

THE
MOBILE
MEDIA
REPORT

STATE OF THE MEDIA Q3 2011

nielsen
.....

MOBILE CONSUMERS

are social, always connected, and rely on their phones more than ever before. According to Nielsen's monthly survey of 25,000 mobile consumers (which translates to 300,000 each year), 44 percent of U.S. mobile subscribers now own a smartphone device, compared to 18 percent just two years ago, and these advanced devices are changing the way consumers interact with their phones.

- The number of smartphone subscribers using the mobile Internet has grown 45 percent since 2010
- This quarter, 26.3 million mobile consumers viewed mobile video
- The majority of smartphone owners (62%) have downloaded apps on their devices and games are the top application category used in the past 30 days
- Currently, 87 percent of app downloaders have used deal-of-the-day websites, like Groupon or Living Social, and 54 percent of smartphone owners claim to use their mobile handsets frequently while shopping

Nielsen's "State of the Media: The Mobile Media Report" provides a snapshot of the current mobile media landscape and audiences in the U.S., and highlights the potential power of mobile commerce in the near future.

KEY FINDINGS:

- The majority of 25–34 and 18–24 year olds now own smartphones (64% and 53% respectively) and they have led in smartphone penetration compared to other age groups since 2009.
- Apple is the top smartphone manufacturer in the U.S. with 28.6 percent of the smartphone market, and Android is the most favored operating system by manufacturers, with the largest share of the smartphone market at 44 percent.
- 83 percent of all smartphone application downloaders use Android or Apple iOS smartphone devices and they mostly discover apps by searching the top app stores and relying on recommendations.
- Application usage varies by age on the Android platform—older generations like games, such as Angry Birds, and rely on their mobile devices for productivity (e.g. Google properties). Younger folks will use entertainment apps with social dimensions (e.g. Pandora, YouTube, Words with Friends) more than older segments.
- Younger groups send the most messages, but older segments present the greatest growth opportunities: In Q3 2011, teens 13-17 sent and received the most messages (an average of 3417 each month), but the number of messages sent by those 55+ has more than doubled compared to 2009.
- Marketers can now reach consumers while they shop: 49 percent of mobile consumers say they frequently use their smartphones while shopping.
- Social networking is increasingly popular on mobile devices: Android smartphones and iPhone users spend more time engaging with the Facebook application on their phones than any other mobile application.

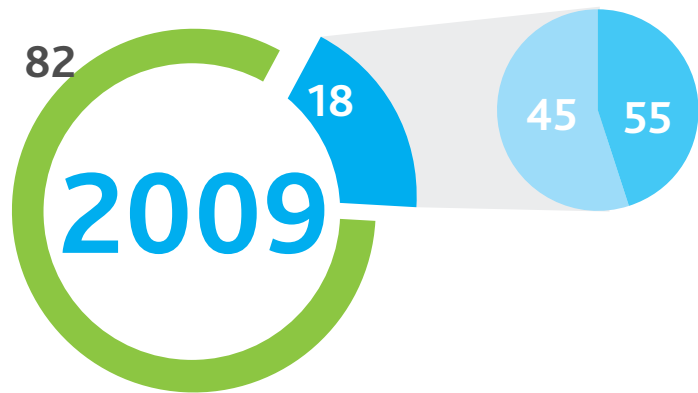
SMARTPHONE OWNERSHIP HAS MORE THAN DOUBLED IN TWO YEARS

Two years ago, only 18 percent of mobile subscribers had smartphones and these smartphone audiences were more likely to be male.

Smartphone penetration 2009

Q3 2009, U.S. Mobile Insights, National

● FEATURE PHONE ● SMARTPHONE ● FEMALES ● MALES

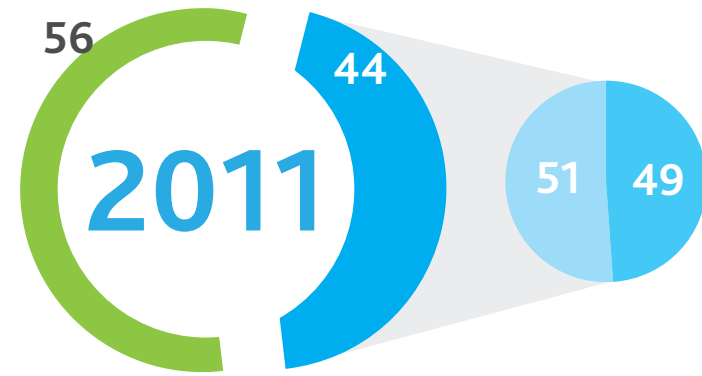


#1 Device = Motorola Razr V3

Today, nearly half of mobile subscribers in the U.S. own a smartphone device and 51 percent of them are female.

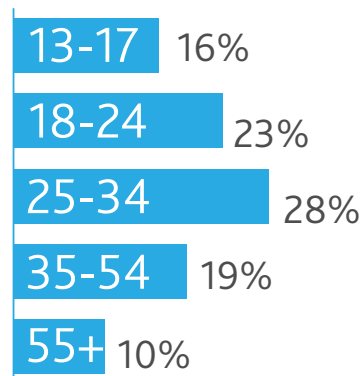
Smartphone penetration 2011

Aug - Oct, 2011, U.S. Mobile Insights, National



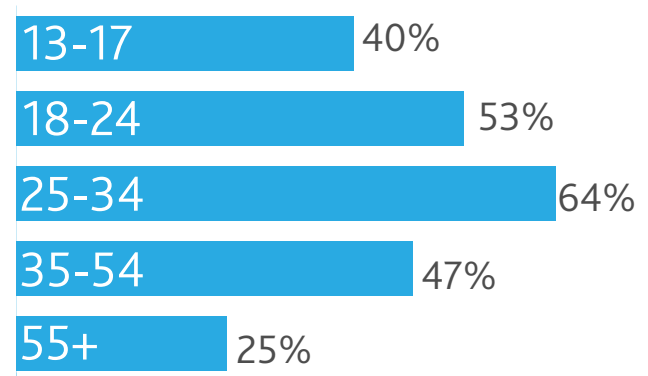
#1 Device = Apple iPhone4

PENETRATION BY AGE



Those 25-34 and 18-24 have always been the leading age groups in smartphone penetration

PENETRATION BY AGE

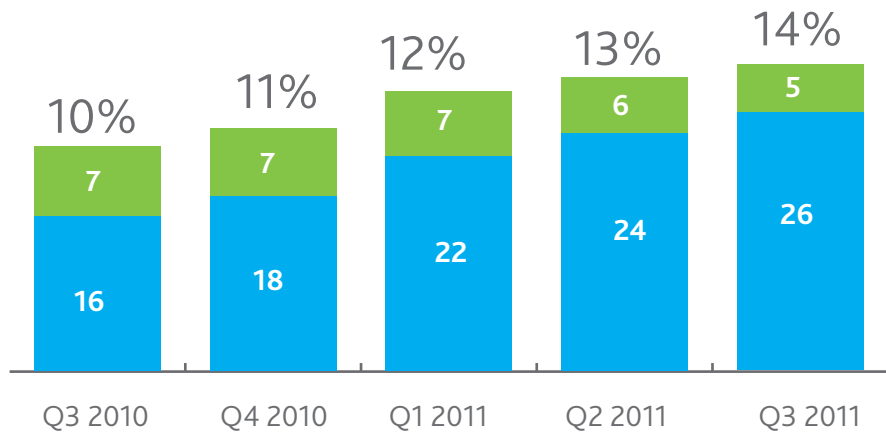
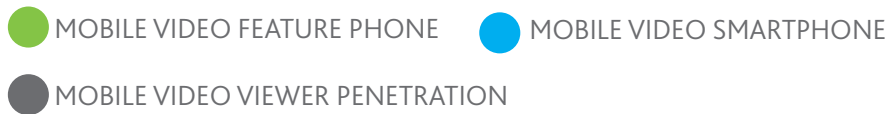


SMARTPHONE DEVICES INVITE USERS TO ENGAGE IN RICH MEDIA ACTIVITIES

The growing popularity of smartphones has also led to a dramatic rise in mobile video. While 23 million mobile subscribers viewed video on their phones in 2010, 31 million use mobile video today—a 35% increase.

U.S. mobile video viewers (in millions)

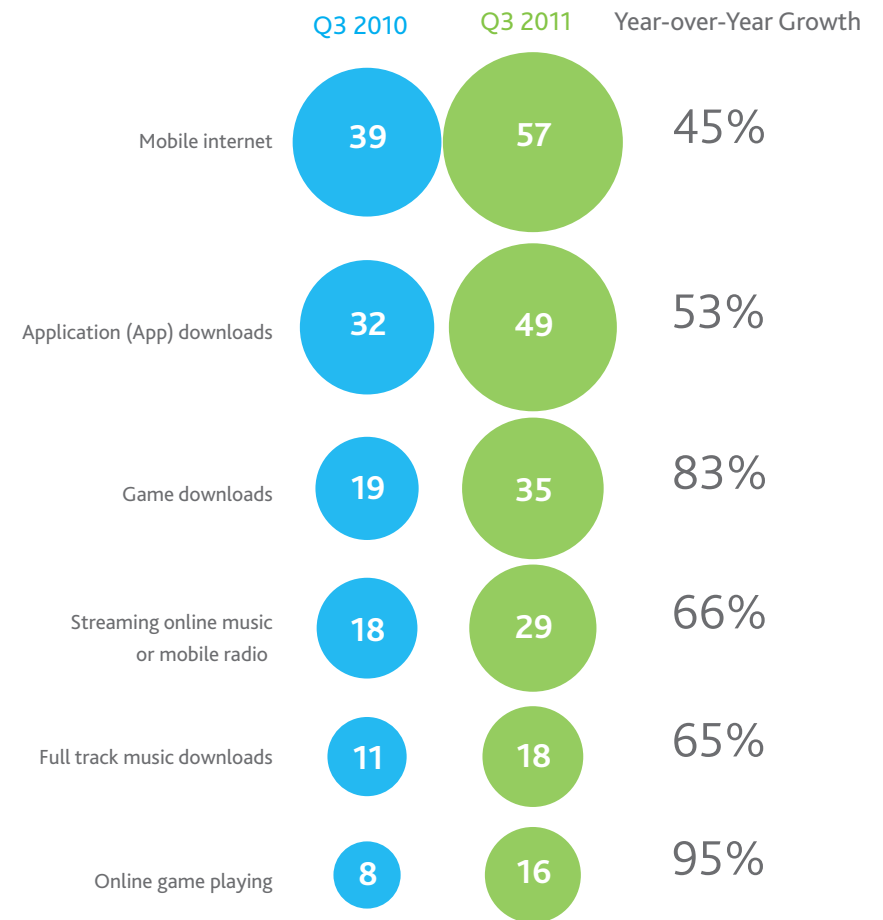
Q3 2011, U.S. Mobile Video Survey



The number of smartphone users engaged in rich media activities has increased substantially. Nearly twice as many smartphone subscribers are downloading (up 83%) and playing games (up 95%) compared to last year. Streaming online music or radio is the third fastest growing activity among smartphone users.

Smartphone subscribers engaged in rich media activities other than mobile video (in millions)

Q3 2011, Last 30 Days, U.S. Mobile Insights, National



SMARTPHONE BATTLE FOR MARKET SHARE ENSUES IN THE MOBILE ECOSYSTEM

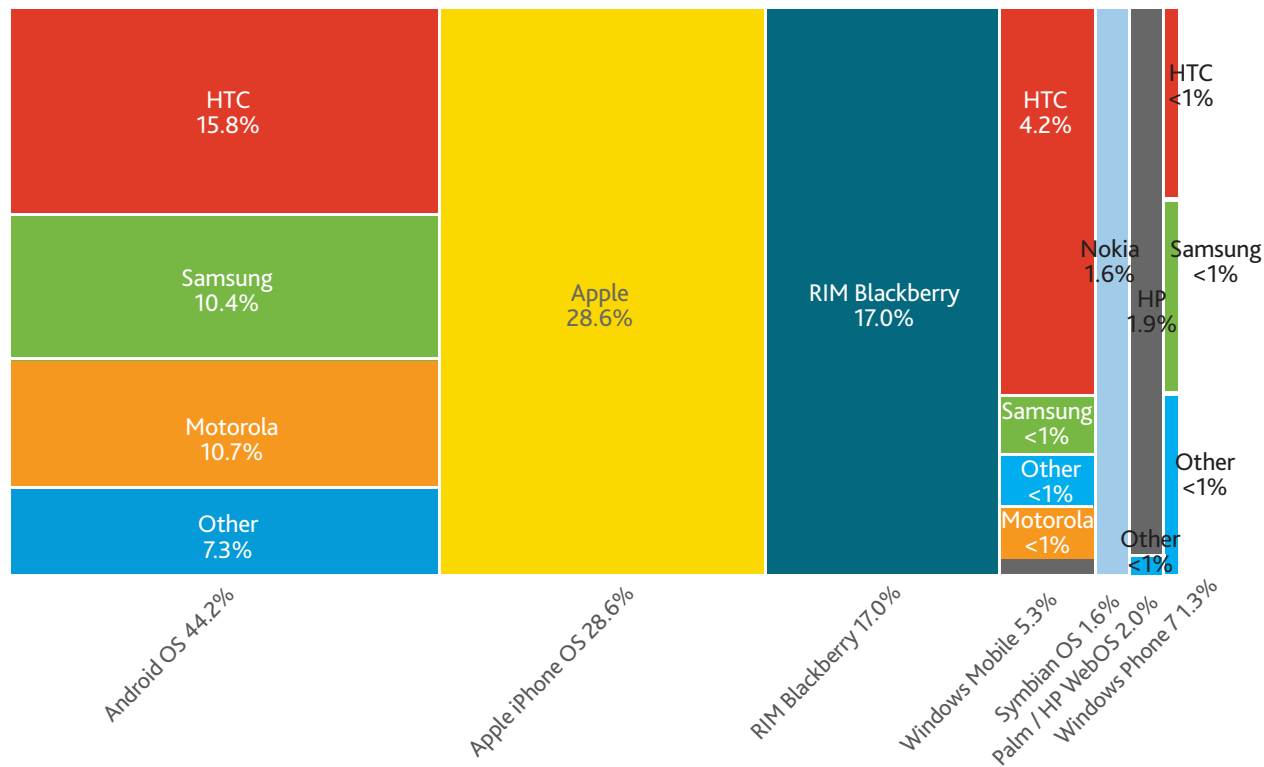
In 2009, RIM's Blackberry smartphone was the most popular mobile device. Today, the fight for operating system market share is between Android OS and Apple iOS smartphones. Android—the operating system favored by several different manufacturers—has the largest share of the smartphone market (44.2%).

Apple, the only company manufacturing smartphones with the iOS operating system, is clearly the top smartphone manufacturer in the United States with 28.6 percent of the smartphone market.

Other leading smartphone manufacturers include HTC, whose Android phones represent 15.8 percent of the smartphone market and whose Windows Mobile/WP7 devices account for 4.2 percent of the market; and Motorola, whose Android devices are owned by 10.7 percent of smartphone consumers.

Manufacturer operating system share-smartphones

Aug-Oct 2011, U.S. Mobile Insights, postpaid mobile subscribers



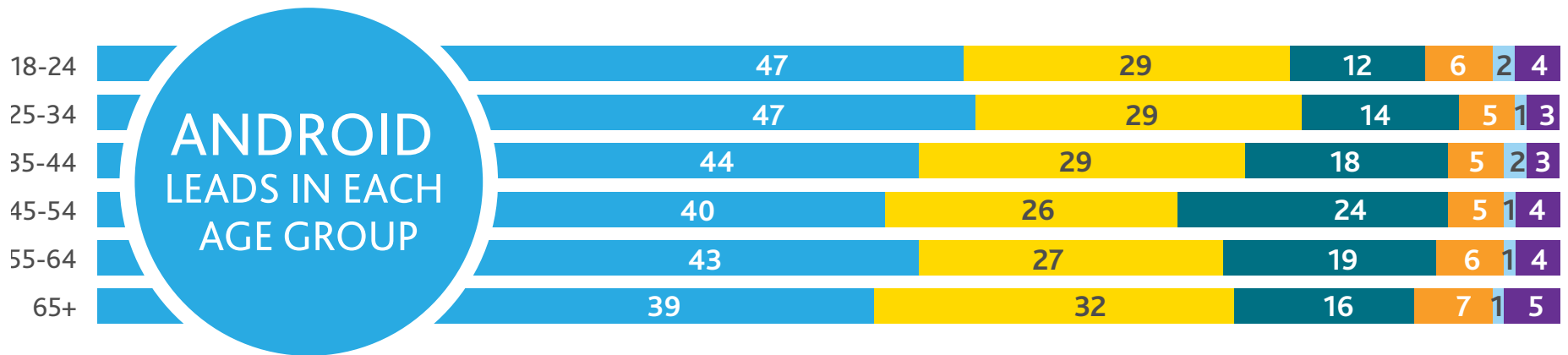
SMARTPHONE OPERATING SYSTEM CHOICE VARIES BY AGE GROUP

Android OS and Apple iOS smartphones are popular across all age groups. Although penetration of Android OS and Apple iOS smartphones tend to be slightly higher among those 18–24 and 25–34, older audiences are beginning to own devices previously dominated by younger groups.

Smartphone OS penetration by age group

Aug- Oct 2011, U.S. Mobile Insights, National

● ANDROID ● APPLE iOS ● RIM BLACKBERRY ● WINDOWS MOBILE ● WINDOWS 7 ● OTHER

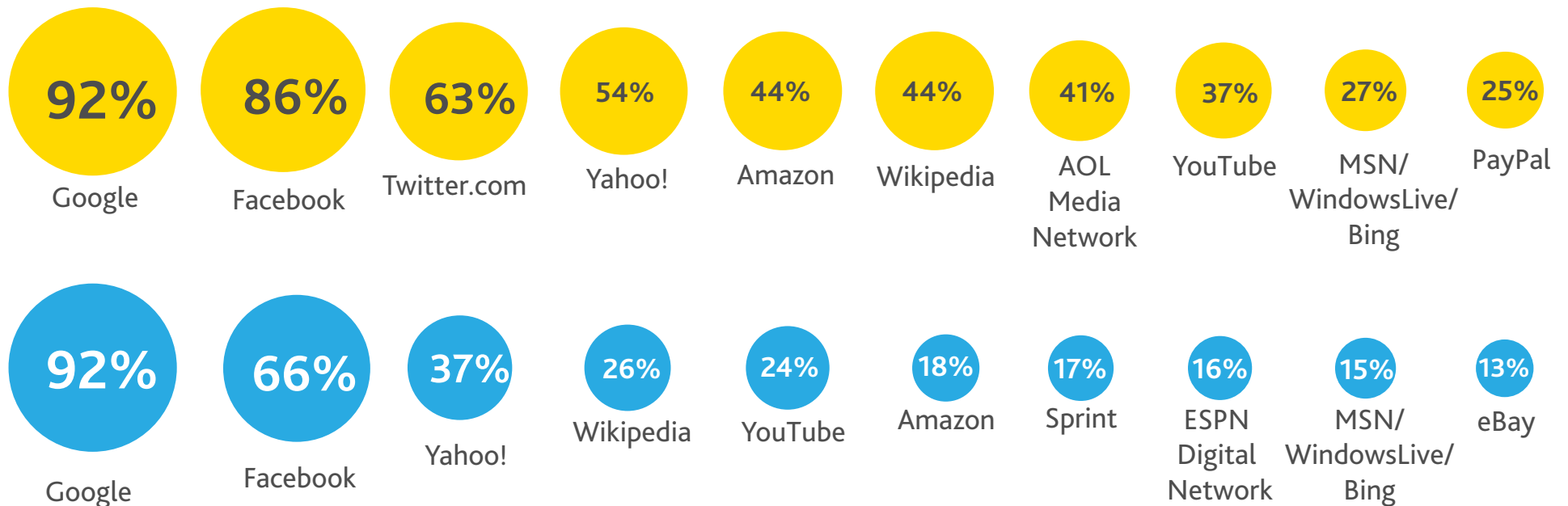


SEARCH ENGINES AND SOCIAL NETWORKING WEBSITES ARE POPULAR AMONG ANDROID SMARTPHONE AND IPHONE OWNERS

Google and Facebook lead in mobile reach on both Android and Apple iOS. In order to rank mobile websites by active reach, that is, by the percentage of Android or iOS smartphones owners who used the mobile website within the past 30 days, Nielsen analyzed usage data from its proprietary device meters on the smartphones of the thousands of consumer panelists who agreed to be a part of Nielsen's ongoing Smartphone Analytics research.

Top 10 mobile websites by active reach
September 2011, Nielsen Smartphone Analytics, Device Metering Data

● APPLE iOS ● ANDROID

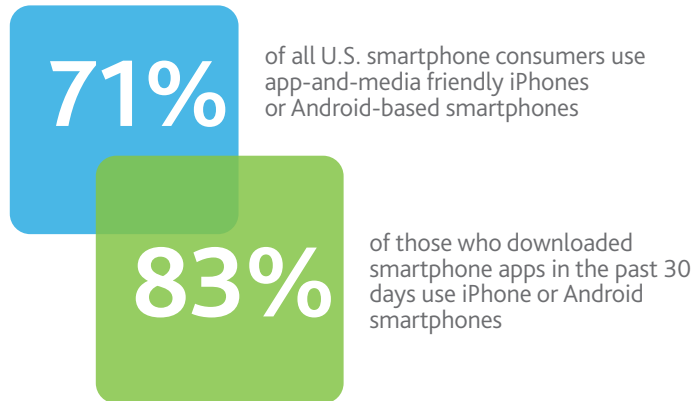


SMARTPHONE APPLICATION DOWNLOADS ARE DOMINATED BY ANDROID AND iOS SMARTPHONES DEVICES

Smartphone app downloaders report having an average of 33 apps on their mobile phone, up 22 percent since 2010. Apple iPhone app downloaders have an average of 44 apps on their phones, while those with Android OS smartphones report having an average of 32.

These insights were gathered from survey respondents age 13+ years who have downloaded an application to their device in the past 30 days.

Q3 2011, Nielsen Mobile Applications Playbook



CHILDREN AND SPOUSES ARE GETTING INTO THE "APP" ACTION

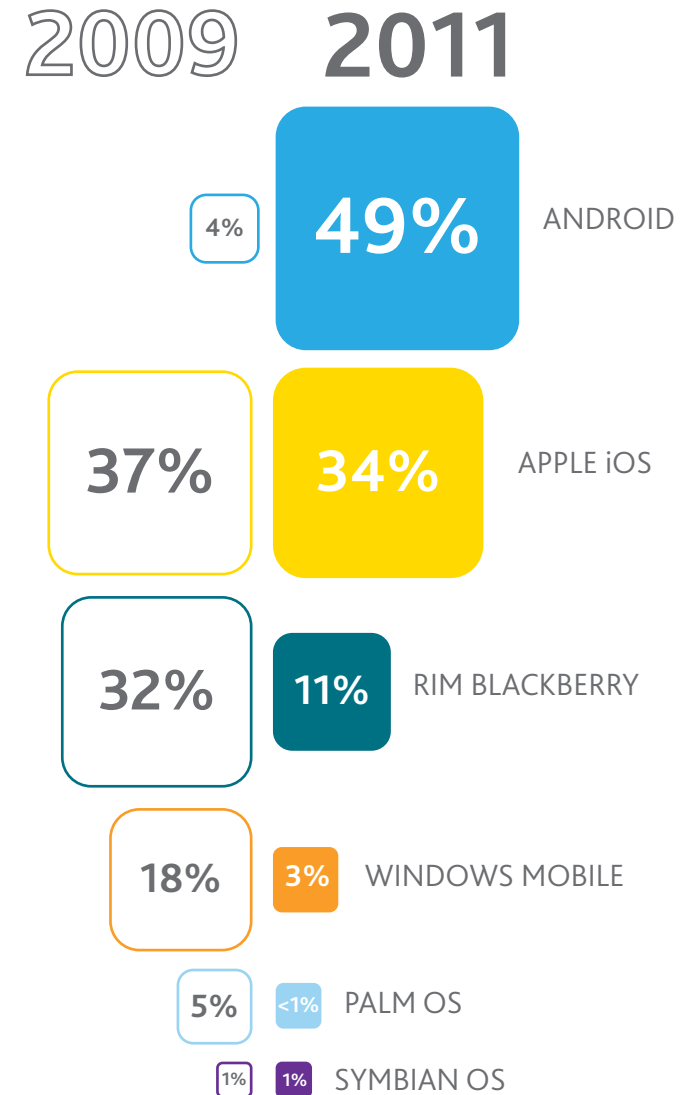
27% Respondents with children who downloaded apps reported that 27% of apps on their phones were downloaded by their offspring

13% Spouses account for 13% of the app downloads that took place in the last 30 days on their significant other's phone

10 Those survey respondents who had children reported that 10.1 was the average age that their children began downloading apps on a parent's phone

Percentage of smartphone owners who have downloaded an app in the last 30 days

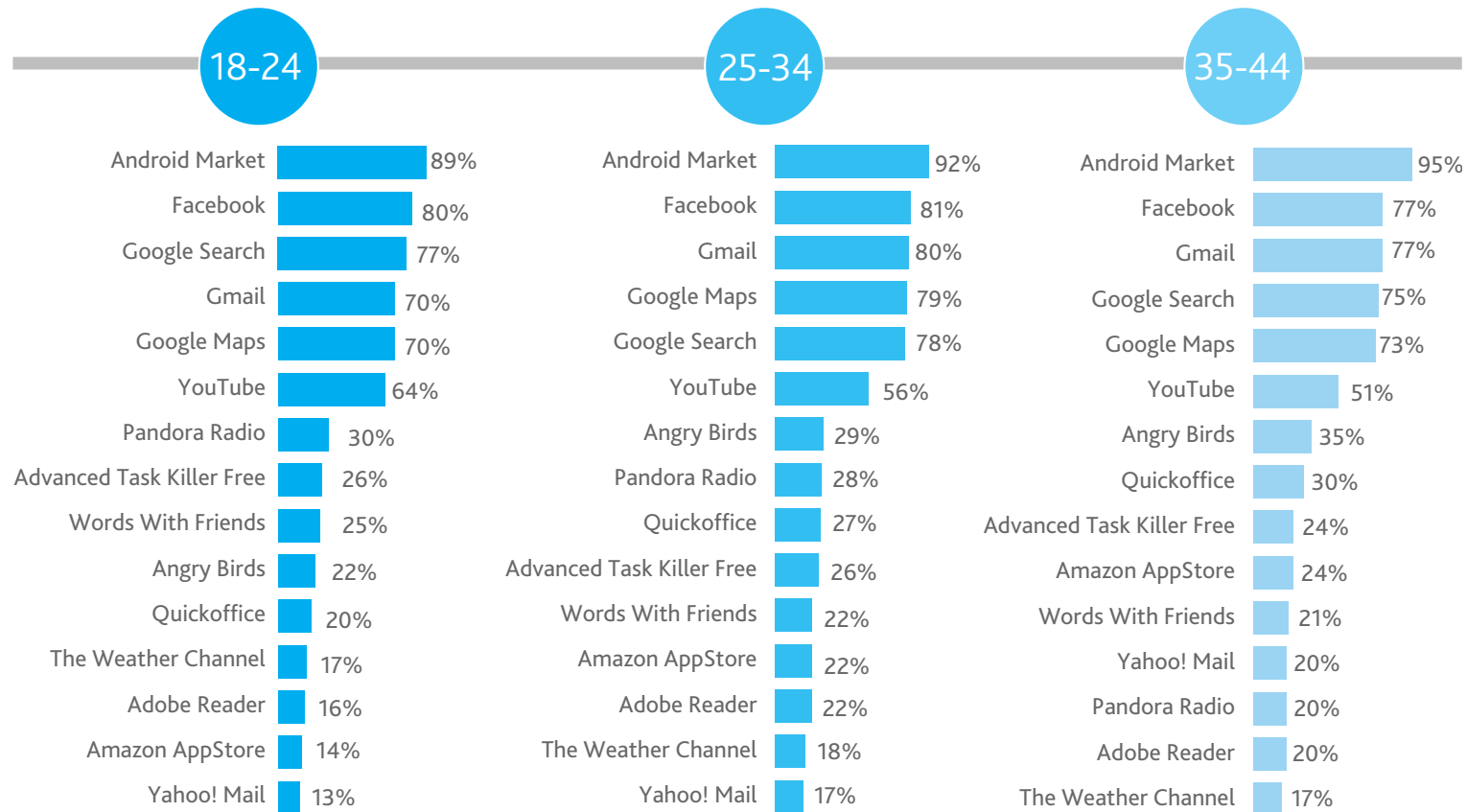
Q3 2011, Nielsen Mobile Applications Playbook



FACEBOOK AND GOOGLE PROPERTIES ALSO DOMINATE ANDROID SMARTPHONE APPLICATION USAGE ACROSS AGE GROUPS

Mobile application reach by age

September 2011, Nielsen Smartphone Analytics, Device Metering Data,

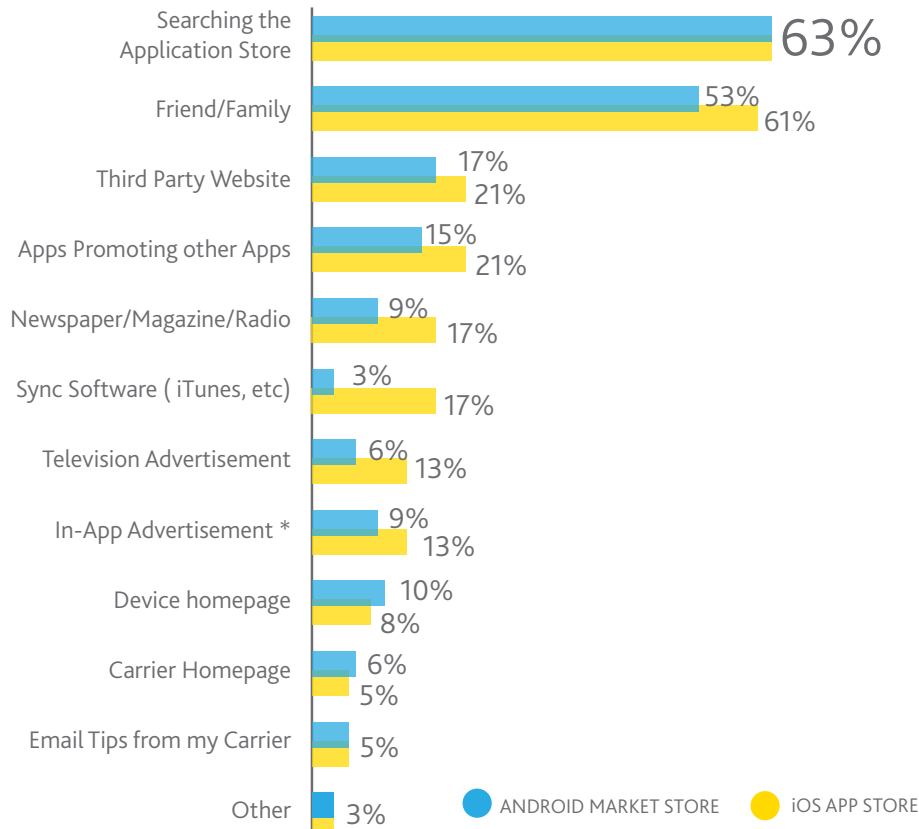


To rank mobile apps by active reach, that is, by the percentage of Android owners who used the app within the past 30 days, Nielsen analyzed usage data from its proprietary device meters on the smartphones of the thousands of consumer panelists 18 years and older who agreed to be a part of Nielsen's ongoing Smartphone Analytics research.

APPLICATION DOWNLOADERS DISCOVER NEW APPS BY SEARCHING TOP APP STORES AND RELYING ON RECOMMENDATIONS

HOW DO APPLICATION DOWNLOADERS DISCOVER NEW APPS?

Q3 2011, Nielsen Mobile Applications Playbook, Past 30 Day App Downloaders

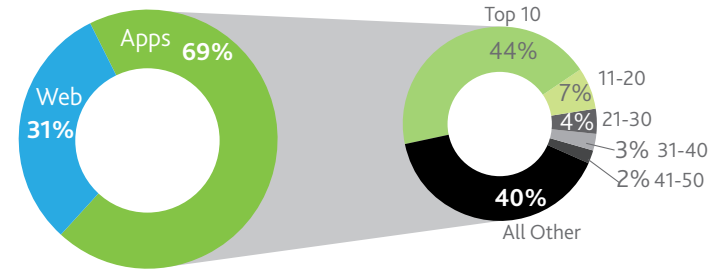


These mobile application insights come from a survey of nearly 5,000 respondents 13+ who reported having downloaded a mobile application to their device in the past 30 days.

TOP 50 APPS ACCOUNT FOR THE MAJORITY OF TIME SPENT ON ANDROID SMARTPHONES

Proportion of time spent on web/apps—Android

Distribution of time spent in apps—Android

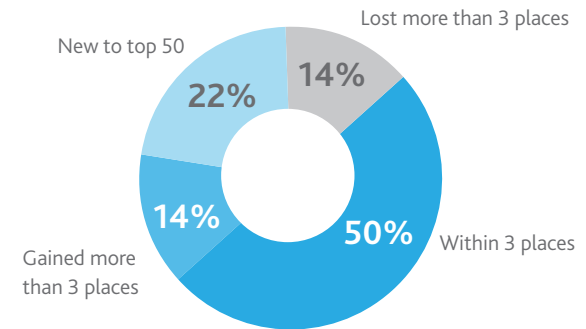


September 2011, Nielsen Smartphone Analytics, Device Metering Data

Of the 69 percent of the time spent on Android applications, users spend 53 percent interacting within those in the top 50.

The top 50 apps are always changing

August-September, Nielsen Smartphone Analytics, Device Metering Data



App developers shouldn't be discouraged, the top 50 apps are always changing. In fact, 1/5th were new to the top 50 list in September.

SOCIAL + LOCAL + MOBILE:

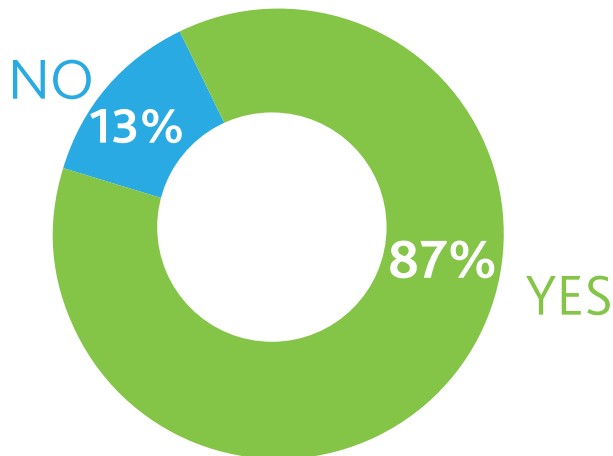
The promise of mobile marketing is its ability to reach the right consumer, at the right time, and in the right place—including at the very moment and point of purchase. The potential power of mobile is further magnified when you consider that smartphone users spent most of the time on social networking applications, like Facebook, when interacting with their devices. The term “So-Lo-Mo” (for social, local, mobile) has been coined to refer to this opportunity.

The insights presented below were collected from a survey of nearly 5,000 respondents 13+ who have downloaded an application to their device in the past 30 days.

So-Lo-Mo

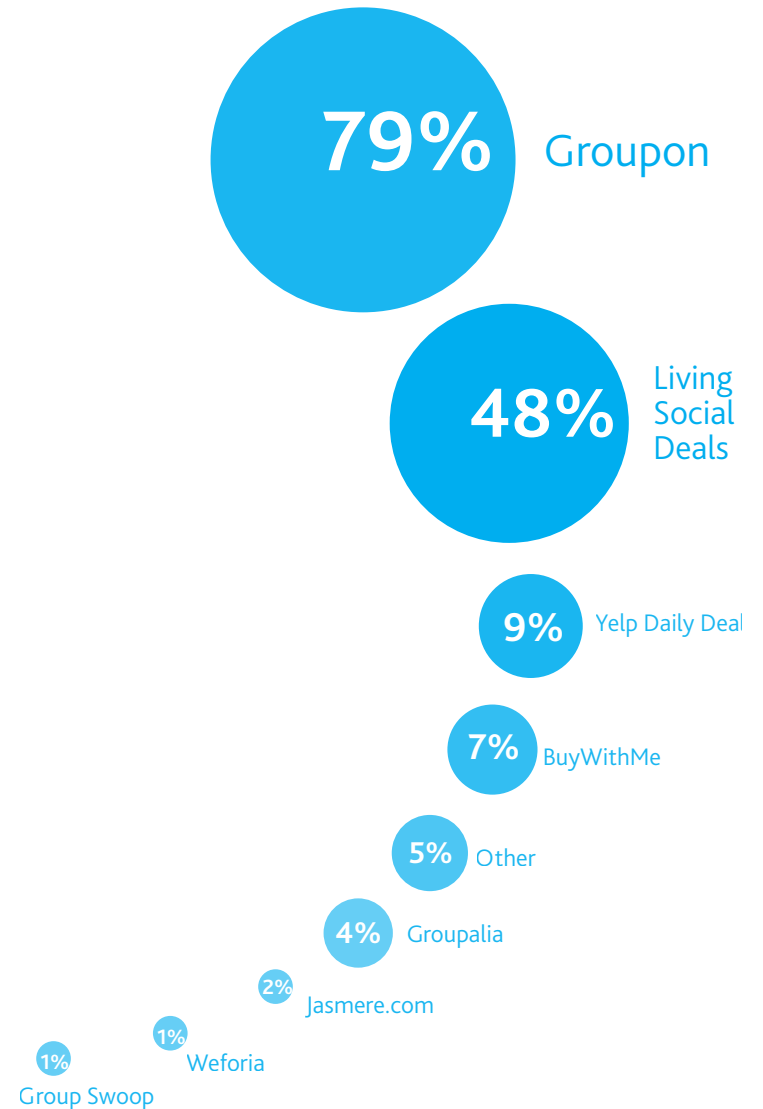
Whether Used Deal-of-the-Day Websites

Q3 2011, Nielsen Mobile Applications Playbook, Past 30 Day Discount/Coupon App Downloaders



Specific Deal-of-the-Day Websites Used

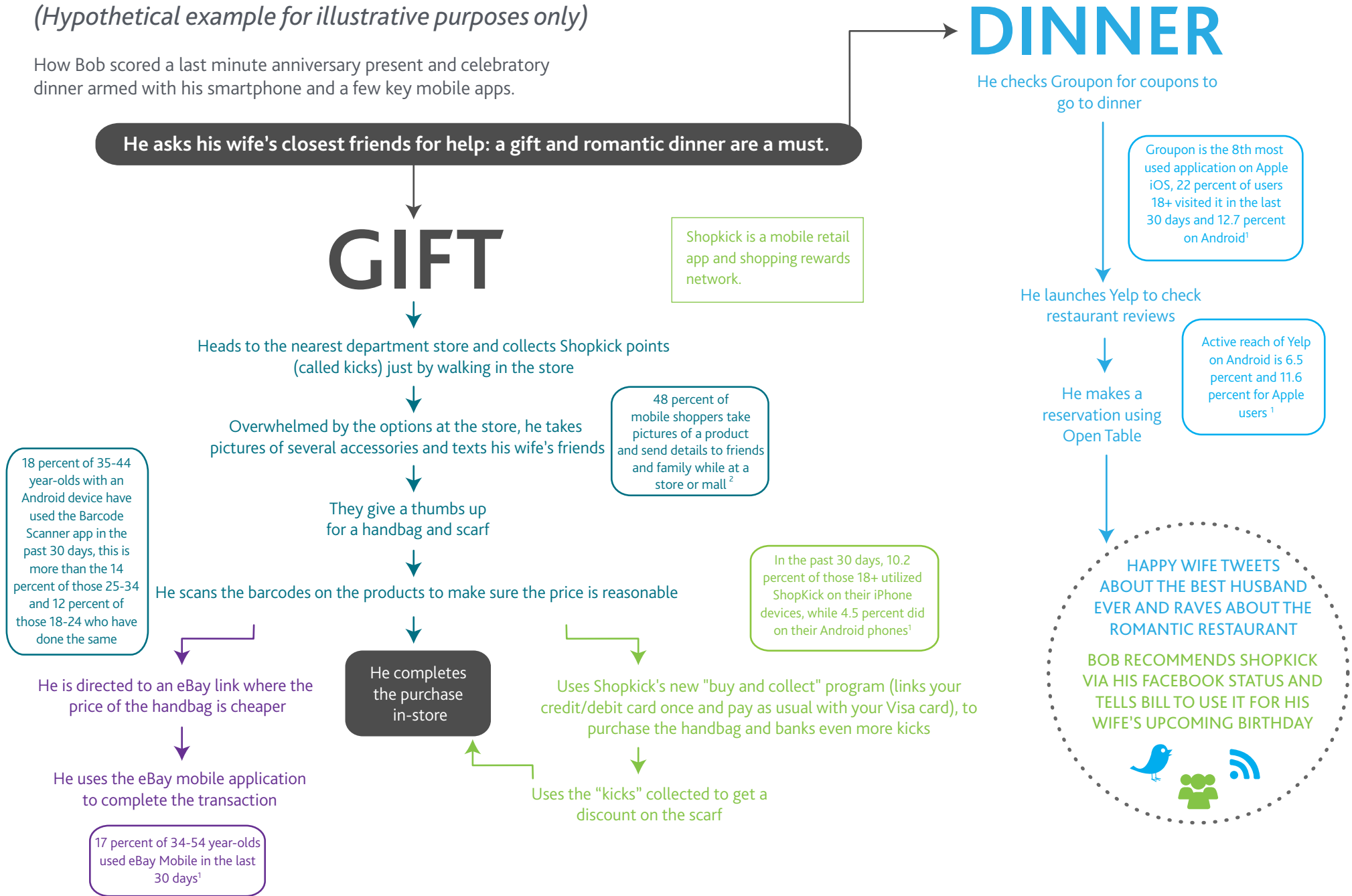
Q3 2011, Nielsen Mobile Applications Playbook, Past 30 Day Discount/Coupon App Downloaders



SO-LO-MO SAVES A MARRIAGE:

(Hypothetical example for illustrative purposes only)

How Bob scored a last minute anniversary present and celebratory dinner armed with his smartphone and a few key mobile apps.

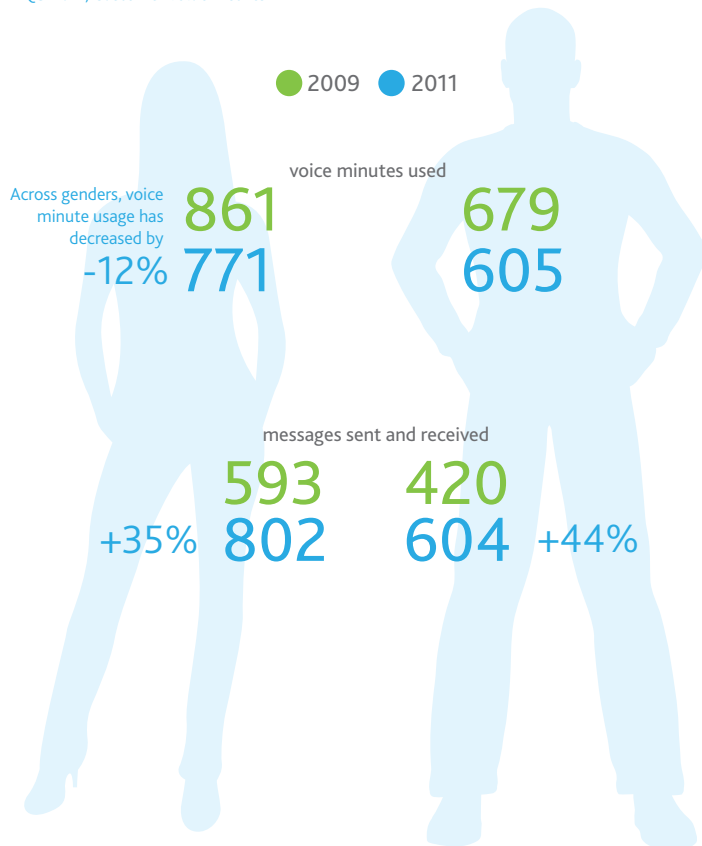


AS DEVICE CAPABILITIES EVOLVE, SO DO THE WAYS IN WHICH PEOPLE INTERACT THROUGH THEIR PHONES

According to Nielsen's quarterly panel of more than 65,000 post-paid mobile phone subscribers, 81 percent of today's mobile phone users have sent or received messages in the last 30 days. In 2009, that figure was 75 percent. Actual usage data is gathered from post-paid mobile phone subscribers and represent a monthly average of voice minutes used or messages sent and received.

Women are heavier mobile phone users than men when it comes to voice usage and messages, and this has remained consistent overtime.

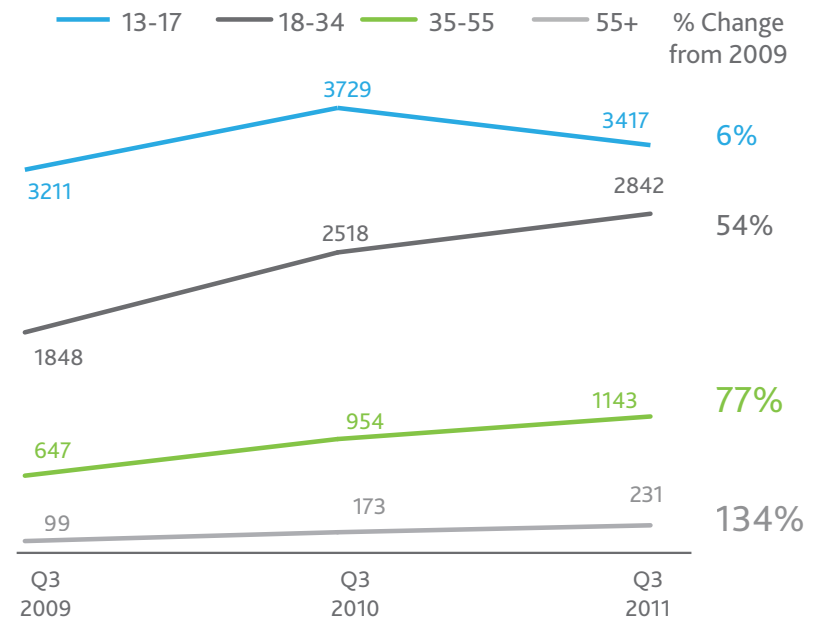
Voice minute and message usage by gender
Q3 2011, Customer Value Metrics



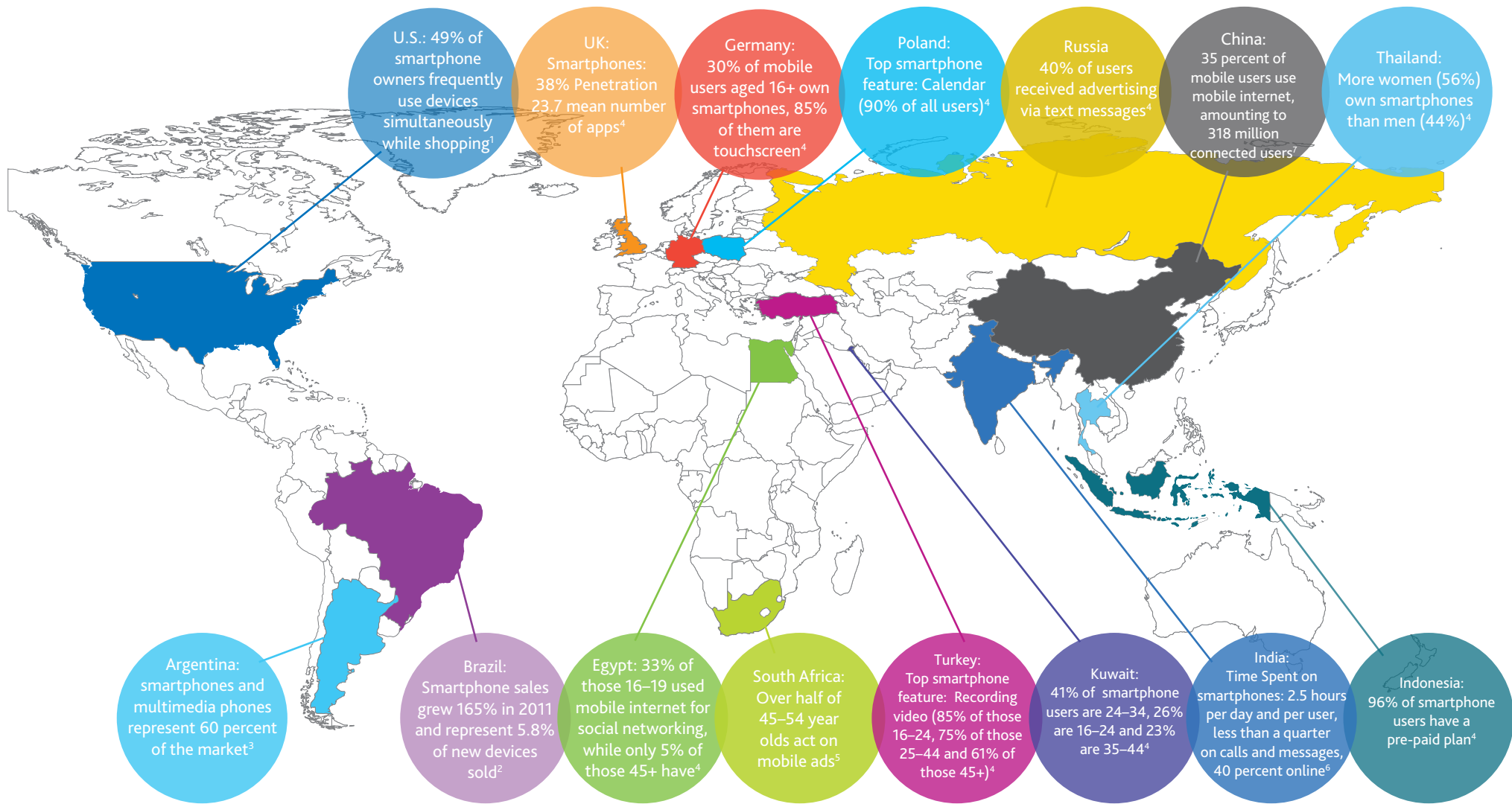
YOUNGER GROUPS MESSAGE THE MOST, BUT OLDER SEGMENTS SHOW THE GREATEST GROWTH

Those 24 and under send and receive the greatest volume of messages, and this trend has remained consistent over time. However, older folks are the fastest growing segment and have shown consistent growth overtime. Compared to 2009, the number of messages sent and received has more than doubled for those 55+.

Number of messages sent and received in the last 30 days
Q3 2011, Customer Value Metrics



GLOBAL MOBILE SNAPSHOT



FOOTNOTES

PAGE(S)

- 4 Nielsen, U.S. Mobile Insights, National (Q3 2009)
- 5 Nielsen, U.S. Mobile Insights, National (Aug-Oct 2011)
- 6 Nielsen, U.S. Mobile Video Survey (Q3 2011)
- 7 Nielsen, U.S. Mobile Insights, National (Q3 2011)
- 8-9 Nielsen, U.S. Mobile Insights, National (Aug-Oct 2011)
- 10-11 Nielsen, U.S. Mobile Insights, National (Aug-Oct 2011)
- 12-13 Nielsen, Smartphone Analytics, Device Metering Data (Sept 2011). Nielsen analyzed mobile usage data within the past 30 days from its proprietary device meters on the smartphones of the thousands of consumer panelists 18 years and older who agreed to be part of Nielsen's ongoing Smartphone Analytics research.
- 14-15 Nielsen, Applications Playbook (Q3 2011). Nielsen's Applications Playbook Q3 2011 is based on a survey of 4,705 mobile subscribers who reported having downloaded a mobile app in the past 30 days. The respondents completed an online, self-administered survey in September and early October 2011.
- 16-17 Nielsen, Smartphone Analytics, Device Metering Data (Sept 2011). Nielsen analyzed mobile usage data within the past 30 days from its proprietary device meters on the smartphones of the thousands of consumer panelists 18 years and older who agreed to be part of Nielsen's ongoing Smartphone Analytics research.
- 18 Nielsen, Applications Playbook (Q3 2011). Nielsen's Applications Playbook Q3 2011 is based on a survey of 4,705 mobile subscribers who reported having downloaded a mobile app in the past 30 days. The respondents completed an online, self-administered survey in September and early October 2011.
- 19 Nielsen, Smartphone Analytics, Device Metering Data (Sept 2011). Nielsen analyzed mobile usage data within the past 30 days from its proprietary device meters on the smartphones of the thousands of consumer panelists 18 years and older who agreed to be part of Nielsen's ongoing Smartphone Analytics research.
- 20-21 Nielsen, Applications Playbook (Q3 2011). Nielsen's Applications Playbook Q3 2011 is based on a survey of 4,705 mobile subscribers who reported having downloaded a mobile app in the past 30 days. The respondents completed an online, self-administered survey in September and early October 2011.
- 22-23 Nielsen, Smartphone Analytics, Device Metering Data (Sept 2011). Nielsen analyzed mobile usage data within the past 30 days from its proprietary device meters on the smartphones of the thousands of consumer panelists 18 years and older who agreed to be part of Nielsen's ongoing Smartphone Analytics research.
- The Mobile Shopping Framework Study (June 2010). Syndicated report based on a survey of 8,384 Internet shoppers ages 13-64.
- 24-25 Nielsen, Customer Value Metrics (Q3 2011).
- 26-27
1. U.S.: Nielsen, Mobile Connected Device Report (Q3 2011). Nielsen's Mobile Connected Device Report is based on a survey of 7,692 respondents who own a Tablet, e-Reader, Portable Media Player, Smartphone, or Netbook. The respondents completed an online, self-administered survey in September and early October 2011.
 2. Brazil: Q1 2011, Nielsen Mobile Retail Index
 3. Argentina: Q3 2011, Nielsen Mobile Retail Index
 4. United Kingdom, Germany, Poland, Russia, Egypt, Turkey, Kuwait, Thailand and Indonesia: Q3 2011, Nielsen Smartphone Insights
 5. South Africa: 2011, Nielsen Mobile Insights (Base = those who use mobile phones n=1965)
 6. India: July 2011-Dec 2011, Nielsen Smartphone Analytics, Device Metering Data
 7. China: July 2011, China Internet Network Information Center