



Consumer Insights

Evaluating mobile engagement

February 2018



The GSMA represents the interests of mobile operators worldwide, uniting nearly 800 operators with more than 300 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces industry-leading events such as Mobile World Congress, Mobile World Congress Shanghai, Mobile World Congress Americas and the Mobile 360 Series of conferences.

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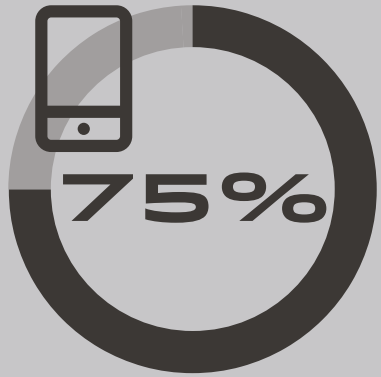
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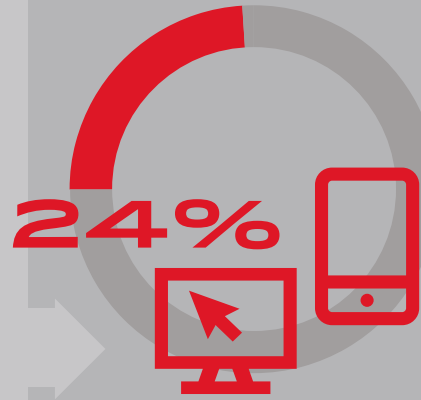
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In this report, we highlight how people are interacting with technology; examine how behaviour varies between different regions, countries and consumer groups; and, most importantly, identify the opportunities that will help drive user engagement in the near future.

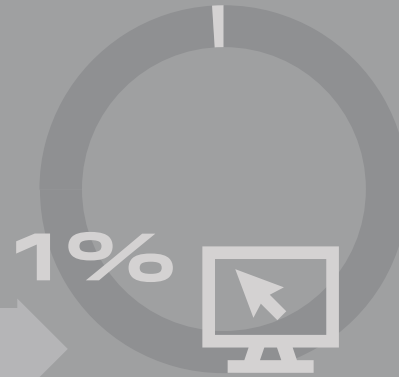
This report will be followed by a series of deep-dive reports throughout the year, each of which will explore individual use case categories (some analysis teasers are included in this report); propose scenarios of how the use cases may evolve; and quantify the market opportunities on offer if certain initiatives are implemented by mobile operators and the wider digital ecosystem.



of global internet users access the internet through a **mobile only**.



have **additional access** through a **PC**



access through a **PC only**.

OVER 1 BILLION

people across the developing world make **video calls** on their mobile phones every month



VIETNAMESE
and **NIGERIAN**



smartphone owners are global leaders in watching **video** and playing **games** on their devices (82% and 70% respectively do so monthly)

IN MYANMAR



84% of mobile subscribers own a smartphone, but

HALF

of them only use their devices to **talk and text**

325 MILLION

people globally use mobile internet services but **do not own a smartphone**



Global consumer survey

50 countries surveyed in 2017
 1,000 adult respondents per country (18+)
 Smartphone and non-smartphone owners
 26 mobile use cases monitored



Global Mobile Engagement Index

$$\text{Global Mobile Engagement Index} = \left(\text{Smartphone weighting} \times \sum \text{usage score frequency score} \right) + \left(\text{Non-smartphone weighting} \times \sum \text{usage score frequency score} \right) \times \text{unique subscriber \%}$$

Interpreting the score:

The higher the score, the more engaged consumers are in mobile services.

A score of zero would mean that consumers never use their mobile phones for any of the 26 mobile use cases covered in the survey.

A score of 10 would mean that consumers engage in each of the 26 mobile use cases every month.



Global mobile consumer segmentation

50,000 respondents have been clustered into four distinct groups based on how often they engage in the 26 mobile use cases monitored in the survey.

- Aficionados** Early adopters
- Pragmatists** Early majority
- Networkers** Late majority
- Talkers** Laggards

The segmentation helps to understand some of the differences in the GMEI country ranking.



Traditional communication

- Phone calls over cellular/mobile network
- SMS/MMS



Internet

- Browse the internet
- Read the news



Social networking

- Visit social networking websites



Apps

- Download and use apps



Lifestyle

- Access services that help to improve or monitor health and or the health of family
- Access government services
- Look for or apply for a job



Entertainment

- Play games
- Watch free online video
- Listen to free online music



Mobile internet communication

- Phone calls using a provider other than mobile operator
- Video calls
- IP messaging app
- Email



Financial services

- Transfer money
- Pay utility bills
- Prove identity to access or purchase online services
- Send or receive money from friends/relatives/business associates via mobile money services



Digital commerce

- Get information about products and services
- Order and purchase goods online
- Pay for on-demand TV/movies
- Pay for music online
- Pay for goods using contactless payment

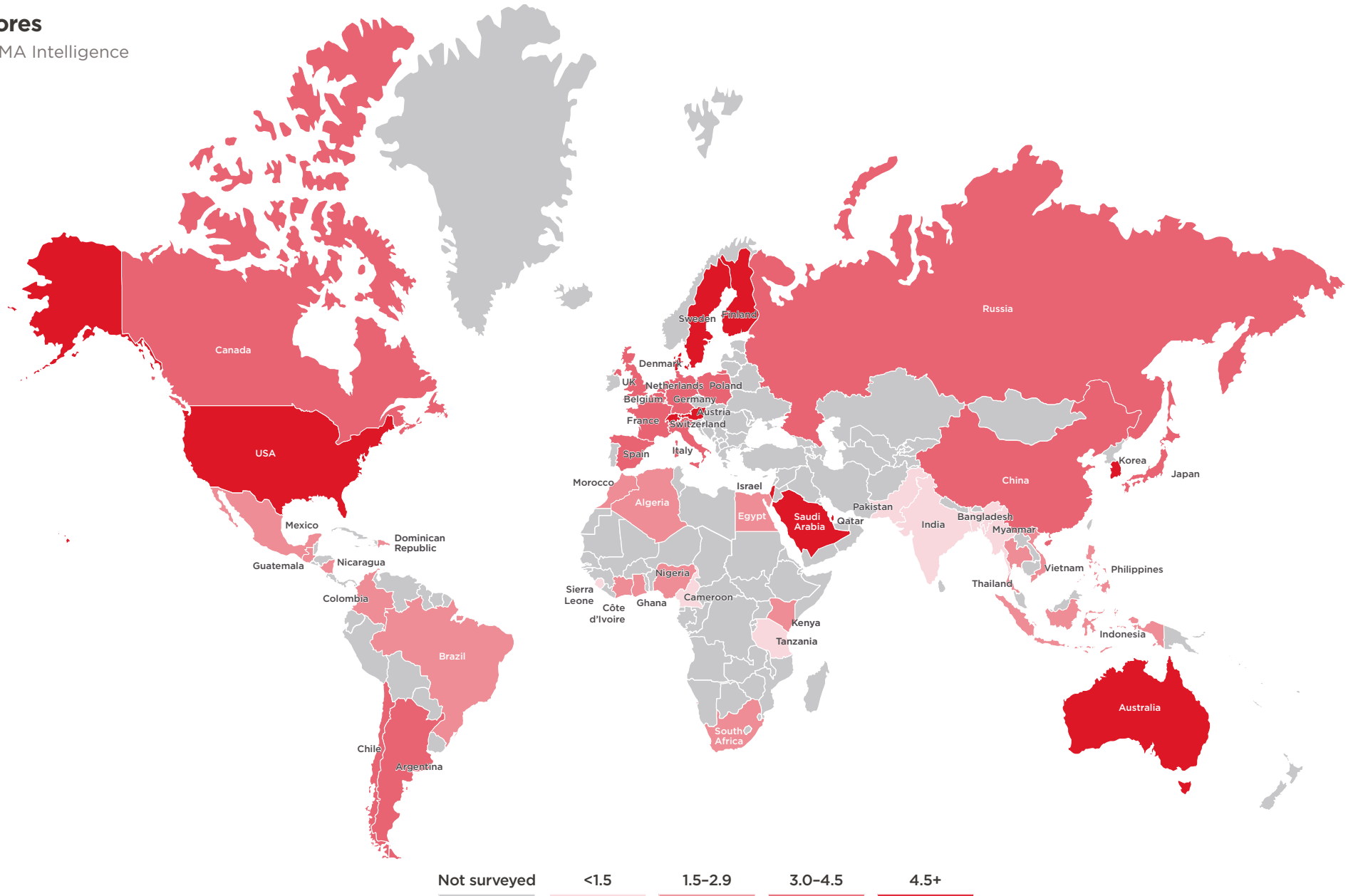


Navigation

- Use map applications

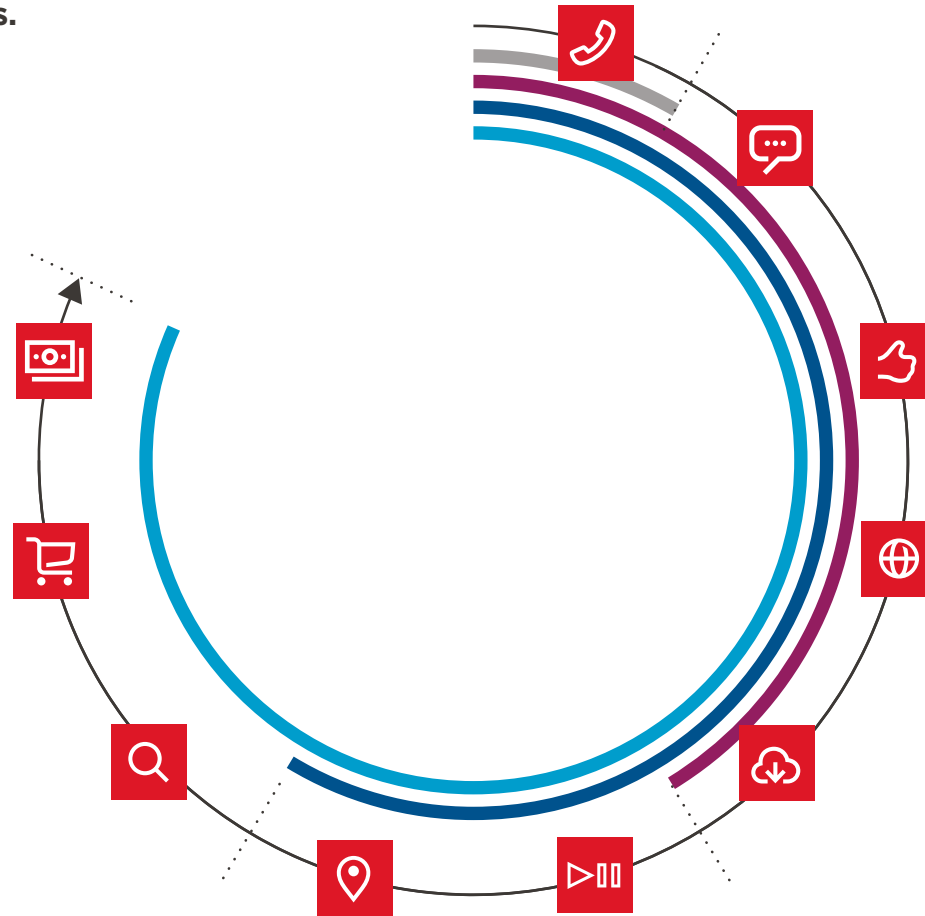
GMEI scores

Source: GSMA Intelligence



Consumers transition from one group to the next as they engage in additional mobile services.

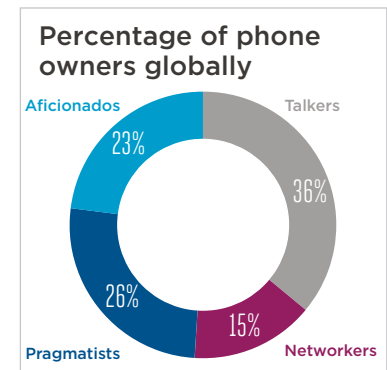
Aficionados
Show the highest engagement across all use case categories



Pragmatists
Show high usage across most areas, but still experimenting with lifestyle, digital commerce and financial services use cases

Talkers
Use mobile phones almost exclusively to make a voice call or send an SMS

Networkers
Mostly use phones to communicate, socialise, browse the internet and for apps, and occasionally for entertainment



Rank	2017	2018	Change
1	South Korea	South Korea	=
2	Qatar	Qatar	=
3	USA	Finland	↑ 3
4	Saudi Arabia	Sweden	↑ 5
5	Denmark	Austria	↑ 9
6	Finland	Israel	↑ 7
7	Australia	Denmark	↓ 2
8	Spain	Australia	↓ 1
9	Sweden	Saudi Arabia	↑ 5
10	Romania	USA	↓ 7

Eight countries cement their place in the 10 most engaged countries.

Two new entries...

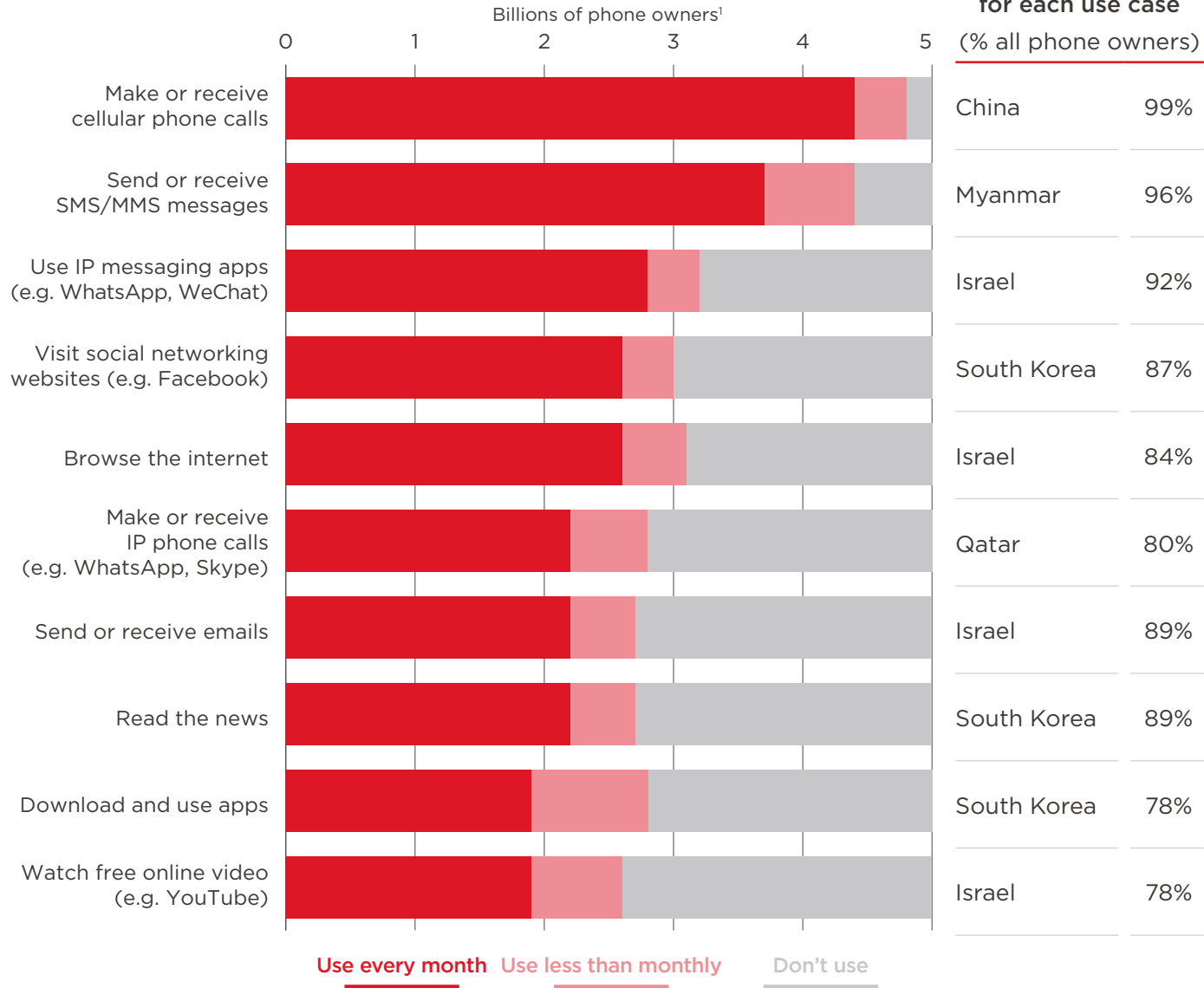
Austria

- 4G penetration increased from 14% to 24% of total connections over the year, and most people (94%) own a smartphone.
- All 10 use case categories show around 50% engagement or more among smartphone owners.

Israel

- Almost ubiquitous 4G coverage (99% of population), mobile internet usage (94% of total subscribers) and smartphone adoption (95% of phone owners).
- Among the top three in terms of monthly smartphone user engagement for six of the 10 use case categories.
- 97% of smartphone owners are Aficionados or Pragmatists – the highest proportion globally.

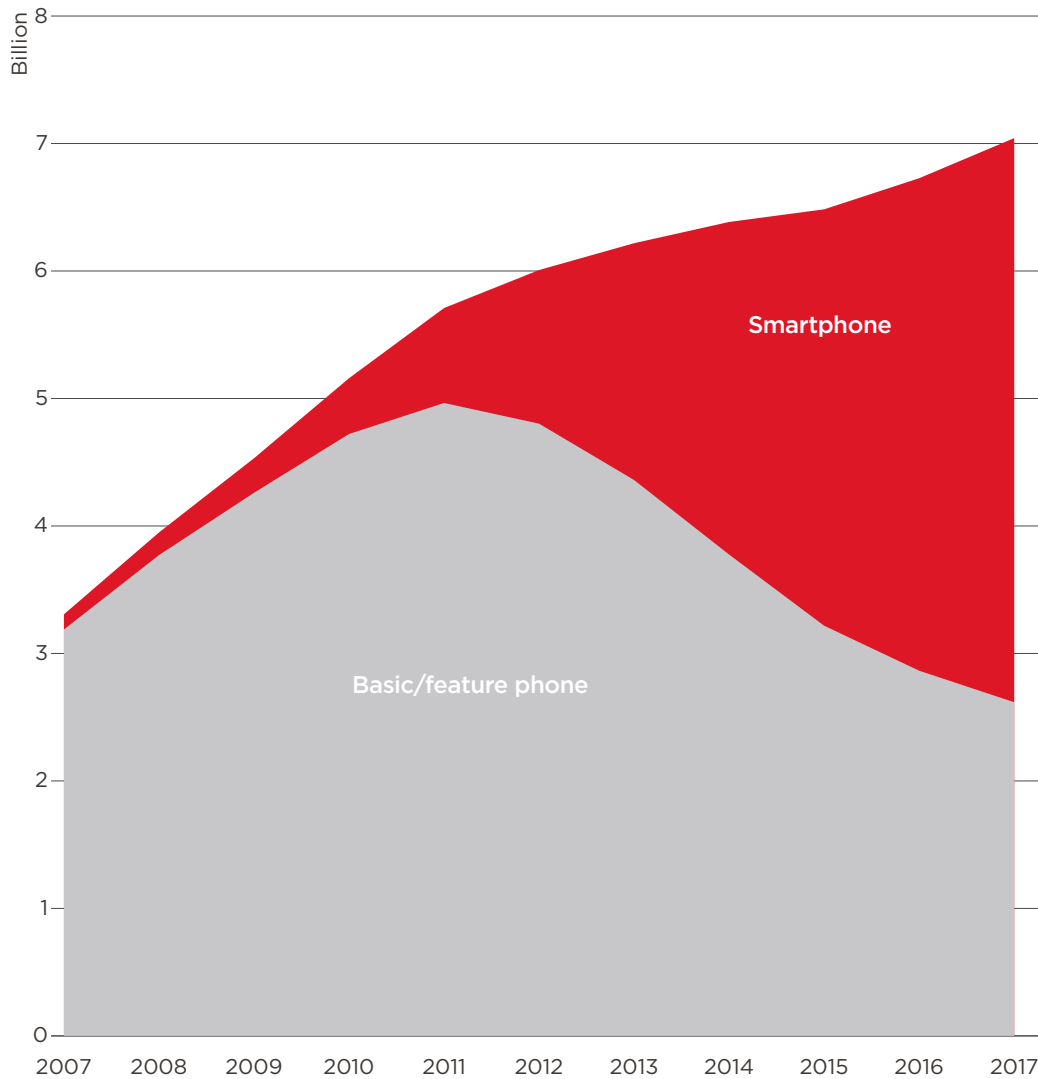
Global engagement - top 10 use cases



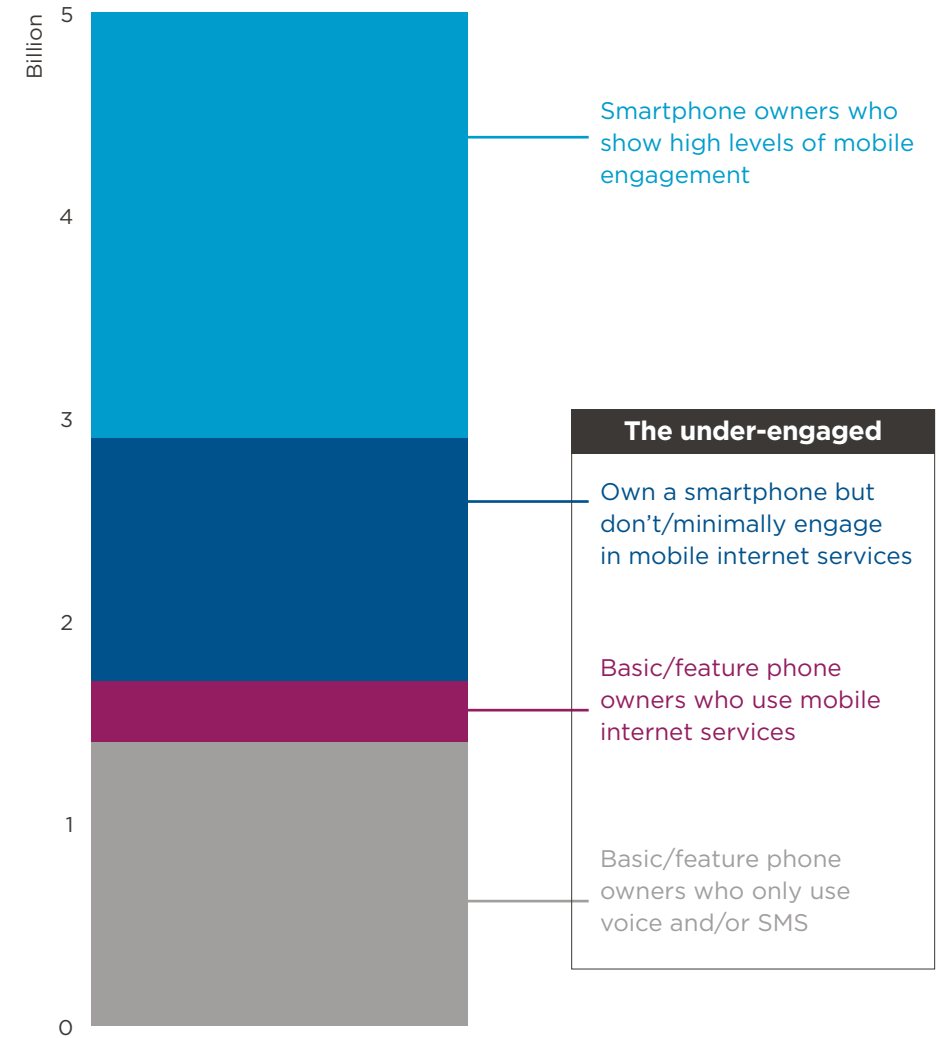
All 26 use cases are used monthly by at least 500 million people globally
16 are used monthly by 1 billion people

¹ Total base (combined smartphone and basic/feature phone owners)

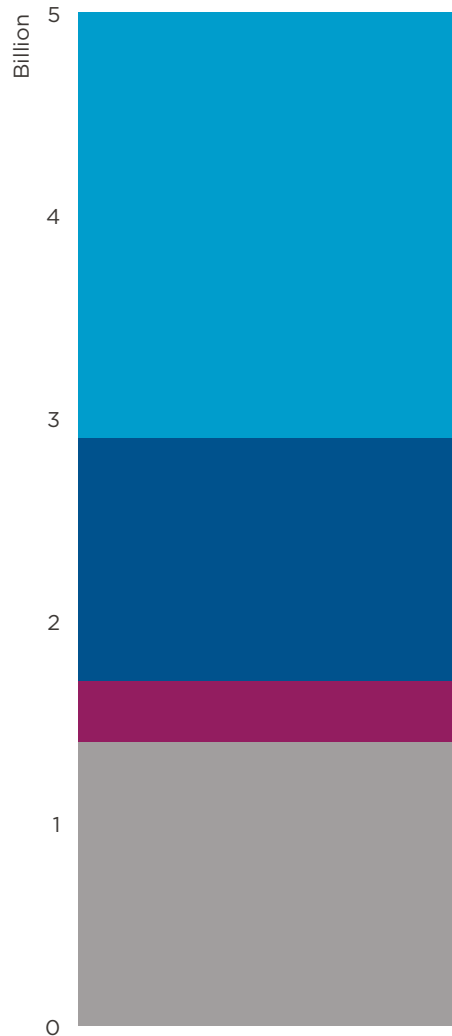
Global device breakdown (connections)



Global subscriber breakdown, 2017 (phone owners)



Global subscriber breakdown, 2017 (phone owners)



Target segment	Segment size	Countries with highest proportion	Key drivers of user engagement change
Own a smartphone but don't/minimally engage in mobile internet services	1.2 billion	<ul style="list-style-type: none"> Myanmar Guatemala Nicaragua Dominican Republic Philippines 	<ul style="list-style-type: none"> • 4G coverage • Affordable data tariffs • Locally relevant content
Basic/feature phone owners who use mobile internet services	325 million	<ul style="list-style-type: none"> Qatar Algeria Cameroon Tanzania Kenya 	<ul style="list-style-type: none"> • Smartphone affordability • 4G coverage
Basic/feature phone owners who only use voice and/or SMS	1.4 billion	<ul style="list-style-type: none"> Tanzania Pakistan India Bangladesh Nigeria 	<ul style="list-style-type: none"> • Mobile broadband coverage • Smartphone and service affordability • Digital skills • Locally relevant content • Demographic shifts

Millennials are the most engaged

- More than half of Aficionados globally are aged 18-34.

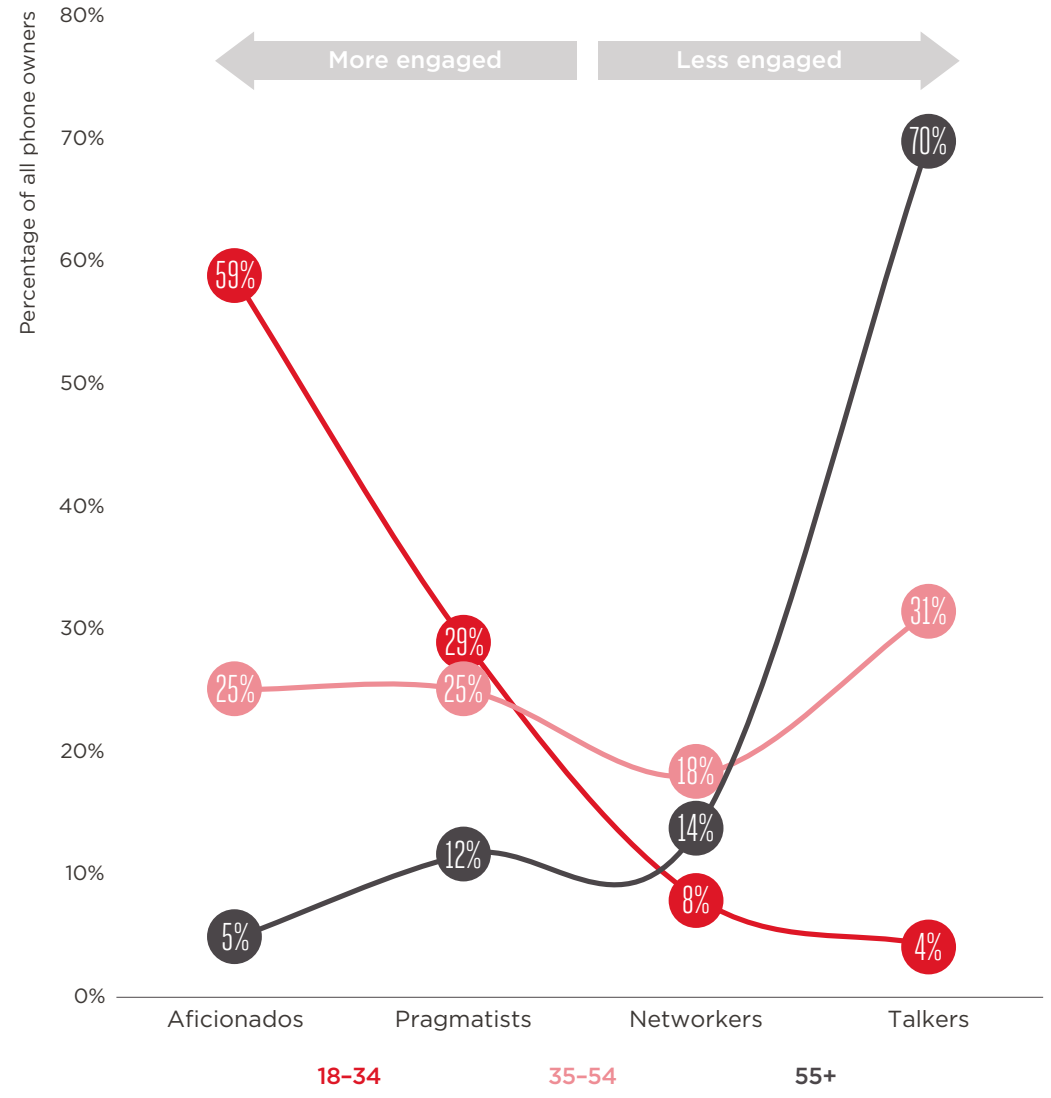
Meanwhile, more than half of those over 55 are Talkers.

China is a clear example of the lower engagement levels for older age brackets

- Millennials account for around 30% of the Chinese population, and 60% are Aficionados
- As these people get older, they will drive a shift in engagement in the country.

By 2030, the proportion of Talkers globally will fall to below 25% (from 36% now).

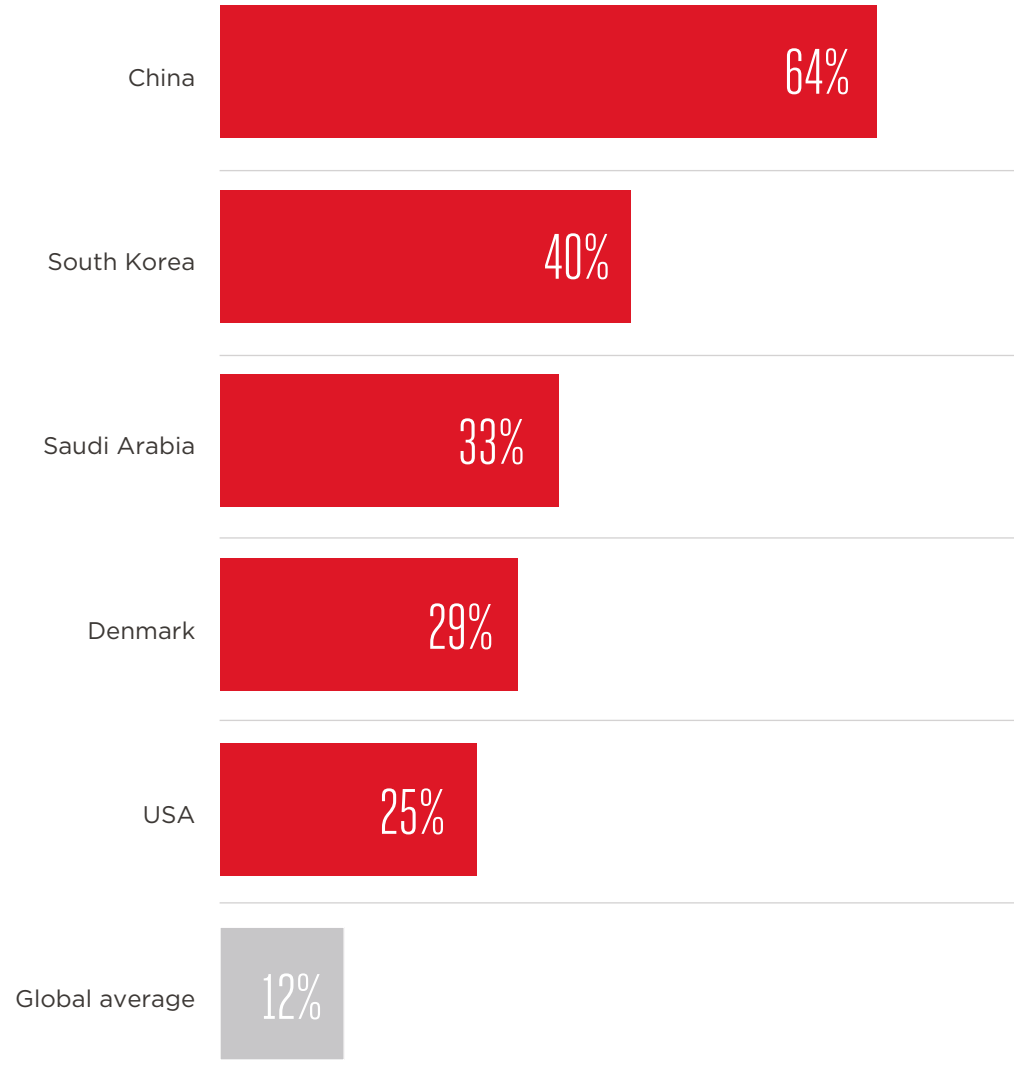
Consumer group profile by age bracket, China¹



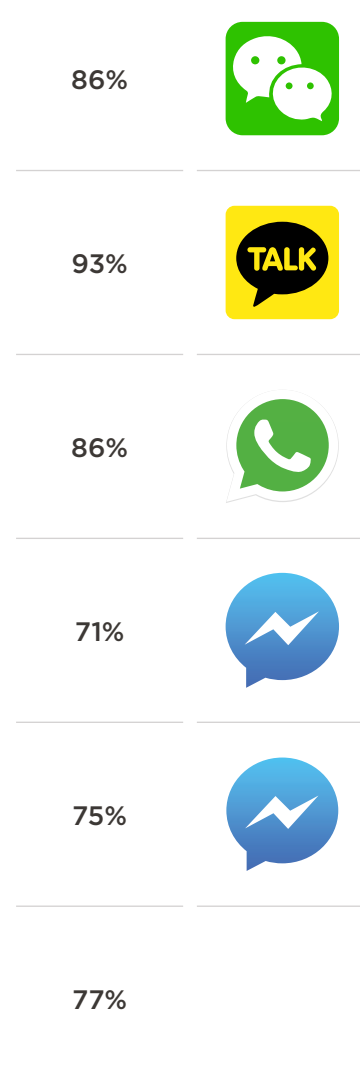
¹ Total base (combined smartphone and basic/feature phone owners)

Analysis teasers

Percentage of smartphone owners using their device for contactless payments at least once per month



Percentage of smartphone owners using IP messaging apps monthly



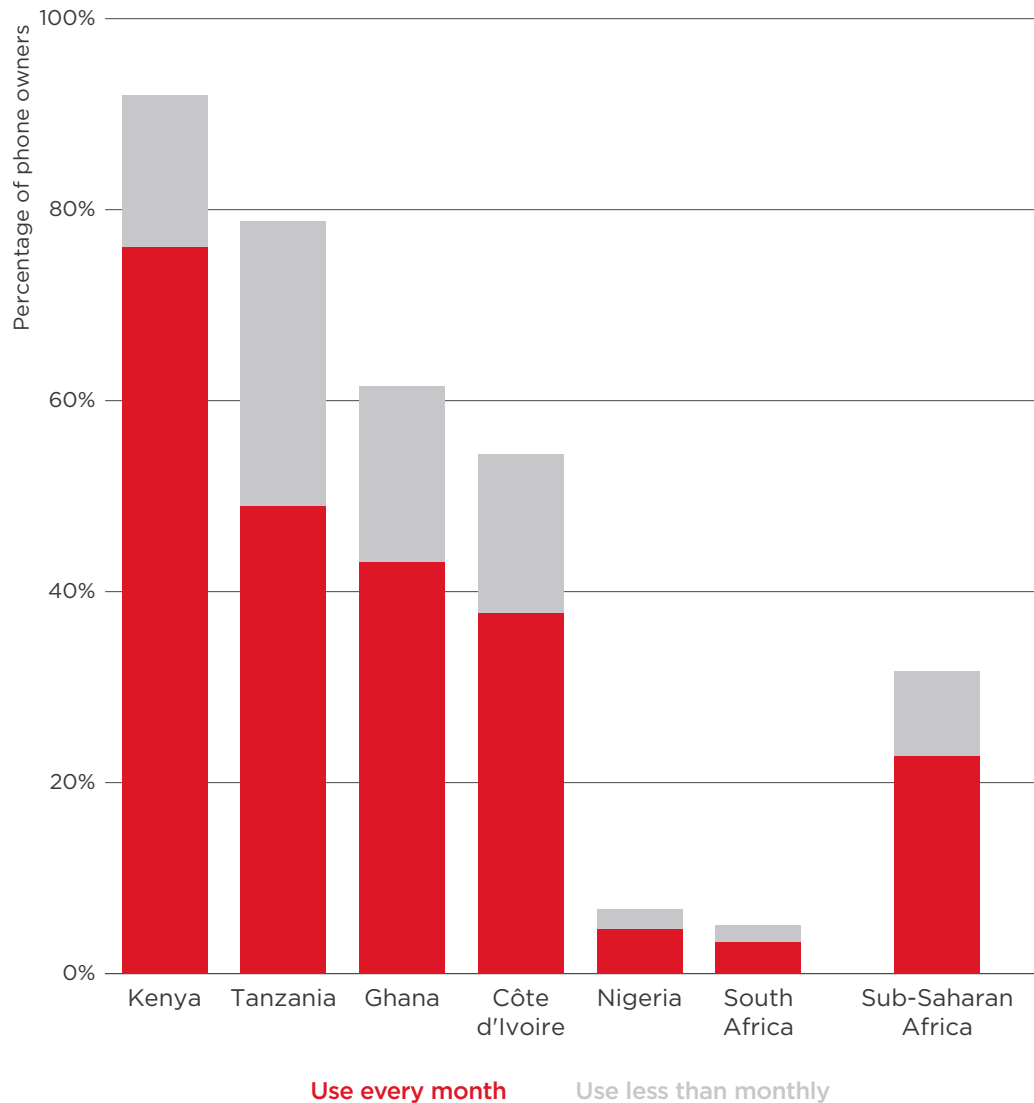
China has the highest monthly usage globally of contactless payments

- 500 million people use contactless payments monthly
- Highest engagement among 18-24 year-olds (84%).

Prevalence of messaging and lifestyle platforms is key

- Many physical retailers in China accept payments through platforms such as WeChat Pay and Alipay.

Mobile money use in Sub-Saharan Africa



Kenya is the global leader in mobile money

- 27 million registered users - over 90% of the adult population - 19 million active, with an average 10 transactions per month¹
- High usage across all demographics, particularly the middle classes (87% use monthly), men over 35 (82%) and those living in urban areas (83%).

However, some markets exhibit little usage

- Bank-led model in Nigeria is leading to more moderate uptake
- Strict regulation has constrained the services on offer in South Africa.

Smartphone adoption will drive future engagement

- Three quarters of providers offer access through smartphones,² and half of mobile money users in the developing world own a smartphone
- However, the vast majority of transactions are still via USSD³
- Developing world smartphone adoption will grow to 75% by 2025 (up from 53% now)
- A robust smartphone strategy (i.e. apps and messaging platforms) will therefore help providers increase use and future-proof their service.

¹ Source: Safaricom Annual Report 2017

² Source: GSMA global adoption survey

³ 76% of providers reported having more than 85% of their transactions via USSD (2017 Global Adoption Survey of Mobile Money, GSMA)

In entertainment, developing world smartphone users show engagement levels closest to those in developed countries¹

Some developing countries exhibit particularly high levels of engagement...

Percentage of smartphone owners engaging in entertainment use cases on their device monthly

			Global rank	
Watch free online video	Vietnam	82%	1	Over 90% monthly usage among 18–24 year-old smartphone owners YouTube and Facebook are particularly popular, as well as live-streaming video app Bigo
	Global average	53%		
Play games	Nigeria	70%	1	Particularly popular among 35–44 year-old smartphone owners (81% play mobile games monthly) and the unemployed (80%) Nigerian mobile gaming market projected to reach \$177 million by 2019, double that of 2014 ²
	Global average	49%		
Pay for music download / streaming	Tanzania	40%	3	25–34 year-olds are most engaged, accounting for 43% of monthly users All major operators offer music streaming subscription services, and there are multiple start-ups in this space (Mkito, Mziiki and Mdundo to name a few)
	Global average	19%		

¹ Aside from traditional communication

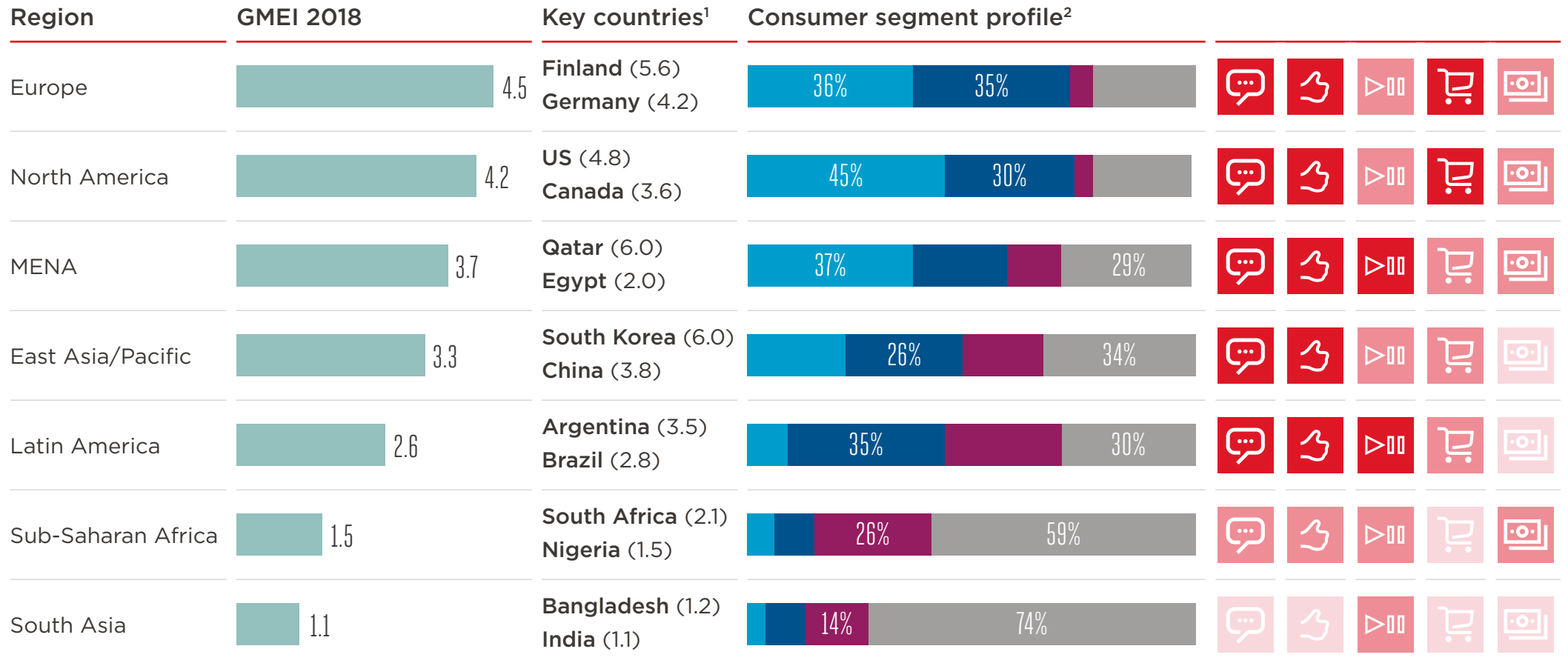
² Source: PwC

Appendix

Score: 0-10

#	Country	Engagement Score
1	Korea, South	6.0
2	Qatar	6.0
3	Finland	5.6
4	Sweden	5.4
5	Austria	5.3
6	Israel	5.2
7	Denmark	5.1
8	Australia	5.1
9	Saudi Arabia	4.9
10	United States of America	4.8
11	Switzerland	4.7
12	Russian Federation	4.4
13	Italy	4.4
14	United Kingdom	4.3
15	Poland	4.3
16	Spain	4.3
17	Germany	4.2
18	China	3.8
19	Netherlands	3.7
20	Japan	3.6
21	Canada	3.6
22	Argentina	3.5
23	Belgium	3.5
24	France	3.5
25	Chile	3.4

#	Country	Engagement Score
26	Thailand	2.8
27	Brazil	2.8
28	Vietnam	2.8
29	Dominican Republic	2.5
30	Colombia	2.5
31	Mexico	2.4
32	Algeria	2.3
33	South Africa	2.1
34	Philippines	2.1
35	Indonesia	2.1
36	Egypt	2.0
37	Morocco	1.9
38	Guatemala	1.9
39	Nicaragua	1.8
40	Kenya	1.7
41	Ghana	1.5
42	Nigeria	1.5
43	Côte d'Ivoire	1.5
44	Cameroon	1.4
45	Myanmar	1.3
46	Bangladesh	1.2
47	India	1.1
48	Tanzania	1.1
49	Sierra Leone	1.1
50	Pakistan	0.8



Aficionados Pragmatists Networkers Talkers

<25% 25-49% 50%

of all phone owners engage in at least one use case from category at least once per month

¹ Highest GMEI and other selected market

² % of all phone owners



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