
Consumer Intelligence Series:

The mobile consumer: Pet
peeves and preferences



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Discovery sessions conducted on April 1, 2008

Series overview

As part of our global research program, PricewaterhouseCoopers' Entertainment, Media and Communications practice is conducting a series of consumer discovery sessions to elicit candid feedback and understand consumer attitudes and behaviors in a rapidly changing media landscape. This research investigates emerging trends and helps identify ways to monetize content. The following is a summary of feedback gathered from consumers, ages 18 to 34, who spoke about what they want, need, and expect in the future as customers and users of mobile devices.

Summary – Expectations run high for mobile devices

Technology-savvy consumers in this age group frequently turn to their mobile devices for many of the same reasons they used to turn on their computers: to access the Internet, send and receive text messages and e-mail messages, enjoy music and watch videos, and participate in social networks. Because consumers now expect mobile devices to provide many of the same functions as a traditional computer, they are frustrated by slow connection speeds. They want mobile devices that synchronize with their existing information and media files, display Web pages as they appear on a computer, and run multiple applications simultaneously. Consumers want to obtain new features by upgrading software, not buying hardware.

Consumers continue to rally for greater freedom, control, and flexibility in managing their cellular contracts. Last year's mobile-device survey participants expressed similar concerns. However, this year's interviewees sounded much more impatient about the need for plans that offer unlimited internet use, voice calling, and text messaging. Users are more educated than they were a year ago: many are aware of industry trends, know the terms their providers and competing companies offer, and believe the entire marketplace is slowly moving toward offering unlimited use and contract-free plans.

Our key findings are as follows:

- 1. Innovation will continue to propel the mobile-device industry. Consumers offer many ideas for imaginative improvements and refinements, but they say the Next Big Thing will be a single device that does everything they need.**
 - Participants said the ability to send and receive text messages is the most important feature for a mobile device. The highest number of participants ranked this capability as one of the top five features they wanted in a mobile device. The group also ranked music-playing capabilities, internet

"...nothing works as good as a home line and a laptop. Nothing is as fast. Nothing is as dependable. Nothing gives you as clear a signal. So, they're trying to make it (cell phone) as close as possible."

"The open source Android platform...means you can keep upgrading your phone. You won't have to buy a new phone that's going to do something like what that phone is doing. You can just keep upgrading, instead of getting a new phone every time they make a better phone out there."

"For me, if you're doing something on your phone and it frustrates you, 'Why won't it do this?' Then, that's how you know what you want."

search, and e-mail access highly; movie-viewing capabilities and picture-taking scored low.

- Consumers also want more refined versions of features that already exist on mobile devices, such as voice-activated command, better Bluetooth¹ connectivity and cameras with higher resolution.
- Other ideas include: mobile access to files saved on a user's computer, remote file storage, TV viewing, holographic viewers, solar battery chargers, and book and movie downloads.

2. Consumers want a mobile device that delivers the same benefits as—and simulates the experience of—using their traditional computer.

- Focus group participants said slow internet access speed remains one of their biggest frustrations with mobile devices, echoing one of the biggest concerns from last year's research.
- Consumers want their mobile devices to synchronize with, or provide instantaneous access to, the files on their computers.
- Inconsistent website rendering irritates consumers. Focus group participants said they are accustomed to viewing web pages on their computers, and want to see the pages rendered the same way on their mobile devices.
- Consumers want to add new features to their mobile devices through software upgrades. They are willing to pay for these upgrades if it saves them the expense and hassle of migrating to new hardware.
- Just as these users have grown accustomed to running multiple applications and viewing more than one website at once on a traditional computer, they want mobile devices that allow them to handle multiple tasks simultaneously.

3. Consumers seek greater flexibility and freedom from their mobile device service providers.

- Many participants named contract-free service and unlimited plans as top benefits they sought from providers.
- Consumers want unlimited plans so they can send text messages, make calls, and access the Internet without worrying about exceeding their plan allotments and incurring additional costs.
- Consumers seek contract-free plans because they want the ability to take advantage of new plans that may become available.

¹ "Bluetooth is a trademark owned by Bluetooth SIG, Inc."

4. The focus group showed great interest in Android, Google's initiative to develop an operating system for a variety of mobile devices. Android is still under development; the first mobile devices featuring Android are not expected to go to market until late 2008. The focus group watched a video demonstration of Android and said it addressed some of the perceived shortcomings of the industry standard-bearer, the Apple iPhone.

- Android's touch-screen interface and navigation system appears appealing, fast, and intuitive.
- The device works quickly, which has implications for online gaming
- Android's browser renders web pages the same way as a computer browser. Focus group participants liked this; they said the slimmed down, reformatted Web sites some other mobile devices display compromise the online experience.
- Consumers feel Google's open development approach to Android will be an advantage. They said Android invites innovation because many manufacturers will be making hardware, and because developers can add new features by creating new software and improving existing programs. In contrast, they said, Apple rigidly controls development of the iPhone and will have a heavy hand in controlling and distributing third-party software when it is available later this year.
- Many consumers said the iPhone did not meet their original expectations for user friendliness, speed, and video viewing quality.
- Some concerns arose about data security on Android. Participants suggested Google build in a security feature to protect a user's data automatically if a mobile device is lost or stolen.

Implications to your business

- As consumers embrace an increasingly mobile lifestyle, mobile devices are poised to become their primary and preferred tools for information, entertainment, commerce, and social networking. For these users, technology and services that offer more speed and flexibility to mobile devices—that is, improvements that give mobile devices more of the benefits of notebook computers—cannot advance quickly enough.
- Every improvement in mobile device technology lifts expectations for the next wave of advancements. We expect the forthcoming breed of devices running Android will continue to raise the bar for the entire industry.
- Given the high priority and importance of text messaging, innovation to this feature is likely to attract the most interest.
- The “Next Big Things” consumers are looking for in mobile technology is total integration between all forms of technology and more “hands-off” operational features:
 - Remote access to/ability to run all applications and programs from a mobile device without the need to store data on their mobile device
 - Voice controlled, activated and directed
 - Face on screen/holograms
- Consumers are growing impatient with plans that lack freedom. They also appear more educated about cellular service plans and trends than they were a year ago. Plan providers should therefore be creative in crafting unlimited usage plans and commitment-free contracts to retain current customers and attract new ones.

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