendour - middle class mature families	9	8
Twixters - mature children living at home	4	4
Debtstars - financially extended younger families	11	11
Boomers - white collar post family pre-retirees	7	7
True Blues - blue collar mature families & ore-retirees singles or couples	7	6
Struggleville - struggling young & middle aged families	6	7
Grey Power - better off retirees	2	5
Survivors - retirees living on minimal incomes	3	9
Slender Meanz - people living in underpriveleged circumstances	3	5
Unclassified - those that could not be aligned to a segment because of insufficient data or aged under 18	n/a	n/a
<b>Total</b>	<b>100</b>	<b>100</b>

## Section 2: Respondents' Mobile Phones, payment plans & carriers

### *Carriers and Handsets*

- As a result of the decision to weight the Virgin Mobile respondents so that the percentage was in line with market share, the carrier breakdown closely resembles current carrier market shares. Respondent breakdown by carrier for Survey 7 was Virgin Mobile (6%), '3' (10%), Vodafone (17%), Optus (29%), Telstra (31%) and Other (6%). Note: Vodafone and 3 have now merged to create VHA; combined, they represent 27% of the market.
- Overall satisfaction with carrier services has dropped substantially from 90% last year to 76% this year.
  - Satisfaction levels for almost every specific service type have also decreased considerably since last year. The only exception was satisfaction with cost of data; the percentage of respondents satisfied with the cost of data has been steadily increasing since Survey 5 (2009).
  - Satisfaction with specific services also varied considerably across the carriers: satisfaction with Virgin was considerably higher for “overall satisfaction”, “customer service” and “range of plans & packages available” than it was for other carriers. On the other hand, satisfaction with Telstra’s network coverage was an obvious standout for the carrier.
- Smartphone ownership was captured for the first time in the AMPLI 2011 Survey - 67% of respondents stated they owned a smartphone, which is slightly higher than the industry average. A possible explanation is that the term “smartphone” is still an industry term not fully understood by consumers and as such (and despite the definition provided in the survey) may have been more broadly interpreted by some respondents.
  - Almost even split in smartphone ownership between males (51%) and females (49%).
  - 82% of smartphone owners were aged ≥26 (43% were aged 26-41 and 39% ≥41 years).
- Handset brand: Apple (32%), Nokia (28%), Samsung (13%), HTC (8%), Sony Ericsson (5%), LG (4%), Blackberry (3%), Motorola (3%), Other (3%).
  - There has been a clear shift in handset brand ownership in the last few years. Nokia and Motorola ownership has been steadily decreasing, while Apple has been steadily increasing in popularity since the impact of the iPhone release was first captured in 2009 (Survey 4).
- Smartphone ownership (as stated by the respondents) by handset brand:
  - 99% of Apple handsets were smartphones.
  - 94% of Blackberry handsets were smartphones.
  - 98% of HTC handsets were smartphones.
  - 51% of Samsung handsets were smartphones.
  - 50% of Sony Ericsson handsets were smartphones.
  - 41% of LG handsets were smartphones.
  - 39% of Nokia handsets were smartphones.
  - 34% of Motorola handsets were smartphones.

### *Mobile Phone Payments*

- 84% of respondents paid their own phone bill. This is consistent with the results from previous surveys.
- The typical monthly phone bill was captured for the first time this year: 12% spent less than \$20, 27% spent between \$21-\$40, 26% spent between \$41-\$60 and 20% spent more than \$80.
- Most respondents continue to pay by monthly phone bill (75%), compared to 24% on pre-paid. These results are consistent with Survey 5 results.
- 38% of respondents were on a capped monthly plan, just like last year. The proportion of respondents who stated they were on a capped monthly plan steadily increased from Survey 2 (37%) to Survey 4 (65%). However, there was a substantial decrease in those on a monthly-capped plan in Survey 5 (44%) and again in Survey 6 (38%). However, the figure seems to have now stabilized.
- 63% of respondents said they had data included in their payment plans, a substantial increase from 47% in 2010 and 31% in 2009.
- The amount of data included in their plans has also been steadily increasing: 32% of respondents now have 1-3GB included in their payment options, compared to 14% last year. This has been largely offset by a decrease in those with less than 50MB — 8%, down from 24% last year.
- The percentage of respondents purchasing additional data has been steadily decreasing over the last 3 years.

13% of those with a current data allowance stated that they had purchased a data allowance (or data pack) in addition to their regular payment, compared to 16% last year.

- o This is most likely a reflection of the increasing number of people who have data included in their payment options and the increasing amount of data they have included in these plans.
- o However, those purchasing additional data are purchasing larger amounts than in previous years. This pattern is similar to the amounts included as part of the primary payment options.

### ***Interest in Tablets***

This year, for the first time, the AMPLI Survey captured respondent interest in tablets. We expect that this will be an interesting area to monitor in future surveys.

- Almost half of the respondents either have a tablet, e.g., iPad, Galaxy Tablet, T-Hub (16%) or plan to purchase one in the next 6 or 12 months (33%). Although the “intent” to buy is unlikely to correlate with an actual purchase, it does suggest a strong interest in tablet ownership.
- Ownership by gender:
  - o 60% of those who own a tablet are male.
  - o 54% of those who plan to buy a tablet in the next 6 months are also male.
  - o Women appear to represent a “lagging” market, compared to men:
    - 57% of those who plan to buy a tablet in the next 12 months are female.
    - 55% of those who say they don’t need a tablet are female.
- Ownership by age:
  - o 85% of those who own a tablet are over 25;
  - o 45% are 26-41 years old and
  - o 40% are ≥41.

## **Section 3: How the Mobile Phone is Used**

### ***Overall Mobile Phone Use***

- 83% of respondents used their mobile phone for a purpose other than voice and SMS (texting) in the last 12 months, the same rate as last year and up from Survey 5 in 2009 (77%).
- There has been a strong increase in the use of every listed purpose (excepting SMS & voice, which almost everyone already uses). However, the total proportion of respondents who used their mobile phones for a purpose apart from texting and voice was the same as last year, 83%. This suggests that those using their mobile phones beyond texting and voice are using them for an increasing range of purposes as the mobile phone becomes increasingly integral to their day-to-day activities.

### ***Use of the Mobile Phone for Specific Purposes***

- For the first time, this year we included an extra category for capturing frequency of use – “at least 5 times a day” in addition to “once a day” — to separate out the very high-level users. Not surprisingly, texting was used in the largest percentage of very high-level users (40%). However, around 20% of respondents also used the phone “at least 5 times a day” for many other purposes, such as using apps (26%), emailing (23%), getting information (22%) and visiting websites (18%).
- Most participants continued to use voice (97%) and SMS (98%).
- 50% of respondents used their mobile phones to send and receive emails on at least a weekly basis, compared to 34% last year.
- 59% of the respondents used their mobile phones to get information on at least a weekly basis, compared to 41% last year and 46% in 2009.
- 55% of respondents used their mobile phones for entertainment purposes on at least a weekly basis, compared to 40% last year and in 2009.
- 51% of respondents browsed the Internet on their mobile phone on at least a weekly basis, compared to 35% last year and 32% in 2009.

- 54% of respondents visited a website on their mobile phone on at least a weekly basis, compared to 38% last year and 34% in 2009.
- Those respondents visiting websites on their mobile phones continue to access them in a range of ways outside the “carrier portal”:
  - 47% entered a URL, up from 44% last year.
  - 34% clicked on a site found using mobile search, up from 25% last year (24% clicked on a site in a text message, up from 19% last year).
  - 12% accessed websites by clicking on the site in their phone company’s content menu, down from 13% last year and 18% in 2009.
- Half of the respondents conducted searches using a search engine on their mobile phone on at least a weekly basis, compared to 31% last year and 25% in 2009.
- 25% of respondents used their mobile phone for banking on at least a weekly basis, compared to 16% last year and 11% in 2009.
- 20% of respondents used their mobile phone to make payments on at least a weekly basis, compared to 9% last year and 7% in 2009.
- 7% of respondents used their mobile phone to buy things for their mobile phone on at least a weekly basis, compared to 5% last year and 4% in 2009.
- 8% of respondents used their mobile phone to buy items not related to their mobile phone on at least a weekly basis, compared to 4% last year and 4% in 2009.
- There has been a continued and steady increase in most methods of payment for goods and services purchased on the mobile phone. This general increase reflects the overall growth in the percentage of people using their phone to buy or order goods.
  - 14% used PayPal on the mobile phone, up from 11% last year.
  - 17% used their Apple iTunes account, up from 11% last year (this increase is most likely a reflection of the increased number of respondents with Apple handsets).
  - 19% used credit cards, up from 14% last year.
- 25% of respondents used their mobile phone to check their mobile phone account balance on at least a weekly basis, compared to 20% last year and 28% in 2009.

### ***Use of the Mobile Phone as an Eftpos or Credit Card***

This question was included for the first time this year, given the recent media discussion of the topic.

Around a quarter of the respondents would use their mobile phone as a credit card or eftpos card. Around 20% were undecided, suggesting they would need additional information to make a decision, which is not unusual since the use of the phone as a credit card or eftpos card is still very much an emerging service.

### **Use of Mobile Phones by Handset Type**

The relationships between handset ownership and using the mobile phone for email, getting information, entertainment, visiting websites, applications, payments and banking were analysed.

In general, a much higher percentage of those who owned an Apple, HTC or Blackberry handset used their phone beyond voice and texting than did other handset owners.

### **The results follow.**

#### **Email:**

- Most Apple (91%), HTC (86%) and Blackberry handset owners (85%) used their mobile phone for email in the last 12 months. This compares to 42% of Samsung owners, 38% of Sony Ericsson owners, 34% of LG owners, 32% of Nokia owners and 23% of Motorola owners.

#### **Getting Information:**

- Most Apple (95%), HTC (92%) and Blackberry handset owners (80%) used their mobile phone to get information in the last 12 months. This compares to 64% of Samsung owners, 53% of Sony Ericsson owners, 44% of LG owners, 47% of Nokia owners and 34% of Motorola owners.

#### **Entertainment:**

- Most Apple (98%), HTC (95%) and Blackberry handset owners (82%) used their mobile phone for entertainment in the last 12 months. This compares to 56% of Samsung owners, 55% of Sony Ericsson owners, 42% of LG owners, 42% of Nokia owners and 28% of Motorola owners.

#### Visiting Websites

- Most Apple (97%), HTC (93%) and Blackberry handset owners (82%) used their mobile phone to visit websites in the last 12 months. This compares to 55% of Samsung owners, 50% of Sony Ericsson owners, 42% of LG owners, 39% of Nokia owners and 25% of Motorola owners.

#### Conducting Mobile Search

- Most Apple (95%), HTC (92%) and Blackberry handset owners (82%) used their mobile phone to conduct a search in the last 12 months. This compares to 49% of Samsung owners, 44% of Sony Ericsson owners, 37% of LG owners, 35% of Nokia owners and 25% of Motorola owners.

#### Making Payments

- Over half of the Apple (65%) and HTC handset owners (51%) used their mobile phone to make a payment in the last 12 months. This compares to 35% of Blackberry owners, 29% of Samsung owners, 21% of Sony Ericsson owners, 20% of LG owners, 15% of Nokia owners and 10% of Motorola owners.

#### Banking

- Over half of the Apple (72%) and HTC handset owners (56%) used their mobile phone for banking in the last 12 months. This compares to 32% of Blackberry and Samsung owners, 23% of Sony Ericsson owners, 11% of LG owners, 16% of Nokia owners and 13% of Motorola owners.

#### Applications

- Most Apple (98%), HTC (95%) and Blackberry handset owners (76%) used applications on their mobile phone in the last 12 months. This compares to 55% of Samsung owners, 51% of Sony Ericsson owners, 43% of LG owners, 36% of Nokia owners and 25% of Motorola owners.

### ***Use of Mobile Phones By Smartphone Ownership***

The relationships between smartphone ownership and using the mobile phone for email, getting information, entertainment, visiting websites, applications, payments and banking were analysed.

In general (and not surprisingly), a much higher percentage of those who stated they owned a smartphone used their phone beyond voice and texting than did those who stated they did not own a smartphone.

#### **The results follow.**

Of those who stated they owned a smartphone, in the last 12 months:

- 78% used email, compared to 16% who did not own a smartphone.
- 89% used their mobile phone to get information, compared to 29% who did not own a smartphone.
- 86% used their mobile phone for entertainment, compared to 24% who did not own a smartphone.
- 87% used their mobile phone to visit websites, compared to 18% who did not own a smartphone.
- 84% used their mobile phone to conduct a search, compared to 15% who did not own a smartphone.
- 53% used their mobile phone for banking, compared to 12% who did not own a smartphone.
- 49% used their mobile phone to make payments, compared to 10% who did not own a smartphone.
- 88% used applications on their mobile phone, compared to 16% who did not own a smartphone.

## Section 3A: Who are the high-level Users?

High-level users of mobile phones for specific purposes (e.g., banking, getting information, entertainment) were analysed by geoTribe segment. “High-level users” of each purpose were calculated by summing together those who stated they used the mobile phone for the given purpose “at least 5 times a day” and those who used it “at least once a day” and representing the figure as a percentage of all users for that given purpose.

Of particular interest was the consistency in patterns across the tribes for the various purposes. The geoTribe breakdown of high-level users for voice, SMS and email; “getting information”; “for entertainment”; website and application-related activities and banking and commerce-related activities were very similar. The general pattern is shown in Figure 1, which shows the geoTribe make-up of high-level users in the categories of getting information and entertainment.

The figure shows that the Crusaders (career-orientated singles and couples) and Achievers (ambitious younger and middle-aged families) make up the largest proportion of high-level users. Overall, the proportion of high-level users then trends down in line with the older and/or less “wealthy” tribes.

The only exceptions were the “dips” for the Rockafellas (mature affluent families) and Fortunats (financially secure retirees and pre-retirees) and the peak for the Debtstars (financially extended younger families). The Rockafellas and Fortunats segments may capture some of the older population who may have less need for high-level use of the mobile phone, which may explain the obvious dip in high-level use. The apparent peak for the Debtstars is likely to reflect their busy lifestyles and tendency to spend on consumables such as mobile phone use.

## Section 3B: How many high-level users in each geotribe?

In this section the proportion of each geoTribe segment who were high-level users of mobile phones for specific purposes (e.g. banking, getting information) is presented.

The figure for “high-level users” of each purpose was calculated by summing together those who stated they used their mobile phone for the given purpose “at least 5 times a day” and those who used it “at least once a day” as a percentage of users for each tribe.

The results highlight the differences in uptake of services and the groups who are more likely to adopt newer services first. For example, high-level use of banking is considerably lower for all tribes than voice or texting (commonly used services by all tribes), but it is clear that some tribes are more likely to adopt services first. This is illustrated in Figure 2. In this case, the Preppies (mature children of affluent parents), Independents (young singles and couples) and Twixters (mature children living at home) make up more high-level users than do the other tribes.

Figure 1: Breakdown of High-Level Users of Getting Information and Entertainment on the Mobile Phone

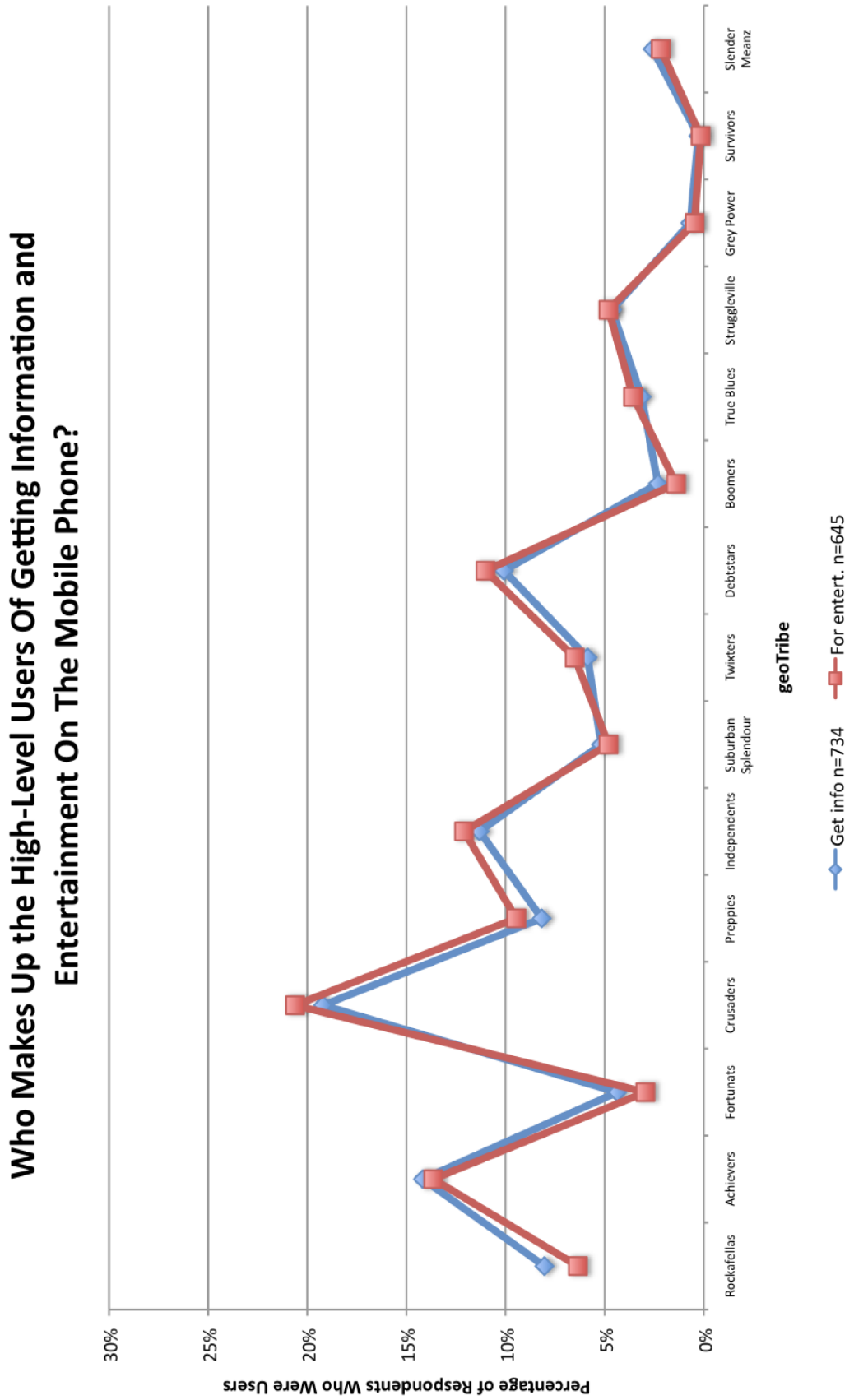
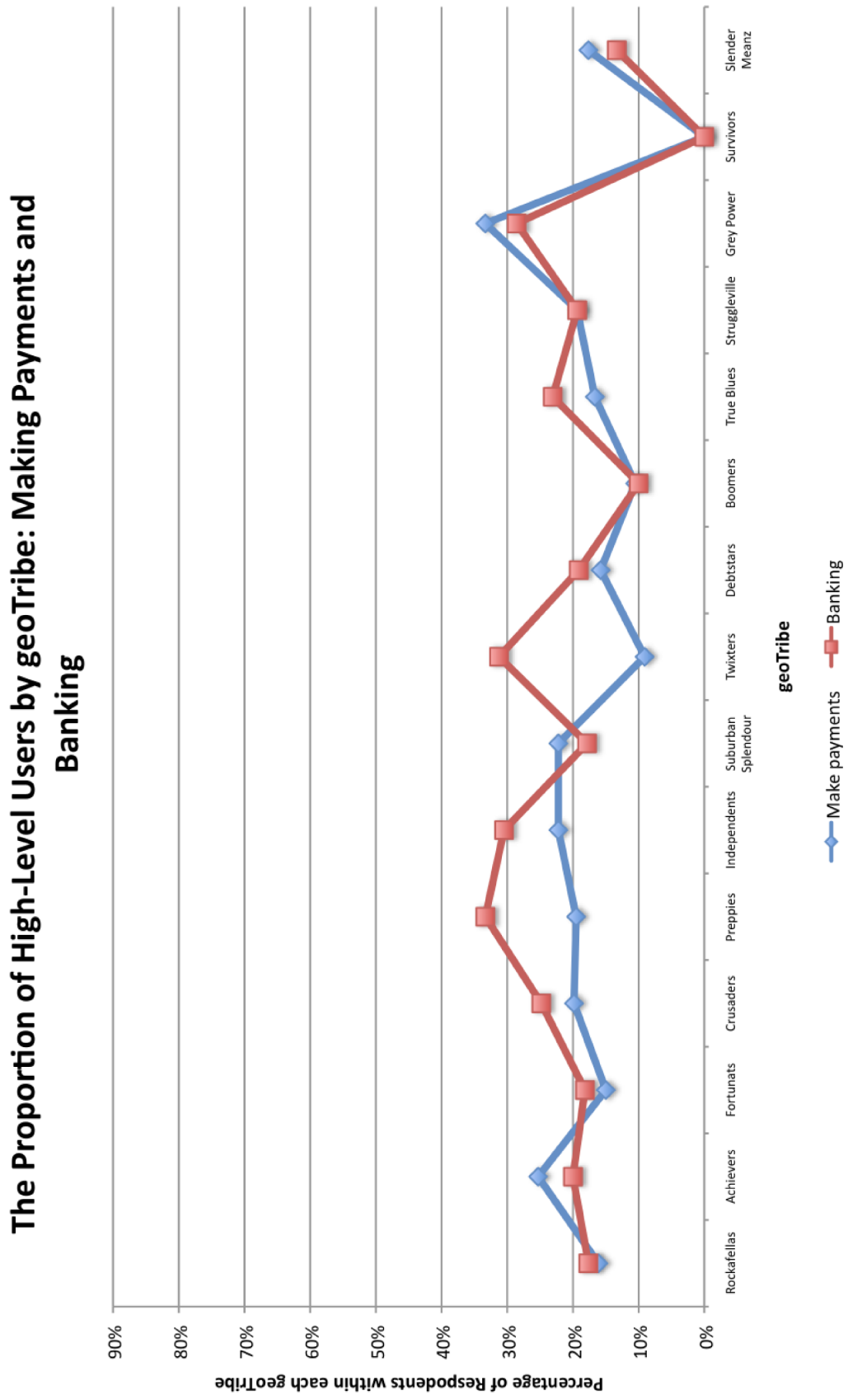


Figure 2: The Proportion of High-Level Users of Banking by geoTribe



## Section 4: Specific services accessed on the mobile phone

### *Use of Non-Voice Communication Services*

Over the last 12 months, the use of all communication services has increased; however, the greatest increases have been in the use of email and social networking on the mobile phone.

- As a percentage of all respondents:
  - o 63% used MMS, up from 59% last year and 57% in 2009.
  - o 55% used email, up from 42% last year and 36% in 2009.
  - o 53% used social networking, up from 39% last year and 32% in 2009.
  - o 26% used instant messaging, up from 21% last year and 18% in 2009.
  - o 20% used video calling, up from 14% last year and the same as 2009.
  - o 12% used chat, up from 9% last year and in 2009.

### *Changing Frequency of Use of Communication Services*

For the first time, this year the additional category “at least 5 times a day” was included in the frequency scale to capture very high-level users. Social networking had the highest percentage of very high-level users (20%), followed by email (19%). Respondents used the remaining communication services infrequently.

- As a percentage of all respondents:
  - o 44% used social networking at least weekly, compared to 28% last year and 22% in 2009.
  - o 45% used email at least weekly, compared to 29% last year and 22% in 2009.
  - o 26% used MMS at least weekly, compared to 19% last year and 17% in 2009.
  - o 17% used instant messaging at least weekly, compared to 11% last year and 9% in 2009.
  - o 6% used chat rooms at least weekly, compared to 3% last year and 4% in 2009.
  - o 7% used video calling at least weekly, compared to 3% last year and in 2009.

### *Overall Use of Entertainment and Information Services and Content*

Overall, 83% of respondents said that they used an entertainment and/or information service “in the last 12 months”, This is consistent with 85% last year (Survey 6, 2010). This suggests that this last year has been about growth in frequency of use among current users. Those using these services are using them more often as they become embedded in their day-to-day living and decision-making.

### **To recap**

Last year saw a considerable increase in the base percentage of respondents who had accessed an information and/or entertainment service – 85%, up from 71% in 2009 (Survey 5). It marked the beginning of a new stage of growth. The base percentage of people using mobile services had increased, but these beginner users had most likely just started out by trying one or two services. This would explain the decrease in the proportion of respondents using many of the individual services. This year, many of these “beginner users” have become more comfortable and confident consumers of services and content, consuming them with greater frequency.

### *Use of Specific Entertainment Services and Content in the “Last 12 Months”*

- As a percentage of all respondents:
  - o 71% of respondents stated that they used an entertainment service in the last 12 months, compared to 66% last year and 64% in 2009.
  - o 39% stated they paid for at least one entertainment service, a slight increase over last year’s figure (34%), although still below the Survey 5 (2009) figure of 46%. The drop since 2009 can most likely be explained in that more people are less likely to be actively “purchasing/accessing” content and are most likely doing so inadvertently via their data allowances.

- Overall use of entertainment services by respondents in the “last 12 months”, as a percentage of all respondents:
  - o 62% used games, up from 48% last year and the previous year.
  - o 53% used ringtones, compared to 43% last year and 50% in 2009.
  - o 49% used wallpaper, up from 38% last year and 41% in 2009.
  - o 40% used screensavers, up from 30% last year and 35% in 2009.
  - o 39% used music downloads, up from 26% last year and 29% in 2009.
  - o 30% used videos, up from 19% last year and 25% in 2009.
  - o 20% used mobile TV, up from 12% last year and 16% in 2009.
  - o 19% used jokes or comedy, up from 11% last year and 15% in 2009.
  - o 14% used greeting cards, up from 10% last year but the same as in 2009.

### ***Changing Frequency of Use of Entertainment Services***

For the first time, this year the additional category “at least 5 times a day” was included in the frequency scale to capture very high-level users of entertainment services. High-frequency use of most of the listed entertainment services and content is low. The only exception is games, which 19% of respondents used either 5 times a day or at least once a day.

There has been a minimal increase in the frequency of use of the “traditional” entertainment services like ringtones and wallpaper. However, there were more considerable increases in the frequency of the “newer” entertainment services and content like games and music downloads.

- As a percentage of all respondents:
  - o 33% accessed games at least weekly, compared to 16% last year and 13% in 2009.
  - o 14% accessed music downloads at least weekly, compared to 6% last year and 7% in 2009.
  - o 10% accessed wallpaper at least weekly, compared to 7% last year and 9% in 2009.
  - o 9% accessed ringtones at least weekly, compared to 7% last year and 9% in 2009.
  - o 8% accessed screensavers at least weekly, compared to 5% last year and 7% in 2009.
  - o 6% accessed jokes or comedy at least weekly, compared to 3% last year and in 2009.
  - o 5% accessed mobile TV at least weekly, compared to 3% last year and 5% in 2009.
  - o 4% accessed greeting cards at least weekly, compared to 1% last year and 2% in 2009.

### ***Access to Entertainment Services/Content and Format***

- Respondents continued to access entertainment services and content via a range of channels, with continued preference for the Internet on the mobile phone or the computer. As a proportion of all respondents, these access methods included:
  - o 38% via the “Internet on my mobile phone”, up from 31% last year and 27% in 2009.
  - o 26% via the “Internet on a computer”, same as last year and up from 23% in 2009.
  - o 19% via “an application on my phone”, up from 13% last year and 9% in 2009.
  - o 5% via “my company’s portal”, down from 6% last year and 10% in 2009.
  - o 8% via a “cable connected to my computer”, down from 9% last year and the same as in 2009.
- Entertainment services and content continue to be enjoyed in a variety of formats. As a proportion of all respondents, these formats included:
  - o Video, 24%, up from 20% last year and 19% in 2009.
  - o Audio (e.g. podcasts), 23%, up from 19% last year and 16% in 2009.
  - o Images, 21%, up from 20% last year and 19% in 2009.
  - o SMS, 20%, down from 21% last year and 17% in 2009.
  - o Text on a mobile site, 12%, up from 11% last year and the same as in 2009.

### ***Use of Specific Information Services in the “Last 12 Months”***

The percentage of Survey 7 (2011) respondents who stated that they had used an information service in the last 12 months was 57%. This result is consistent with the results of last year — Survey 6 (55%) — and represents an increase from the 2009 (Survey 5) figure of 48%.

There have been substantial increases in the use of all information services. More respondents are using a greater range of services. No doubt this increase is a reflection of the increasing spectrum of services that can now be accessed on the mobile phone.

- Overall use of information services “in the last 12 months” as a percentage of all survey respondents:
  - o 59% accessed weather, compared to 45% last year and 46% in 2009.
  - o 55% accessed news, compared to 42% last year and 44% in 2009.
  - o 55% accessed maps/location/traffic information, compared to 41% last year and 35% in 2009.
  - o 36% accessed sports, compared to 31% last year and in 2009.
  - o 42% accessed movie information, compared to 30% last year and 28% in 2009.
  - o 39% accessed restaurant or café information, compared to 27% last year and 24% in 2009.
  - o 34% accessed entertainment/celebrity news, compared to 26% last year and 28% in 2009.
  - o 35% accessed event listings, compared to 25% last year and 22% in 2009.
  - o 30% accessed financial information, compared to 22% last year and 20% in 2009.
  - o 29% accessed TV guides, compared to 21% last year and 20% in 2009.

### ***Changing Frequency in the Use of Information Services***

Frequency of use of almost all services has also increased in the last year. More respondents are using a greater range of services; however, many of the services are being accessed once a month or less. The key exceptions are news and weather – around 40% of respondents access news and weather a minimum of once a week. Around a third of respondents also access maps/location/traffic information at least once a week.

- As a percentage of all respondents:
  - o 44% accessed weather at least weekly, compared to 28% last year and 31% in 2009.
  - o 39% accessed news at least weekly, compared to 26% last year and 29% in 2009.
  - o 29% accessed maps/location/traffic information, compared to 19% last year and 15% in 2009.
  - o 21% accessed sports at least weekly, compared to 14% last year and 16% in 2009.
  - o 16% accessed entertainment/celebrity news at least weekly, compared to 9% last year and 14% in 2009.
  - o 14% accessed financial information at least weekly, compared to 9% last year and 8% in 2009.
  - o 12% accessed movie information at least weekly, compared to 6% last year and 7% in 2009.
  - o 13% accessed restaurant/café information at least weekly, compared to 6% last year and 5% in 2009.
  - o 13% accessed TV guides at least weekly, compared to 6% last year and 8% in 2009.
  - o 10% accessed event listings at least weekly, compared to 5% last year and in 2009.

### ***Access to Information Services and Format***

- The most popular method of accessing information services was clearly via the Internet on respondents’ mobile phones (43%, up from 40% last year and 32% in 2009). As a proportion of all respondents, other access methods included:
  - o 29% via the Internet on a computer, up from 22% last year and 17% in 2009.
  - o 17% via an application on their phone, up from 13% last year and 7% in 2009.
  - o 7% via their company’s portal, compared to 6% last year and 12% in 2009.
- Information services continue to be enjoyed in a variety of formats, with most results consistent with last year. As a percentage of all respondents, these formats included:
  - o Text on a mobile site, 27%, up from 26% last year and 24% in 2009.
  - o Images, 23%, up from 22% last year and 17% in 2009.
  - o SMS, 20%, up from 19% last year and 15% in 2009.
  - o Video, 21%, up from 16% last year and in 2009.
  - o Audio (e.g., podcasts), 15%, up from 13% last year and 11% in 2009.

## Section 5: Applications accessed on the mobile phone

### ***Overall Use of Mobile Phone Applications***

- As a percentage of all respondents:
  - 55% said they had downloaded and installed an application on their mobile phone in the “last 6 months”, up from 41% last year.
- Respondents were loosely grouped into three categories based on the number of applications they had downloaded and installed. The results suggested that more respondents could be categorized as “medium” or “heavy” users in terms of their app downloads than was the case last year. Of those respondents who had downloaded and installed an application, in the last 6 months:
  - 33% had downloaded and installed 5 or fewer applications, compared to 43% last year (light users).
  - 37% had downloaded and installed between 6 and 20 applications, compared to 30% last year (medium users).
  - 29% had downloaded and installed more than 20 applications, compared to 26% last year (heavy users).
- There has been a small shift towards the use of applications for work as well as personal use:
  - 48% used apps for personal use only, down from 58% last year.
  - 34% used apps for “mainly personal use”, up from 27% last year.
  - 14% used apps for “about equal personal and work use”, up from 10% last year.
  - 2% used apps for work only, same as last year.

### ***Types of Applications Downloaded and Installed***

There was a drop in the percentage of respondents who downloaded many of the applications listed. This may be because some respondents would have already downloaded apps like Facebook and Google Maps before the “12 months” had begun, and the increase in the base of respondents downloading applications would not have sufficiently increased to maintain the same proportion of downloads.

Some of the more popular applications

- As a percentage of those who had downloaded an application “in the last 12 months”:
  - 79% downloaded and installed games, compared to 82% last year.
  - 57% downloaded and installed news and weather, compared to 70% last year.
  - 55% downloaded and installed maps and navigation, compared to 73% last year.
  - 46% downloaded and installed instant messaging and social networking, compared to 61% last year.
  - 39% downloaded and installed photos, videos and movies, compared to 57% last year.

### ***Paid Versus Free Applications Downloaded and Installed***

Of the respondents who had downloaded and installed an application in the “last 6 months”, 60% stated that they had paid money to do so, compared to 52% last year. However, there has been a decrease in the percentage of respondents purchasing each application type.

- As a percentage of respondents who had paid for applications:
  - 47% purchased game apps, down from 84% last year.
  - 12% purchased maps and navigation apps, down from 22% last year.
  - 11% purchased book apps, down from 15% last year.
  - 10% purchased news and weather apps, down from 19% last year.

The middle-range “typical” cost for an application was consistent with that of last year. However, there has been a substantial increase in the percentage of respondents who stated that the typical price they paid for an application was over \$10.

- The typical prices these respondents paid for an application were:
  - o 1% paid less than \$1.00, compared to 2% last year.
  - o 22% paid between \$1.00 and \$1.99, compared to 26% last year.
  - o 27% paid between \$2.00 and \$2.99, compared to 26% last year.
  - o 24% paid between \$3.00 and \$5.99, compared to 30% last year.
  - o 7% paid between \$6.00 and \$10.00, compared to 11% last year.
  - o 18% paid more than \$10, compared to 5% last year.
- The most these respondents paid for an application was consistent with last year:
  - o 32% of respondents recorded that the most they had paid for an application was between \$3.00 and \$5.99, compared to 33% last year.
  - o 18% paid between \$6.00 and \$9.99, compared to 19% last year.
  - o 34% stated that the most they paid for an application was \$10 or more, which was the same as last year.

## Section 5: Special topic – Advertising and marketing on the mobile phone

This section presents the results of this year's special topic.

### *Number and Type of Businesses Respondents Agreed to Receive Messages From*

- 40% of the respondents had agreed to receive SMS or MMS messages from businesses on their mobile phone.
- Almost all of these respondents stated that they had agreed to receive these messages from “1-5 businesses”.
- Respondents had opted in to receive messages from a range of businesses, the most common being banking and “other retail stores” apart from department stores. The overall spread across the various options suggests that a range of industries is choosing to communicate with their customers via the mobile phone.
- As a percentage of those who had opted in to receive messages:
  - o 44% opted in to banking-type businesses.
  - o 32% opted in to “other retail stores” – apart from department stores.
  - o 21% opted in to health and beauty providers.
  - o 16% opted in to travel shops.
  - o 15% opted in to nightclubs, pubs and bars.
  - o 15% opted in to department stores.
  - o 14% opted in to cinema and theatre.
  - o 11% opted in to group discount sites.
  - o 10% opted in to employment agencies.
  - o 10% opted in to other entertainment providers.
  - o 9% opted in to restaurants and cafes.
  - o 6% opted in to car dealers.

### *Type of Messages Received*

- 43% of respondents have received only text messages.
- Text-only messages make up at least some proportion of the messages being received by 96% of respondents who opted in.

### *Level of Engagement with SMS Messages*

The pattern of engagement for “reading the complete SMS message” was very different from the other types of possible engagement with the SMS message: “clicking on a link in the text message” and “clicking on a phone no. or click to call (CTC) in a text message”.

### “Reading the Complete Message”

- In the “last 3 months”:
  - o 44% of the respondents read the complete messages of all texts received.
  - o 74% of the respondents read the complete messages at least 50% of the time.

### “Clicking on a Link in the Text or Clicking on a Phone No. or Click To Call”

- In the “last 3 months”:
  - o 16% of respondents clicked on a link or number in the text message 50% or more of the time.
  - o 38% of respondents never clicked on the link in the text message.
  - o 13% of respondents clicked on a phone number or the click to call in the text message 50% or more of the time.
  - o 41% of respondents never clicked on a phone number or the click to call in the SMS message.

### ***Level of Engagement with MMS Messages***

The pattern of engagement was consistent for “viewing the complete MMS message” and “clicking on a link to a mobile site or page” in the last 3 months.

- 33% of respondents had viewed the “complete MMS messages” at least 50% of the time.
- 20% of respondents clicked on a link to a mobile site or page at least 50% of the time.
- 25% of respondents reported that they never viewed a complete MMS message.
- 35% of respondents reported that they never clicked on a link to a mobile site or page in an MMS message.

### ***Mobile Coupons and Vouchers***

In the “last 3 months”, 15% of the respondents had requested at least one mobile coupon or voucher.

These respondents requested the coupons in a variety of ways. The most common way was clicking on a text message – 52% of respondents. Other ways coupons were accessed included:

- Sent email to a business – 20% of respondents.
- Bluetooth – 18% of respondents.
- Typed in a URL – 18% of respondents.
- Sent a text to a business – 18% of respondents.

Of those respondents who actively requested mobile coupons or vouchers:

- 21% of respondents redeemed them at least 50% of the time.
- 36% of respondents redeemed the vouchers at least 25% of the time.
- 19% never redeemed them.

### ***Level of Engagement with Various Types of Advertising Messages***

For the purposes of this question, “engagement” was defined to the respondents as “clicking on a banner ad, watching the complete ad, or reading, viewing or listening to the complete message from the advertiser.”

The list of possible types of advertising on the mobile phone included:

- Banner or text ads in applications used on the mobile phone
- Banner ads on mobile websites
- Some form of advertising while watching a video on the mobile phone
- Some form of advertising in a game that respondents downloaded to the mobile phone
- Ads or messages about a business via Twitter or Facebook on the mobile phone
- Google ads (from a business) on the mobile phone

Overall, the results were fairly consistent across the different types of messaging for the “3-month period”.

- Around 60% of the respondents had not seen or engaged with any of the listed types of messaging.
- Around 20% of the respondents had seen but not engaged with any of the listed types of messaging.
- Around 20% of the respondents had engaged with the listed type of advertising message.

### ***Important Factors in the Decision to Engage with Different Advertising Messages***

- An existing relationship is the most important factor that encourages respondents to engage with mobile messaging, which presents opportunities for businesses to leverage their existing customer base.
  - 29% of respondents stated that “being a regular customer of the business” was very important or important in the decision to engage with the ad or message.
- Relevance to the individual was the second most important factor – this includes “location-based”, “event info” and “discount & sales” related messaging and ties in to the continued preference for personalization in the digital environment.
  - 25% of respondents stated that whether an ad/messages was about “an event or show I was interested in” was very important or important in the decision to engage with the ad or message.
  - 24% of respondents stated that whether an ad/messages was “about sales or discounts I am interested in” was very important or important in the decision to engage with the ad or message.
  - 25% of respondents stated that whether an ad/messages was “relevant to my location” was very important or important in the decision to engage with the ad or message.
- Reward-based messaging (coupons) was the third most important factor, with 19% of respondents stating that “the ad offering me a coupon or voucher” was very important or important in the decision to engage with the ad or message. However, this may be because coupons need to be relevant to the individual to truly encourage engagement. This suggests that the three factors are unlikely to be mutually exclusive but rather may cumulatively help to increase engagement with messaging on the mobile.

### ***Conversion Rates - How Often Does Engagement with Various Advertising Messages Lead to Purchase of the Product/Service Being Promoted?***

The survey captured the conversion rates for three types of advertising that respondents could receive on their mobile phone:

- Banner ads on mobile websites
- SMS (text) ads on mobile phones
- MMS (picture or video) ads on mobile phones

Behaviour is similar for all three ad types — advertising on the mobile phone currently has a low conversion rate to purchase. This is most likely because the design of ads and marketing messages on the mobile phone, and the corresponding exposure and engagement by users, is still very much a work in progress.

In summary, the current conversion rates were as follows:

- Around 20% of respondents engaging with an ad on their mobile said it led them to purchase the advertised product/service 5% of the time. More specifically:
  - 22% of respondents said that engaging with an SMS ad on their mobile led them to purchase the advertised product/service 5% of the time.
  - 21% of respondents said that engaging with a banner ad on their mobile led them to purchase the advertised product/service 5% of the time.
  - 22% of respondents said that engaging with an MMS ad on their mobile led them to purchase the advertised product/service 5% of the time.
- Only a small percentage of respondents (17% for SMS and banner ads and 12% for MMS ads) claimed that engaging with an ad on their mobile led them to the purchase of the advertising product more than 5% of the time.
- Just over 60% of respondents stated that engaging with an ad on their mobile phones never led to the purchase of the product/service being advertised. More specifically:
  - 61% of respondents said that SMS ads never led to the purchase of the product being promoted.
  - 62% of respondents said that banner ads never led to the purchase of the product being promoted.
  - 65% of respondents said that MMS ads never led to the purchase of the product being promoted.

### *Overall Response to the Idea of Businesses Using the Mobile Phone to Communicate Advertising Messages*

Respondents were asked to indicate their response to the overall idea of businesses' use of the mobile phone to communicate advertising messages.

- 20% “liked” or “really liked” the overall idea.
- 47% of the respondents “did not like” or “really didn't like” the idea.

However, a substantial (31%) of respondents were ambivalent; they “neither liked nor disliked” the idea, suggesting that many respondents have yet to make up their mind about the value of receiving messages from businesses on their mobile phones. The challenge, therefore, is for brands and the mobile industry to demonstrate and educate consumers about the value of coupons to them as individuals.

## Conclusion

We hope that this research will provide industry stakeholders with a better understanding of the behaviour and profile of Australian mobile phone users, and that the results can be used in the ongoing quest to meet the changing mobile needs and expectations of customers.

For a full copy of the comprehensive PowerPoint presentation of the AMPLI 2011 study results, please visit the AIMIA website: [www.aimia.com.au](http://www.aimia.com.au).

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