



Trends in mobile technology

EPMA 6th Racing and Betting Business Event

4th October 2013

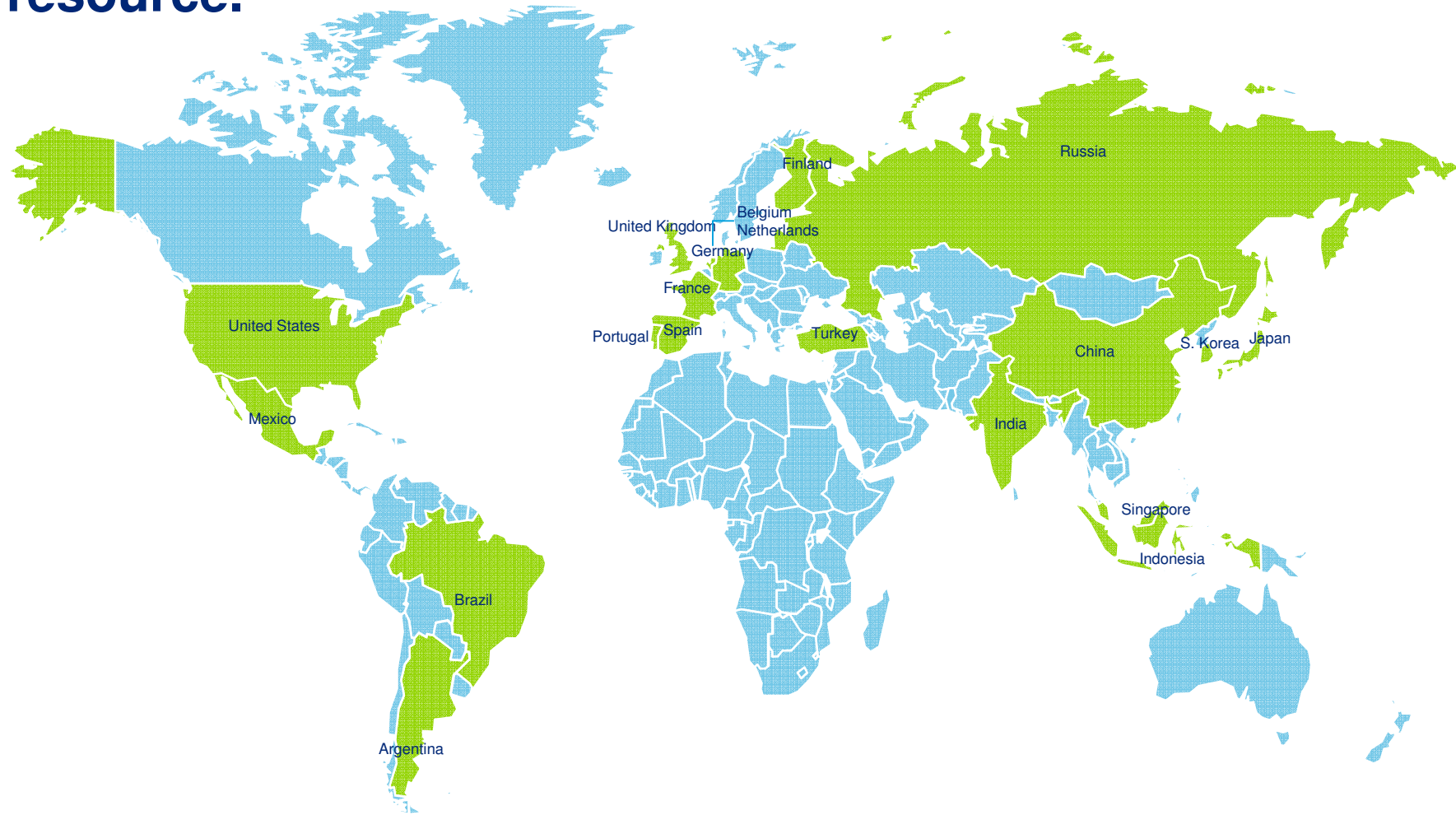
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Paul Lee, Head of Research, Global TMT Industry Group, paullee@deloitte.co.uk



Deloitte's research into devices and connectivity

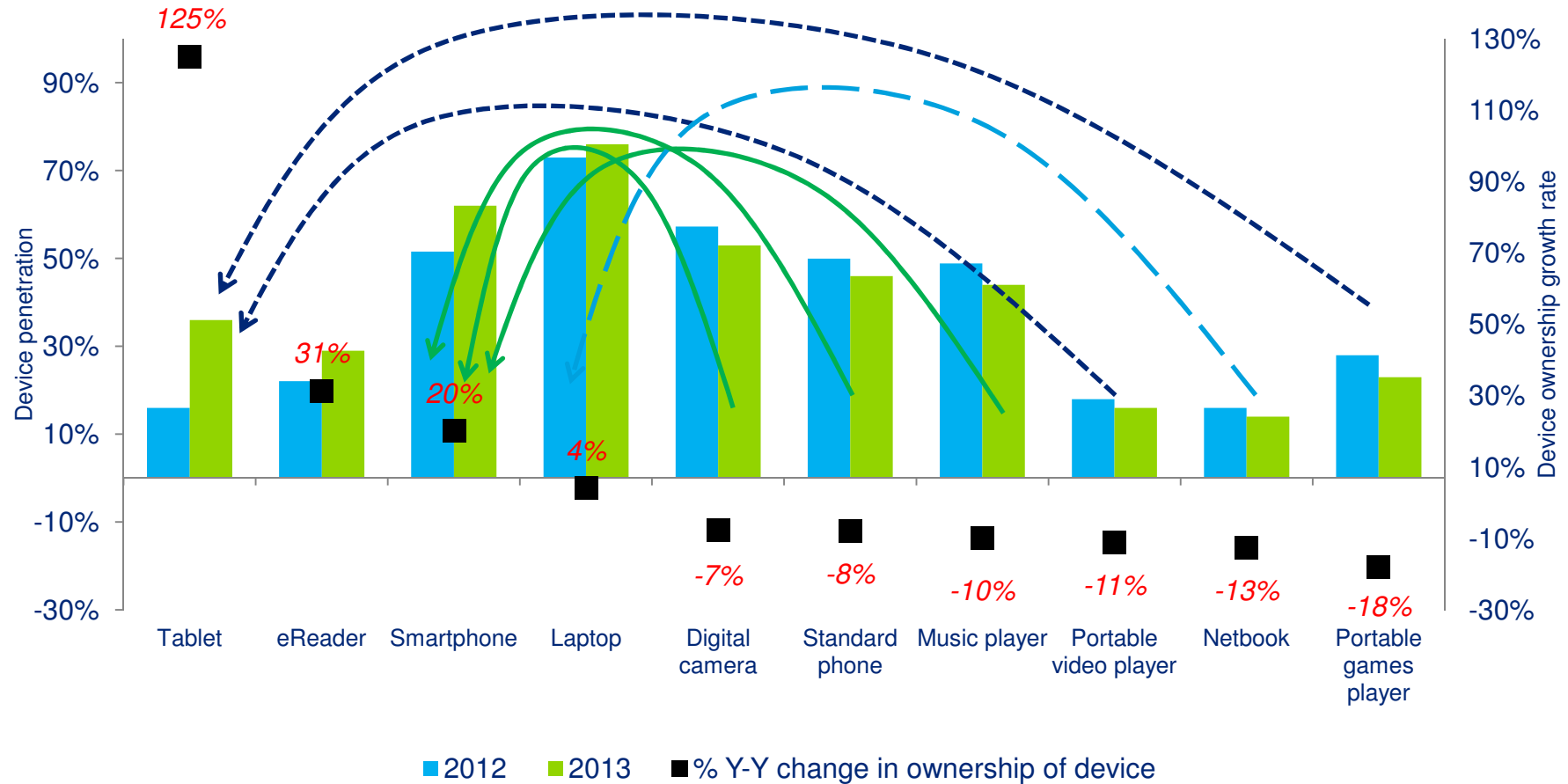
Deloitte's Global Mobile Consumer Survey, 2013: 37,600 responses, 20 countries, four continents. A unique resource.



Digital device ownership: converged,
connected devices are dominating

Consumers are migrating to converged devices, each of which is specialised for different tasks

Q. Which of the following portable devices do you own or have ready access to?



Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013 & May-June 2012
 Base: Total respondents (2012) 2,060, Total respondents (2013) 4,020

The smartphone has become the default mobile phone

Deloitte's prediction from earlier in the year












“Smartphones ship a billion but usage becomes simpler”

“In 2013, Deloitte predicts that global shipments of smartphones, defined as any device perceived by consumers as being a smartphone, will likely exceed one billion units for the first time.

As the base grows, usage is likely to stratify further. The proportion and absolute number of those using only the basic functionality of a smartphone – voice, text and photos – is also likely to rise.”

Currently, it is hard not to buy a smartphone

Pay as you go bestsellers

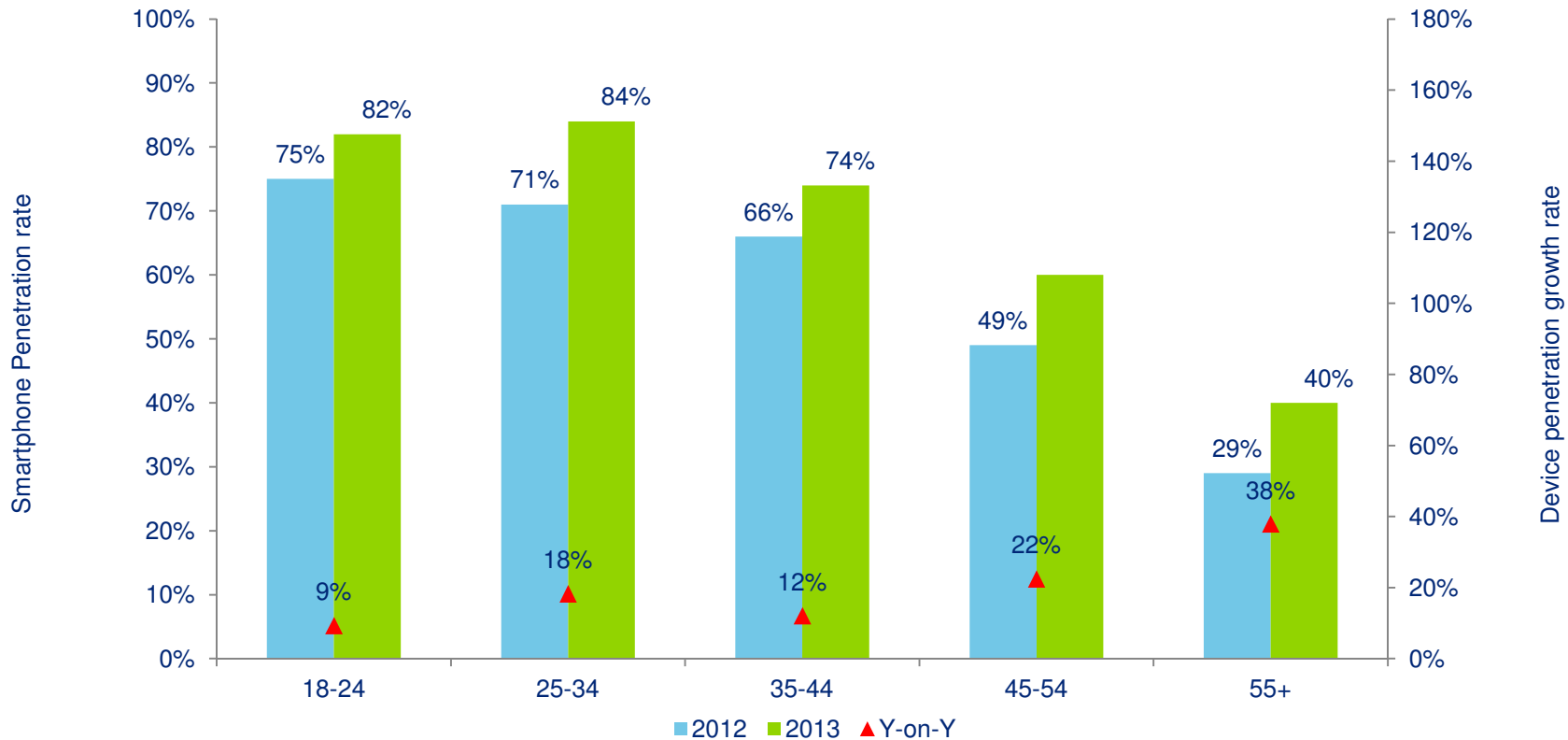
 <p>Nokia 100 From £9.95 View deals</p>	 <p>Huawei Y300 From £59.95 View deals</p>	 <p>Samsung Galaxy Y From £29.95 View deals</p>
 <p>Samsung Galaxy Ace From £69.95 View deals</p>	 <p>Samsung E2121B From £7.95 View deals</p>	 <p>LG L3 II From £49.95 FREE CASE View deals</p>
 <p>Nokia Lumia 520 From £79.95 View deals</p>	 <p>Samsung galaxy Ace 2 From £119.95 View deals</p>	 <p>Sony Xperia™ U From £109.95 View deals</p>

[View all Pay as you go phones](#)

Smartphone ownership is growing most strongly among the 55+ age group

Q. Which of the following portable devices do you own or have ready access to?

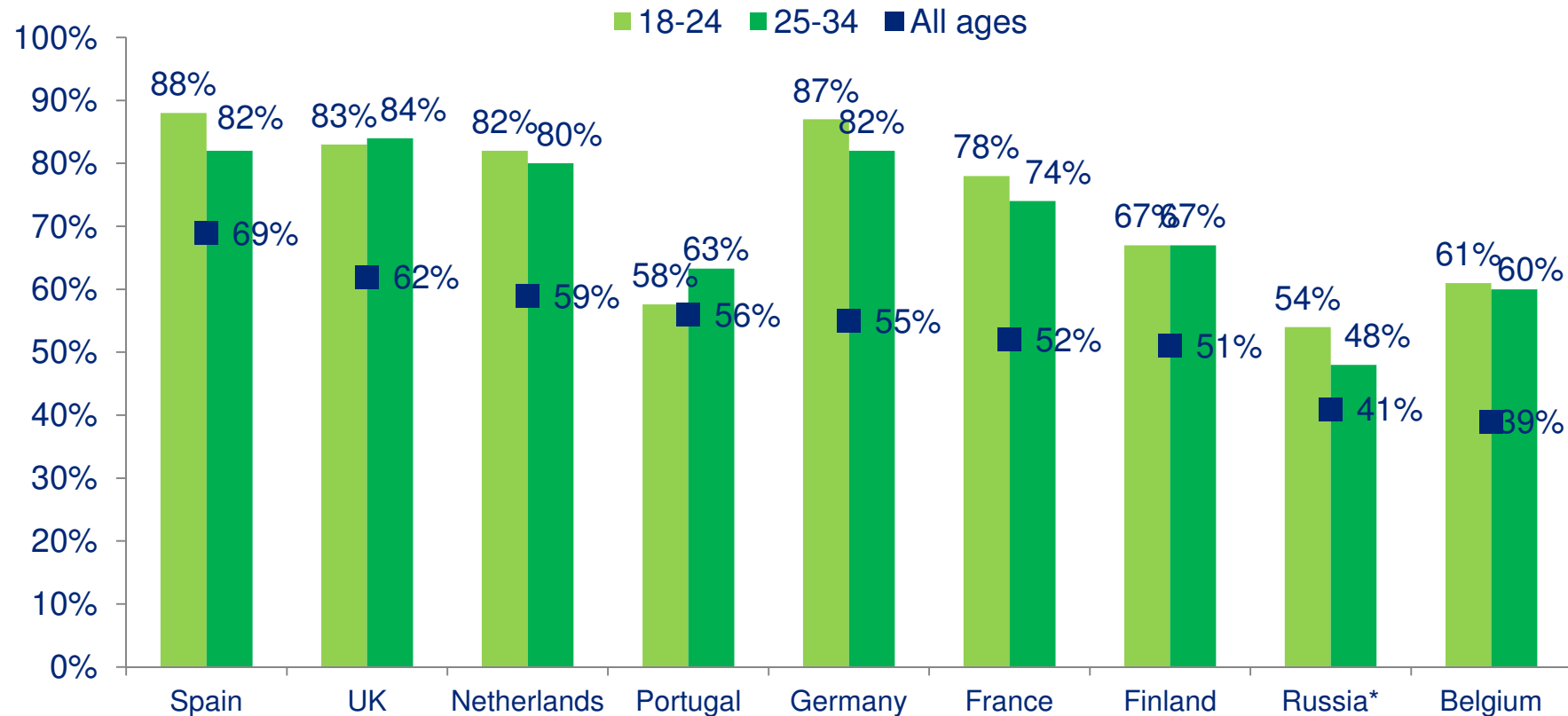
Smartphone ownership by age group



Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013
 Base: Total respondents (2012) 2,060; Total respondents (2013) 4,020

... but smartphone penetration among 18–24 and 25–34 year olds is approaching a plateau in Europe...

Question: Which of the following portable devices do you own or have ready access to?



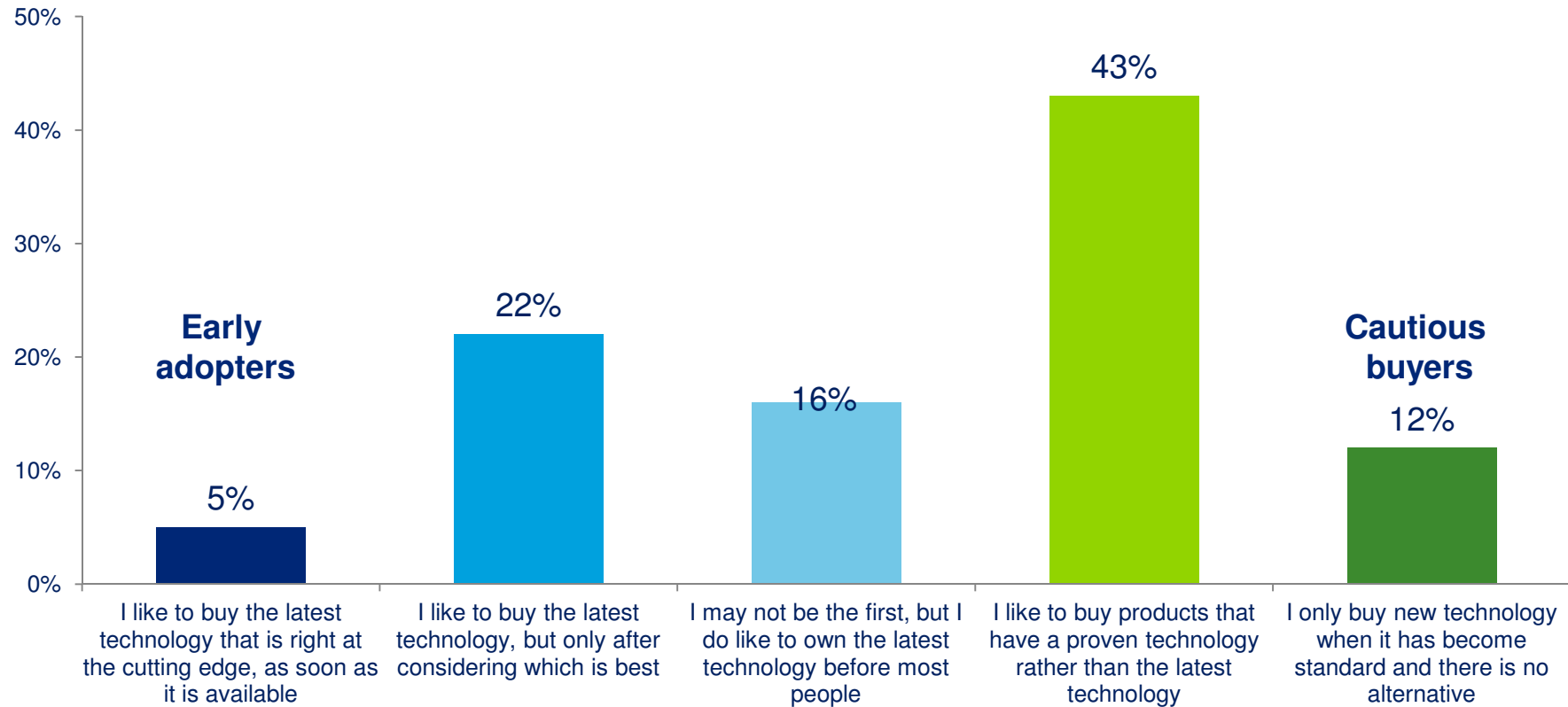
Source: Deloitte Global Mobile Consumer Survey, all European countries surveyed, May/July 2013.

Weighted base: Total respondents (all ages, 18-24, 25-34): Belgium (2,000, 217, 323), Finland (1,000, 108, 160), France (2,000, 226, 315), Germany (2,000, 197, 286), Netherlands (2,000, 216, 332), Portugal (607, 90, 158), Spain (2,000, 182, 378), UK (4,020, 472, 669). * Note: The online research approach in Russia resulted in a higher concentration of urban professionals with higher income.

Behavioural patterns: technology
indulges more than it inflects

Differences in attitude between “early adopters” and “cautious buyers” are significant

Which of the following best describes your attitude toward new technology?



Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013
Base: Total respondents 4020, Cautious buyer 490, Early adopters 217

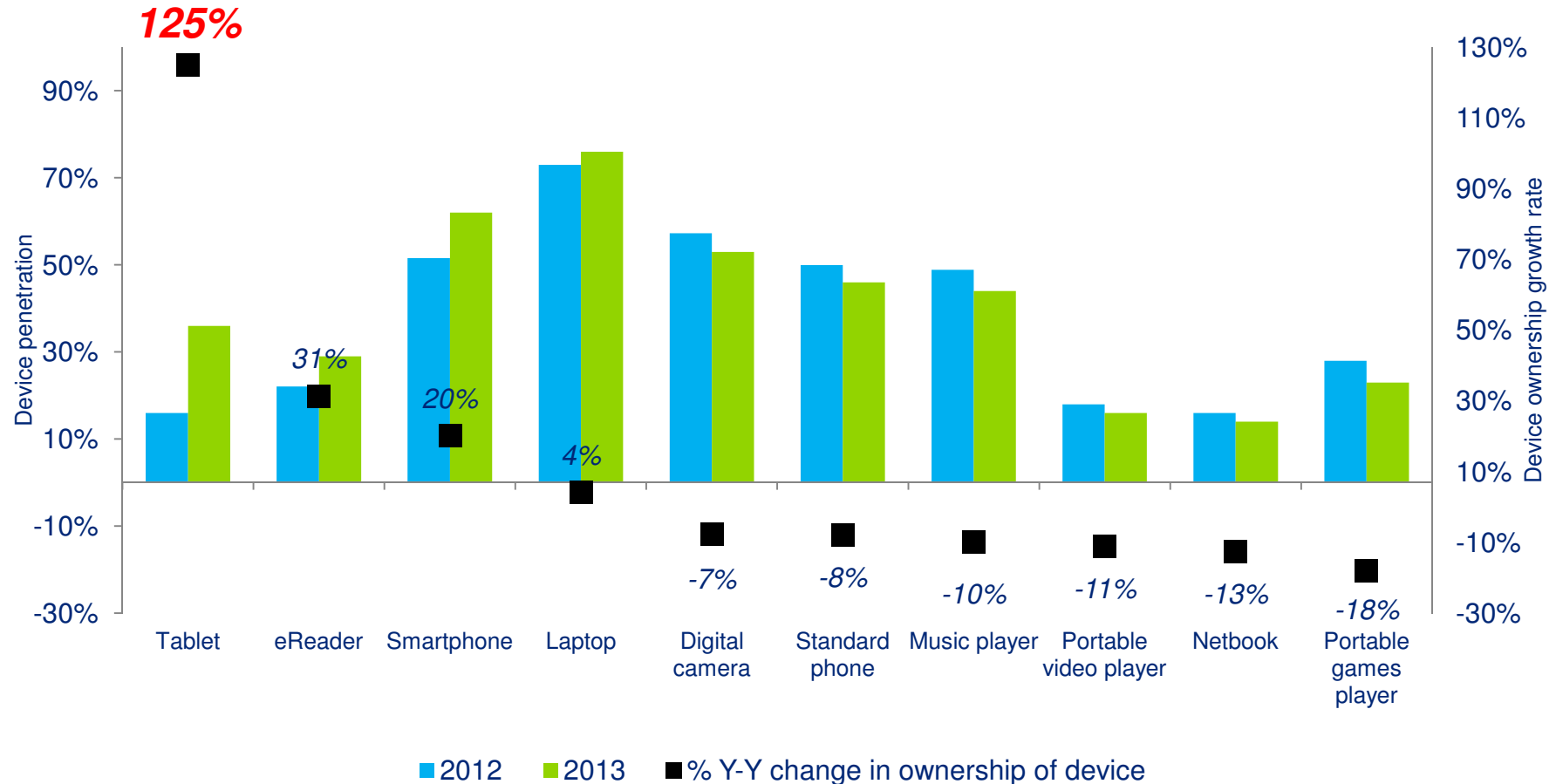
Differences in attitude between “early adopters” and “cautious buyers” are significant

“Early adopter” profile:		“Cautious buyer” profile:	
Average number of devices: 7.8	Average number of apps downloaded / month: 4.06 on smartphones and 4.42 on tablets	Average number of devices: 3.2	Average number of apps downloaded / month: 1.15 on smartphones and 1.92 on tablets
Phone ownership: 87% smartphone users Average lifetime of phone: 12 months	Monthly expenditure on apps: £2.43 on smartphones and £2 on a tablet	Phone ownership: 85% standard phone users Average lifetime of phone: 26 months	Monthly expenditure on apps: £0.29 on smartphones and £0.14 on a tablet
Tablet ownership: 64%	Monthly expenditure on contract: £28.5	Tablet ownership: 15%	Monthly expenditure on contract: £16.28
Own a phone with 4G capabilities: 35%	Average income: £35,467	Own a phone with 4G capabilities: 1%	Average income: £22,470
Would like to subscribe to 4G in the next 12 months: 54%	Age: 34% aged 25-34	Would like to subscribe to 4G in the next 12 months: 4%	Age: 53% aged 55+
Used NFC on their device: Sex: 70% male 37%		Used NFC on their device: Sex: 67% female 15%	

Tablets: from tools to toys?

Device penetration has grown strongly in the last year; however the device's halcyon era may be closing

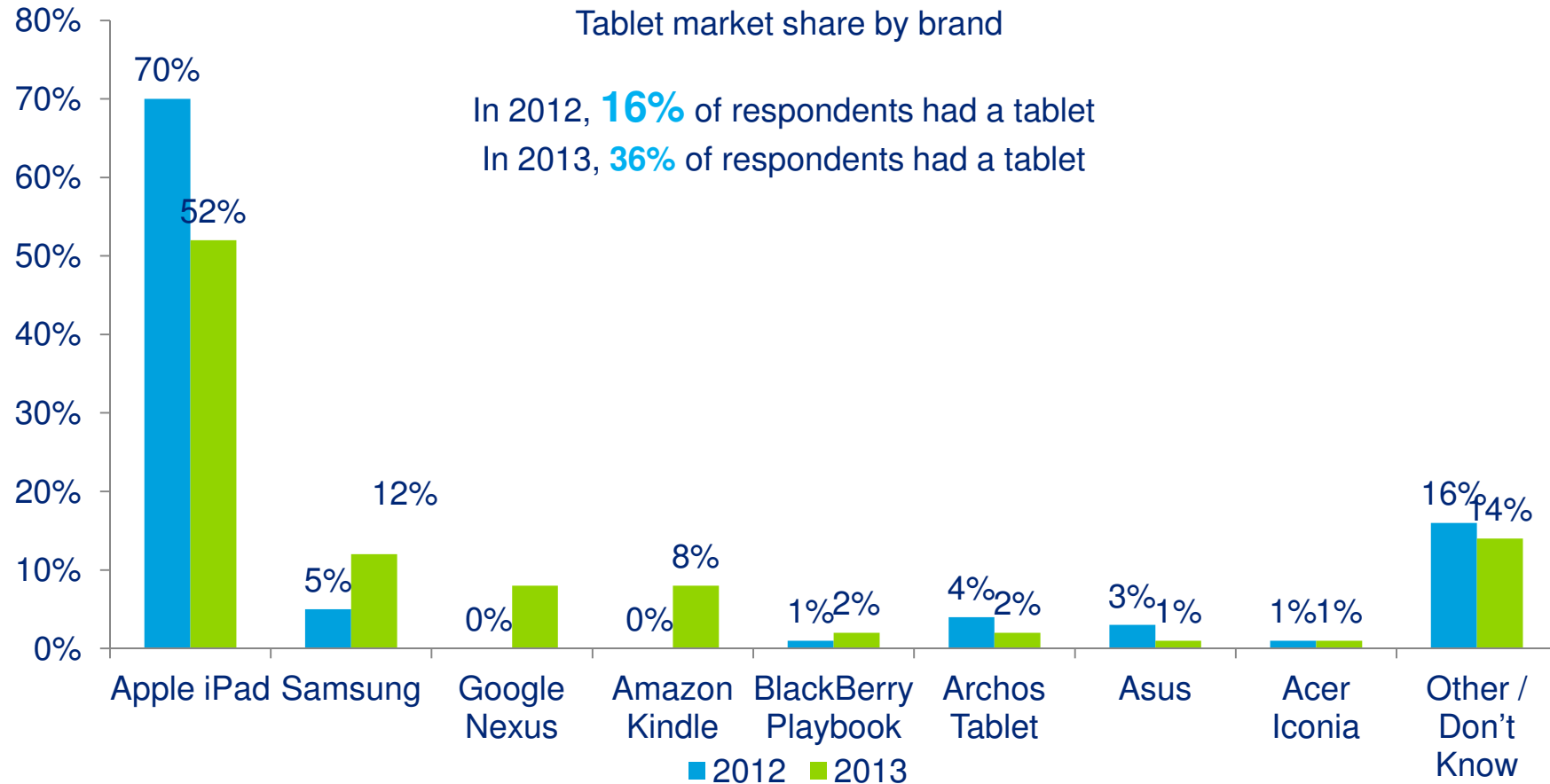
Q. Which of the following portable devices do you own or have ready access to?



Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013 & May-June 2012
 Base: Total respondents (2012) 2,060, Total respondents (2013) 4,020

Apple retains market share leadership, but at a lower level

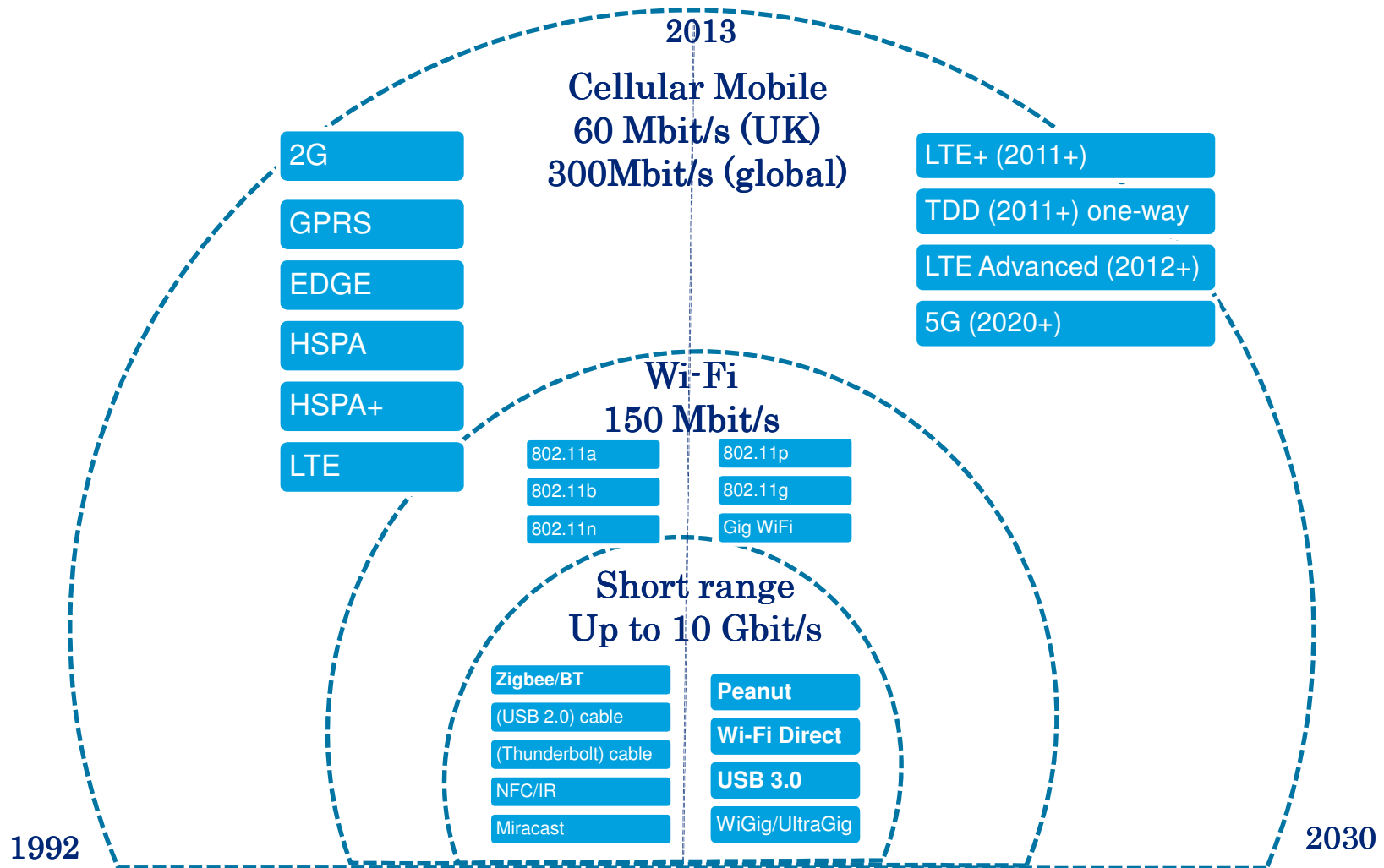
Q. Which, if any of the following models is your current tablet?



Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013
 Base: Respondents that have a tablet (2013)1,431, (2012) 327

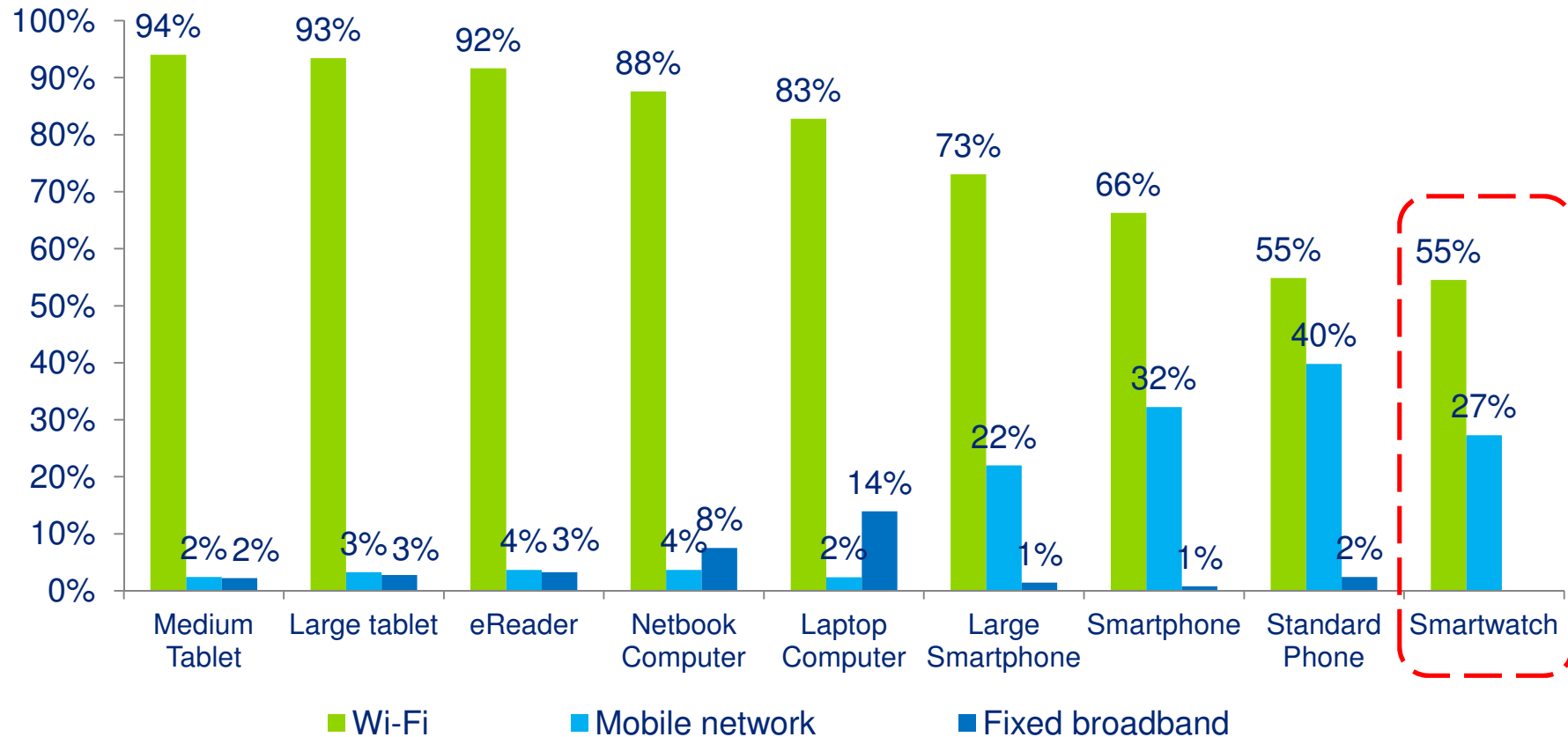
Connectivity: portable devices

The “mobile network” is an even more complex blend of short, medium and long-range technologies



Despite 4G's speeds, Wi-Fi is the main Internet connection for smartphones

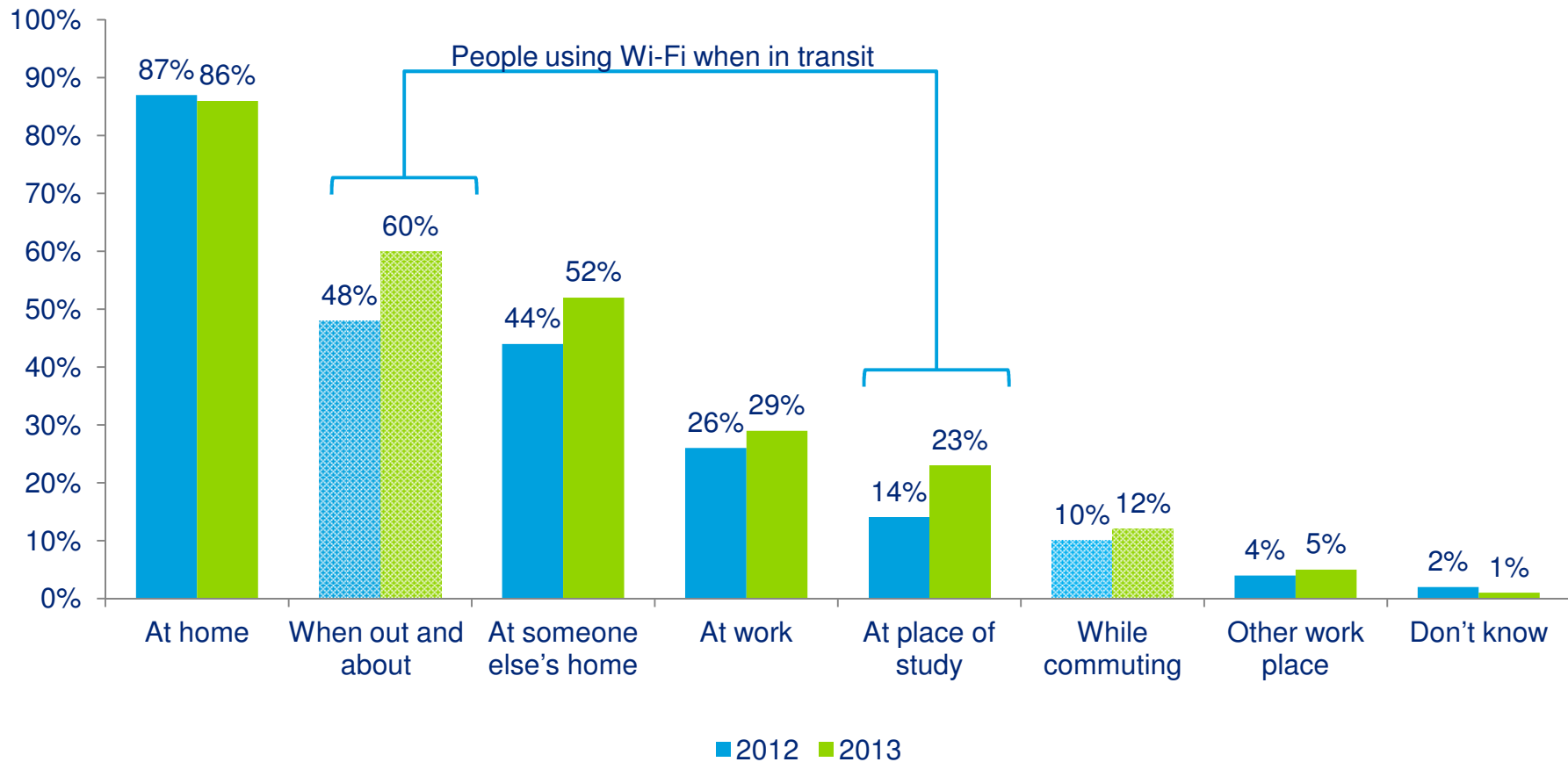
Q. Thinking about how you connect your devices to the Internet, which type of connectivity do you use MOST OFTEN?



Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013
 Base: Total respondents that connect to internet using their portable devices 3,967

More respondents are using Wi-Fi while on the go

Q. In which of the following Wi-Fi enabled places do you use your phone to connect to Wi-Fi?

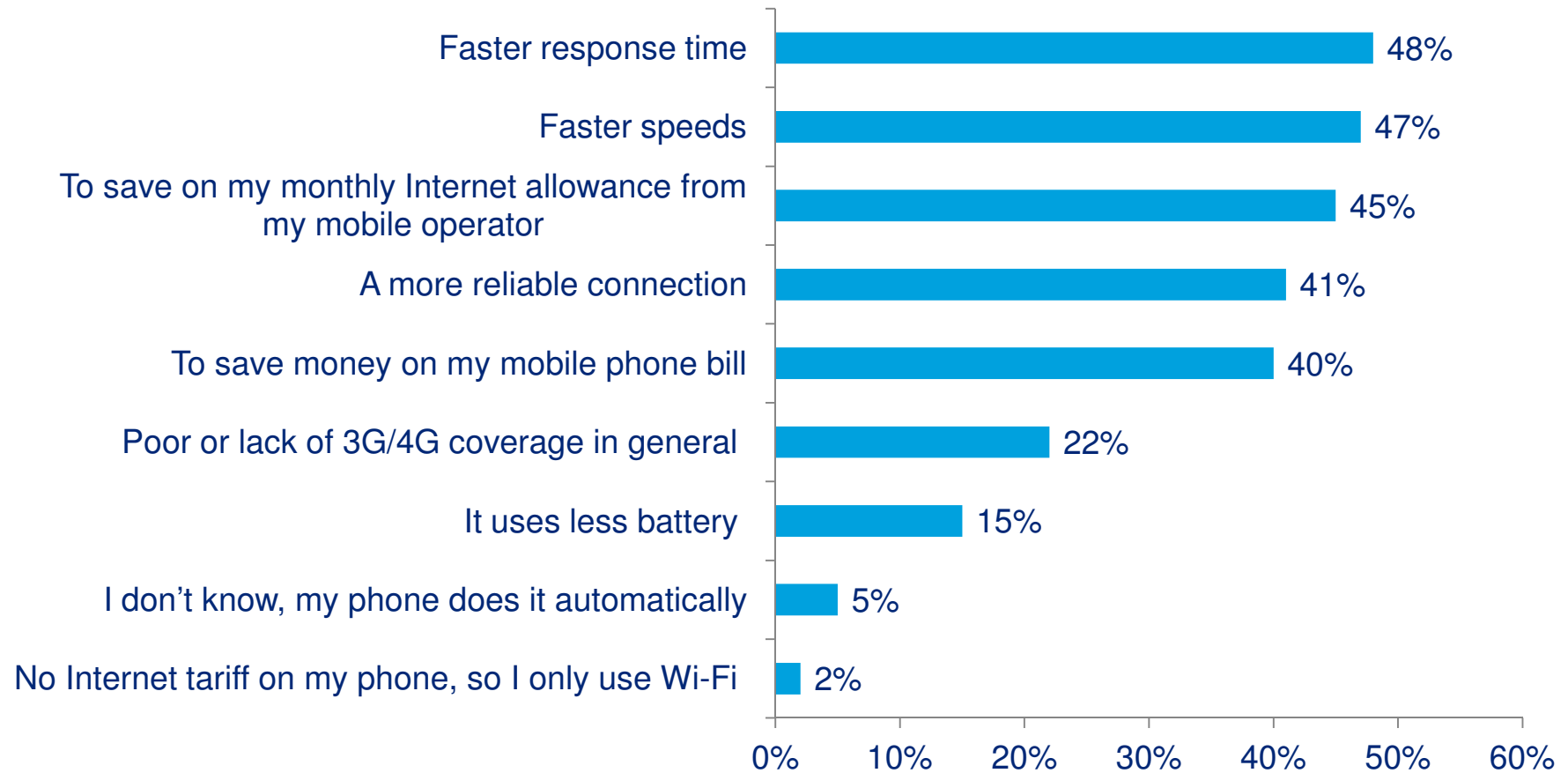


Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013

Base: Total respondents using Wi-Fi to connect to the internet on their mobile (2013) 1,788, (2012) 733

Wi-Fi connectivity is perceived as faster, cheaper and more reliable

Q. For which of the following reasons do you use Wi-Fi to connect to the Internet instead of your mobile operator's network (2G, 3G or 4G/LTE)?









Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013

Base: Graph 1 Total respondents who connect to Wi-Fi on their mobile (2013 - 1,788, 2012 - 733)










Fixed broadband pricing.

Featured deals

	Up to 16 Mb	12 Months Half Price + £25 M&S Voucher	£5.00 p/m + £14.50 line rental	Go >
	Up to 14 Mb	£50 Love2Shop Voucher	£3.75 p/m + £15.40 line rental	Go >
	Up to 16 Mb	Truly unlimited broadband	£2.99 p/m + £14.50 line rental	Go >
	Up to 30 Mb	broadbandchoices exclusive: 6 months FREE	£14.50 p/m + £14.99 line rental	Go >
	Up to 16 Mb	£25 M&S Voucher when you buy online	£2.50 p/m + £14.75 line rental	Go >
	Up to 38 Mb	£100 Sainsbury's Gift Card	£15.00 p/m + £15.45 line rental	Go >

Source: <http://www.broadbandchoices.co.uk/>

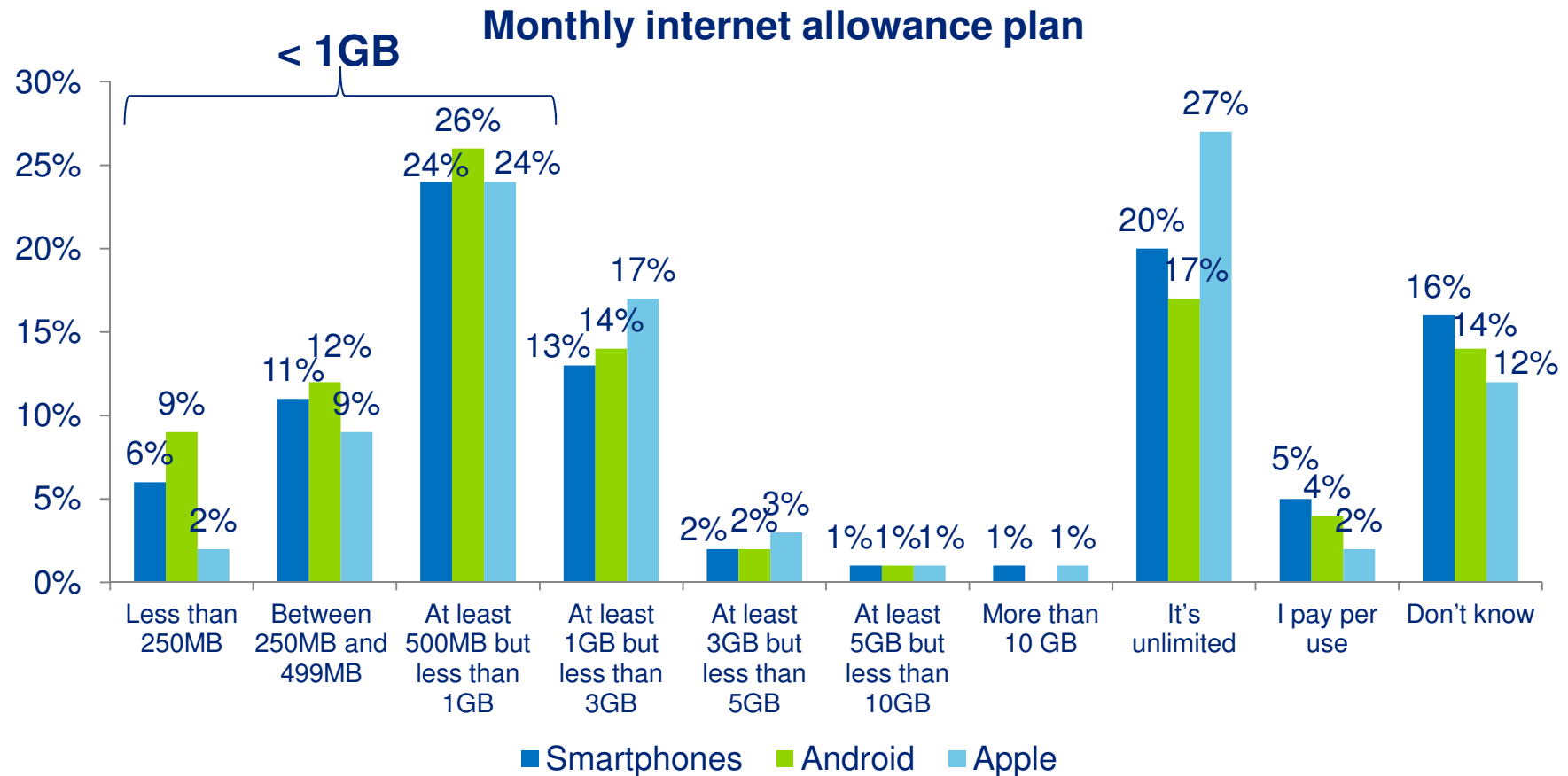
Mobile broadband pricing.

Sort:	Package ▶	Reliability ▶	Speed ▶	Usage ▶	Contract ▶	1st Year Cost ▼	Monthly Cost ▶
1	 <p>TalkTalk Mobile SIM-only Medium (TalkTalk customers only) More Info</p> <p>Special offer: 12 months reduced price + double data online!</p>	★★★★★	up to 7.2Mb	1GB	12 months	£60	<p>£5.00 £7.50 after 12 months</p> <p> Go to site</p>
2	 <p>giffgaff 500MB Gigabag More Info</p>	N/A	up to 7.2Mb	0.5GB	1 month	£60	<p>£5.00</p> <p> Go to site</p>
3	 <p>giffgaff 1GB Gigabag More Info</p>	N/A	up to 7.2Mb	1GB	1 month	£90	<p>£7.50</p> <p> Go to site</p>
4	 <p>T-Mobile Pay Monthly Mobile Broadband (1GB) More Info</p> 	★★★★★	up to 4.5Mb	1GB	18 months	£90	<p>£7.50</p> <p> Go to site</p>

Source: <http://www.broadband.co.uk/mobile-broadband/#cheapest>

40% of smartphone owners have an Internet allowance lower than 1GB

Q. What is your monthly Internet allowance on your phone? (*smartphone users only*)

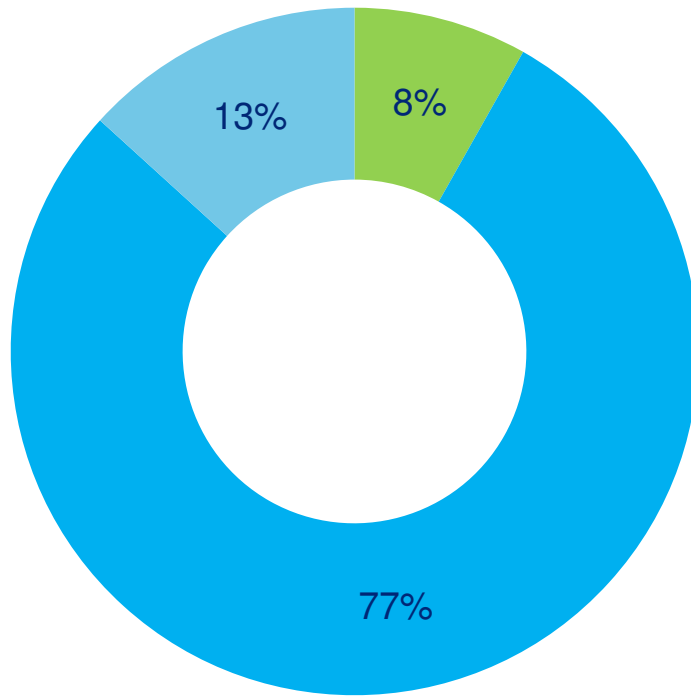


Source: Deloitte Global Mobile Consumer Survey UK, July 2013
 Base: Graph 1 Smartphone owners 2382, Android users 1,214, Apple users 702

Connectivity: 4G

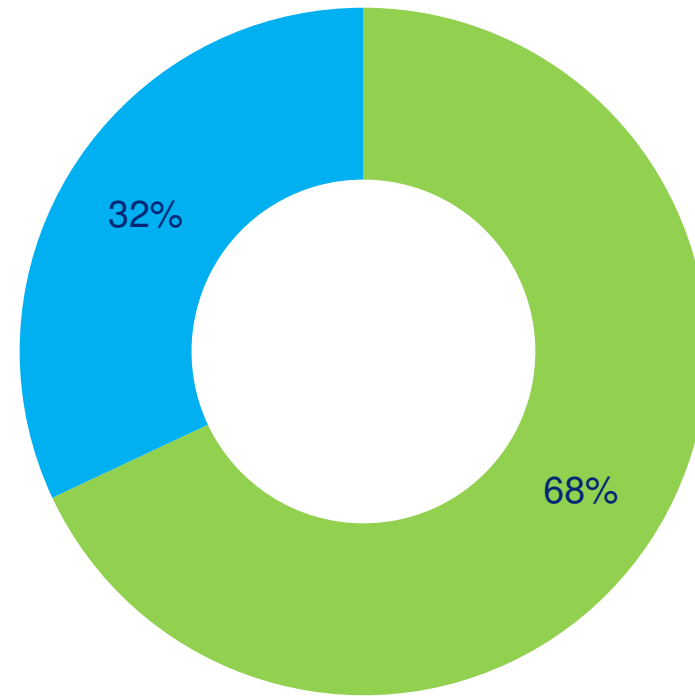
Two thirds of 4G phone owners do not have a 4G subscription

I have a 4G/LTE phone



■ Yes ■ No ■ Don't know

I currently subscribe to an 4G/LTE package



■ No ■ Yes

Source: Deloitte Global Mobile Consumer Survey UK, May-July 2013
Base: Respondents with a 4G smartphone (299)

Questions



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