KANTAR IMRB

Kantar IMRB & MMA
Feature Phone Usage and Behaviour Report [Overview] – India
2016-17

MMA
MOBILE MARKETING ASSOCIATION

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MMA

Purpose of reports

MMA India seeks to provide regular insights on mobile usage in India.

These insights will be published in a series of industry reports with the objective of: 1) Understanding the efficacy of Mobile as a marketing medium; 2) Enable all members of the ecosystem to stay updated with consumer mobile trends and media consumption habits; 3) Evaluate the role of mobile advertising as an influencer in the consumer path to purchase; 4) Provide access to global best practices and technologies in the space of mobile usage and measurement.

Scope of the study

Research Objective
Kantar IMRB has been commissioned by MMA India to study the evolving nature of the feature phone consumer, by understanding their usage and behaviour

Approach
Rudimentary operating systems and hardware make it extremely challenging to track feature phone usage through software applications. Therefore, feature phone tracking requires a different approach to capture usage behaviour. Kantar IMRB will be measuring feature phone usage through in-depth face-to-face surveys every 12 months. Unlike the smartphone ecosystem which sees rapid changes—the feature phone ecosystem develops at a slower pace hence it is unlikely we will identify major consumer trends over shorter time periods.

Methodology
Computer Assisted Personal Interviews (CAPI) amongst a total of 979 feature phone owners

Sampling
IMRB research shows that feature phone penetration tends to be higher in smaller towns when compared to metros. Hence for this study we covered feature phone users across <u>1 large town and 1 smaller town</u> in each region in the ratio of

Small towns	*- 60%*
Metros	*- 40%*

Metro	Kolkata, Delhi, Chennai, Mumbai	401
Non Metro	Guwahati, Lucknow, Kochi, Indore	578

These towns were been selected on the basis of IMRB research for feature phone penetration.

Feature phone definition (1/2)

Kantar IMRB has considered various definitions to arrive at a suitable set of definitions for the study.

Feature Phone: Wikipedia
https://en.wikipedia.org/wiki/Feature_phone
A feature phone is a class of mobile phone; the term is typically used as a retronym to describe low-end mobile phones which are limited in capabilities in contrast to a modern smartphone. Feature phones typically provide voice calling and text messaging functionality, in addition to basic multimedia and internet capabilities, and other services offered by the user's wireless service provider.

Feature Phone: Facebook
https://www.facebook.com/help/388988687791247
Feature phones are phones with more limited capabilities than smartphones.

Feature Phone: Phone Scoop
http://www.phonescoop.com/glossary/term.php?gid=310
Any mobile phone that is not a smartphone. Feature phones have proprietary operating system (OS) firmware. If they support third-party software, it is only via a relatively limited platform such as Java or BREW. Compared to software for smartphones, Java or BREW software (for feature phones) is often less powerful, less integrated with other features of the phone, and less integrated into the main user interface of the phone.

Feature phone definition (2/2)

Feature Phone: GSM Arena

http://www.gsmarena.com/glossary.php3?term=feature-phone

A mobile phone that is not smartphone. It has operating system firmware, but third party software support is limited to only Java or BREW applications. Recently feature phones have begun to offer similar features to those of smartphones, so the main difference between the two groups now is the third-party software support.

Taking into account the various definitions available in the market place, Kantar IMRB in consultation with MMA India have classified feature phones as:

" A mobile phone that incorporates a fixed set of functions beyond voice calling and text messaging such as limited A web browsing and e-mail, ability to play music but generally cannot download apps from an online market place."

We realize that above definition leaves some room for overlaps between feature phones and smartphones. Hence in addition to the above we have automatically excluded from this study any mobile phones with the following operating systems:

*   Android and any modified versions of Android (such as MiUI, Cyanogen, HTC sense, Touchwiz, Oxygen OS, Zen UI etc.)
*   Additional exclusions include iOS, Windows, Tizen, Blackberry, BADA, Palm OS, EMUI, FireOS, Firefox OS, Sailfish, Ubuntu etc.

Note: This exclusion list will be reviewed annually in sync with the fieldwork for this study to ensure the feature phone definition remains relevant. We will expand the exclusion list as and when new smartphone operating systems are introduced to the market.

Executive summary

Feature phones: The unsung heroes

Today over 85% of the urban Indian population owns a mobile phone, While smartphones get most of the attention, 56% of this user base actually users feature phones[1].

There are many 'myths' related to feature phone consumers. The most common among these being
- Feature phone users are not affluent
- Feature phones are used only for calling / texting
- Feature phone users are seeking to upgrade to smartphones
- Feature phone users don't access the internet

Our research put all these myths to the test - with surprising results.
1. A whopping 75% of the respondents were from the upper SECs. Only 25% of respondents were from SEC C, D and E (NCCS).
2. Our study revealed that feature phones are also entertainment hubs.
   i. Half of all respondents we surveyed listen to music using their feature phones
   ii. And one-in-three utilise their handsets for watching video and playing mobile games
3. Only 15% of the respondents we surveyed intended to switch to a smartphone on their next purchase indicating that the functional benefits of feature phones combined with their durability, battery life and ease of repair were highly coveted by these users.
4. Feature phone users are also more likely to access the internet from their handset than a laptop or desktop device.

In other words feature phones do it all, fulfilling all needs of communication, entertainment and information search for their audience. The days of the feature phone are far from over, and any assumptions regarding their demise is premature—at least for now.

Feature phone Consumer Insights

Feature phone users have **higher** than average **media consumption**

Feature phone users spend **4x** more time **watching TV** compared to the national average[1].

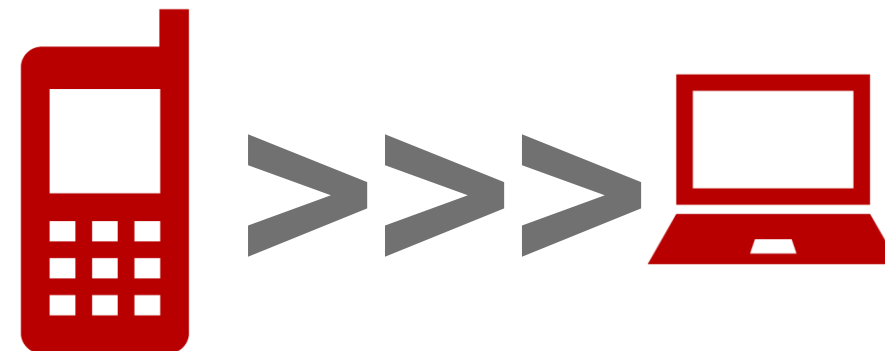And they are also **avid consumers of print and radio**

They have

higher ARPU's

20% ⬆

Contrary to popular belief, feature phone users **spend more** money on their mobile plans.

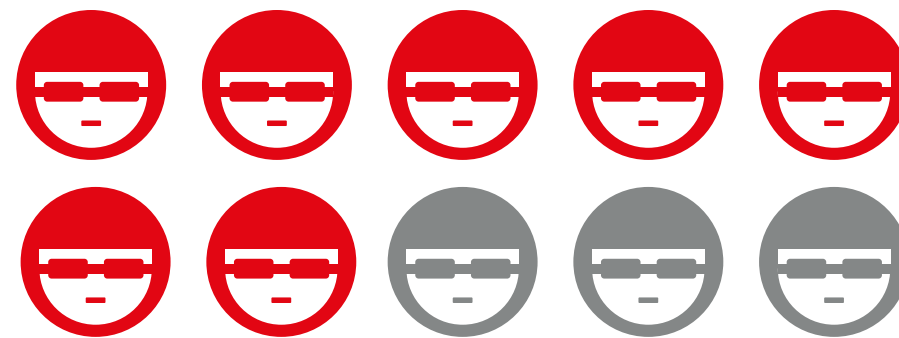The **ARPU** for our respondents was almost **20% higher** compared to the national average.

They prefer mobile over desktop

Despite the absence of most apps, feature phone users are **1.4x** more likely to access the internet from their handset than a laptop or desktop device.
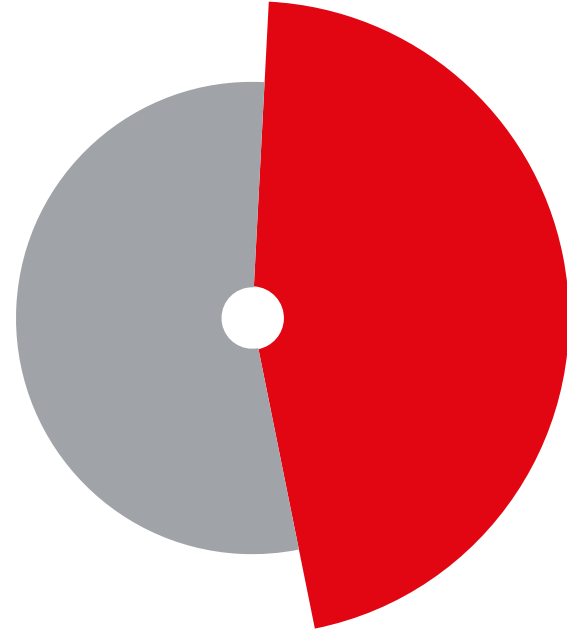
They belong to **affluent households**

75% of respondents belong to **SEC A or B households**.

There were more affluent users in the **North and South regions** compared to the rest of India

They tend to be **older**

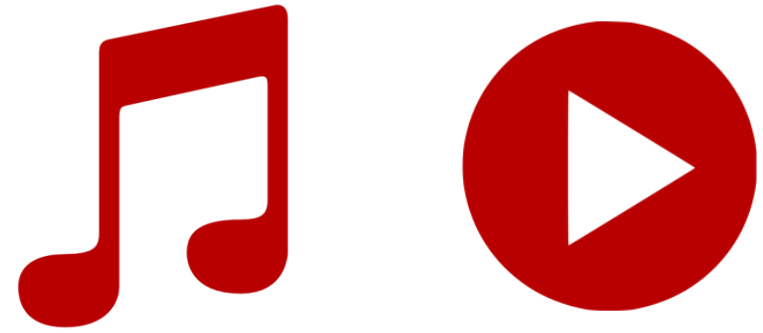Almost **half** of all respondents we spoke to were aged 35 years or older.

Most do not intend to switch to smartphones

Only **15%** of the respondents we surveyed definitely intended to switch to a smartphone.

And consume a considerable amount of entertainment content via mobile

Half of all respondents we surveyed listen to music using their feature phones.

And **one-in-three** utilise their handsets for watching video and playing mobile games.

Feature phones do it all!

About the Mobile Marketing Association (MMA)

The MMA is the world's leading global non-profit trade mobile marketing association comprised of more than 800 member companies, from nearly fifty countries around the world. Our members hail from every faction of the mobile marketing ecosystem including brand marketers, agencies, mobile technology platforms, media companies, operators and others. The MMA's mission is to accelerate the transformation and innovation of marketing through mobile, driving business growth with closer and stronger consumer engagement. Anchoring the MMA's mission are four core pillars; to cultivate inspiration by driving the innovation for the Chief Marketing Officer; to build the mobile marketing capabilities for the marketing organizations through fostering know how and confidence; to champion the effectiveness and impact of mobile through research providing tangible ROI measurement; and advocacy. Additionally, MMA industry-wide committees work collaboratively to develop and advocate global best practices and lead standards development.

Mobile Marketing is broadly defined as including advertising, apps, messaging, mCommerce and CRM on all mobile devices including smart phones and tablets. Members include, American Express, AdChina, Colgate - Palmolive, Dunkin' Brands, Facebook, Google, Group M, Hewlett Packard, Hilton Worldwide, Kellogg Co., L'Oréal, MasterCard, McDonalds, Microsoft, Mondelez International, Inc., Pandora Media, Procter & Gamble, R/GA, The Coca-Cola Company, The Weather Company, Unilever, Visa, Vodafone, Walmart, xAd, Zenith Optimedia and many more.

MMA India members include: PepsiCo India, Hotstar, OLX , United Spirits Limited , Autumn Worldwide , Hungama, GroupM, KANTAR IMRB, Kotak Group, Getit Infoservices, Nielsen , Hindustan Unilever, Culture Machine, Google, Godrej Group , Yu Televentures , Facebook, Paytm, Saavn

The MMA's global headquarters are located in New York with regional operations in Europe/Middle East/Africa (EMEA), Latin American (LATAM) and Asia Pacific (APAC). For more information about the MMA please visit: www.mmaglobal.com

About Kantar IMRB

Kantar IMRB is a pioneer of market research services in Asia. It partners its clients across the entire brand lifecycle through a unique mix of innovation and analytical thinking to design customised solutions that deliver maximum impact. By leveraging on its large array of syndicated services and specialist divisions, Kantar IMRB helps clients in crafting marketing and consumer strategies. With a multi-disciplinary and multi-cultural workforce, it is at the forefront of research and consulting services.

Kantar IMRB has been a leader in setting up industry measurements like for Television (Television Ratings Point), Household purchases of FMCG's (Kantar World Panel), Digital (I Cube), Online audiences (WAM) and Mobile usage (Mobi Track)

An eight-time recipient of "Agency of the Year", Kantar IMRB's footprint extends to 50 offices across 12 countries.

Visit: http://mrbglobal.in/ for more information

About Kantar

Kantar is one of the world's leading data, insight and consultancy companies. Working together across the whole spectrum of research and consulting disciplines, it's specialist brands employ30,000 people, provide inspirational insights and business strategies for clients in 100 countries. Kantar is part of WPP and it's services are employed by over half the Fortune 500.

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