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# Mobinet 2005

*An A.T. Kearney/University of Cambridge study*



**A Selection of Key Findings**

October 2005

***ATKEARNEY***

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**The Mobinet Index:**

**a partnership between A.T.Kearney and  
Judge Business School (University of Cambridge),**

**is the leading, global research study focused exclusively on  
mobile data services,**

**based on a historical database comprising interviews with  
30,000 mobile phone users in twenty-one countries  
gathered through eight surveys over five years.**

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## **In 2005 our eighth Mobinet survey interviewed 4,000 mobile users in 21 countries to build on and extend our successful index of mobile data service adoption and attitudes**

### **A strong basis of historical results from 2000-2005**

- Penetration of device features
- Take-up and frequency of use of key services
  - Email
  - Music
  - MMS (Photo, picture & video messaging)
  - Gaming
  - Information services
  - Mobile TV
- Barriers to service adoption
- Handset manufacturer / branding
- Demographic data

### **New insights for 2005**

- Attitudes to existing services
  - Ease of use
  - Perception of trial of new services
  - Pricing and price sensitivity
- Attitudes to new and emerging telephony offerings
  - Fixed-mobile convergence
  - Fixed-mobile substitution
  - Value added services
  - “No frills” low cost voice
  - Mobile TV
- Operator and handset churn

### **Extended geographical coverage in 2005**

- Europe extended to include Portugal
- Russia and Eastern Europe (Poland, Czech Republic)
- Australia extended to include New Zealand
- South America extended to include Mexico
- Scandinavia extended to include Denmark and re-include Finland



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**This selection of key findings from Mobinet 2005 reveals a positive picture for the mobile sector**

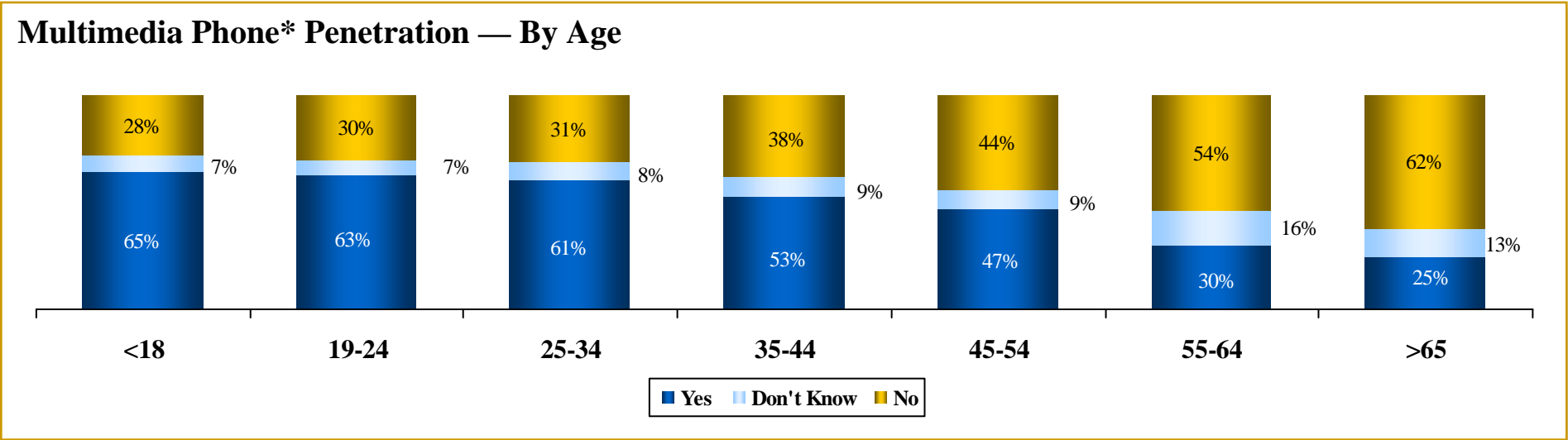
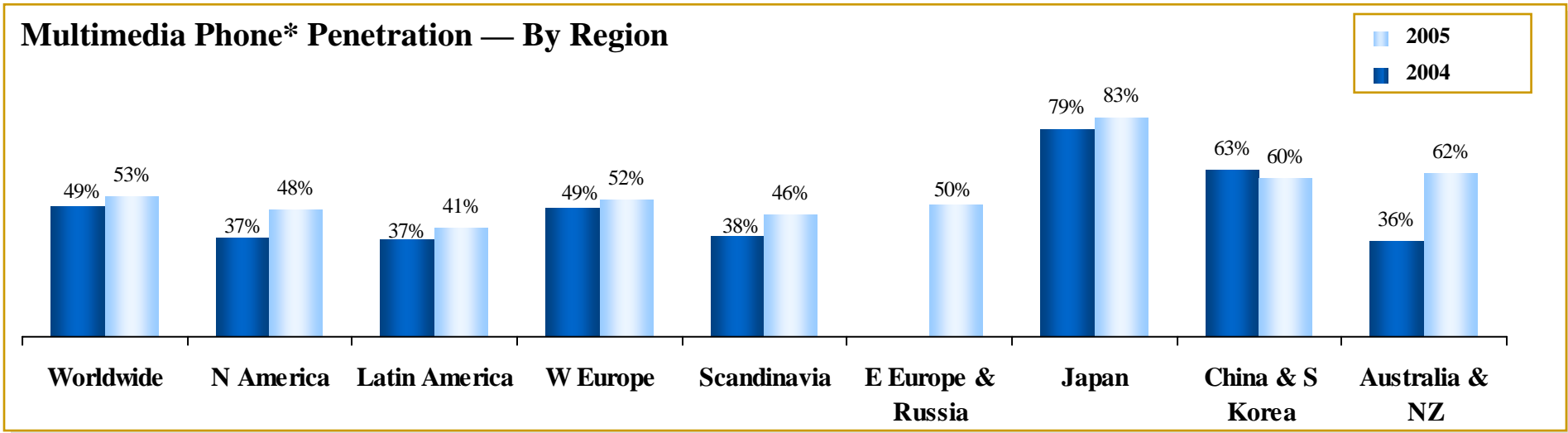
**Data Services: Adoption Accelerates**

**Capturing the Value from Mobile Data**

**Voice Services: Growth, but at what price?**



# More than half of consumers say they are able to access multimedia services

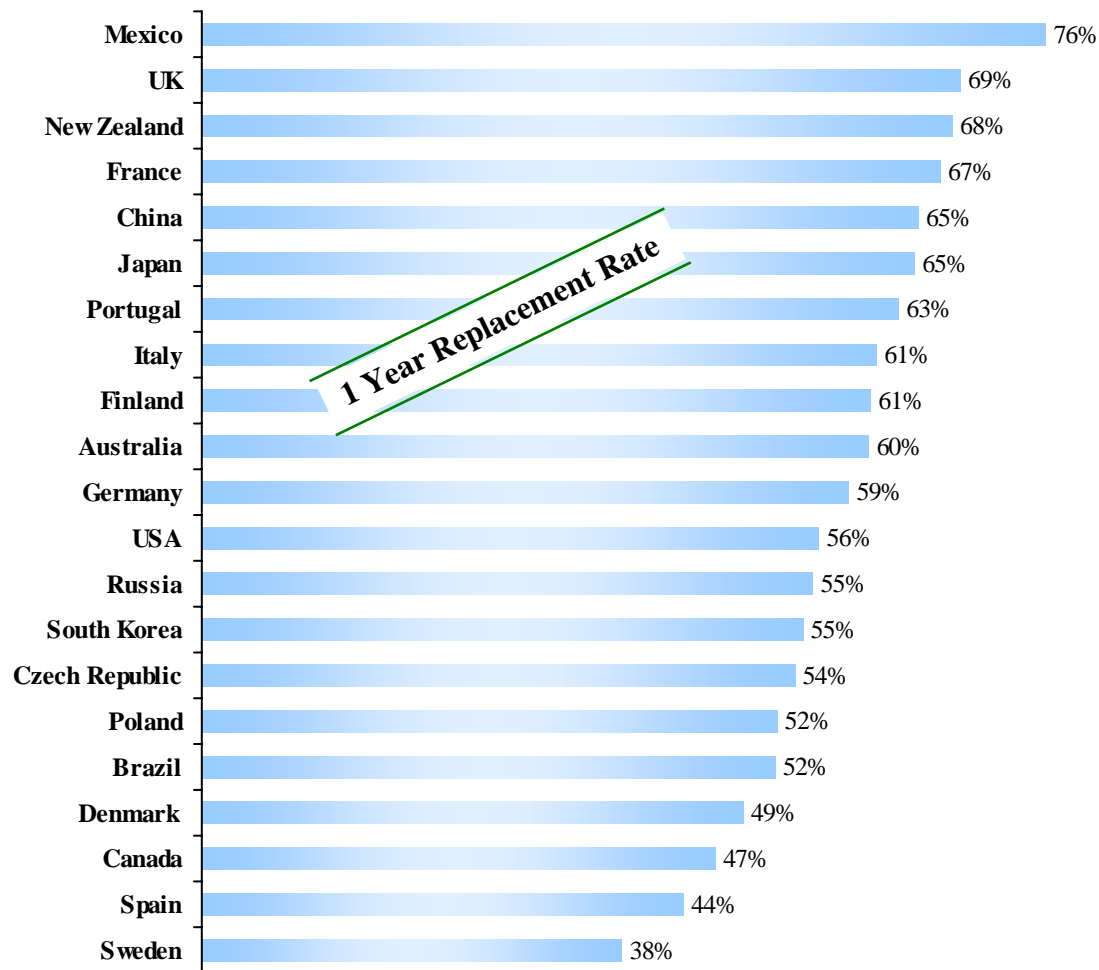


\* Phones that are capable of accessing data services, like mobile email or browsing mobile websites



## More than half of handsets are less than a year old

### Handset replacement rates, All Respondents, Last 12 months, by Country

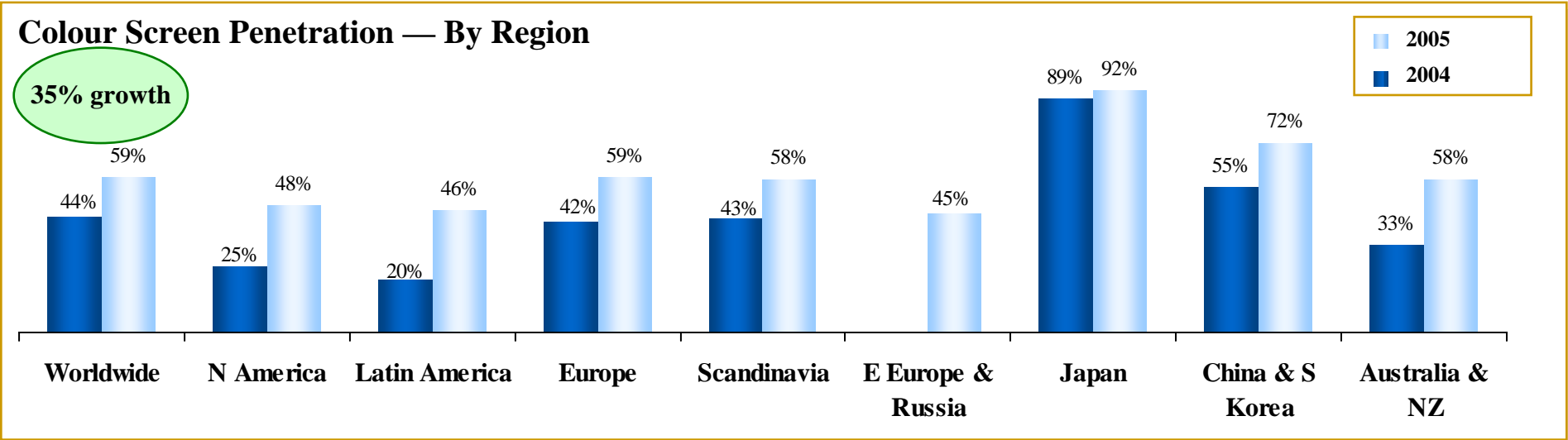
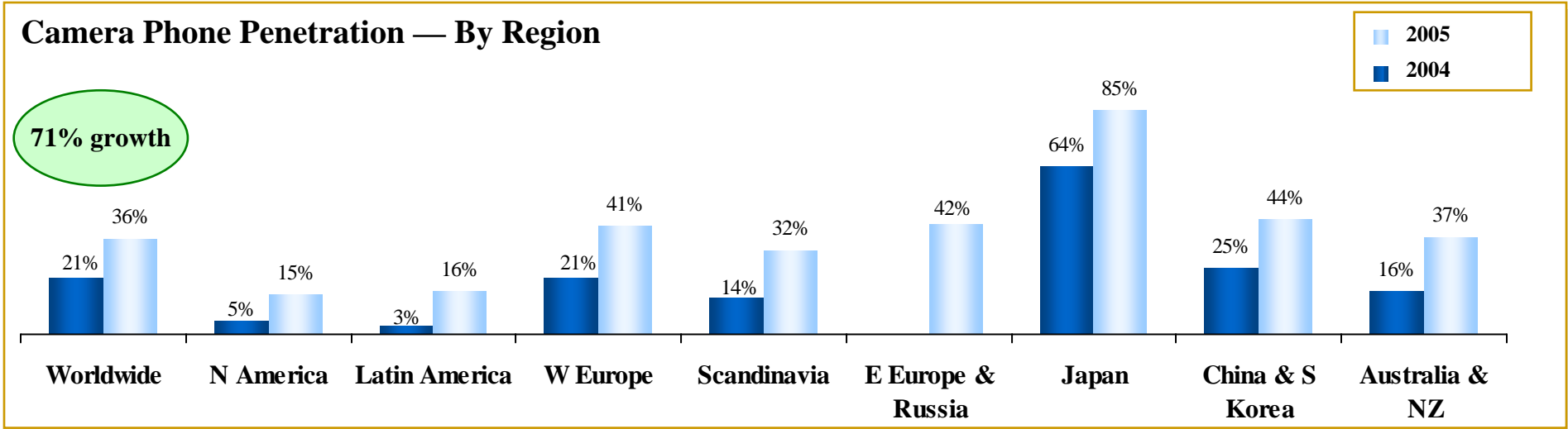


### Implications

- Results underline the good news for handset manufacturers
- Pattern reflects a significant cost problem for operators subsidising handsets
- Evidence that subsidies may not be strictly necessary to drive handset renewal: for example, the Italian market (61%) features low levels of subsidy, but is only 8% behind the UK (69%) which features high levels of subsidy

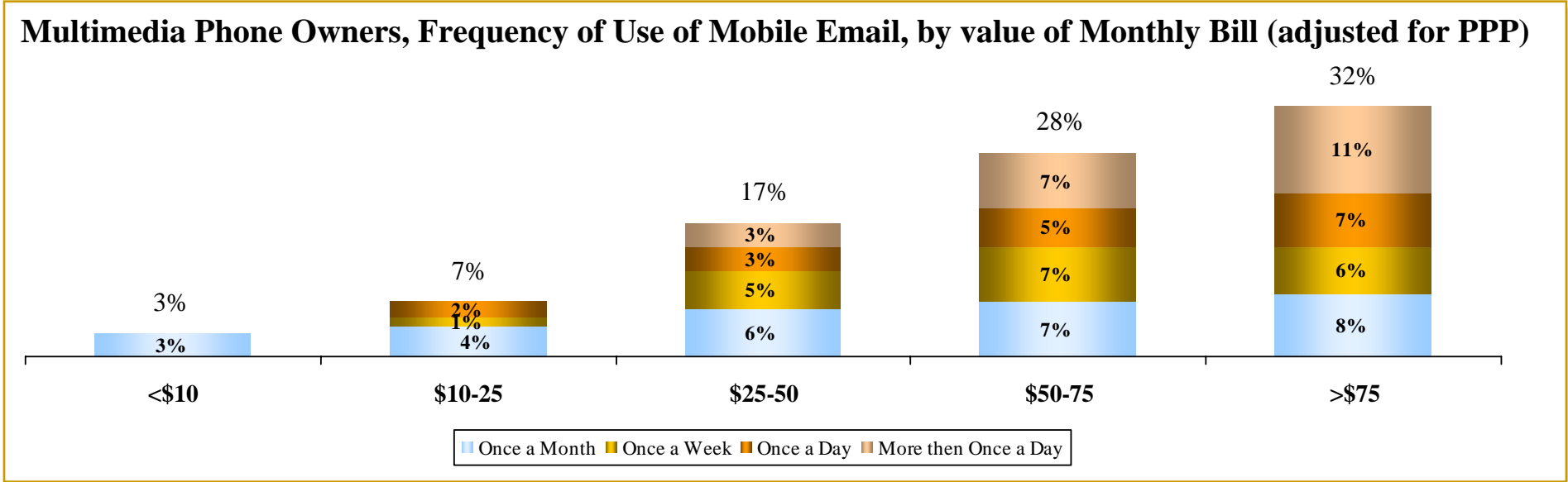
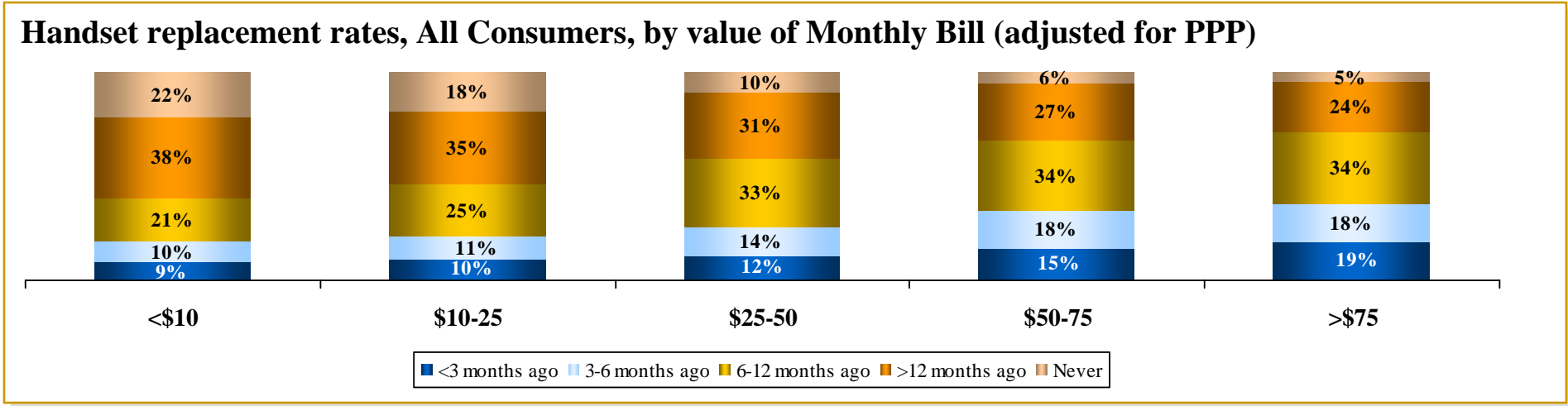


# Operators continue to promote new handset models, usually with in-built cameras





Putting new handsets into the palms of the best customers offers the best chance of success

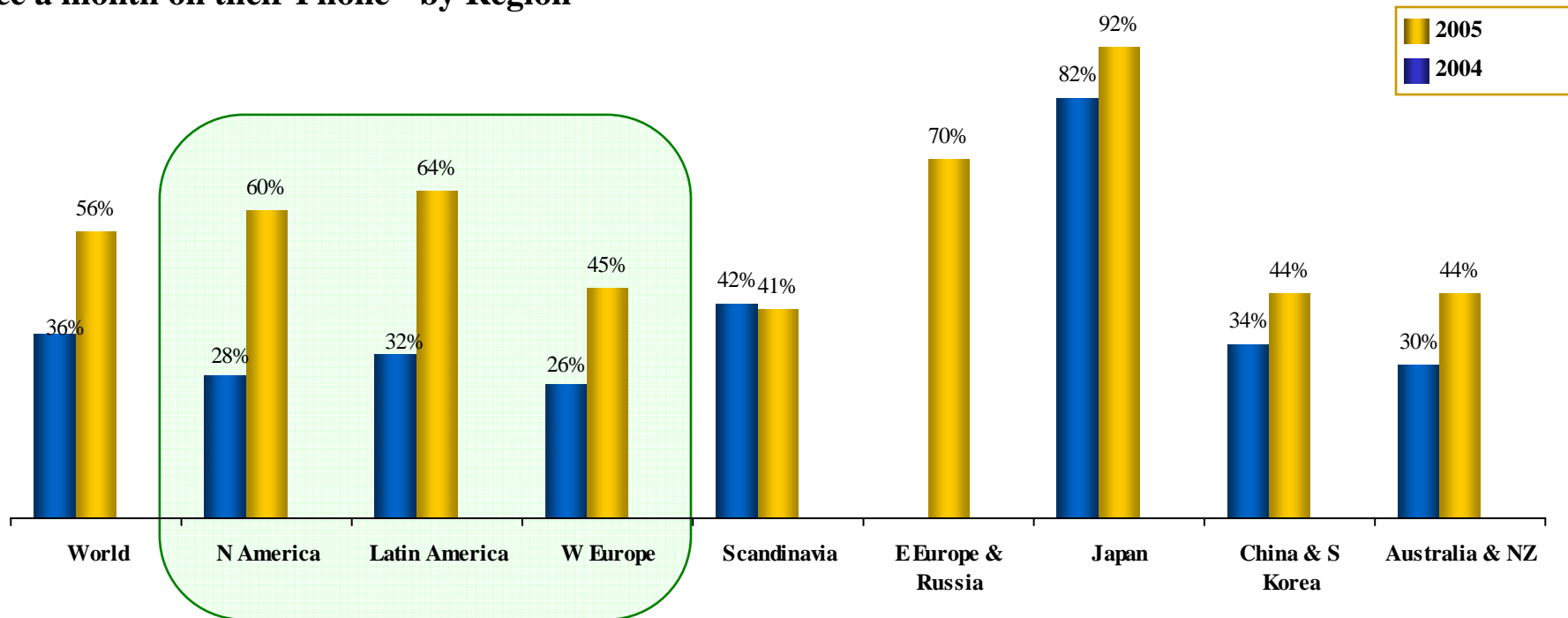






## 56 percent of multimedia phone owners have browsed their operator portal and/or used mobile email service at least once a month, up from 36 percent last year

**Respondents with Multimedia Phones Who Have Browsed the Internet and / or Downloaded Email at least once a month on their Phone - by Region**

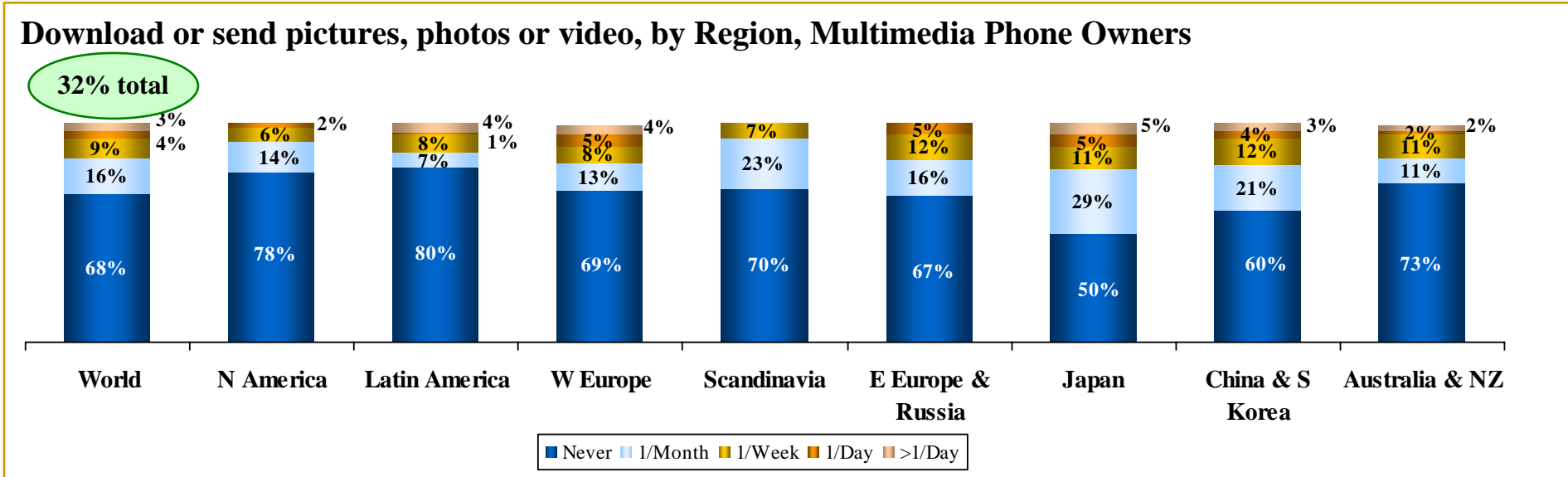
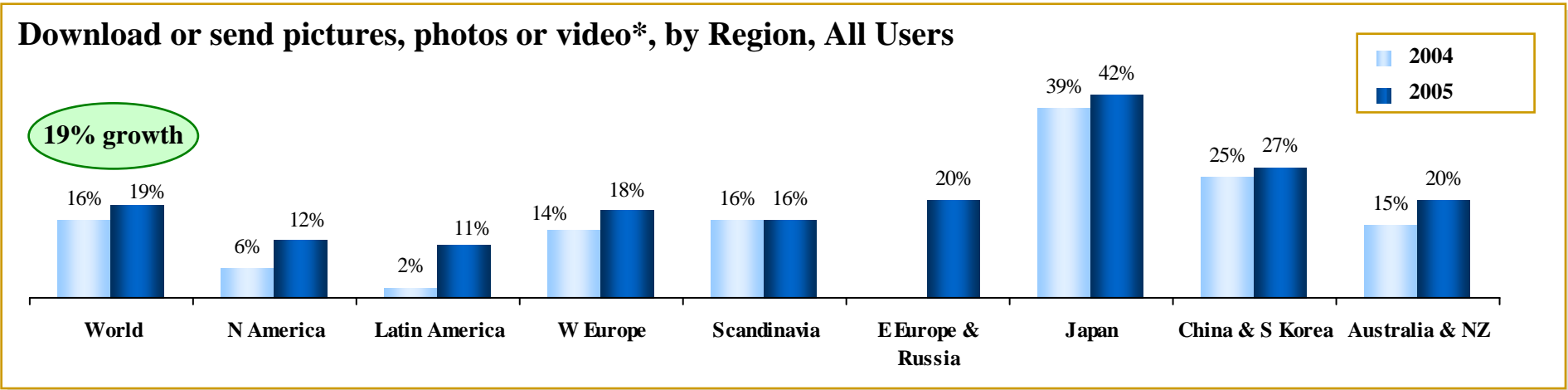


**Note:**

In Mobinet 2004, the question addressing “browsing the internet” and “downloading email” was phrased as a single question on an either / or basis. In Mobinet 2005, this question was asked as two separate questions. For comparability year on year, we took the maximum usage reported in 2005 across the two questions.



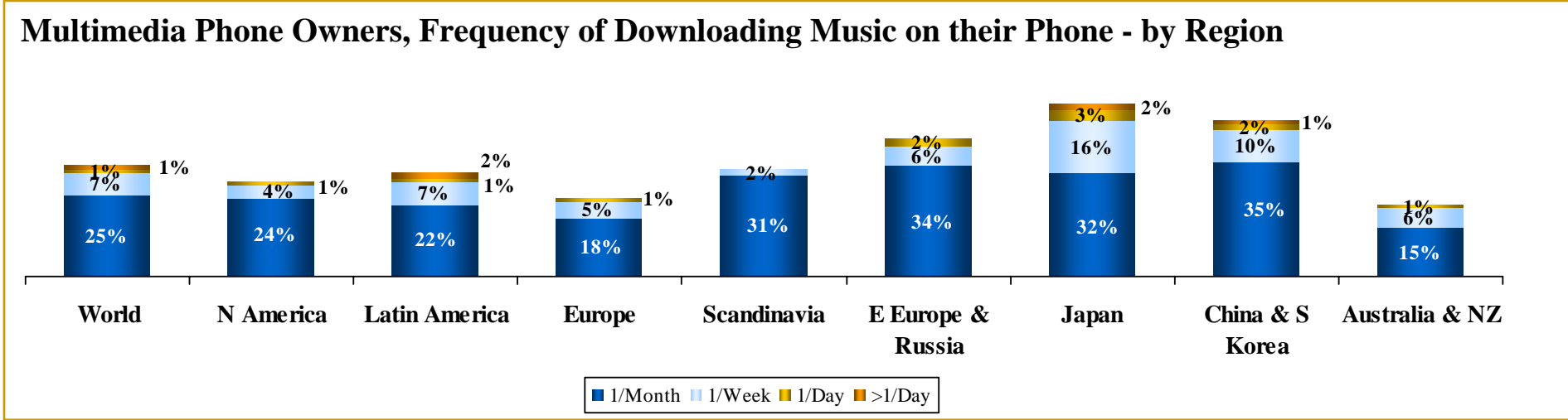
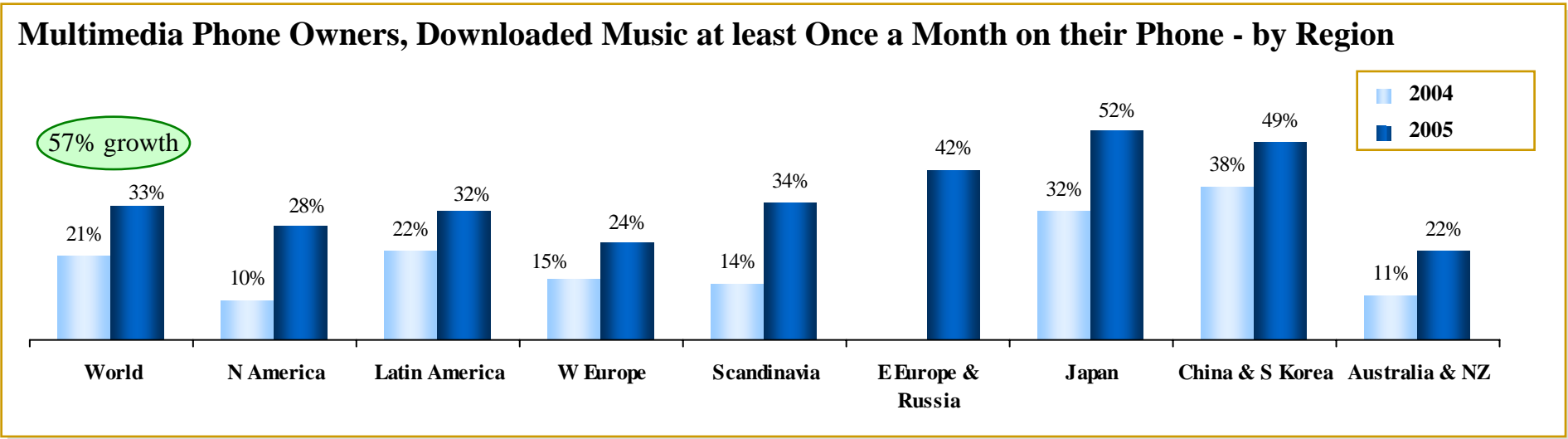
# Multimedia Messaging Services have grown steadily across most regions and are now used by one-third of multimedia phone owners



\* Once a month or more



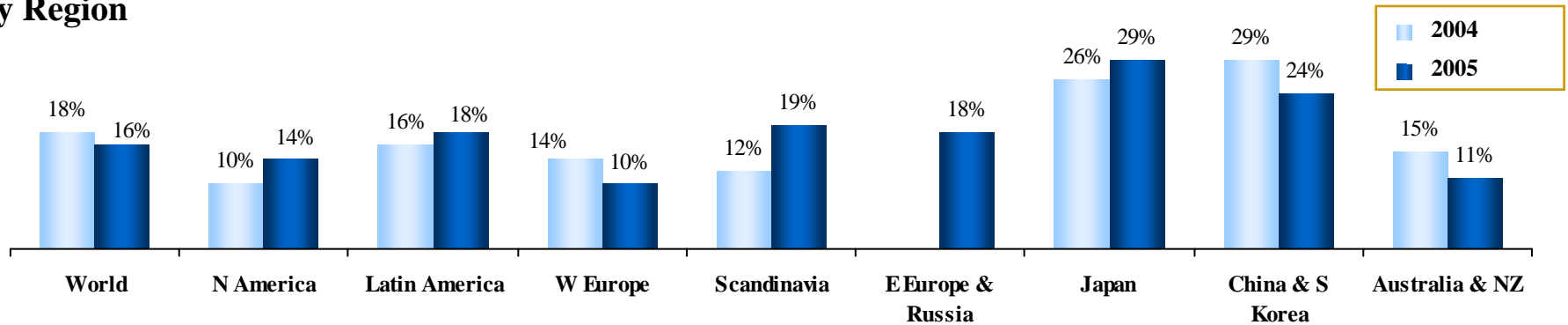
**Music downloads rose to 33 percent of consumers with multimedia devices, from 21 percent in the previous year**



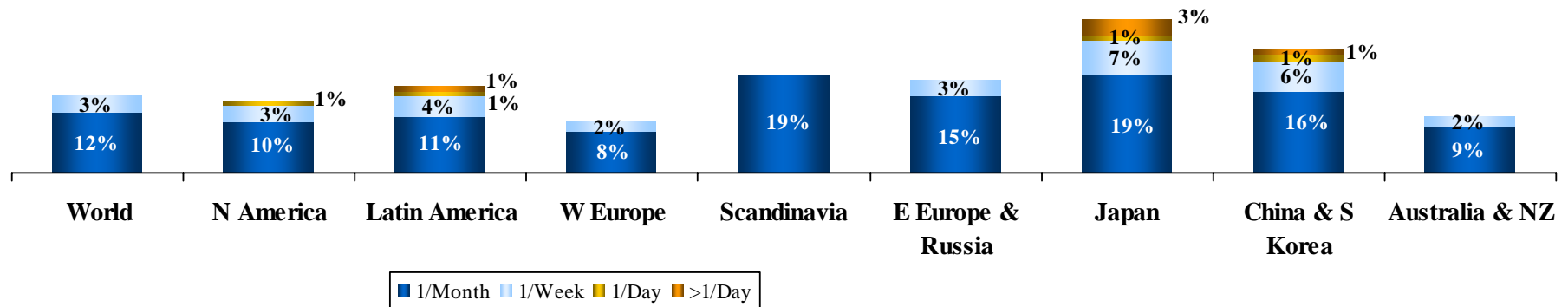


**Gaming has also grown in Japan, the Americas and Scandinavia, but levels of repeat use so far remain lower than music**

**Respondents with Multimedia Phones Who Have Downloaded Games at least Once a Month on their Phone - by Region**



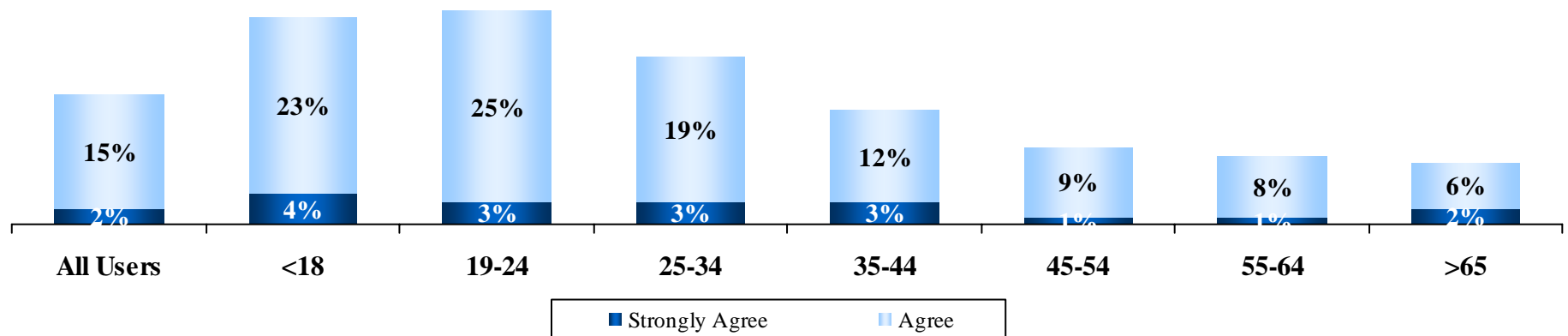
**Frequency of Downloading Games, Multimedia Phone Owners - by Region**



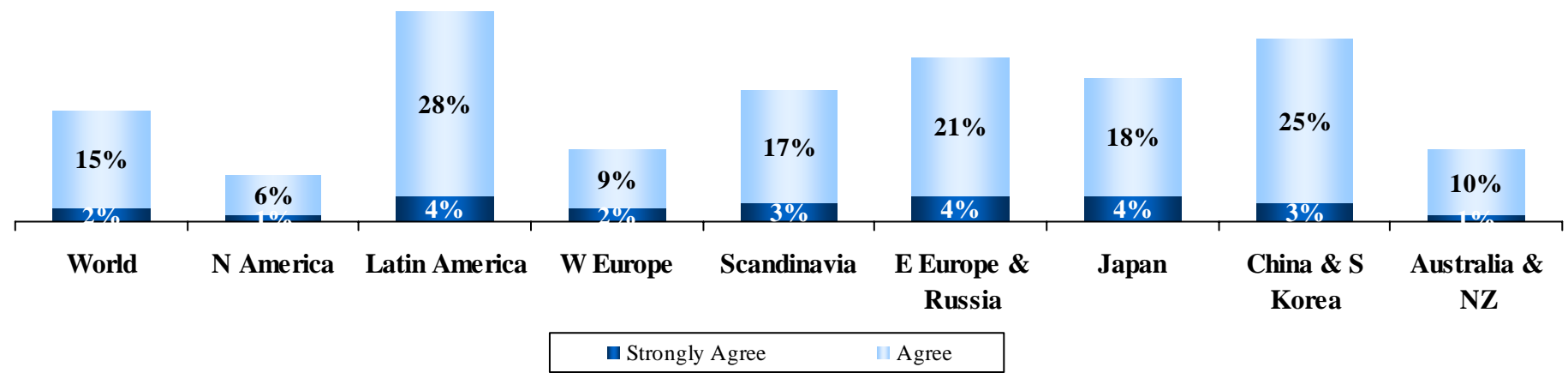


## Mobile TV is attractive to one-sixth of users and is especially attractive to 18- to 44-year olds in Latin America, Asia and Eastern Europe

“I would be willing to pay to watch broadcast TV channels on my mobile”, By Age, (All Respondents)



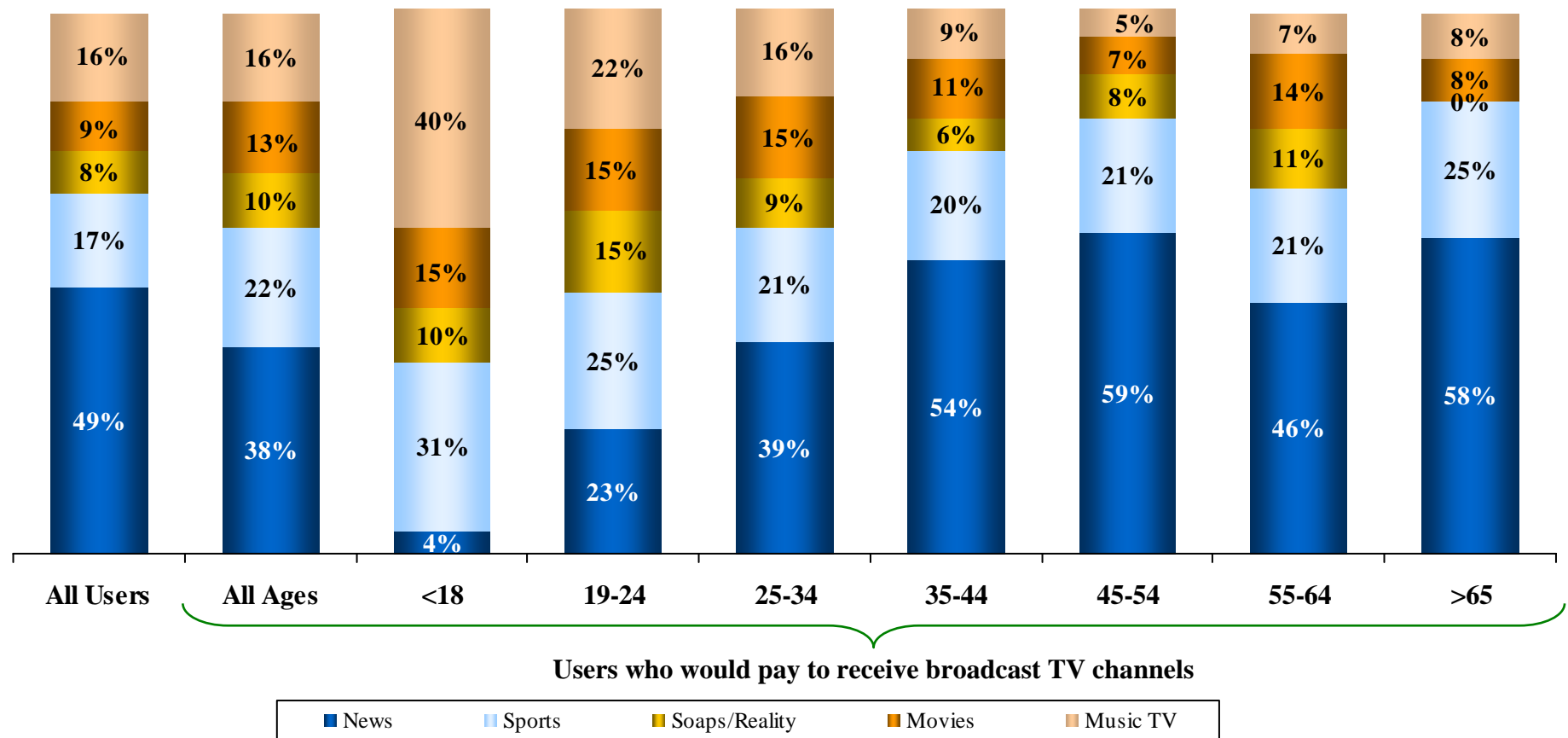
By Region, (All Respondents)





## Two-thirds of consumers expressed a desire for time-sensitive TV content such as news and sports rather than entertainment

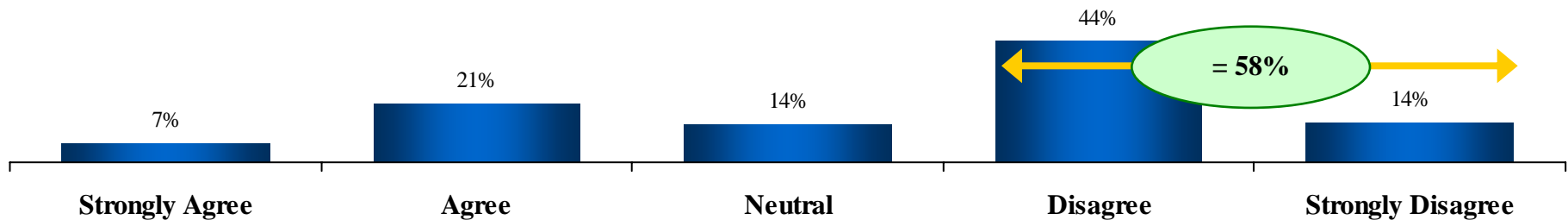
“What type of TV programme would you be most interested in”, by Age



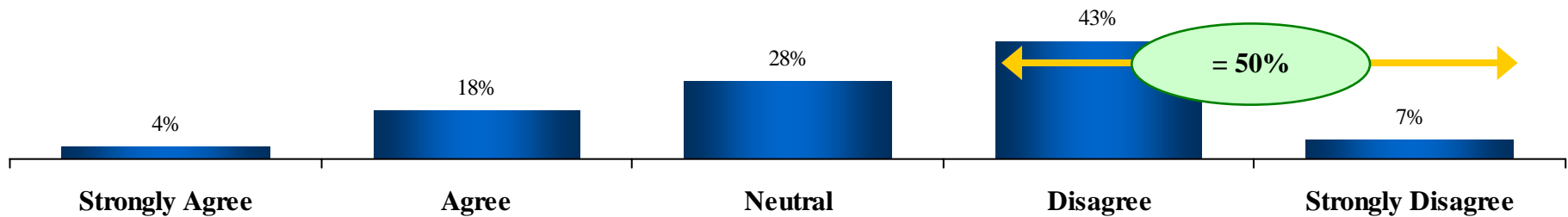


**Nearly two-thirds of users say that new services and functions are easy and enjoyable to use**

**“I find it difficult to use the new functions on my mobile phone”, All Respondents**



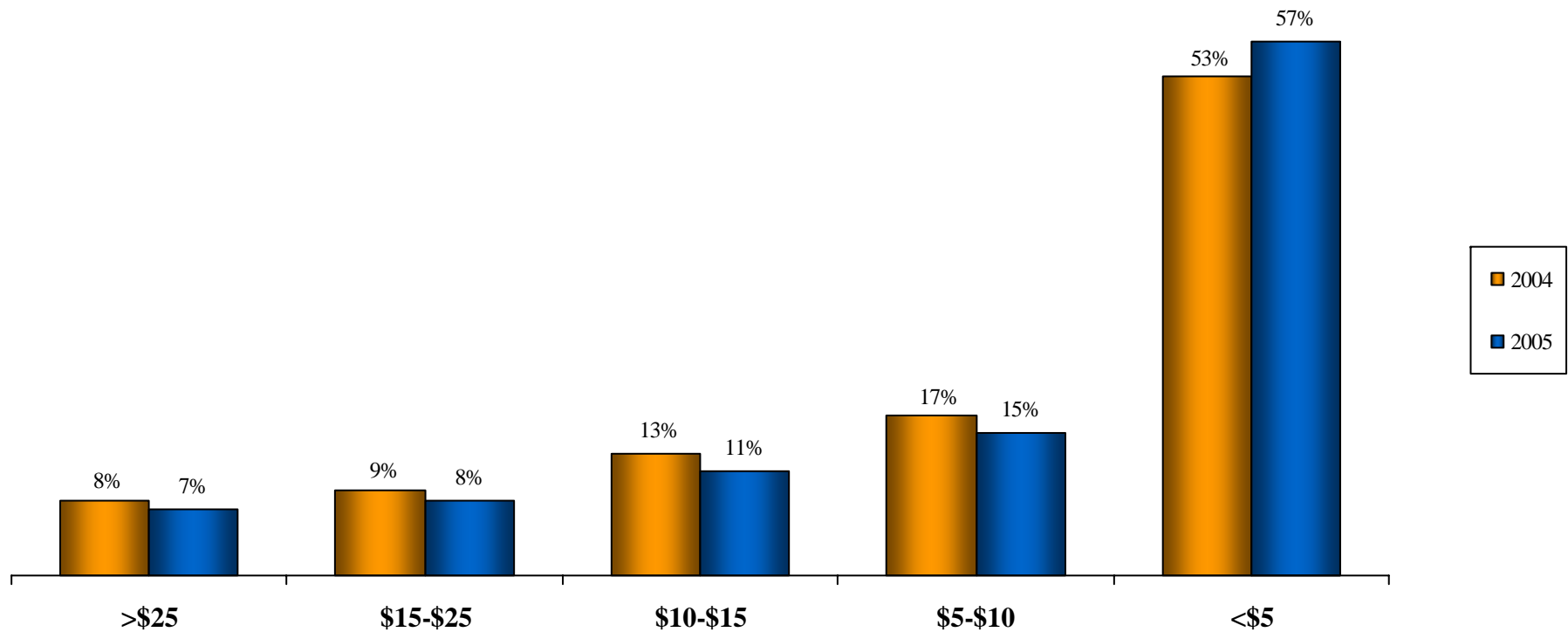
**“I am often disappointed when I try new mobile data services”, All Respondents**





## About half of mobile phone users are unwilling to pay more than US\$5 a month for data services

“How much are you willing to spend each month on mobile data services, such as texts, the Internet, photo messages, etc.” – All Users



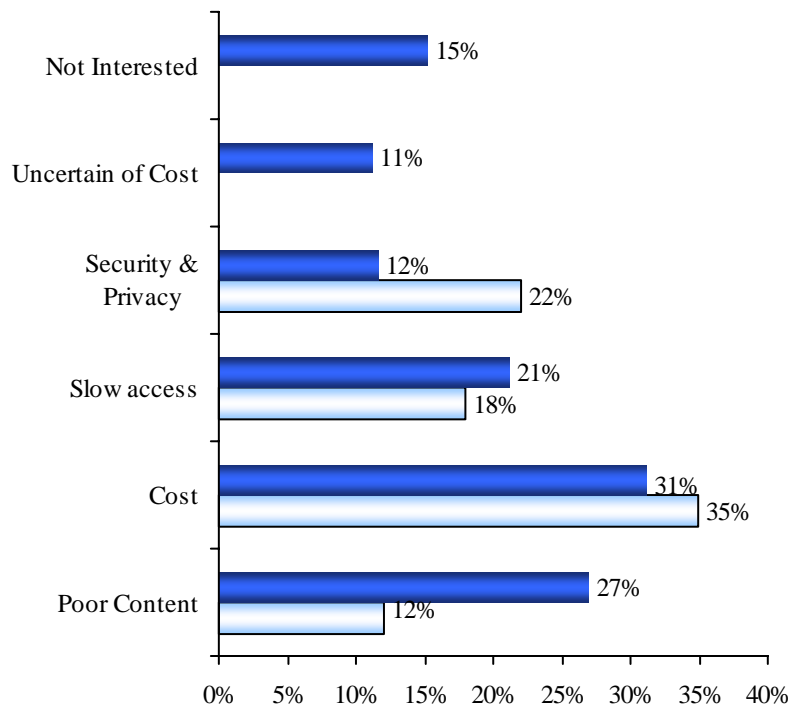




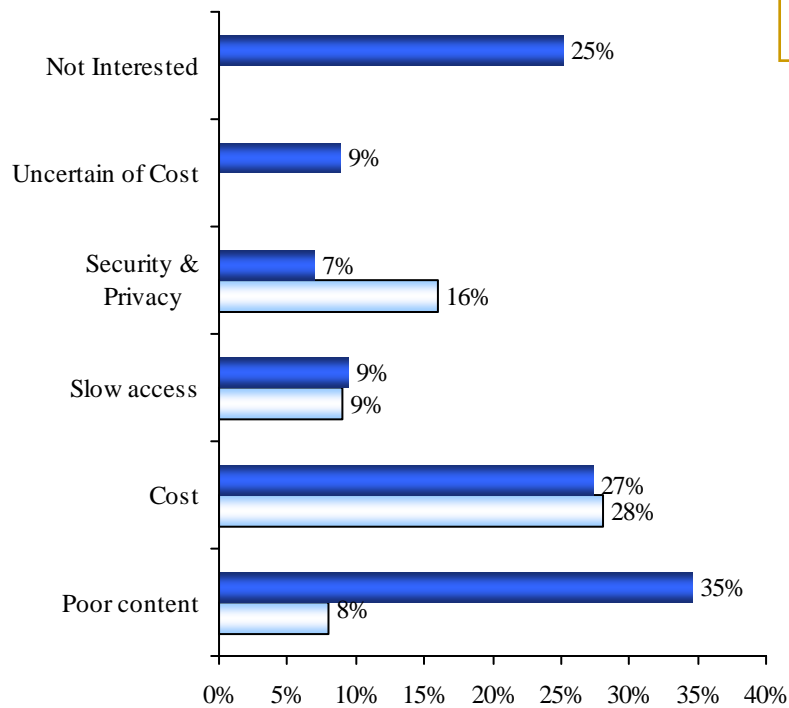
**Concerns about the security of mobile data have receded versus last year, but 35 percent of mobile users expressed doubts over the quality and availability of mobile content**

**Reasons for Not Using Data Services More, Multimedia phone Users and Non-Users**

Data Service Users



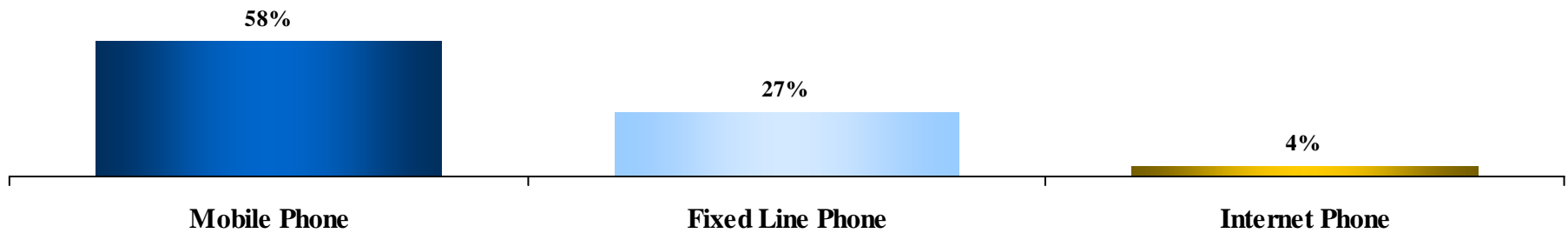
Data Service Non-Users



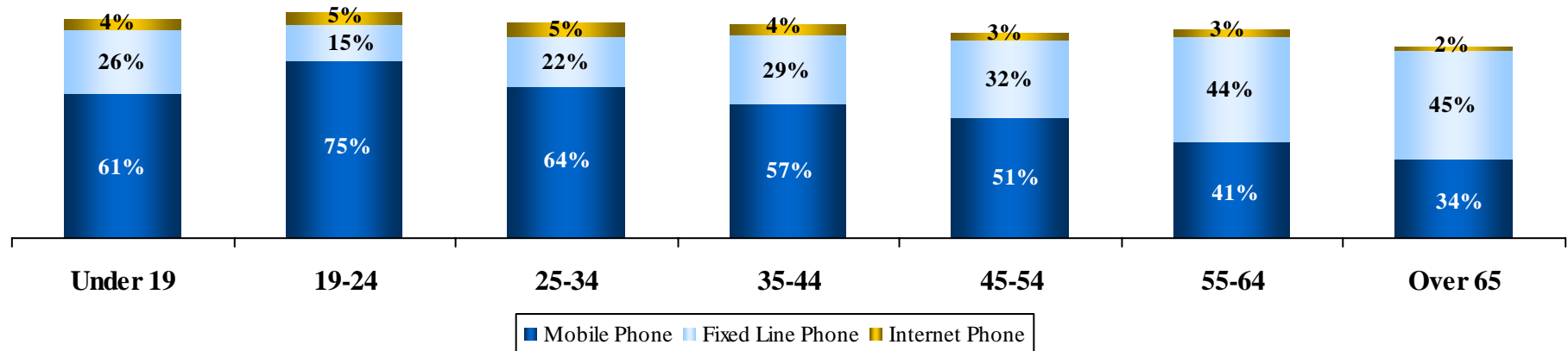


## Consumers continue to see the convenience of mobile voice over fixed line

Over the next year, what do you expect will be the primary device you will use to make calls?



Over the next year, what do you expect will be the primary device you will use to make calls, by Age

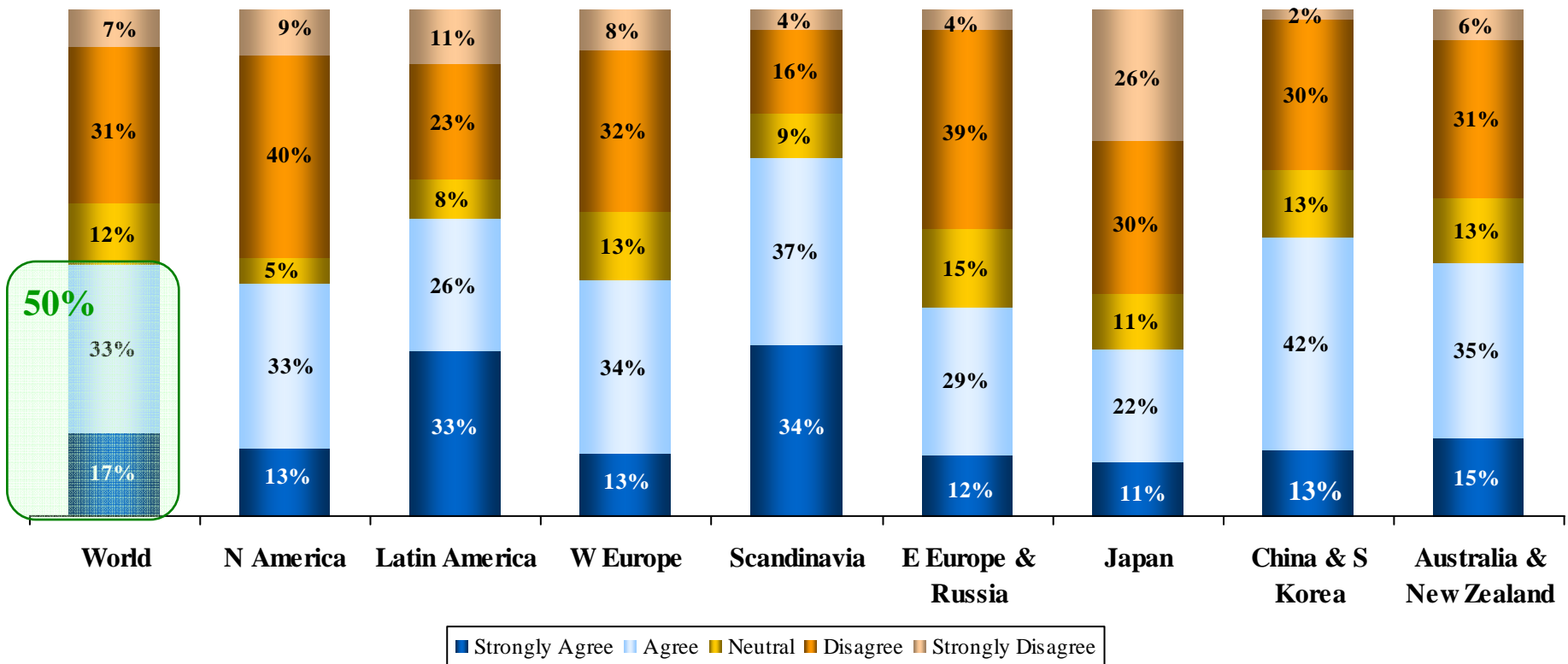


Note: Excludes "don't know"



## Combining services from a broad range of communications platforms into bundled offerings is popular among customers

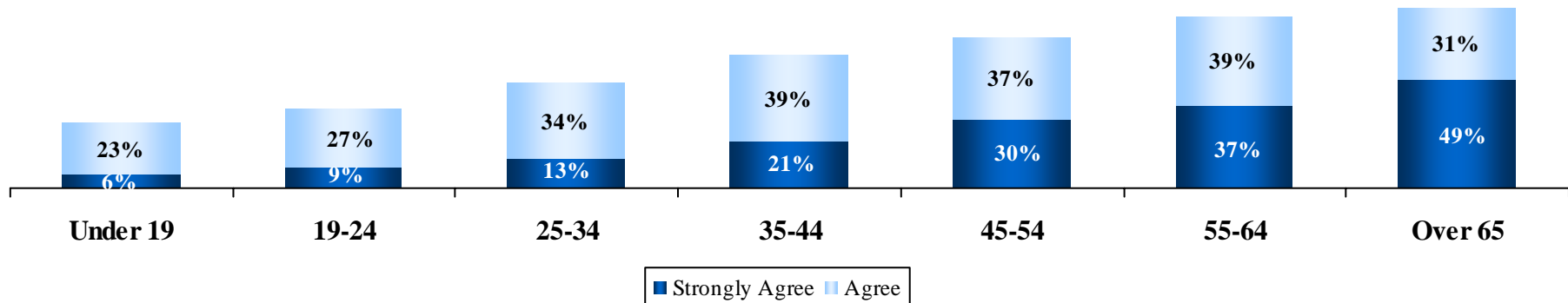
“I want one phone number at home and on the move”, by Region



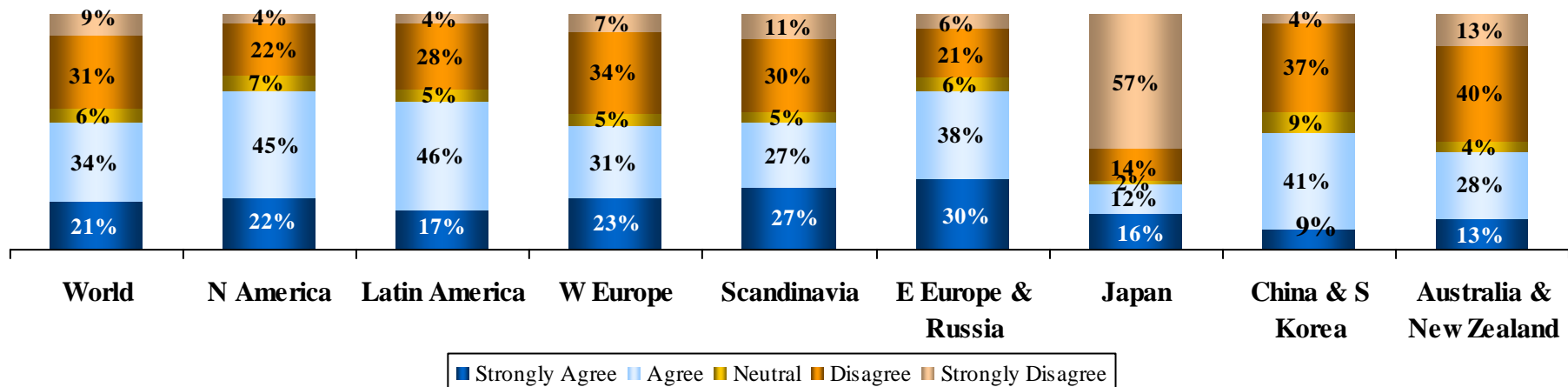


## 80% of those aged 65 or over reject data services compared to around a quarter of the under 24s

“I will only use my mobile phone to make and receive calls”, by Age

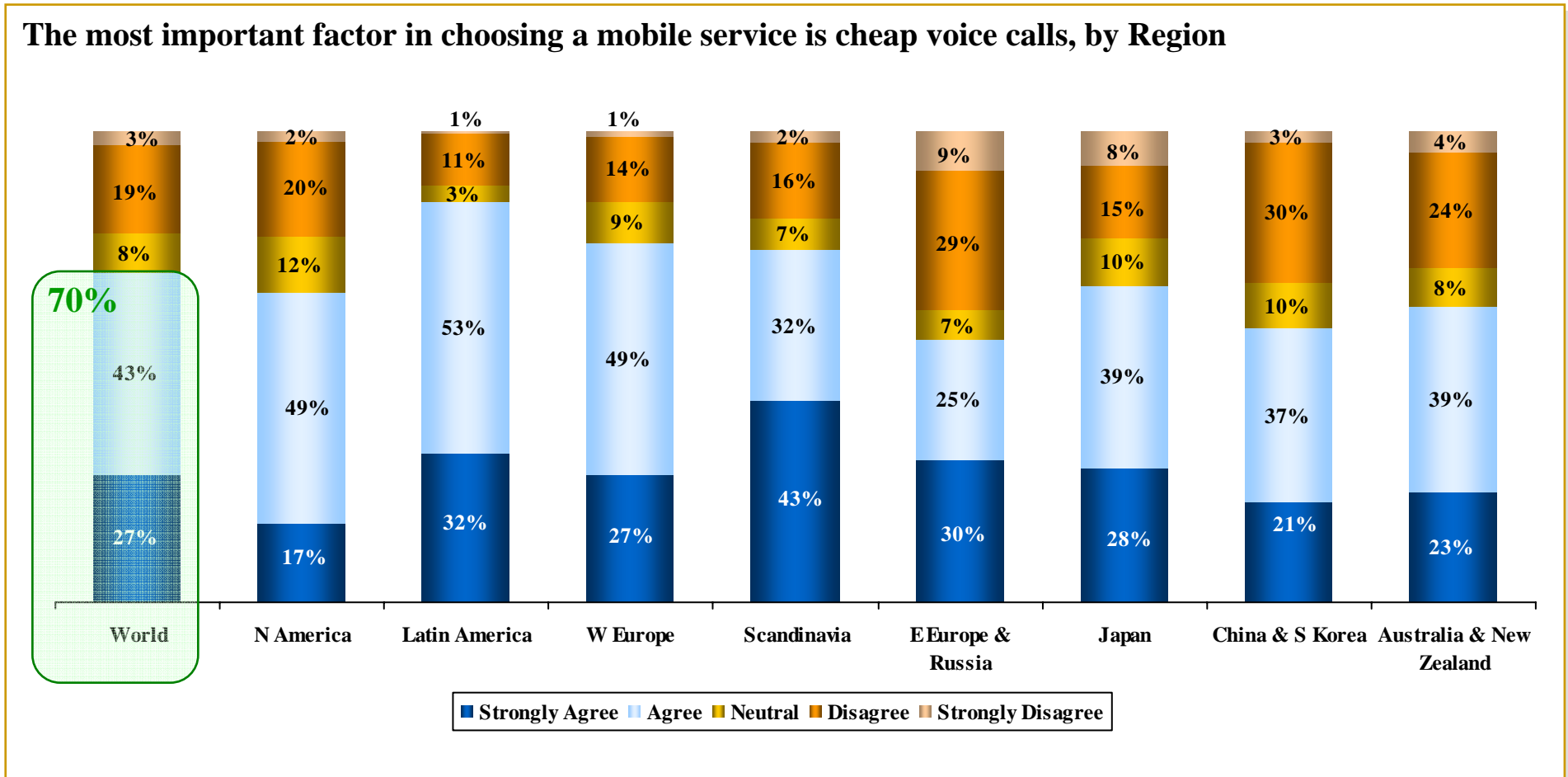


“I will only use my mobile phone to make and receive calls”, by Region





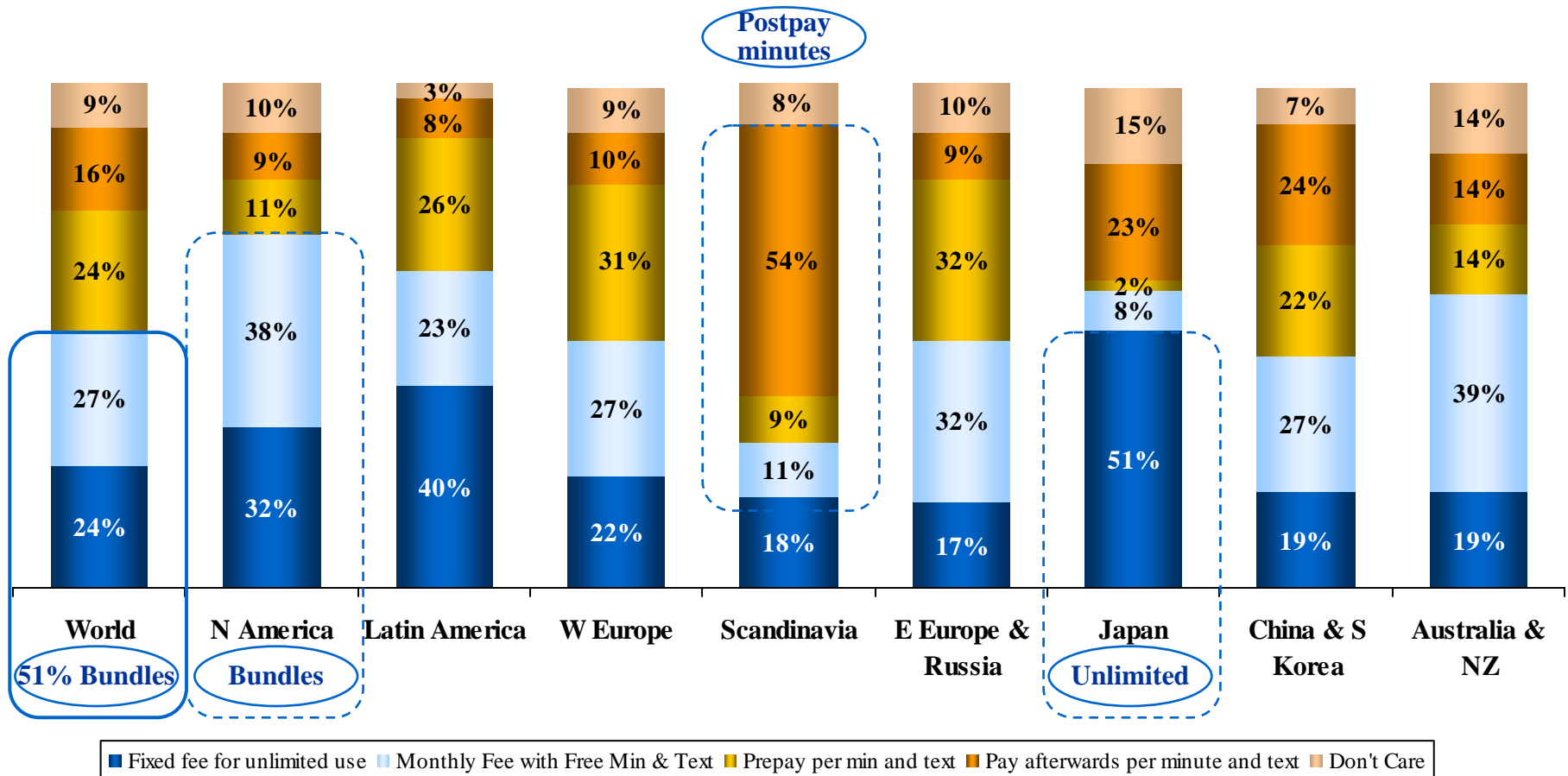
# 70 percent of mobile phone users say that price is the primary factor in choosing an operator





## Mobile users are also expressing preferences about the way they want to pay for their services

In future, how would you prefer to pay for your mobile phone service, by Region



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## **Background and Sample Overview**

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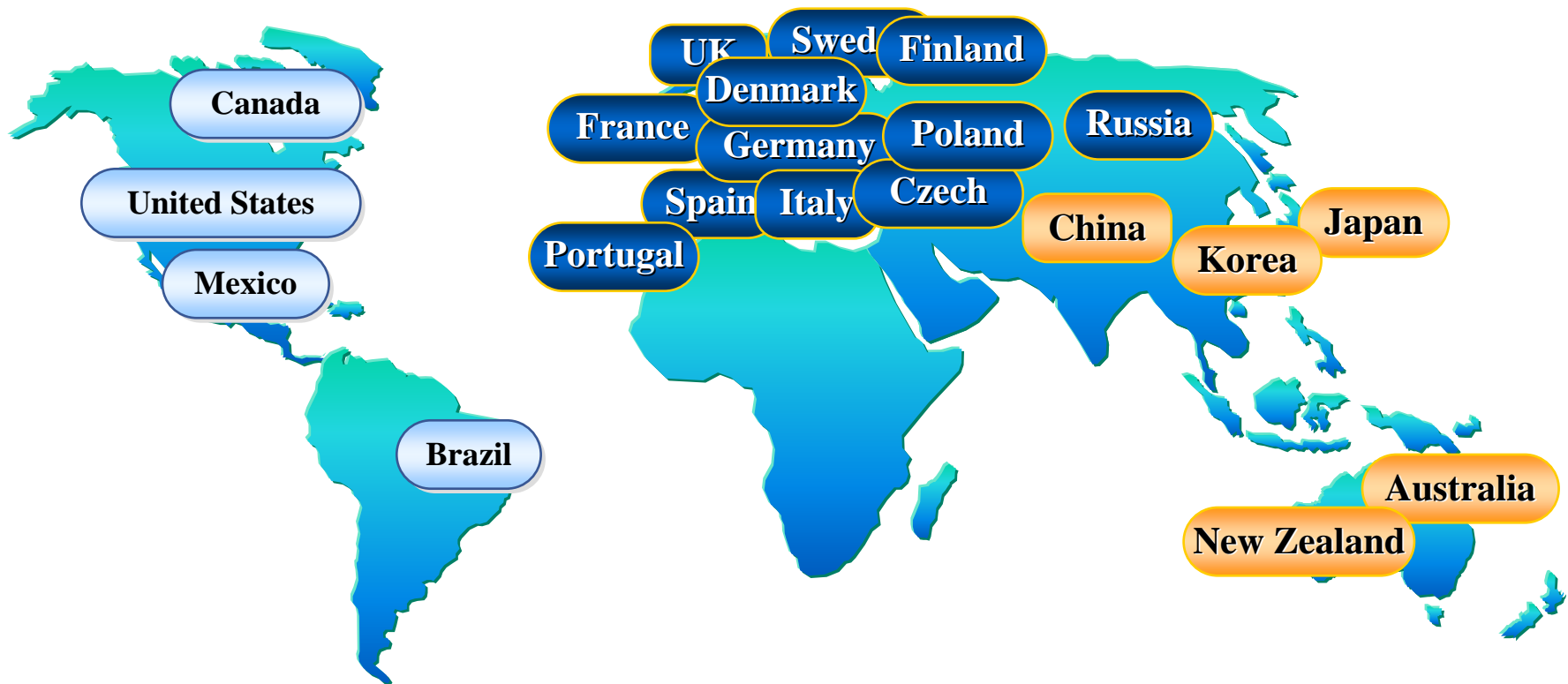
## Overview of the Mobinet Index

- The Mobinet index is a unique research project initiated by global management consultants A.T. Kearney and Cambridge Business School — Judge Business School, to study trends in mobile data usage around the world
- A specific questionnaire is developed and used to interview mobile data users. The feedback is then consolidated and analysed and forms the basis of the index
- Led by A.T. Kearney, teams of post-graduate students with appropriate linguistic skills and training call and interview a statistically valid sample of mobile phone users
- Each consumer interview is quality checked by our research staff to ensure response integrity. The data is then further screened to remove outliers and anomalies
- The Mobinet study has been conducted every 6 to 12 months since June 2000



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**The Mobinet 2005 survey interviewed 4,000 mobile users in 21 countries across Asia, Europe and the Americas about the use of their phone for voice and data communications**



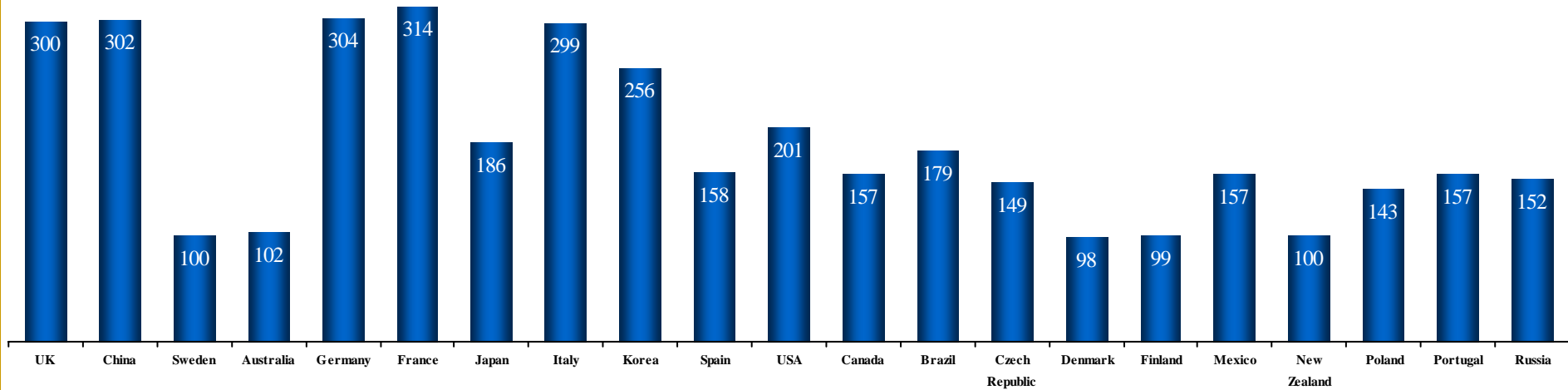
## We have modified our country sample from 2004 to 2005 to broaden our market coverage

### Mobinet Sample Overview

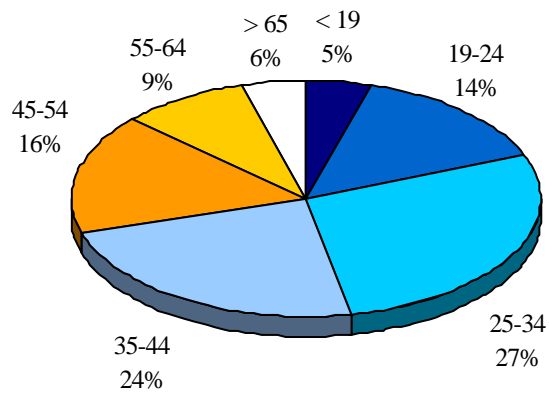
<b>Region</b>	<b>2004</b>	<b>2005</b>
<i>North America</i>	USA Canada	USA Canada
<i>Latin America</i>	Brazil Mexico	Brazil Mexico
<i>Western Europe</i>	UK France Germany Italy Spain	UK France Germany Italy Spain Portugal
<i>Scandinavia</i>	Sweden	Sweden Denmark Finland
<i>Eastern Europe &amp; Russia</i>	-- / --	Czech Republic Poland Russia
<i>Japan</i>	Japan	Japan
<i>South Korea &amp; China</i>	China South Korea	China South Korea
<i>Australia &amp; New Zealand</i>	Australia	Australia New Zealand

## Mobinet 2005 sample overview – basic demographics

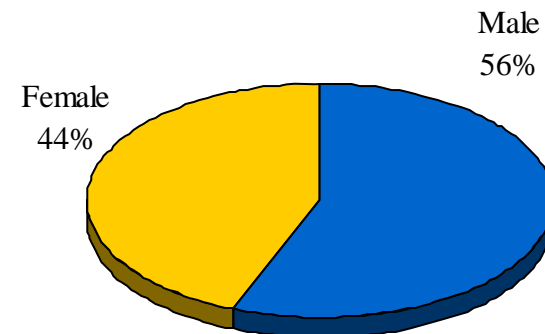
### Number of Survey Respondents per Country



### Age



### Gender



## Mobinet 2005 sample overview – handset manufacturers

“Who is the manufacturer of your mobile phone?”

