Executive Summary

Smartphones have become an indispensable part of our daily lives. Smartphone penetration is at 14% of the population and these smartphone owners are becoming increasingly reliant on their devices. 73% access the Internet every day on their smartphone and most never leave home without it. **Implication:** Businesses that make mobile a central part of their strategy will benefit from the opportunity to engage the new constantly connected consumer.

Smartphones have transformed consumer behavior. Mobile search, video, app usage, and social networking are prolific. Smartphone users are multi-tasking their media with 88% using their phone while doing other things such as watching TV (46%). **Implication:** Extending advertising strategies to include mobile and developing integrated cross-media campaigns can more effectively reach today's consumers.

Smartphones help users navigate the world. Appearing on smartphones is critical for local businesses. 88% of smartphone users look for local information on their phone and 92% take action a result, such as making a purchase or contacting the business. **Implication:** Ensuring that clickable phone numbers appear in local results and leveraging location based services on mobile make it easy for consumers to connect directly with businesses.

Smartphones have changed the way consumers shop. Smartphones are critical shopping tools with 80% having researched a product or service on their device. Smartphone research influences buyer decisions and purchases across channels. 31% of smartphone users have made a purchase on their phone. **Implication:** Having a mobile optimized site is critical and a cross-channel strategy is needed to engage consumers across the multiple paths to purchase.

Smartphones help advertisers connect with consumers. Mobile ads are noticed by 94% of smartphone users. Smartphones are also a critical component of traditional advertising as 75% have performed a search on their smartphone after seeing an offline ad. **Implication:** Making mobile ads a part of an integrated marketing strategy can drive greater consumer engagement.
Understanding the Mobile Consumer

This survey is designed to gain insights into how consumers use the Internet on their smartphones

In detail:

• Facts and figures about smartphone adoption and usage
• Internet usage in general, search, video, social networking, mobile advertising and m-commerce behavior via smartphones
• This country report is part of a global smartphone study conducted in multiple countries. Visit OurMobilePlanet.com for access to additional tools and data

- How are smartphones used in daily life?
- How do consumers multi-task with their smartphones?
- What activities are consumers conducting on their smartphones?
- What role do smartphones play in the shopping process?
- How do consumers respond to ads, offline and on mobile?
Agenda

1. Smartphones are Indispensable to Daily Life
2. Smartphones Have Transformed Consumer Behavior
3. Smartphones Help Users Navigate the World
4. Smartphones Change the Way Consumers Shop
5. Smartphones Help Advertisers Connect with Customers
SMARTPHONES ARE INDISPENSABLE TO DAILY LIFE
Smartphone Penetration in Brazil

14% adoption

Base: National representative population 16+, n=1,000
Q1: Which if any of the following devices do you currently use?
Smartphones are a Central Part of Our Daily Lives

40% have used their smartphones every day in the past 7 days

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q18: Thinking about the last seven days on how many days were you online with...
Smartphones are Always On, Always with You

73% don’t leave home without their device

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q52: To what extent do you agree to each of these statements?, Top2 Boxes; scale from 5 – completely agree to 1 – completely disagree. “I don’t leave house without my smartphone”
Smartphones Are Used Everywhere

Place of Use

- **At home**: 96%
- **On the go**: 64%
- **In a store**: 66%
- **Home**: 96%
- **Work**: 82%
- **Restaurant**: 69%
- **In a store**: 66%
- **On the go**: 64%
- **Public Transport**: 60%
- **Café or coffee shop**: 56%
- **Doctor's office**: 53%
- **At a social gathering**: 52%
- **Airport**: 49%
- **School**: 49%

Base: Private smartphone users who use the Internet in general, Smartphone n= 1,000
Q16: Where do you use your smartphone? Please select first at which locations you ever use it - even if only seldom.
Allowing Users to Stay Fully Connected

42% access the Internet on their smartphones at least once a day.

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q9: Using the scale below, please indicate approximately how frequently you use the Internet in general and specific services and types of websites through your browser or apps on your smartphone? Responses reflect at least once a day.
Smartphone Use is Expected to Increase

51% expect to use their smartphone more to access the Internet in the future.

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q21: Thinking about the next 12 months, what do you expect, how will you be using the internet with your…?
Smartphones Have Become so Important to Consumers that ...

27% would rather give up TV than their smartphone

Base: Private smartphone users who use the internet in general, Smartphone n=1,000
Q52: To what extent do you agree to each of these statements? Top2 Boxes; scale from 5 = completely agree to 1 = completely disagree. I would rather give up TV than my smartphone. I would rather give up my TV / desktop PC than my smartphone.
SMARTPHONES HAVE TRANSFORMED CONSUMER BEHAVIOR
Smartphones are a Major Access Point for Search

50% search on their smartphones every day

Base: Private smartphone users who use the internet in general and who are searching via search engine, Smartphone n= 958
Q31: How often do you do searches (via Google, Yahoo!, Bing, etc.) on your ...?
Smartphones Inform Our Daily Life

48% Product Info

29% Restaurants, Pubs & Bars

28% Travel

22% Job Offers

16% Apartments, Housing info

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q23: Which of the following activities do you do with your smartphone? Please indicate whether you ever do this at all.
Smartphones are a Multi-Activity Portal

86% Communication

61% Stay Informed

92% Entertainment

- Accessed a social network (e.g. updated a status message checked messages or friends' pages) 72%
- Emailed (sent or read) 71%
- Read news on newspaper or magazine portals 57%
- Reviewed websites blogs or message boards 21%
- Browsed the Internet 79%
- Listened to music 71%
- Watched videos on a video sharing website (e.g. YouTube.com) 46%
- Played games 39%

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q23: Which of the following activities do you do with your smartphone? Please indicate whether you ever do this at all.
App Usage is Ubiquitous

14 apps installed on average

6 apps used in the last 30 days

2 paid apps installed on average

Base: Private smartphone users who use the internet in general, Smartphone n= 1.000
Q24: How many apps do you currently have on your smartphone?
Base: Private smartphone users who use the internet in general and who have at minimum one app on their smartphone, n= 990
Q25: And of the apps you currently have installed on your smartphone, how many have you used actively in the last 30 days?
Q26: And of the apps you currently have installed on your smartphone, how many have you purchased for a certain amount in an app store?
Smartphones Users are Avid Video Watchers

75% watch video

21% use video at least once a day

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q35: How often do you watch videos via websites or apps (e.g. short video clips, videos of TV shows, TV movies online, etc.) on your ...?
Smartphone Users are Frequent Social Networkers

88% visit social networks

53% visit at least once a day

Base: Private smartphone users who use the internet in general, Smartphone n=1,000. Q38: How often do you visit a social network (via websites or apps) on your ...?
Smartphones Are Used While Multi-tasking with Other Media

- Use smartphone while...%
  - Listen to music: 63%
  - Watch TV: 46%
  - Use Internet: 55%
  - Read magazines/newspapers: 26%
  - Play video games: 18%
  - Watch movies: 29%
  - Read a book: 15%

Base: Private smartphone users who use the Internet in general and who were online yesterday with their smartphone, Smartphone n= 706 Q22: When you use the Internet on your smartphone, which if any of the following – do you do at the same time?
SMARTPHONES HELP USERS NAVIGATE THE WORLD AROUND THEM
88% of smartphone users have looked for local information

92% have taken action as a result
Looking for Local Information is a Frequent Smartphone Activity

64%
Look for local information at least once a week

33%
Look for local information daily

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q33: How often do you look for information about local businesses or services on your smartphone? (Ever)
### Local Information Seekers Take Action

<table>
<thead>
<tr>
<th>Action</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Called the business or service</td>
<td>50%</td>
</tr>
<tr>
<td>Looked the business up on a map or got directions to the business or service</td>
<td>38%</td>
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<tr>
<td>Visited the website of the business or service</td>
<td>56%</td>
</tr>
<tr>
<td>Visited a business (e.g. store or restaurant)</td>
<td>37%</td>
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<tr>
<td>Recommended a business or service to someone else</td>
<td>34%</td>
</tr>
<tr>
<td>Read or wrote a review about a business or service</td>
<td>18%</td>
</tr>
<tr>
<td>Made a purchase from a business online</td>
<td>43%</td>
</tr>
<tr>
<td>Made a purchase from a business in-store</td>
<td>31%</td>
</tr>
<tr>
<td>Told others about it</td>
<td>63%</td>
</tr>
<tr>
<td>Visited the business</td>
<td>66%</td>
</tr>
<tr>
<td>Connected with the business</td>
<td>55%</td>
</tr>
</tbody>
</table>

**Base:** Private smartphone users who use the internet in general and who look at least less than once a month, Smartphone n= 881

**Q34:** Which of the following actions have you taken after having looked up this type of information (business services close to your location)?
SMARTPHONES
CHANGE THE WAY CONSUMERS SHOP
Smartphones Allow Users to Research Products Anytime, Anywhere

Q51a: And where were you when you researched for products or services with your smartphone?

- **Home**: 55%
- **Work**: 39%
- **Restaurant**: 20%
- **Café or coffee shop**: 18%
- **Public transport**: 18%
- **On the go**: 17%

**Base**: Private smartphone users who use the internet in general, Smartphone n= 1.000
80% have researched a product or service on their phone.

Base: Private smartphone users who use the internet in general, Smartphone n= 1.000
Q51a: And where were you when you researched for products or services with your smartphone?
Smartphones are Our Primary Shopping Companions

I intentionally have my smartphone with me to compare prices and inform myself about products. 31%

I have changed my mind about purchasing a product or service online as a result of information I gathered using my smartphone. 30%

I have changed my mind about purchasing a product or service in store as a result of information I gathered using my smartphone. 29%

Base: Private smartphone users who use the internet in general, Smartphone n= 1.000
Q52: To what extent do you agree to each of these statements? Please answer on a scale from 1 to 5. A “1” means that you completely disagree with the statement a “5” means that you completely agree with the statement.
Research that Starts on Smartphones Leads to Purchases Across Channels

Research on smartphone

45% then purchased via computer

30% then purchased it offline

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q48: Listed below are various products or services. For each of these products or services please indicate which statement applies to you.
Smartphones Are an Emerging Point of Purchase

31% of smartphone users have purchased a product or service on their smartphone

54% of these smartphone shoppers have made a purchase in the past month

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000
Q44: Have you ever purchased a product or service over the internet on your smartphone? With product or service we mean everything you can buy excluding apps. Base: Private smartphone users who use the internet in general and who purchased via internet on their smartphone n= 311
Q45: Have you made a purchase by using your smartphone in the past month?
Smartphones Shoppers are Frequent Buyers

66% make mobile purchases at least once a month

Base: Private smartphone users who use the internet in general and who purchased via internet on their smartphone, Smartphone n=311

Q47: How frequently do you purchase products or services with your smartphone?
Mobile Commerce will Continue to Grow

38% expect to make more mobile purchases in the future

Base: Private smartphone users who use the internet in general, Smartphone n= 1,000  Q51: Do you expect making purchases on your smartphone more often in the next 12 months?
Barriers to Mobile Commerce Still Exist

Would prefer to use a PC/laptop for these services: 66%

- Doesn't feel secure: 34%
- Too complicated: 15%
- Payment features were not available (no credit card): 8%
- Payment is too complex: 7%
- Too expensive: 3%
- Never heard of these services: 2%
- Other: 5%

Base: Private smartphone users who use the internet in general and who NOT purchased via internet on their smartphone n= 689   Q46: Why have you not made a purchase using your smartphone?
Smartphones
Help Advertisers Connect With Their Customers
Offline Ad Exposure Leads to Mobile Search

75% have performed a mobile search after seeing an ad

Ad location:
- TV: 67%
- Shop/business: 69%
- Magazines: 62%
- Posters / Billboards: 48%

Base: Private smartphone users who use the internet in general and who at least rarely notice advertising, n= 939
Q43a: How often do you use your smartphone to do a search in response to an ad you have seen in a magazine, on a poster, on TV or in a shop/business?
The First Page of Mobile Search Results is Key

47%

only look at the first page of results when conducting a search on their smartphone
94% of smartphone users notice mobile ads.

Base: Private smartphone users who use the internet in general, Smartphone n=1,000
Q41: How often do you notice advertising when you are using the browser or an app on your smartphone? (Ever)
Mobile Ads Make an Impression

Where Mobile Ads Are Noticed

- While using a search engine: 43%
- While on a website: 42%
- While in an app: 31%
- While watching a video: 25%
- While on a video website: 24%
- While on a retailer website: 16%

Base: Private smartphone users who use the internet in general and who at least rarely notice advertising n= 939
Q42: Where have you noticed advertising when using your smartphone?
Background
Research Methodology

• In partnership with Ipsos MediaCT, we interviewed a total of 1,000 Brazilian online adults (18-64 years of age) who identified themselves as using a smartphone to access the Internet

• The distribution is according to a national representative CATI Study

• A smartphone is defined as “a mobile phone offering advanced capabilities, often with PC-like functionality or ability to download apps”

• Respondents were asked a variety of questions around device usage, mobile search, video, social, web and commerce behavior and mobile advertising

• Interviews were conducted in Q1 2012
Demographics

- **Gender:**
  - Female: 32%
  - Male: 68%

- **Age:**
  - 18-24 Years: 30%
  - 25-34 Years: 35%
  - 35-44 Years: 25%
  - 45-54 Years: 5%
  - 55+ Years: 5%

- **Area:**
  - Urban: 97%
  - Suburban: 2%
  - Rural: 1%

- **Marital Status:**
  - Single: 42%
  - Living with partner: 11%
  - Married: 39%
  - Widowed: 1%
  - Divorce/Separated: 7%
Demographics

Base: Private smartphone users who use the Internet in general, wave 2, n= 1,000
D4. What is the highest level of education you have completed? D5. Which of the following best describes your employment status? D8. Which of these ranges comes closest to the total (annual) income of your household before anything is deducted for tax National Insurance (Social security) pension schemes etc.??