

2013

EMERGING MARKETS MOBILE ATTITUDES REPORT



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INTRODUCTION

The companies that define our current age and the next generation can be narrowed down to some big players, including Apple, Google, Samsung and Facebook. While each has enjoyed massive success in building over a billion users worldwide, each now faces a new challenge.

Each company is now reaching a point of saturation – particularly within the developed markets where they enjoyed their initial success. In order to keep shareholders happy, companies must continue to attract and monetise new users – but where will the next billion customers come from and how can they be reached? A point of convergence for all the big players is that emerging markets hold the key to unlocking a new mass of customers, and it will be via mobile devices that they can connect with them. Essentially, mobility will be the key to unlock this customer base.

The widespread arrival of the mobile Internet in emerging markets is set to take place in 2013. Improved network connections and the increasing availability of quality content will undoubtedly drive usage among users that are likely to have their first Internet experience on a mobile device. In fact, people in the developing world are going straight to the mobile Internet – leapfrogging devices such as desktop PCs. Thanks also to the entry of low-cost smartphones, these types of devices are becoming less of a luxury item, and more of an essential and multifunctional device for consumers in these markets.

Emerging markets are consequently a major focus area and growth opportunity for both mobile vendors and telecoms service providers. App developers and mobile software providers are also recognising the opportunity to reach and make money from a new data demanding audience. Here, both will also play an integral role in enabling consumers to access content on sales and marketing channels, healthcare, transportation, agriculture, energy, and social development.

According to Informa, just 4 per cent of Africans had smartphones in 2012. Additionally, by 2017 Ovum expects China, India, and Indonesia, to have 3 billion mobile connections between them. Both of these figures highlight the potential of these relatively untapped markets. But what is the winning formula to crack the emerging markets? What do consumers in these regions want? While the current debate focuses on low-cost smartphones, what types of devices do consumers in emerging markets want? And at what price point? Furthermore, does brand desirability override all other factors? Will the winning brands in the West also be the winners in the emerging markets?

The **2013 Emerging Markets Mobile Attitudes Report**, commissioned YouGov and Vanson Bourne to poll the views of a representative sample of 3,670 adults in Brazil, India, Nigeria and Saudi Arabia regarding their mobile preferences. The results reinforce that mobile represents the biggest opportunity in emerging markets and help determine what developments big mobile and Internet players will need to bring to these regions in order to connect to the next billion consumers.



Marco Veremis,
CEO, Upstream

ABOUT UPSTREAM



The 7 billion global mobile users are the new, coveted prime audience that companies everywhere are trying to reach. However, while the average person receives an annual dose of 750 marketing messages, the average person also ignores them all. Mobile marketing monetization isn't really working at the moment. Reaching mobile users is not the real challenge. Converting them into paying customers is what really matters. Nobody does this better than Upstream.

Upstream has marketed to 600 million consumers and converted 65 million of them into paying customers, producing incremental data revenues exceeding \$700m. Our marketing technology platform, MINT, has generated 30 billion interactions with consumers across all continents and helped us build the strongest knowledge base in the industry. MINT makes it possible to drive better content, context and real-time adjustments that result in more convincing sales messages. Unique gamification and campaign management capabilities deliver the highest customer adoption and purchase rates in 23 languages.

Upstream offers global coverage with offices in London, Redwood City, Rio de Janeiro, Singapore, Dubai, Athens, Bucharest, Rome and Lagos.

part 1

EMBRACING THE MOBILE REVOLUTION

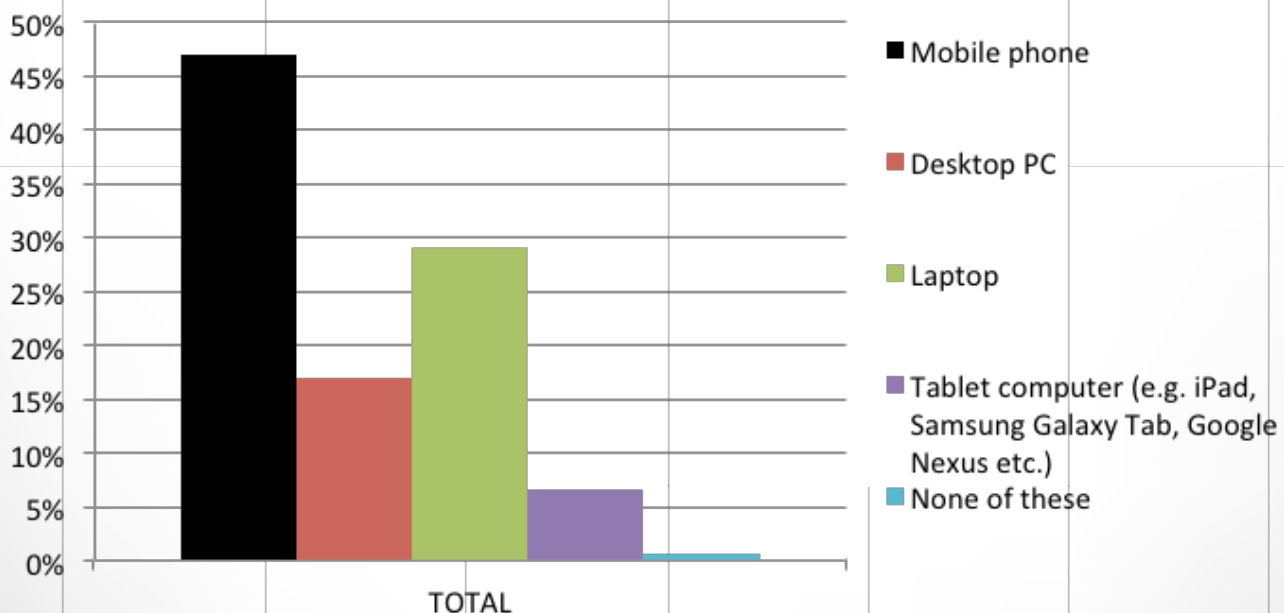
1.1 MEASURING MOBILE USE

Since data became available on mobile devices, personal communication, entertainment, and information consumption have been ever changing. Mobile devices have become a necessity in our daily lives and most of us have come to rely on them as a means of communication, source of instant information, entertainment, news and more. In fact, mobile devices have become so essential that 2013 is set to be the year where the number of mobile Internet devices will even outnumber humans (CISCO: 2013).

Of the world's six billion mobile phones, more than three quarters are located in the developing world. Despite the high level of phone usage in developing markets, growth is set to rocket – particularly in the smartphone markets. Analyst firm Ovum expects that there will be 1.6 billion new mobile connections across the world by 2017 – with Africa identified as the fastest growing region. Additionally, according to the GSMA, sub-Saharan Africa is expected to add 175 million new mobile users just in the coming three years. These predictions make the emerging markets all the more appealing for mobile players of all shapes and sizes, including operators, handset manufacturers and mobile content and service providers.

The importance of mobile devices to consumers is reflected in the Upstream Emerging Markets Mobile Attitudes report where mobile is identified as the most used personal device for almost one in two consumers (47 per cent). Mobile use surpassed the time spent on laptops (29 per cent), tablets (7 per cent) or desktop PCs (17 per cent).

Fig.1 Which of the following devices that you personally own do you use MOST often?



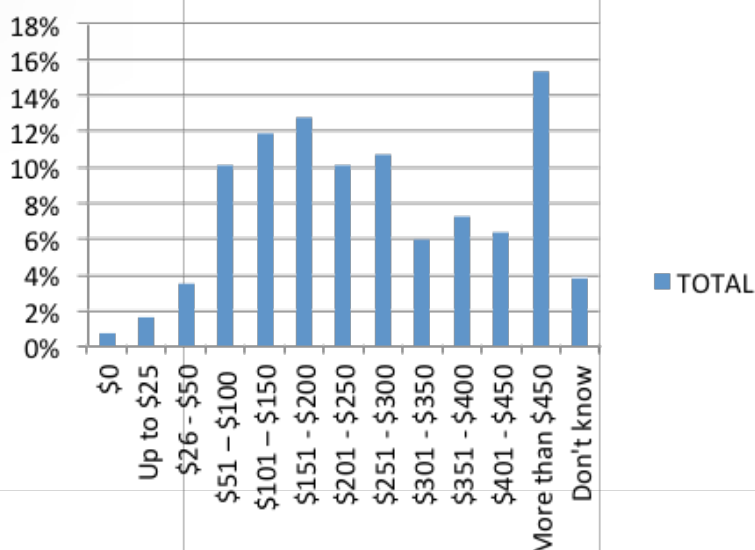
1.2 ACCEPTABLE LEVELS OF CONSUMER ENGAGEMENT

Despite feature phones still dominating the mobile market in these regions, the report highlights that an appetite for smartphones is evident. In particular, demand for Internet connectivity means that consumers within the emerging markets are increasingly turning to smartphones in order to access the web and data services.

When looking at how much consumers are willing to spend on purchasing a new mobile phone handset, almost half of respondents would be happy to pay between \$100 and \$300 for a phone; clearly demonstrating that people in these markets are prepared to make significant investments in mobile devices. With mobile devices often regarded as a status symbol, a sizeable 15 per cent of consumers stated they would be prepared to spend \$450+ for a new phone. Clearly respondents within this bracket are looking to purchase the highest end smartphones with maximum features and functionality.

However, it is important to note that almost a third of consumers (29 per cent) would not spend more than \$100 dollars – showing that cost is still an important consideration for a large number of consumers.

Fig.2 Please imagine that you were looking to buy a new mobile phone/ smartphone handset. Approximately how much would you be willing to pay?



COUNTRY SNAPSHOT

BRAZIL:

62 per cent are prepared to spend over \$200 on their mobile, while an additional 20 per cent would be prepared to spend over \$450 on their mobile

INDIA:

The majority of Indians (63 per cent) are prepared to spend over \$200 on their mobile, but 10 per cent would be prepared to spend over \$450 on a device

NIGERIA:

Over a third (36 per cent) of Nigerian consumers are prepared to spend over \$200 on their mobile, while just 3 per cent of Nigerian consumers are prepared to spend over \$450

SAUDI ARABIA:

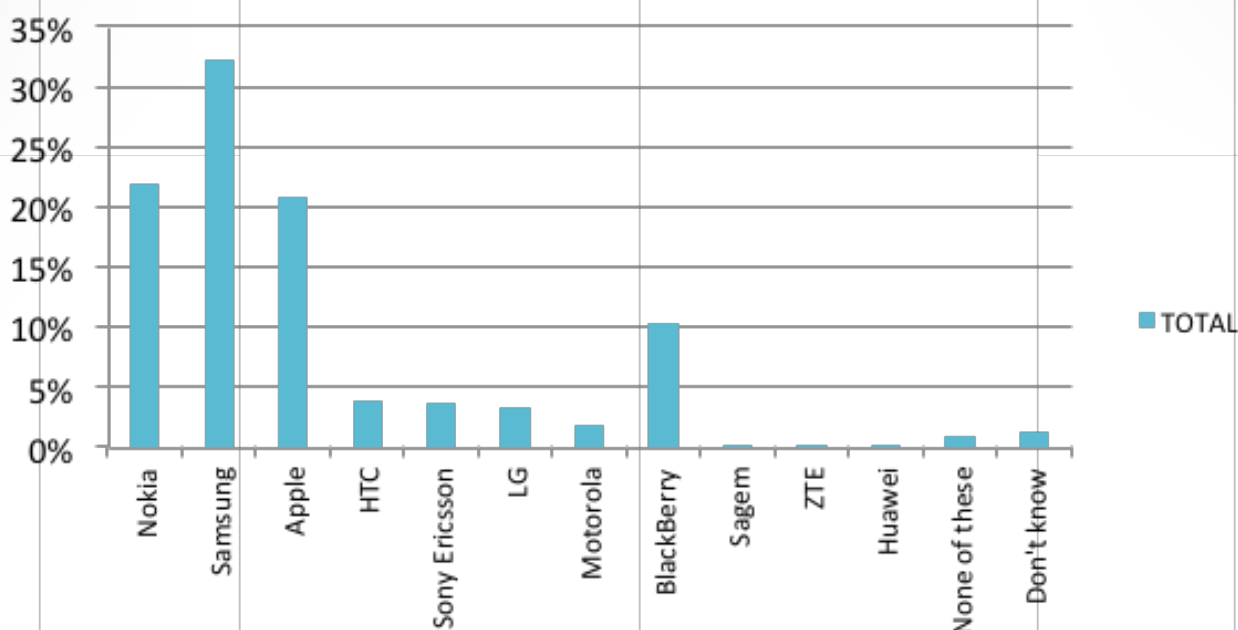
100 per cent of consumers in Saudi Arabia would be prepared to spend \$200+ on their mobile device

1.3 BATTLEFIELD OF BRANDS?

In the race to the emerging markets, which brands are currently in the lead to unlock a new mass of consumers? While the biggest players in the West are also some of the most coveted brands in developing regions, the order of the front runners is notably different in the emerging markets. Firstly, the results find that the popularity of Apple in the West is lost in emerging markets. In fact, on the wish list of handsets consumers would like to own in emerging markets, those developed by Apple (21 per cent) are typically the third most sought after. The research uncovers Samsung as victorious in these regions, a brand favoured by almost a third of consumers (32 per cent). Nokia secures second place (22 per cent), which in part can be attributed to the investment it has made in emerging markets and its lower cost handsets.

Despite wide reported losses of global market share, Blackberry is still the fourth most favoured brand and can be regarded as a contender to watch following the launch of its latest device, Z10. Other handsets that were selected include HTC and Sony Ericsson (both at 4 per cent), as well as Motorola (2 per cent). While brands such as LG lagged behind others (3 per cent), the company's recent announcement that it is expanding its store presence in the emerging markets mean its desirability as a brand might improve in subsequent years. Additionally, although Huawei was not selected at all, if its joint partnership with Microsoft for the 4Afrika Initiative, can deliver connectivity at an affordable price – the manufacturer can also be regarded as a potential future challenger to Samsung's current dominance.

Fig.3 If you didn't have to worry about the price of the device, which of the following brands would you MOST like to purchase a handset from?



1.4 FORMULATING A WINNING STRATEGY

The low-cost smartphone strategy has dominated the emerging markets debate. A widespread consensus exists that in order to successfully penetrate these regions and monetise the masses, brands must be able to market devices that are priced at \$100 or less – thereby taking into account the purchasing power of emerging market consumers.

Despite this reasoning, a customer base exists for high-end devices, after the research uncovers that just over a third of consumers (34 per cent) would purchase

COUNTRY SNAPSHOT

BRAZIL:

Samsung (35%), Nokia (23%), Apple (19%)

INDIA:

Samsung (38%), Nokia (20%), Apple (19%)

NIGERIA:

Nokia (37%), Blackberry (21%), Apple (15%)

SAUDI ARABIA:

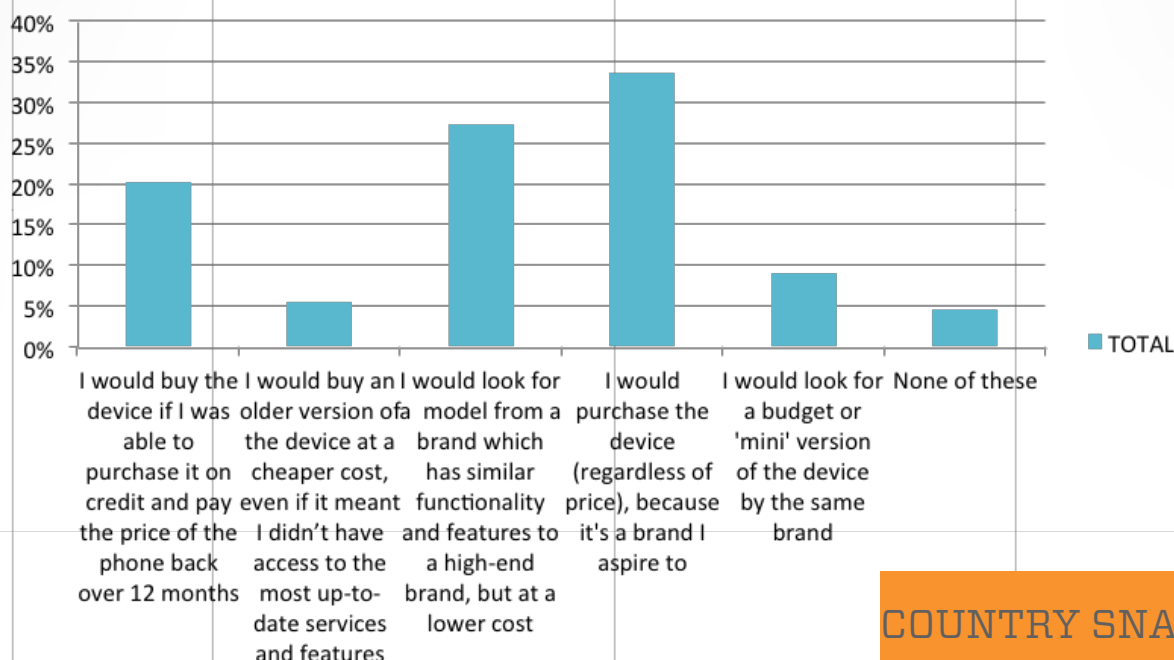
Samsung (42%), Apple (31%), Nokia (8%),

a device from their favourite brand, regardless of price, because they aspire to that brand. While premium brands such as Apple, stand to benefit from this segment of consumers – whether its strategy in the West can be replicated in the emerging markets is yet to be seen. Apple so far has not indicated it will implement a low-cost growth strategy for these rapidly expanding new markets – however the findings reveal that Apple and others need to make considerations – such as affordability.

However, saying that the majority of consumers would be prepared to pay the same would be misleading. It's vital to remember that for consumers it's not just the cost of the device that's important – but the total cost of ownership

which includes call and data charges and possibly a lengthy contract. Brands unwilling to reduce the total cost of their device should work with operators and resellers to offer payment plans which offer consumers a credit function. This would mean they would not have to pay the upfront cost of the device and would not have to be tied into post-paid agreements – an option that one in five consumers would want. Essentially, the importance of offering the right device, with the right level of functionality on data plans that are suitable and affordable, is critical.

Fig.4 Please imagine that you were looking to purchase a high-end smartphone (i.e. an expensive smartphone with lots of features/ functionality e.g. Apple iPhone Which of the following BEST describes what you would do?



Considering other strategies, brands may wish to consider marketing a 'mini' series of their devices, after 9 per cent of respondents stated they would be inclined to purchase a less sophisticated version of their favourite branded devices. A further 5 per cent of consumers would settle for an old model of a device if the cost of the phone is reduced – showing that at least 14 per cent of consumers are willing to compromise on device features if it means they can save on price.

However, brand desirability cannot guarantee success in these new markets. Although consumers in these markets are prepared to purchase valuable phones, if the device is priced too high or deemed beyond their reach, almost a third of consumers (27 per cent) will ultimately bypass their favourite brands and buy devices which feature similar functionality, offered at a cheaper price. While there's a correlation between income and brand affinity, in the developing world the mobile phone is an item of absolute day to day necessity, so brand choice becomes less important.

While Samsung and Nokia currently hold the edge over others in these regions, it is difficult to predict which brands are guaranteed to be successful in the long-haul. The leader board may change significantly if competitors introduce a more effective formula to crack the emerging markets. For example, the exclusive partnership Orange has made with Chinese Internet company Baidu to develop a co-branded local language Internet browser (available in Arabic, English and later French). In regions where there are lower levels of literacy among the mass population, taking into account local language or cost considerations – might prove to be a more powerful strategy than simply relying brand desirability alone.

COUNTRY SNAPSHOT

BRAZIL:

Two in five Brazilians would like to buy their devices on credit

INDIA:

A third of Indians would purchase a device from their favourite brand regardless of the price

NIGERIA:

20% of Nigerians would bypass favourite brands for cheaper devices

SAUDI ARABIA:

Saudi consumers (39%) are most likely to purchase a device (regardless of price), because it's made by a brand they aspire to own

part 2

Data boom of a different kind?

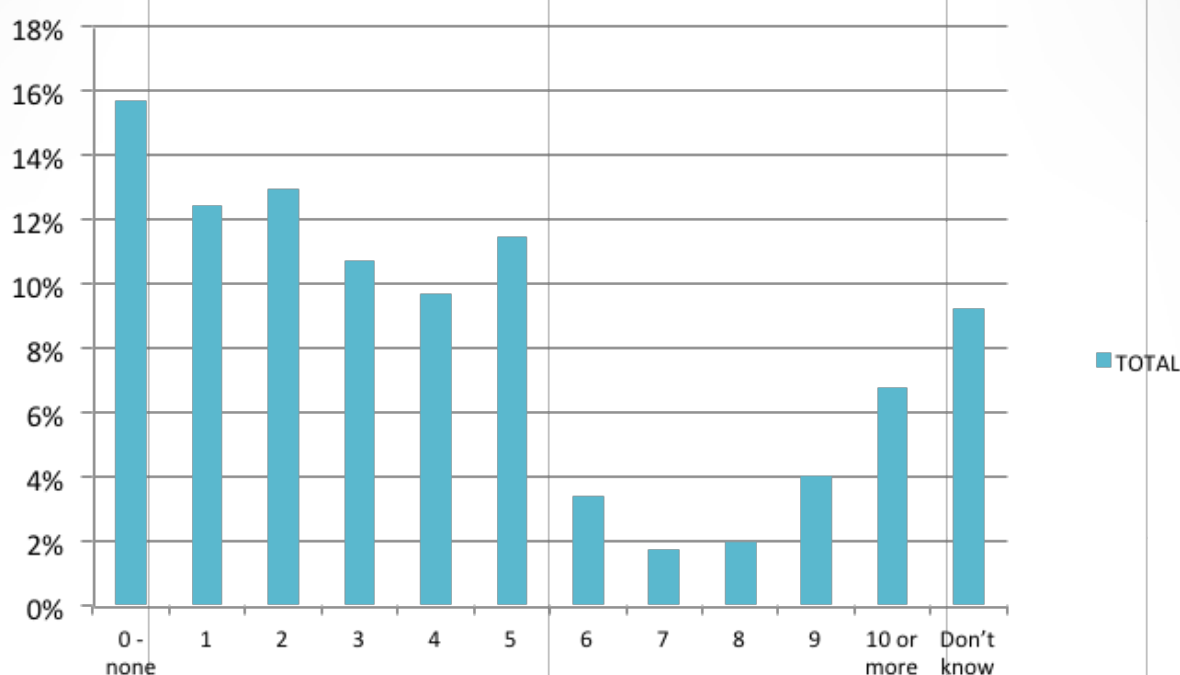
Mobile content consumption in emerging markets

2.1 EVALUATING THE MONETISATION OPPORTUNITY

This year the GSMA predicted that data revenues are expected to overtake revenues from voice calls in both developed and emerging markets by 2018 as smartphones and tablets, especially budget models, become more dominant. This prediction is supported within the research, with consumers expressing a high propensity to purchase content and spend on applications. According to the findings, consumer monthly spend on mobile content and services in emerging markets reaches almost \$1 billion.

The findings show that 60 per cent of consumers are prepared to spend up to \$5 every month on mobile applications, and in Brazil, one of the fastest growing mobile markets, 14 per cent of consumers would pay \$10 or above every month. On average across all the countries polled, 7 per cent of all consumers also said they would be willing to pay the same.

Fig.5 If an app or subscriptions to specific content (e.g. news alerts, sport, etc.) cost an average of \$1 USD per app/ update, how many do you think you would be prepared to pay for every month?

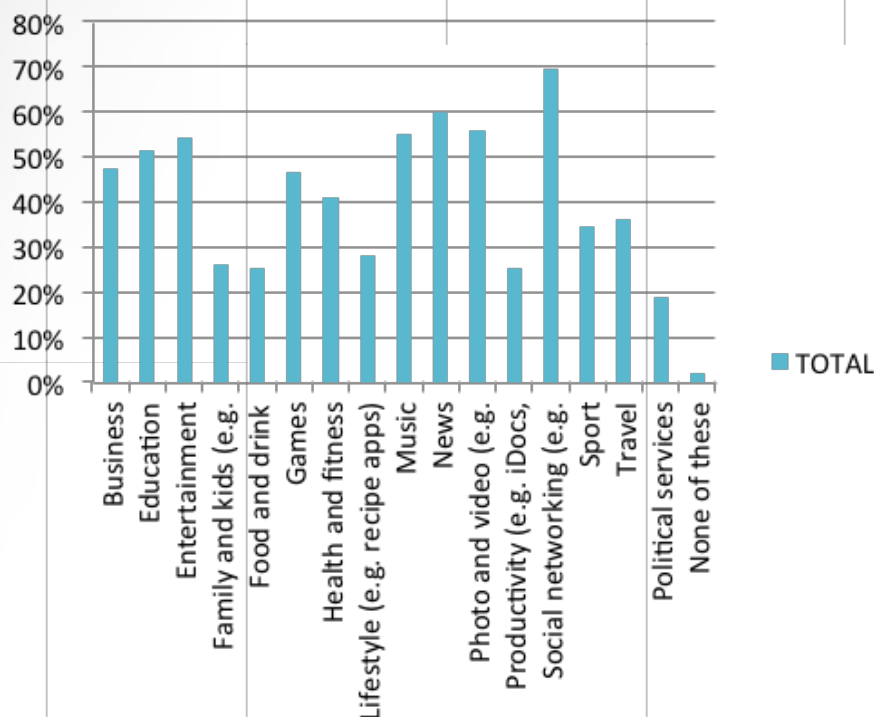


2.2 DATA DEMANDS

Although there is a clear demand for data, it is important to ask whether consumers in these markets are interested in the same type of content and applications as consumers in the West, or will we witness a data boom of a different kind in the emerging markets? Identifying the type of content demanded by consumers will assist companies interested in investing in emerging markets in making content which caters to consumer preferences and help understand the difference in how mobiles are used in these markets. For example, the fact that the United Nations recently used text messages to reach more than 5,000 people across 30 countries in the developing world for its 'Global Snapshot of Wellbeing' report, shows how mobile phones are being utilised as far more than a means of communication or entertainment – but how they are used to send and receive critical data to benefit consumers in these countries.

The data shows that consumers are prepared to spend money on all manner of products and services such as mobile banking, educational materials and health and agricultural information services that they can use in their daily lives. Apps related to education are of interest to over half of respondents (52 per cent), followed by business (47 per cent), then health (41 per cent), and almost one in five who would use their mobile to access political services (19 per cent).

Fig.6 Which of the following types of content do you/ would access to through a mobile phone/ smartphone (e.g. via an app, news alerts, website access etc.)?



2.3 FACEBOOK HOME : HIT OR MISS?

However, this is not to say that social network connectivity is not high on the list of demands. In fact, the results show that 70 per cent of consumers would like access to social networks, 60 per cent want access to news, in addition to entertainment (54 per cent) and photo/video applications (56 per cent). The high demand for social network connectivity in emerging markets means Facebook's latest step towards the mobile device manufacturing ecosystem, via Facebook Home, will be welcomed by people in these regions. While Facebook Home falls short of actually being a Facebook phone, (rather it places the social network front and centre on Android users' smartphones), its partnership will serve Facebook and brands on the Android operating system well. It also has the potential to present a risk to brands who cannot offer this feature to their customers, for example Nokia or Apple. Eventually however, we can expect to see Facebook Home move beyond the Android operating system.

COUNTRY SNAPSHOT

BRAZIL:

69% Social Media
39% Education
Business 33%,
Health 37%

INDIA:

70% Social Media
50% Education
40% Health
49% Travel

NIGERIA:

80% Business
78% Social Media
74% Education
56% Health

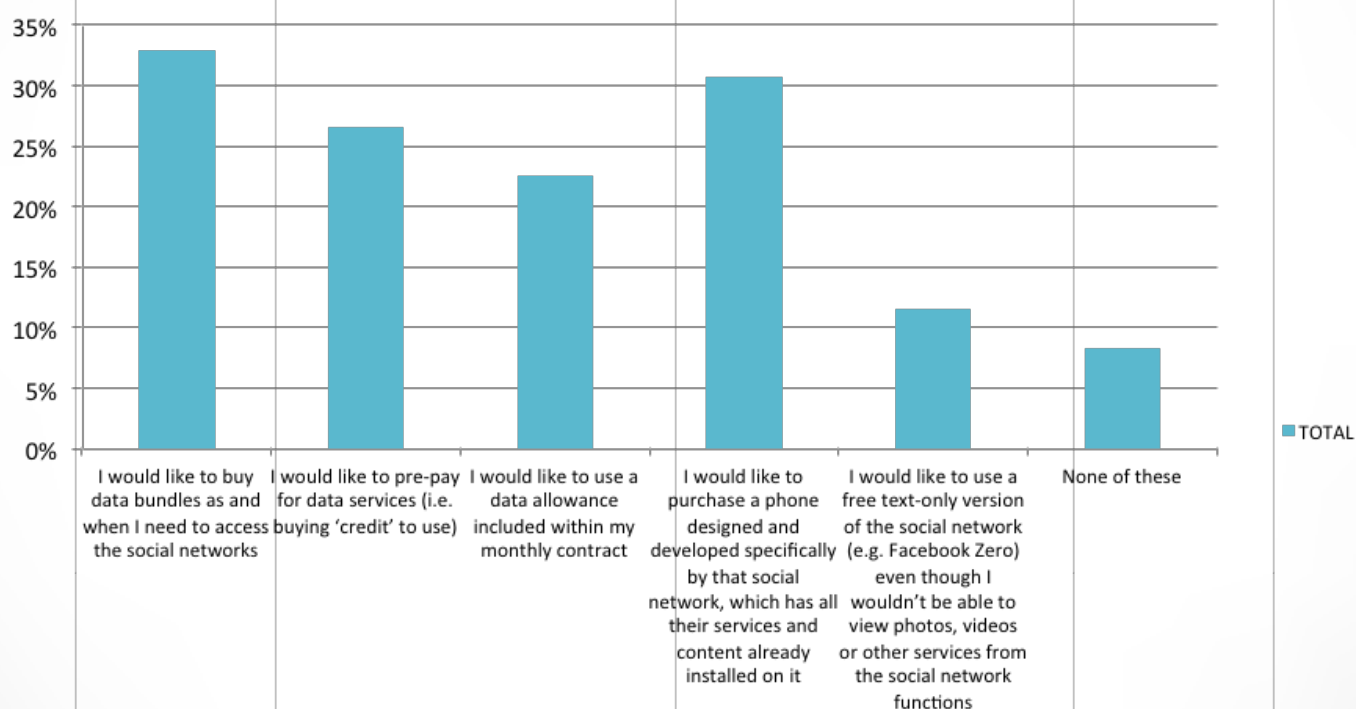
SAUDI ARABIA:

61% Social Media
44% Education
34% Travel
31% Health

The appetite for social network connectivity via mobile in emerging markets is huge, to the point that a third of consumers want a phone designed by the social network with relevant content and apps preloaded (31 per cent). As the first device to have Facebook Home preloaded, the HTC First could stand to benefit in these markets. While HTC was only selected by 4 per cent of consumers as their brand of choice, this might quickly change for a couple of factors. Firstly, due to the Facebook content it hosts and secondly, the price point of the device - although more expensive than other smartphones available - at \$99 it is more in line with what the wider mass of consumers in these markets can afford. However, as brand affinity in these markets is also high and Samsung currently tops the leader board, given that Samsung devices also operate on Android, Facebook Home might create new opportunities for the company.

However, the results also show that for more than one in ten consumers, having limited access to social networks is enough. In fact, rather than paying data charges to access to photo and video content - 12 per cent of emerging market consumers would prefer to use Facebook Zero, a free text only version of the social network. The way in which over a quarter (27 per cent) of consumers want to pay for data services for social networks is in a pay as you go format, compared to 23 per cent who would like to have a data allowance included within their monthly phone contract. Finally, a third of users would like to purchase data bundles when needed and access social networks in a way which offers maximum flexibility.

Fig.7 When using social networks (e.g. Facebook, Twitter etc.) via a mobile phone/ smartphone, which would apply to you?



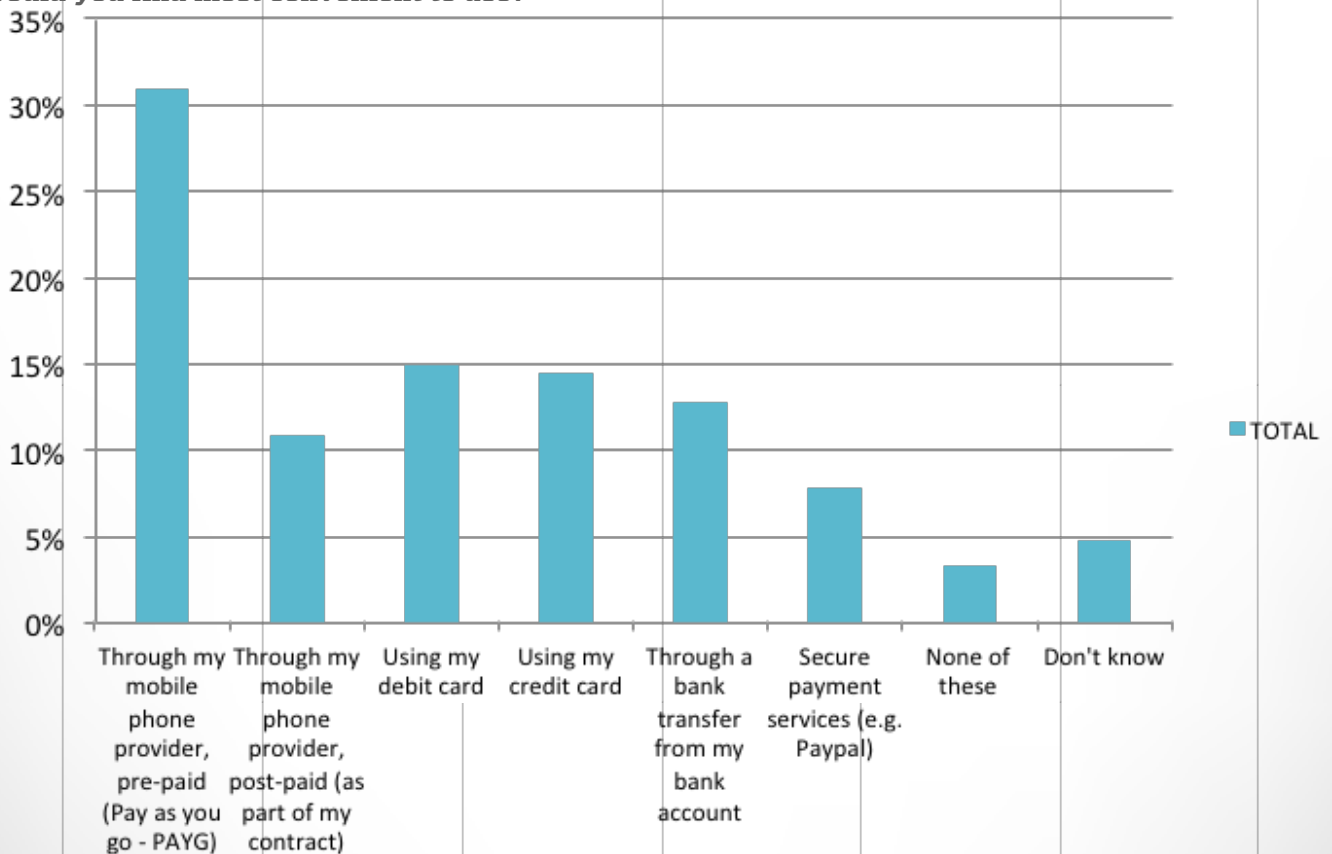
2.4 OPERATING WITH AN ADVANTAGE

Aside from device manufacturers, another group of major investors in the race to emerging markets are mobile network operators, a group identified as ideally placed to claim a major stake of the mobile market in developing regions. The established presence network operators have in these new markets, in addition to the existing relationships they have with consumers, means that they are most suited to provide these mobile data services and capitalise on the opportunities presented.

In the West, Mobile Network Operators (MNOs) have been missing revenues generated by Over The Top (OTT) services – new communications services for users which are making their way onto handsets through mobile app stores, often for free and which work without the need of operator's networks – such as Skype or WhatsApp. However, MNOs now have the ability to make up lost ground in the emerging markets. Essentially, MNOs are now in a prime position to capitalise on the data revolution set to take place in emerging regions and ultimately take on the highly sought after role that third party providers have secured in the West.

While the demand for data is present, the mechanics behind the payment for consumers are limited. This means that emerging markets need a different approach in terms of the way apps and data can be purchased which is in line with consumer means, affordability and preferences. The report identifies the huge opportunity available to MNOs to build a more appropriate and effective model and deliver the data content and applications that consumers desire given the established billing relationship they have in place with consumers. In fact, when questioned about how they would like to pay for content such as mobile apps or alerts, nearly half of all emerging market consumers (42 per cent) favoured payment through their MNO.

Fig.8 Please imagine that you had to pay to access content through a mobile phone/ smartphone (e.g. paid-for apps, subscriptions to news alerts etc.)... Which of the following methods of payment would you find most convenient to use?



The lack of access to credit cards and banking facilities in these regions has meant that the majority of consumers polled expressed an interest in being billed for content and apps by their MNO. As the findings show, the majority of users (31 per cent) would like to avoid long contracts and simply pay for data services through their mobile phone provider as part of a pre-paid or 'pay as you go' format. An additional 11 per cent would again like to pay for data via their MNO, however as part of a post-paid plan.

Paying through debit card (15 per cent) and credit cards (14 per cent) is favoured by a smaller number of emerging market consumers. These results indicate that the current app store model present in the West, which requires consumer credit or debit card details, is not one that can be easily transferred into emerging markets - where there is a preference for operator billing. While Android has made moves to allow payment for apps through mobile phone providers, this is something that needs more consideration from those players behind major mobile operating systems. The door is also open for MNOs to develop their own propositions to rival OTT services, including instant messaging applications or even their own app stores with unique content.

Where others will fall at the various hurdles in the race to the new markets, MNOs are a step ahead with a unique advantage. Not only have consumers expressed a preference for paying for data services through their MNO but network operators also own the most pervasive marketing channel in those markets to drive adoption for apps - the mobile phone itself. As the research has shown, many consumers are looking for handsets developed specifically by their favourite social network or to pay for data services in a "pay as you go" format - something that Apple's app model does not complement. Where Apple and others will have to review their models to secure their next billion customers in emerging markets, the door lies open to MNOs to work with other handset manufacturers to build a more appropriate and effective model.

COUNTRY SNAPSHOT

BRAZIL:

Brazilian consumers would most like to pay for content over their mobile phone via a mobile operator on a "pay as you go" basis (34%)

INDIA:

Just 14% of Indians would like to pay for content as part of a contract

NIGERIA:

Nearly half of Nigerian consumers (46%) believe the most convenient way to pay for content and services over their mobile is on a pre-paid, 'pay as you go' basis

SAUDI ARABIA:

Saudi consumers would most like to pay for content over their mobile phone on a pre-paid, "pay as you go" basis (27%)

part 3

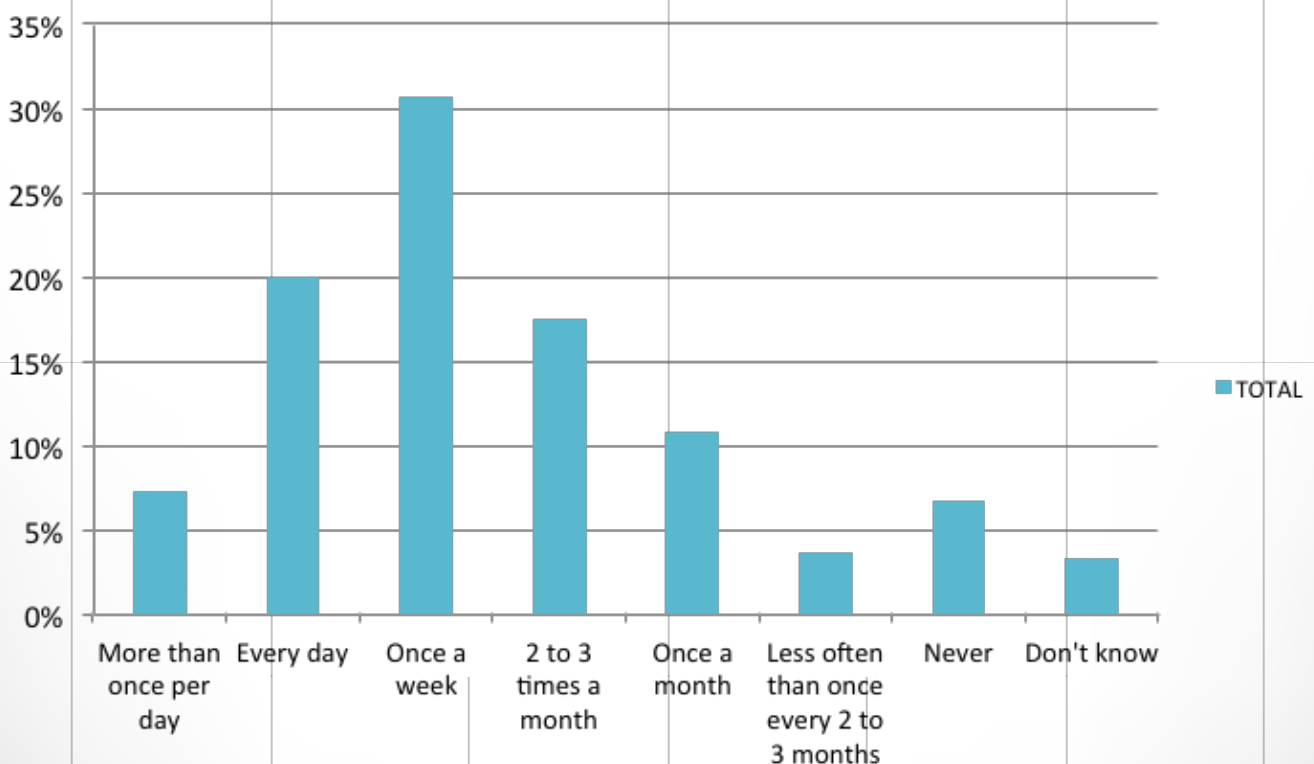
ATTITUDES **TO MOBILE ADVERTISING**

As mobile operators and other dominant mobile players attempt to monetise their existing and new mobile user base, mobile advertising will play an increasingly important role going forward. While mobile advertising has been a booming trend in Western markets, Ad Age projects that in 2014 overall advertising spend in emerging markets (including mobile) will account for one third of global spending - overtaking the U.S., currently the world's biggest market. In fact, the BRIC nations alone (Brazil, Russia, India, and China) will account for almost half of global ad spend by 2017.

Mobile marketing has long been tipped to boom across the globe - but in emerging markets there are real opportunities to connect with consumers, thanks to a growing middle class who are facilitating the growth in consumer spending on goods and services. While making an impact with Western consumers, who are inundated with marketing messages across all digital devices, is proving increasingly difficult for brands and advertisers, this year's research has shown that emerging markets have not yet reached marketing saturation.

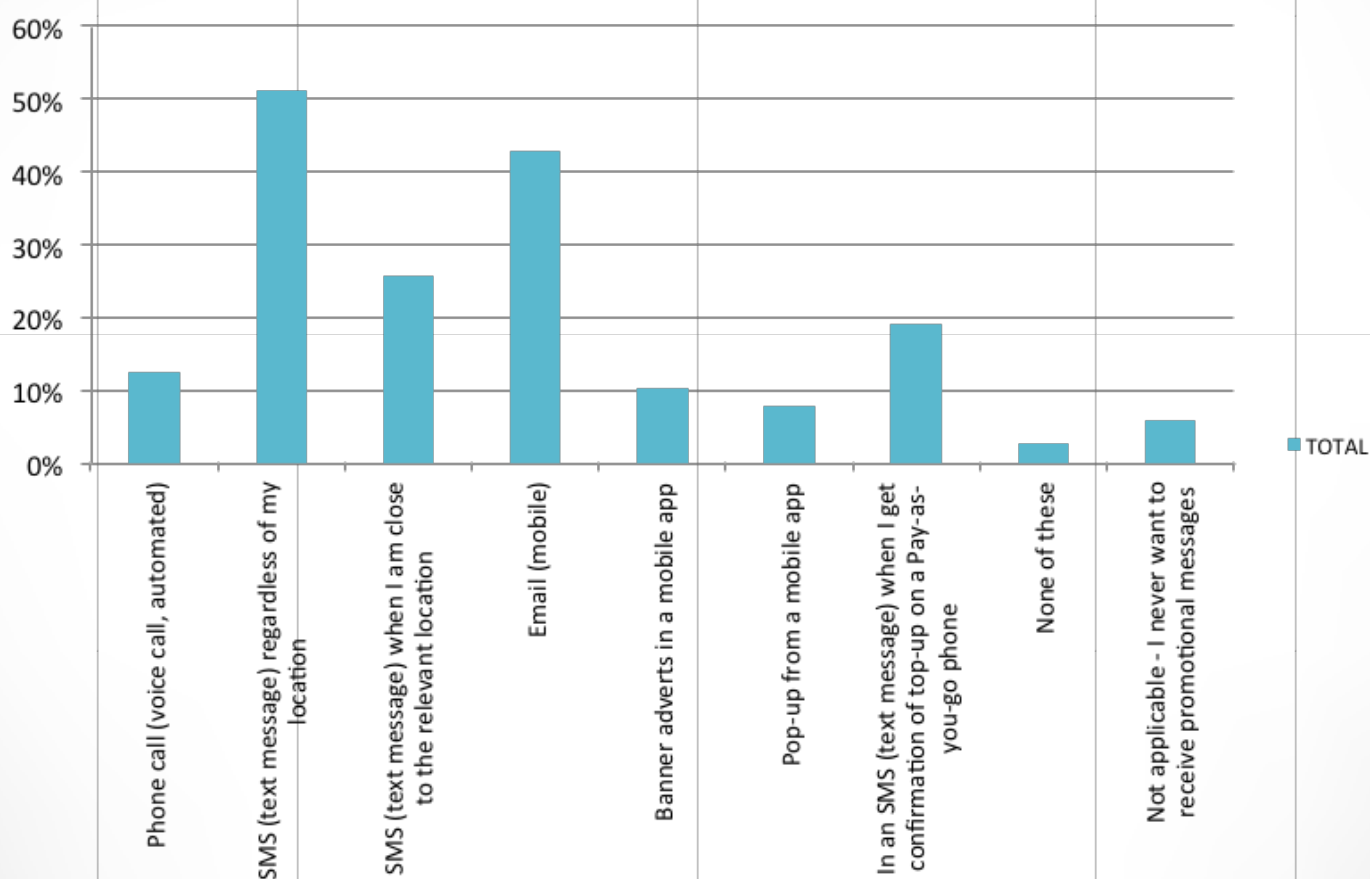
The research shows that consumers here are much more open to receiving promotional material over their mobile device. This can be partially explained by the fact that mobile is often the only way consumers can receive vouchers, offers and hear about new products and services. In fact the findings reveal that emerging market consumers are very open to mobile advertising, with over two thirds (68 per cent) saying that they are happy to receive promotions from brands on a weekly basis. Furthermore, one in five are happy to receive advertising daily and up to 7 per cent of consumers would be open to receiving promotional material more than once a day.

Fig.9 *Approximately how often do you think it is appropriate for a company to send you advertising and promotional messages to a mobile phone/ smartphone?*



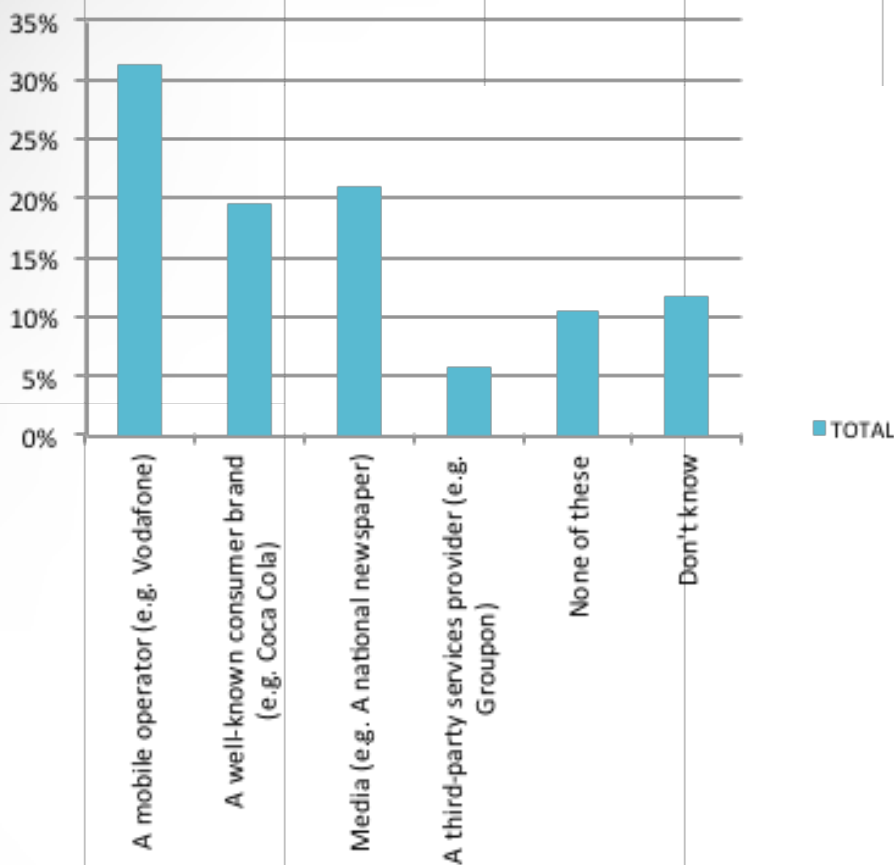
When identifying the most effective forms of mobile advertising, SMS marketing is identified as the most welcomed format across emerging markets, with 51 per cent wanting to receive promotional messages in this way. An additional 26 per cent would like to receive SMS promotions as long as the message is relevant to their location, while 19 per cent would like to receive SMS marketing messages when they receive 'top-up' credit confirmations. The research shows that email marketing is also set for success in these markets, with 43 per cent of emerging market consumers happy to receive promotions in this way. There is little appetite for mobile pop up ads in apps, selected by just 8 per cent of consumers, although one in ten did select banner adverts in mobile apps. A further 12 per cent stated they would be happy to receive phone calls regarding promotions, however 6 per cent also said they never want to receive marketing messages via their mobile devices.

Fig.10 Which of the following ways would you like to receive promotional messages from companies on a mobile phone/ smartphone?



Again, the results point to the advantageous position MNOs have in these regions, most likely as a result of the established relationships they have with customers, after they were selected as the most trusted sender of promotional messages and advertising (31 per cent). Following MNOs, the media (21 per cent) and well-known brands (20 per cent) were selected. Third party voucher providers – such as Groupon – are yet to make their mark in developing regions, after only 6 per cent of users would think they are the most trustworthy.

Fig.11 Which ONE of the following would you be MOST likely to trust if they sent you promotional messages to a mobile phone/smartphone offering you new services/content?



COUNTRY SNAPSHOT

BRAZIL:

Over a quarter of consumers (27 %) are most likely to trust promotions sent from a well-known consumer brand and 60% of Brazilian consumers are happy to receive promotional messages once a week

INDIA:

Indian consumers are most likely to trust promotions sent from a mobile operator (35%)

72% of Indian consumers are happy for brands to send promotional messages to their phone once a week

NIGERIA:

47% of Nigerians consumers are most likely to trust promotions sent from a mobile operator 79% of Nigerian consumers are happy for brands to send promotional messages to their phone once a week

SAUDI ARABIA:

Saudi consumers are most likely to trust promotions sent from the media (21%) and consumer brands (16%)

59% are happy for brands to send promotional

Previous studies have shown that improving Internet access can help boost a country's GDP and improve productivity for entire nations, which makes the rise of the mobile Internet even more significant in emerging markets. While monetising the next billion consumers will certainly offer profitable opportunities for big mobile players, the impact that mobile devices can have in improving massive access to health, business, financial and other social services is powerful.

While it is too early to tell who will come out as triumphant in these new rapidly expanding mobile markets, the opportunity for mobile manufacturers, MNOs, major social networks, third party content and app companies, in addition to Internet Service providers is enormous. Currently, there are enough slices of the pie for everyone to get a bite, although with time we can expect some companies to dominate this space – however they are not necessarily the most obvious players. We have already seen Apple being pipped to the post by Samsung in developing regions but even Samsung is not guaranteed a place in the top spot.

In terms of smartphone adoption and purchase, many competing factors need consideration including the device price, functionality, total cost of ownership, social network connectivity – in addition to how consumers have to pay for data content and services. As the results reinforce, it would be a mistake to assume that these markets will develop in the same way as the West – mainly due to the lack of access to banking services available to consumers, in particular credit and debit cards. The research reveals that mobile operators are in a better position than brands or third parties to provide data services as part of their existing post or prepaid agreements with consumers. In fact, the research ultimately uncovers that MNOs have the power to shape the mobile data revolution in these new lucrative areas.

With consumers in developed markets increasingly adopting over-the-top (OTT) services, accessing content and apps at little or no cost to them, we can expect MNOs to review their relationships with third party providers – who have successfully exploited the massive penetration of smartphone use in the West – in the emerging markets. Operators are unlikely to make the same ‘Trojan horse’ mistake they made in the past with devices such as Apple's iPhone – where operators facilitated their own loss in market share and fostered a data and app revolution, without being able to effectively capitalise on it. Instead, mobile operators will be keen to keep a tighter reign over the data revolution as emerging markets develop.

So what does this mean for the likes of Apple, Google or the major mobile players? The first point is clear, Apple will need to review its model and work with mobile network operators, who already have this billing relationship in place with consumers, to build a more appropriate and effective way for consumers to access and pay for content in the App Store. While Google's Android operating system is already experimenting with operator billing, this is something that needs to be fully explored in order for the app market to fully take off.

In the emerging markets, MNOs have both the ability to create data plans that are suitable and affordable, and also provide services that do not require credit/debit cards – something that many consumers have limited access to. There is a massive opportunity for mobile operators to lead the market by developing their own Rich Communication Services and data services, which are easily adopted and paid for by consumers in emerging markets. Couple this with the fact that MNOs are the most trusted senders of marketing messages and promotions, their pedestal position means that brands and mobile service providers need to reassess their relationship with MNOs and work closely with them when devising an emerging market strategy.

Ultimately, as the results show, MNOs have the chance to be both Kings and King makers in the race to the next billion.

COUNTRY PROFILES

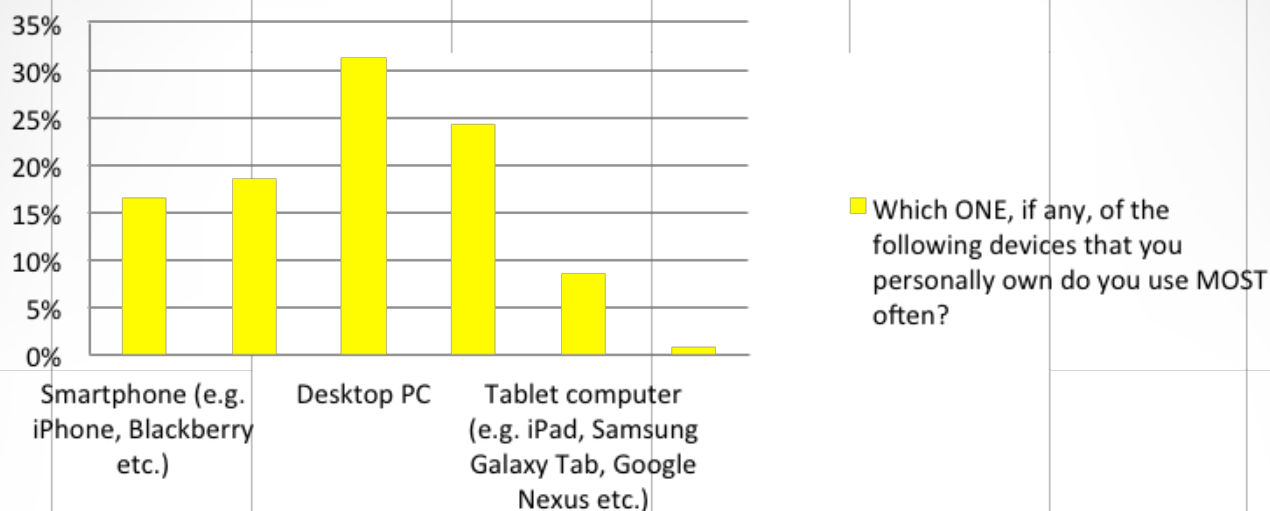


BRAZIL KEY FINDINGS

BRAZIL KEY FINDINGS

- One in three using their phone or smartphone as the device they use the most
- Nearly two in five (19 per cent) consumers using standard mobile phone more than any other device
- Less than one in ten use tablet the most

Which ONE, if any, of the following devices that you personally own do you use MOST often?



- 20 per cent prepared to spend over \$450 on their mobile
- 62 per cent prepared to spend over \$200 on their mobile

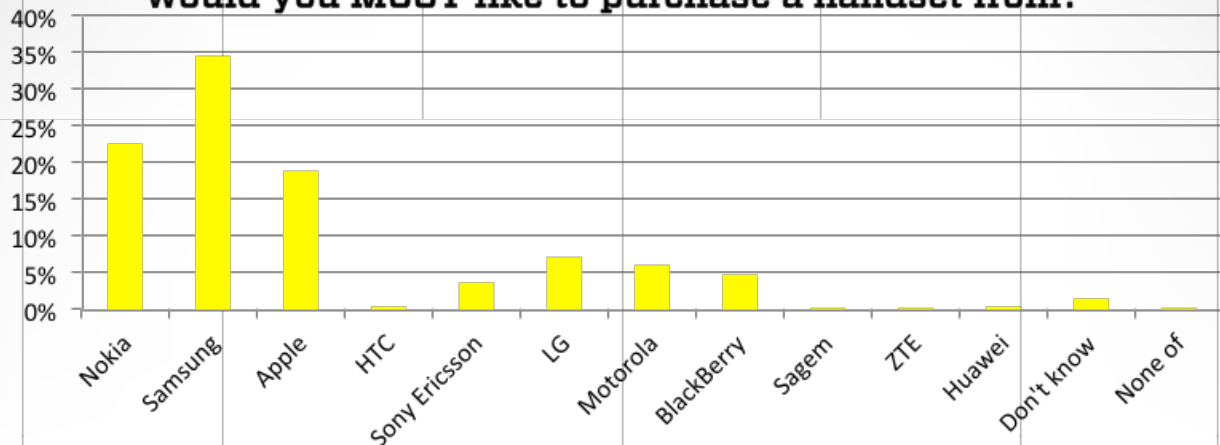
Please imagine that you were looking to buy a new mobile phone/ smartphone handset. Approximately how much would you be willing to pay for the new mobile phone handset?



- Samsung most popular handset – 35 per cent would most like to buy one
- Nokia second most popular handset – 23 per cent would most like to buy one
- Apple third most popular handset – 19 per cent

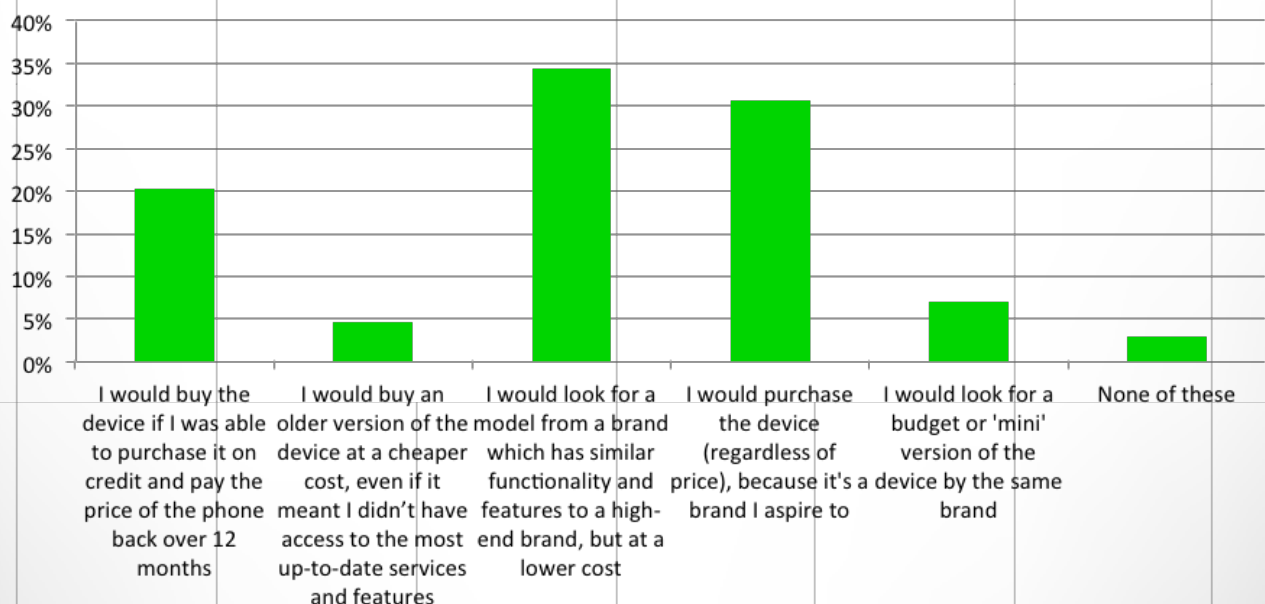
Please imagine that you were looking to buy a new mobile phone/ smartphone handset..

If you didn't have to worry about the price of the device, which ONE, if any, of the following brands would you MOST like to purchase a handset from?



- Brazilian consumers are most likely to look for a handset from a brand that has similar functionality and features to a high-end brand, but at a lower cost, with over a third (34 per cent) saying this
- Two in five would like to buy the device they wanted on credit and pay the price of the phone back over 12 months

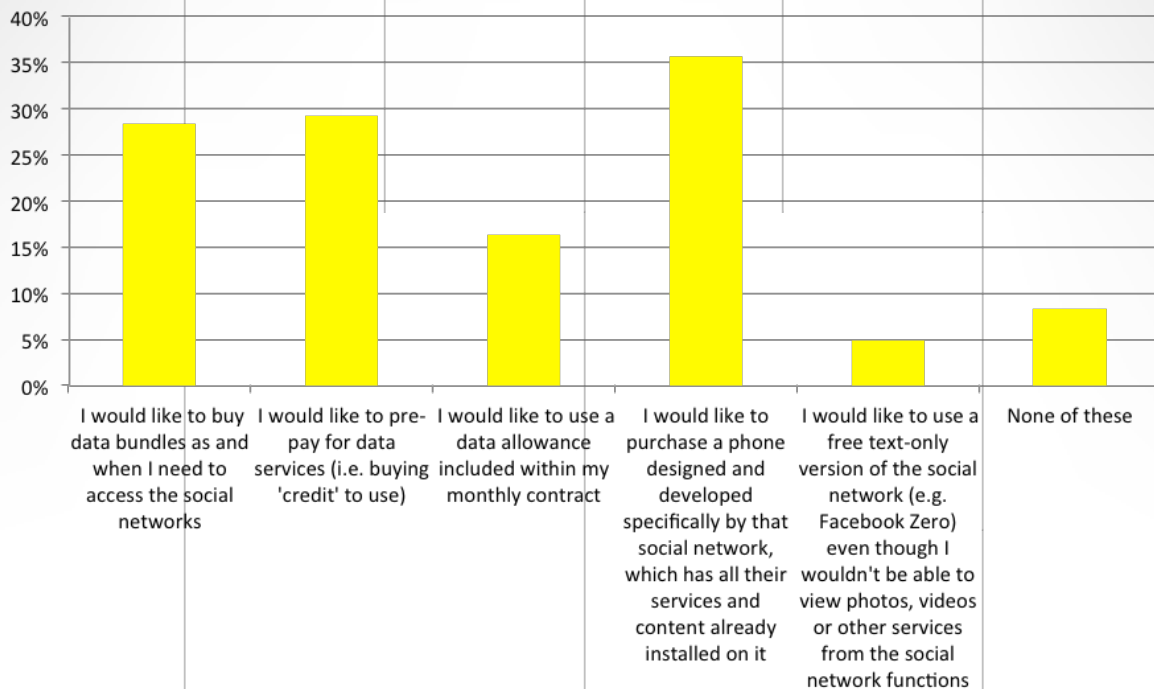
Please imagine that you were looking to purchase a high-end smartphone (i.e. an expensive smartphone with lots of features/ functionality e.g. Apple iPhone)...
Which ONE, if any, of the following BEST describes what you would do?



- 36 per cent of Brazilian consumers would like to purchase a mobile designed and developed specifically by their favourite social network, which has all their services and content already installed on it
- 29 per cent of consumers would like to use pre pay by buying credit for data services

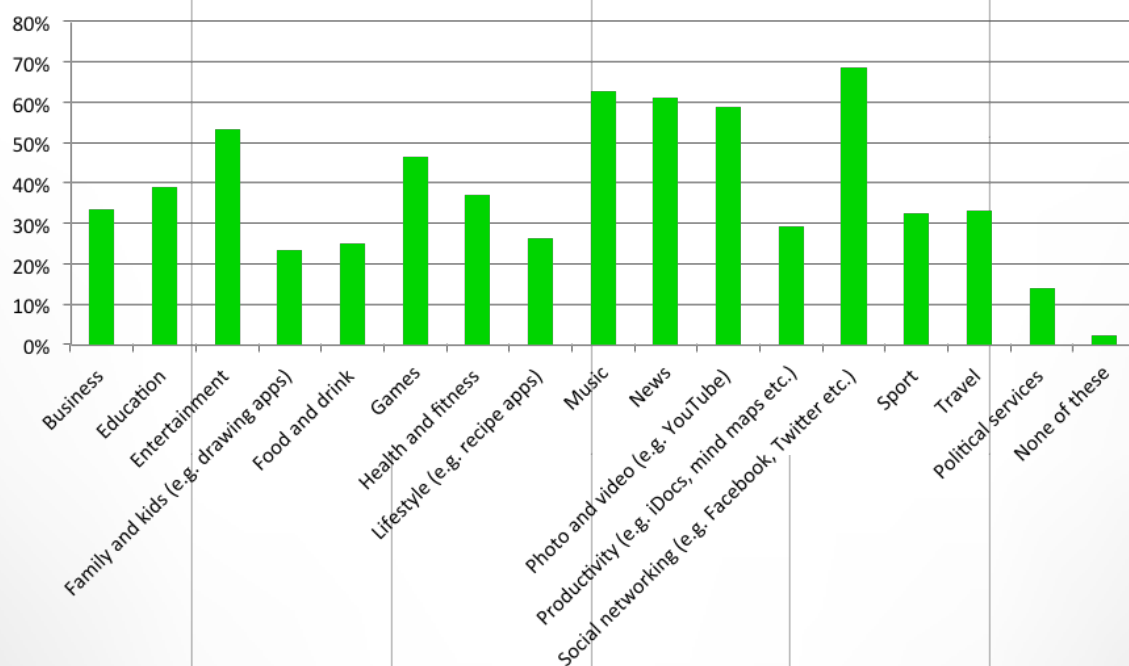
Thinking about using social networks (e.g. Facebook, Twitter etc.) via a mobile phone/ smartphone...

**Which, if any, of the following do/ would apply to you?
(Please tick all that apply)**



- The three most popular types of content Brazilian consumers use their mobile phones for are:
- 69 per cent of consumers use their phone for social networking
- 63 per cent of consumers use their phone for music
- 61 per cent of consumers use their phone for news

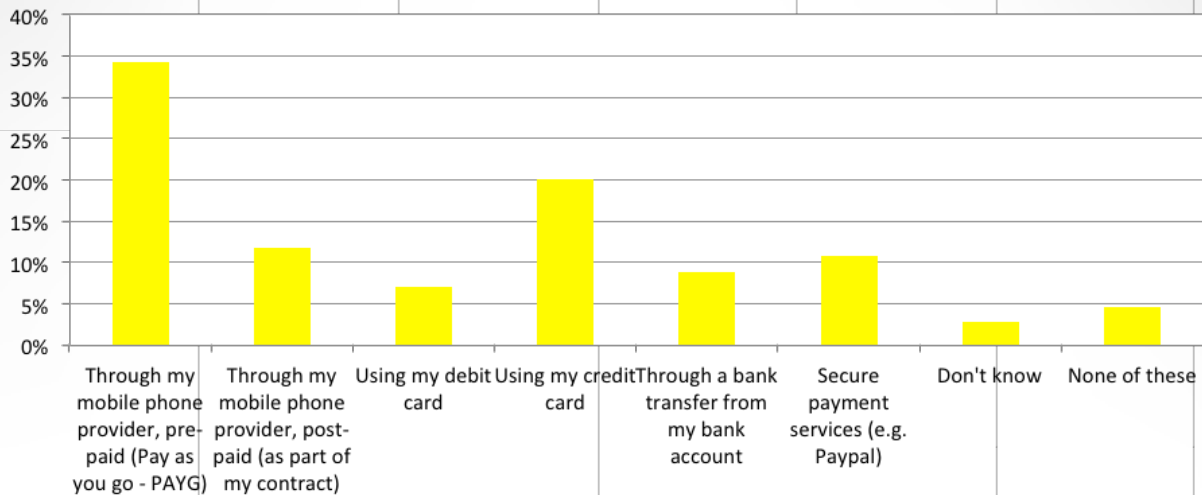
Which, if any, of the following types of content do you/ would you like to be able to have access to through a mobile phone/ smartphone (e.g. via an app, news alerts, website access etc.)? (Please tick all that apply)



- Brazilian consumers would most like to pay for content over their mobile phone via an mobile operator on a pay as you go basis (34 per cent)
- Only 12 per cent would like to pay as part of a contract

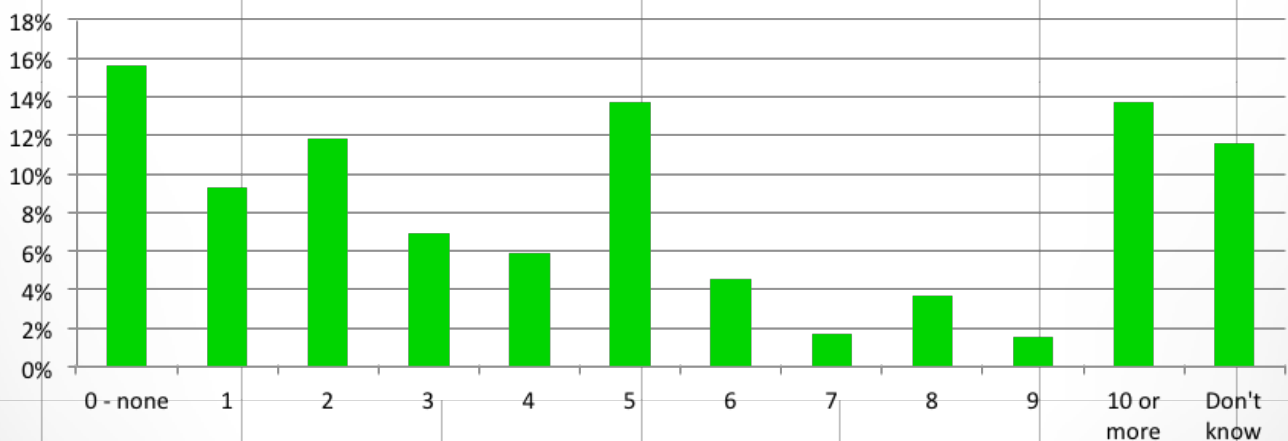
And please imagine that you had to pay to access content through a mobile phone/ smartphone (e.g. paid-for apps, subscriptions to news alerts etc.)...

Which ONE, if any, of the following methods of payment would you find most convenient to use?



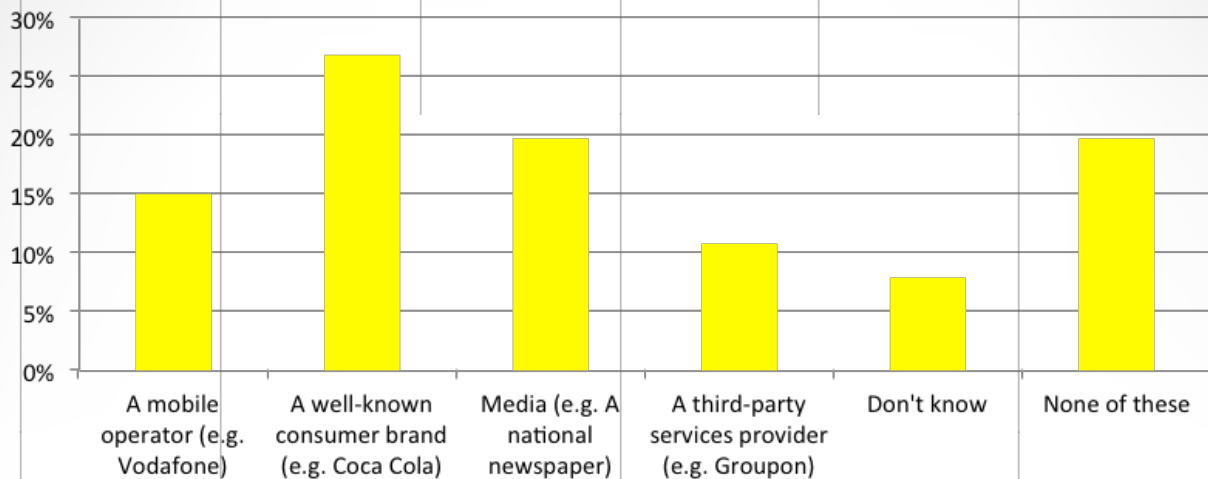
- Brazilian consumers prepared to spend \$751,222,100 on content on their mobile handset each month

If an app or subscriptions to specific content (e.g. news alerts, sport, etc.) cost an average of \$1 USD per app/update, how many do you think you would be prepared to pay for every month?



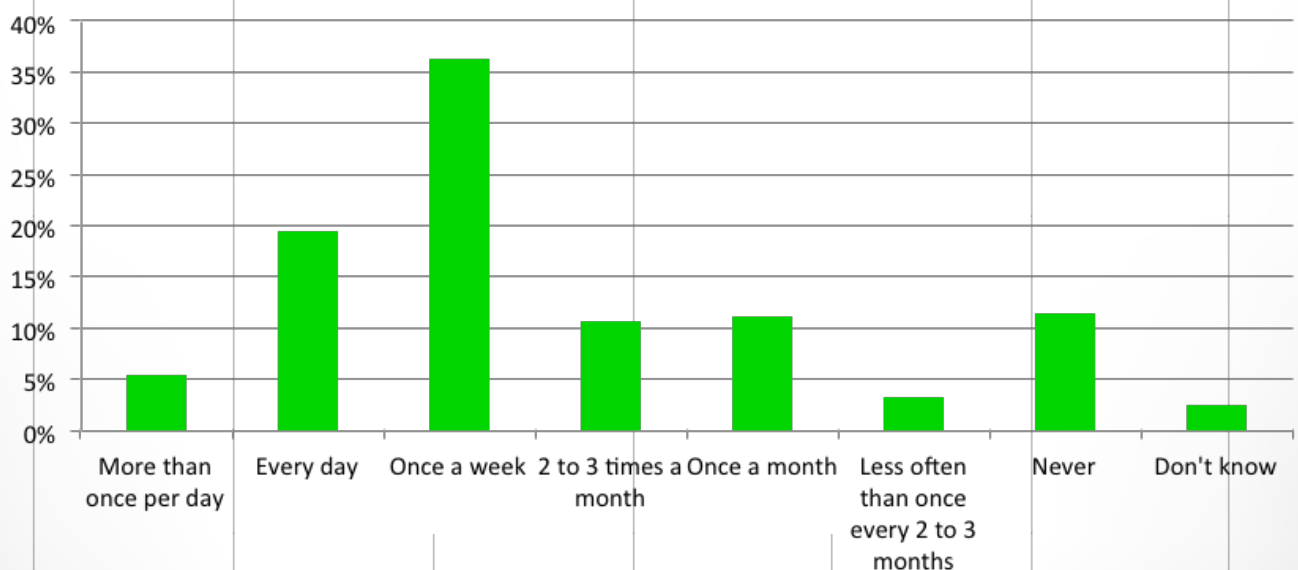
- Over a quarter of consumers (27 per cent) most likely to trust promotions sent from a well-known consumer brand
- 15 per cent most likely to trust promotions sent from a mobile operator

Which ONE, if any, of the following would you be MOST likely to trust if they sent you promotional messages to a mobile phone/ smartphone offering you new services/ content?



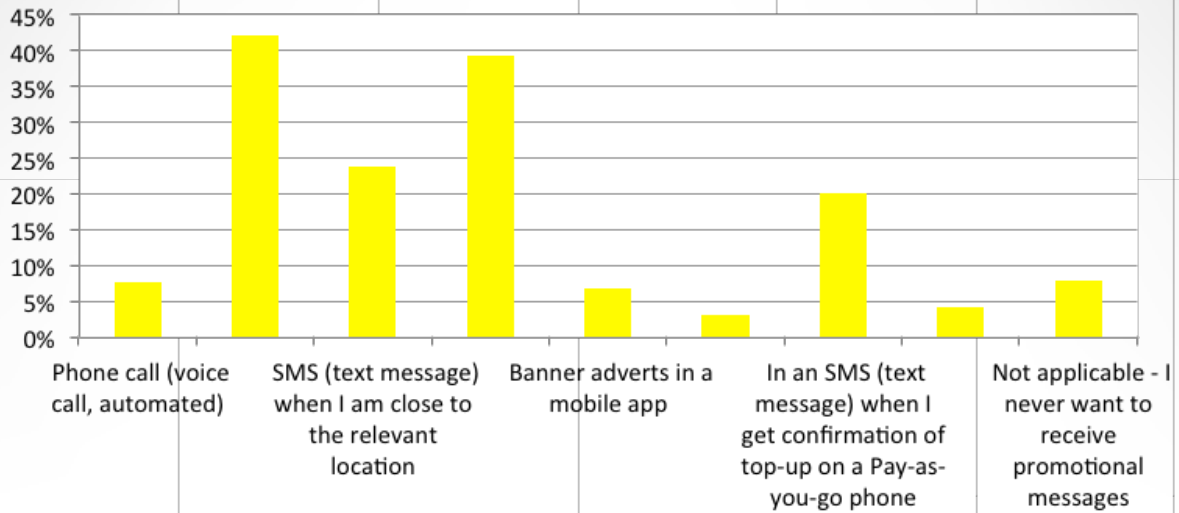
- 60 per cent of Brazilian consumers happy for brands to send promotional messages to their phone once a week

Approximately how often, if at all, do you think it is appropriate for a company to send you advertising and promotional messages to a mobile phone/ smartphone?



- 42 per cent of Brazilian consumers would most like to receive promotional messages in an SMS format, rising to 66 per cent so long as the message is relevant to their location

In which, if any, of the following ways would/ do you like to receive promotional messages from companies on a mobile phone/ smartphone? (Please tick all that apply)



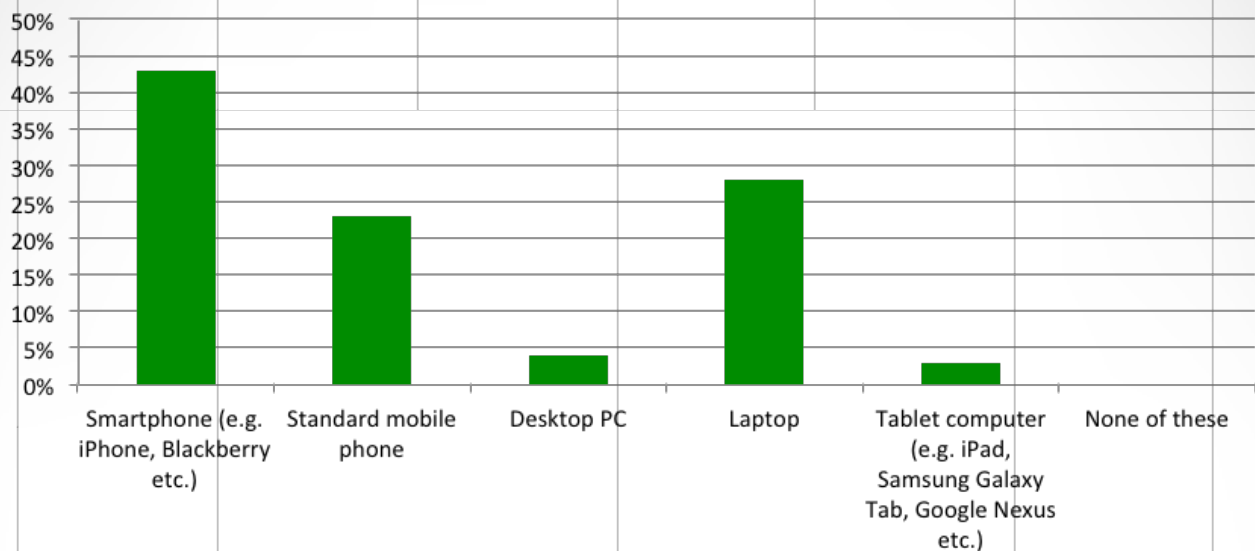


NIGERIA KEY FINDINGS

NIGERIA KEY FINDINGS

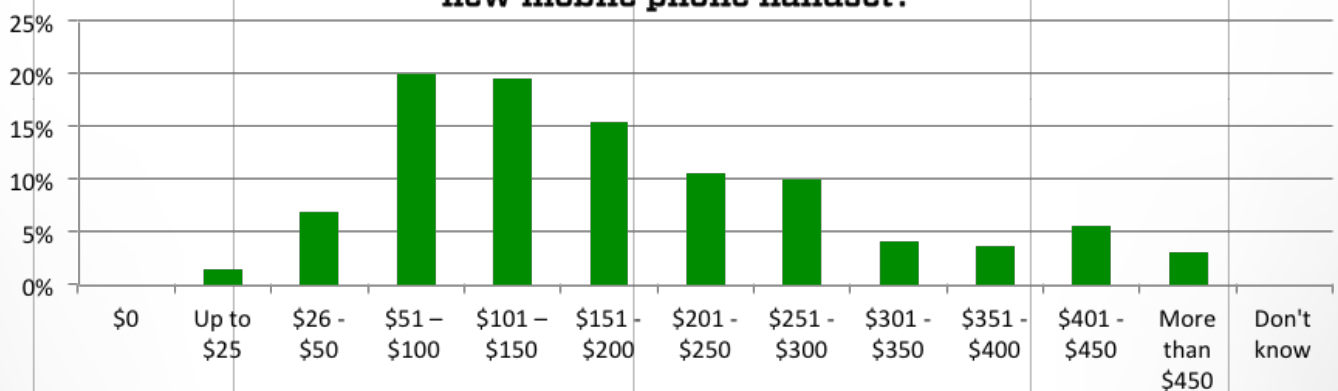
- Almost 43 per cent of Nigeria smartphone owners using their smartphone most
- Only 3 per cent of Nigerian tablet owners use this device most

Which ONE, if any, of the following devices that you personally own do you use MOST often?



- Over a third (36 per cent) of Nigerian consumers prepared to spend over \$200 on their mobile
- 3 per cent of Nigerian consumers prepared to spend over \$450 on their mobile

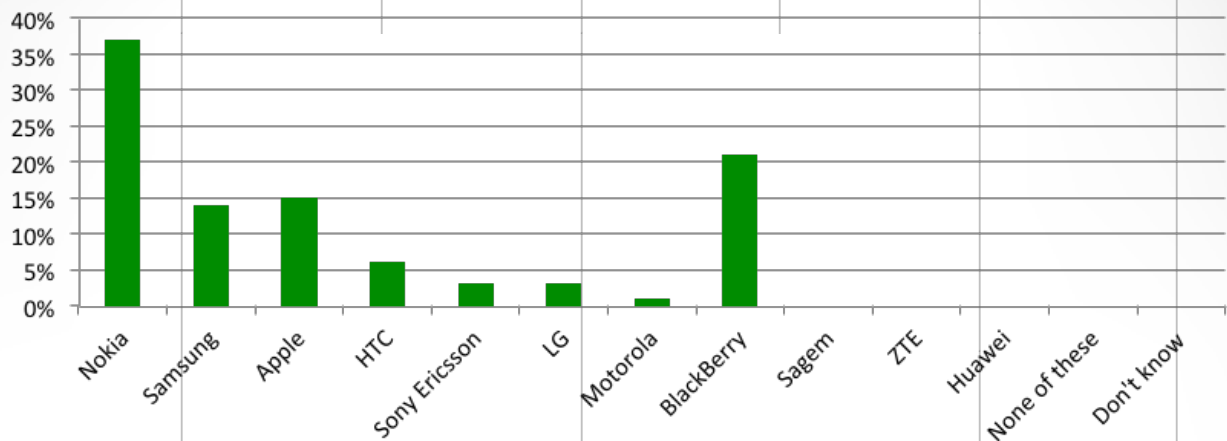
**Please imagine that you were looking to buy a new mobile phone/ smartphone handset.
Approximately how much would you be willing to pay for the new mobile phone handset?**



- Nokia most popular handset – 37 per cent of Nigerian consumers would most like to buy one
- Blackberry second most popular handset – 21 per cent of Nigerian consumers would most like to buy one
- Apple third most popular handset – 15 per cent of Nigerian consumers would most like to buy one

Please imagine that you were looking to buy a new mobile phone/ smartphone handset...

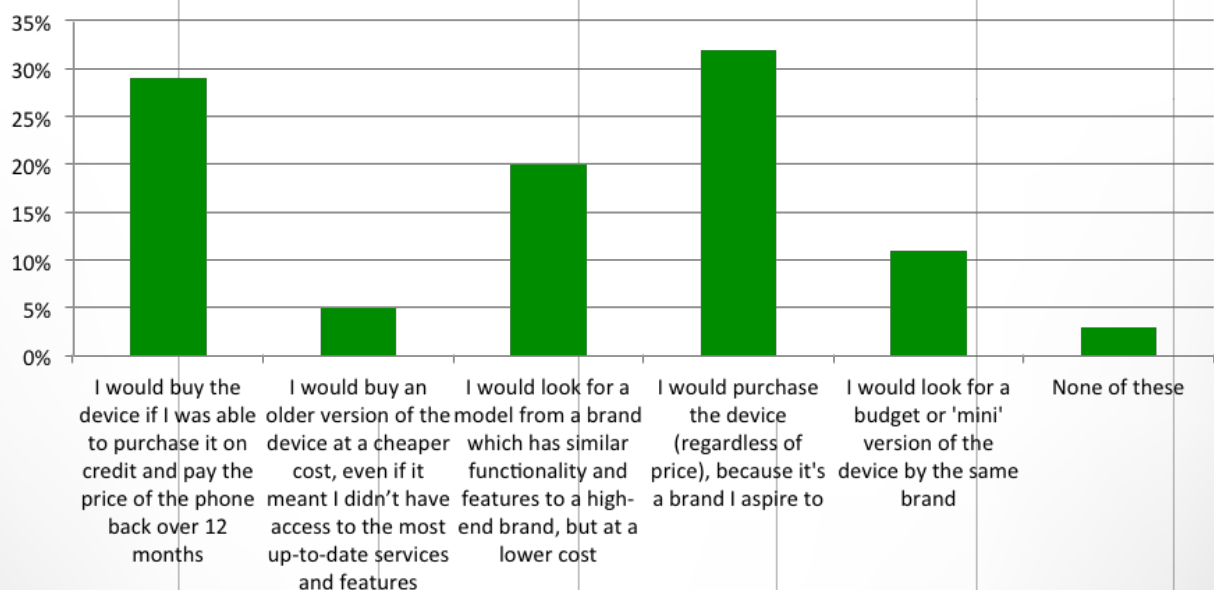
If you didn't have to worry about the price of the device, which ONE, if any, of the following brands would you MOST like to purchase a handset from?



- Nearly a third (32 per cent) of Nigerian consumers are most likely to purchase a device (regardless of price), because it's made by a brand they aspire to own
- 20 per cent look for a handset from a brand that has similar functionality and features to a high-end brand, but at a lower cost

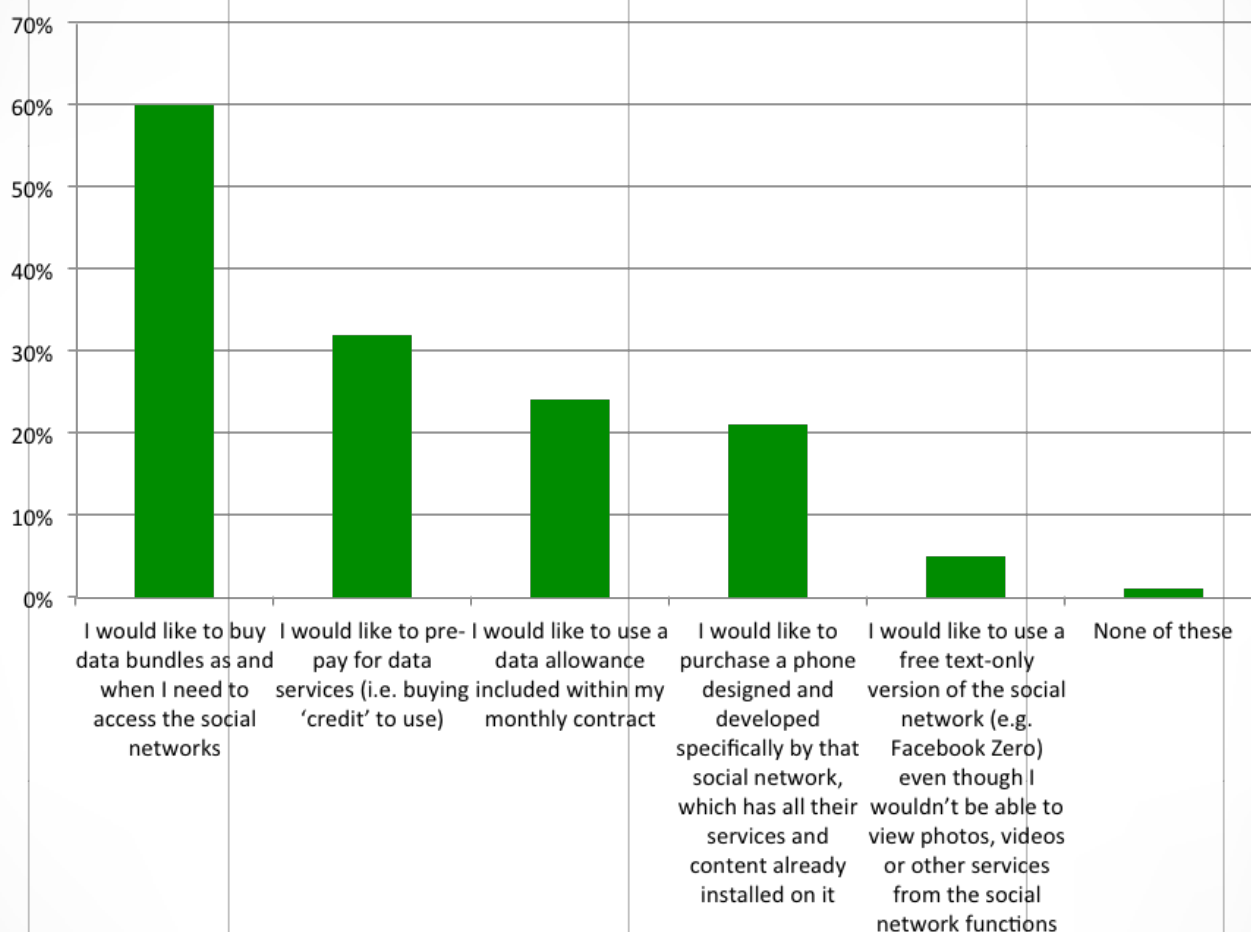
Please imagine that you were looking to purchase a high-end smartphone (i.e. an expensive smartphone with lots of features/ functionality e.g. Apple iPhone)...

Which ONE, if any, of the following BEST describes what you would do?



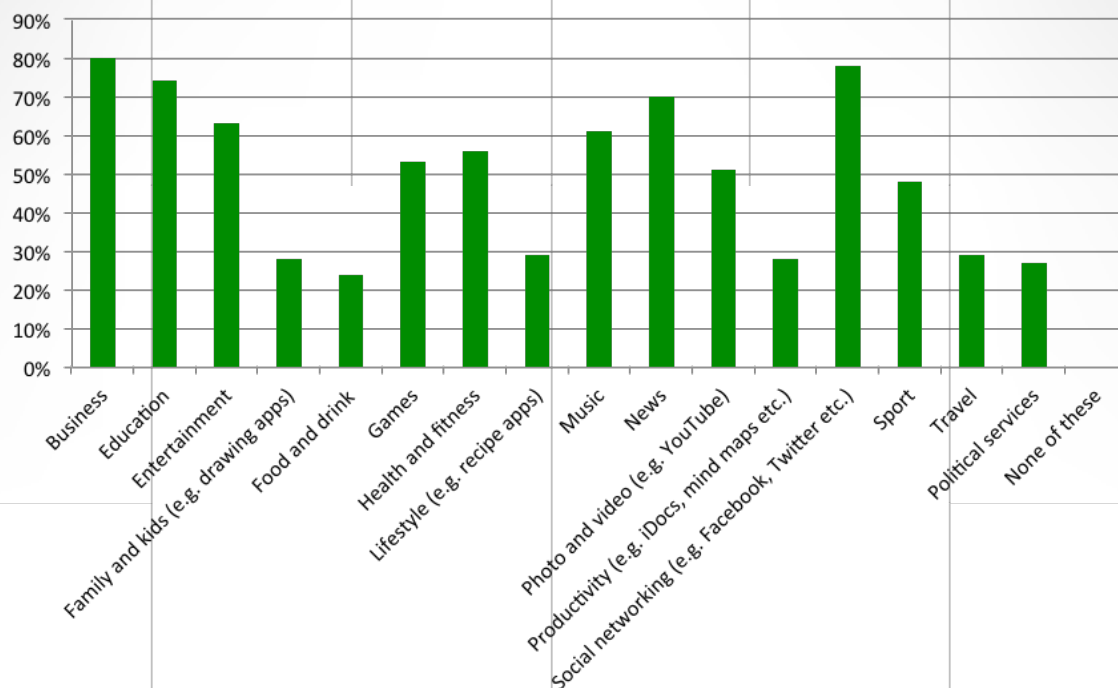
- 60 per cent of Nigerian consumers would like to buy data bundles as and when they need them, to access content such as social networks
- 32 per cent would like to pre-pay for data services
- 24 per cent would like to use a data allowance included in a contract

Thinking about using social networks (e.g. Facebook, Twitter etc.) via a mobile phone/ smartphone...
Which, if any, of the following do/ would apply to you? (Please tick all that apply)



- The three most popular types of content Nigerian consumers use their mobile phones for are:
- 80 per cent of consumers use their phone for business
- 78 per cent of consumers use their phone for social networking
- 74 per cent of consumers use their phone for education

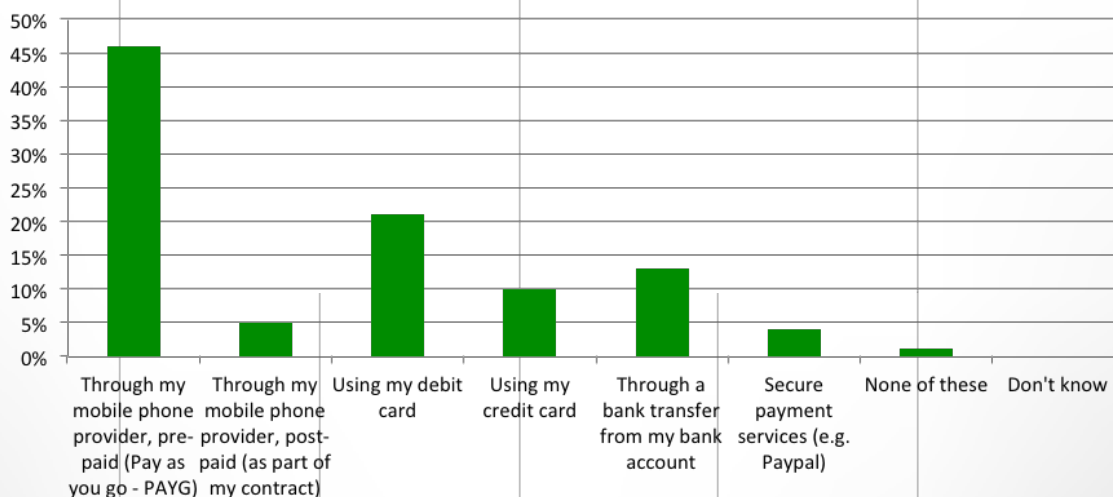
Which, if any, of the following types of content do you/ would you like to be able to have access to through a mobile phone/ smartphone (e.g. via an app, news alerts, website access etc.)? (Please tick all that apply)



- Nearly half of consumers (46 per cent) Nigerian consumers believe the most convenient way to pay for content and services over their mobile is via on a pre-paid, 'pay as you go' format
- 21 per cent of Nigerian consumers would most like to pay for content over their mobile phone via their debit card
- Only 5 per cent would like to pay as part of a contract; only 10 per cent on their credit card

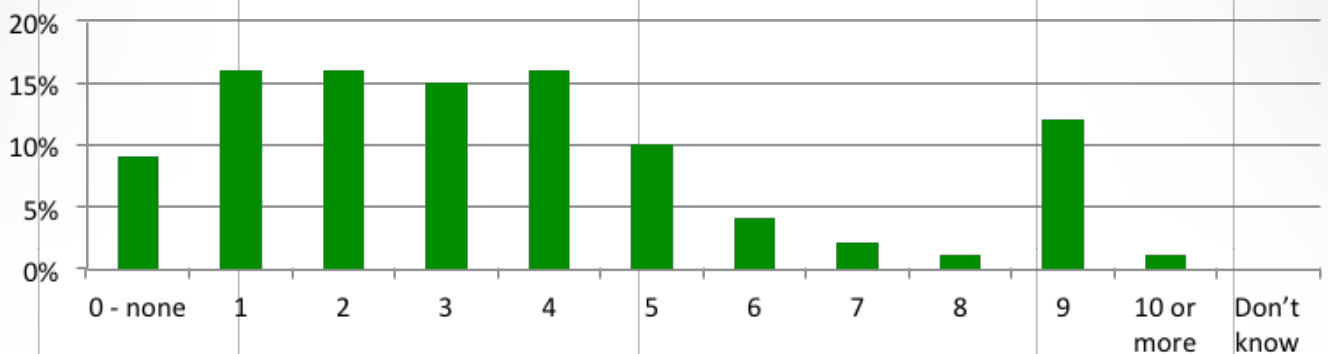
And please imagine that you had to pay to access content through a mobile phone/ smartphone (e.g. paid-for apps, subscriptions to news alerts etc.)...

Which ONE, if any, of the following methods of payment would you find most convenient to use?



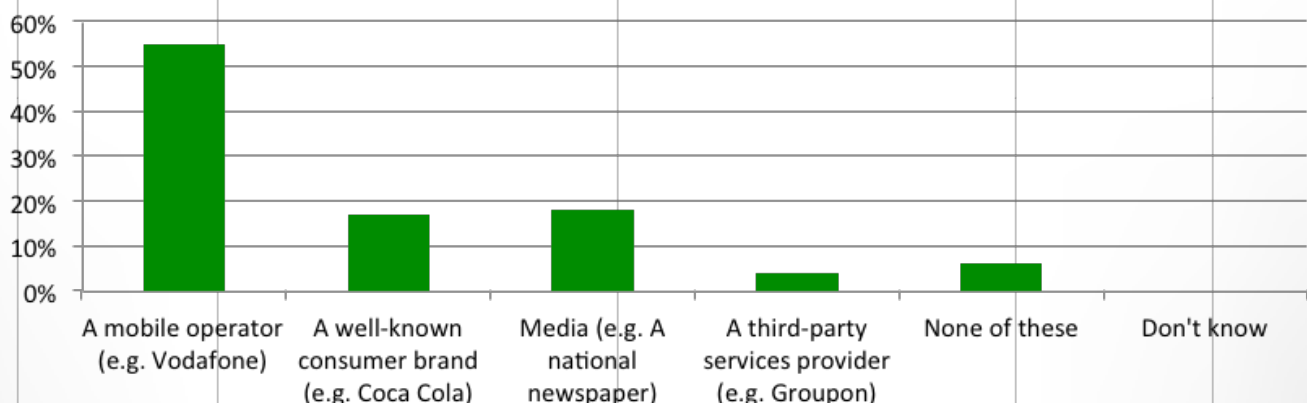
- Nigerian consumers prepared to spend \$ 766,861,879 on content and services on their mobile handset each month

If an app or subscriptions to specific content (e.g. news alerts, sport, etc.) cost an average of \$1 USD per app/update, how many do you think you would be prepared to pay for every month?



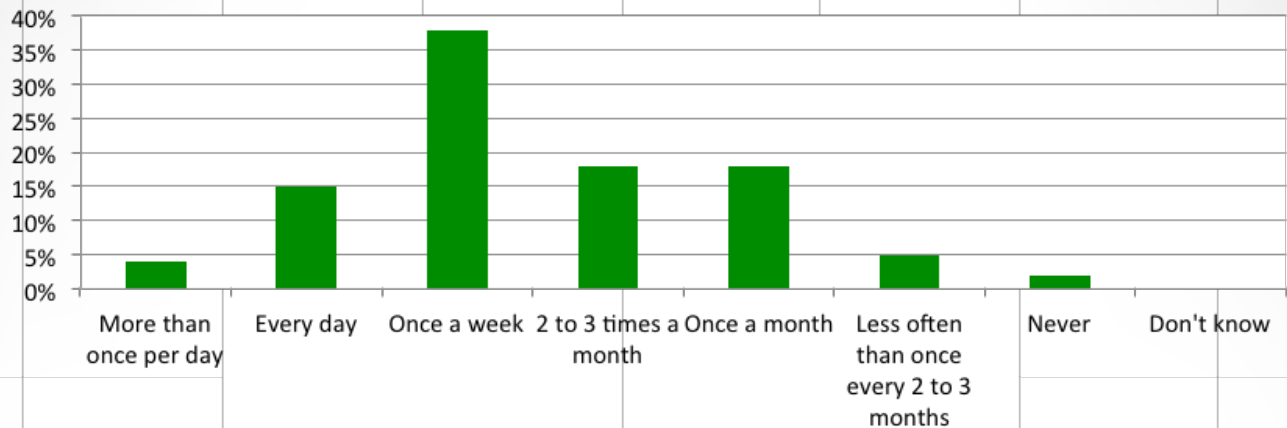
- Nigerian consumers are most likely to trust promotions sent from a mobile operator, with nearly a half (46 per cent) saying they find these companies the most trust worthy

Which ONE, if any, of the following would you be MOST likely to trust if they sent you promotional messages to a mobile phone/ smartphone offering you new services/ content?



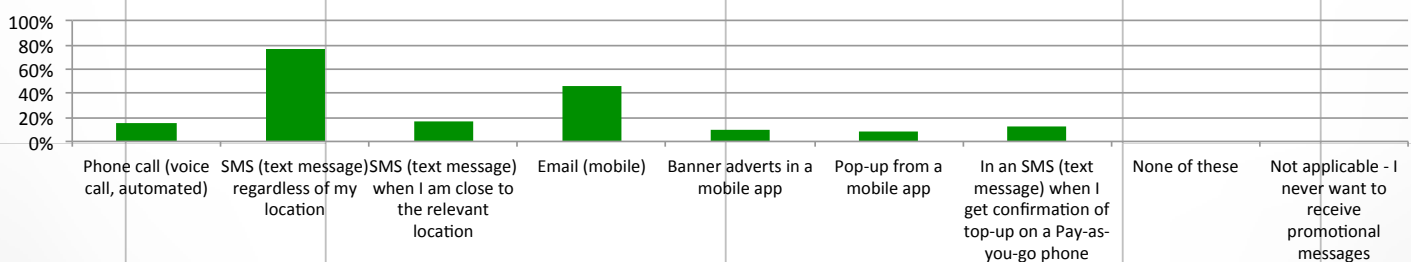
- 79 per cent of Nigerian consumers happy for brands to send promotional messages to their phone once a week

Approximately how often, if at all, do you think it is appropriate for a company to send you advertising and promotional messages to a mobile phone/ smartphone?



- 77 per cent of Nigerian consumers would most like to receive promotional messages in an SMS format, rising to 93 per cent so long as the message is relevant to their location

In which, if any, of the following ways would/ do you like to receive promotional messages from companies on a mobile phone/ smartphone? (Please tick all that apply)



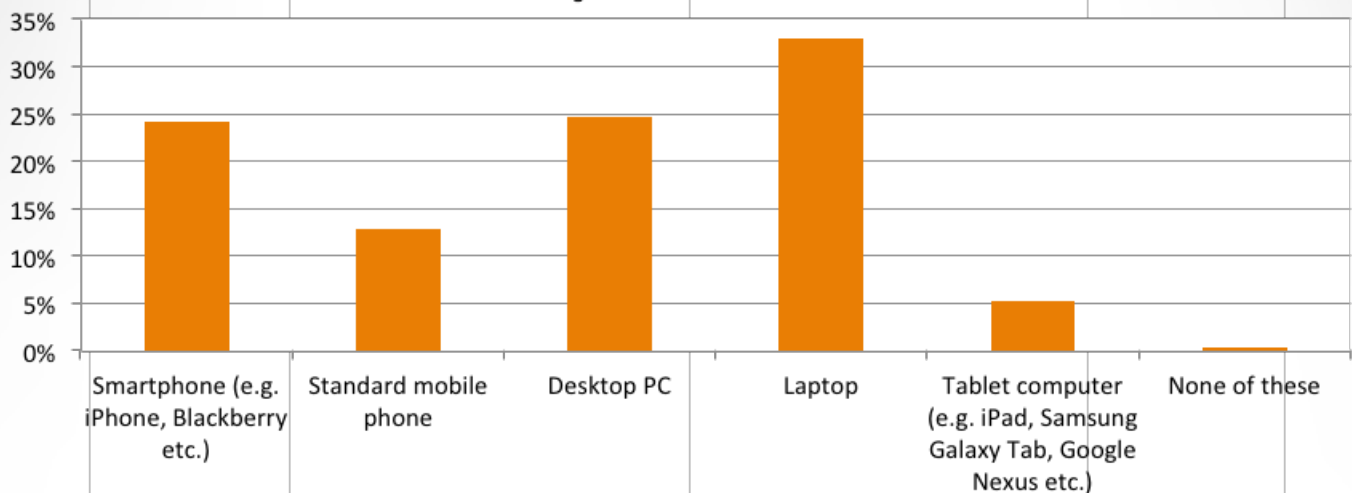


INDIA KEY FINDINGS

INDIA KEY FINDINGS

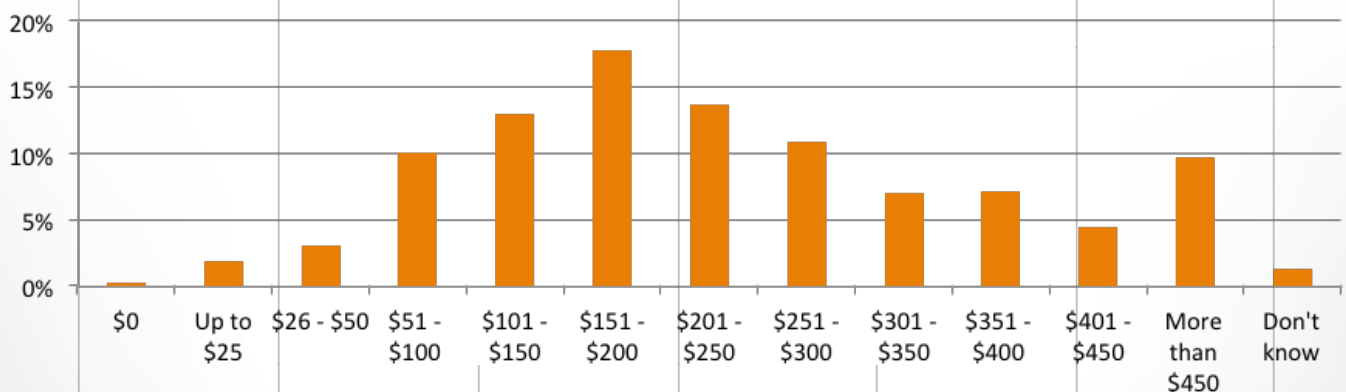
- More than one in three (27 per cent) using their mobile handset as the device they use the most
- Nearly a quarter (24 per cent) of Indian consumers using a smartphone more than any other device
- Only five per cent using their tablet most

Which ONE, if any, of the following devices that you personally own do you use MOST often?



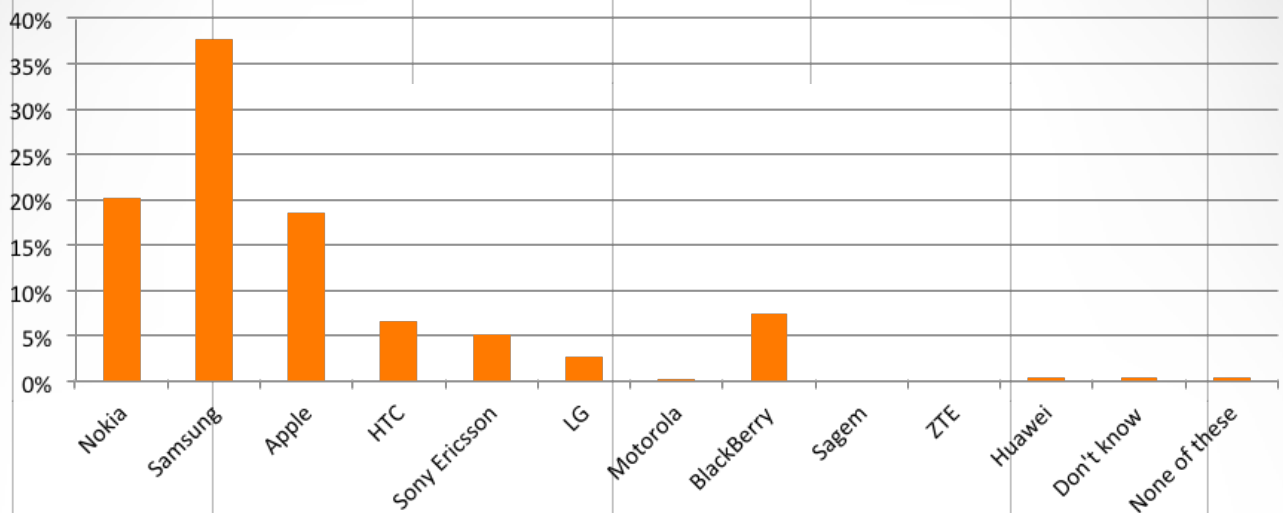
- 10 per cent of Indian consumers prepared to spend over \$450 on their mobile
- 63 per cent of Indian consumers prepared to spend over \$200 on their mobile

**Please imagine that you were looking to buy a new mobile phone/ smartphone handset.
Approximately how much would you be willing to pay for the new mobile phone handset?**



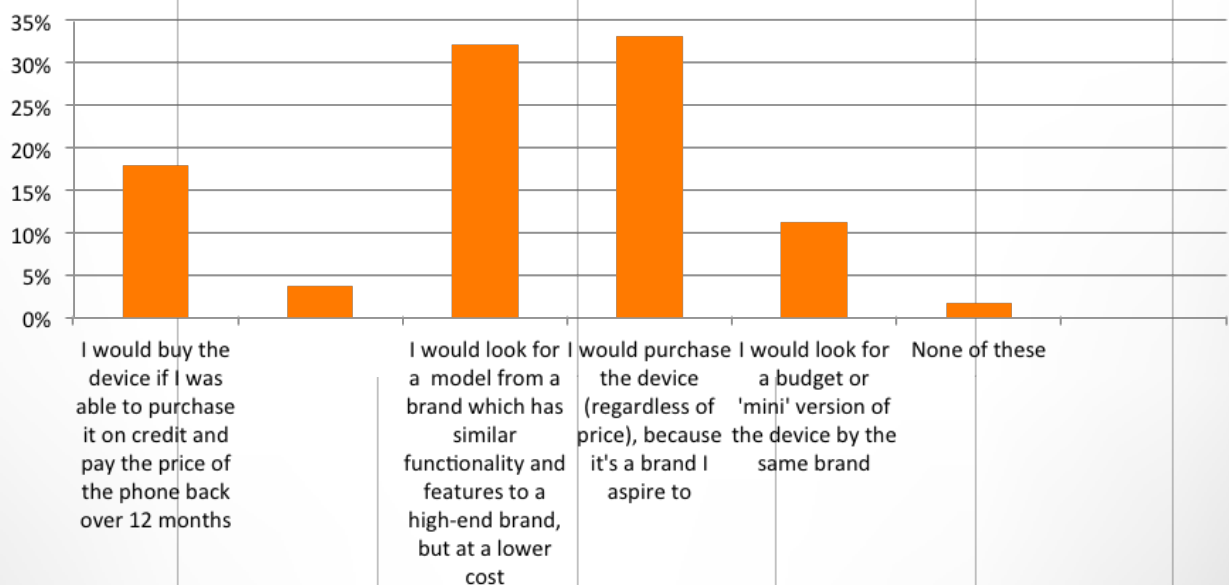
- Samsung most popular handset – 38 per cent of Indian consumers would most like to buy one
- Nokia second most popular handset – 20 per cent of Indian consumers would most like to buy one
- Apple third most popular handset – 19 per cent of Indian consumers would most like to buy one

Please imagine that you were looking to buy a new mobile phone/ smartphone handset...
If you didn't have to worry about the price of the device, which ONE, if any, of the following brands would you MOST like to purchase a handset from?



- Indian consumers are most likely to purchase a device (regardless of price), because it's made by a brand they aspire to own
- 32 per cent look for a handset from a brand that has similar functionality and features to a high-end brand, but at a lower cost

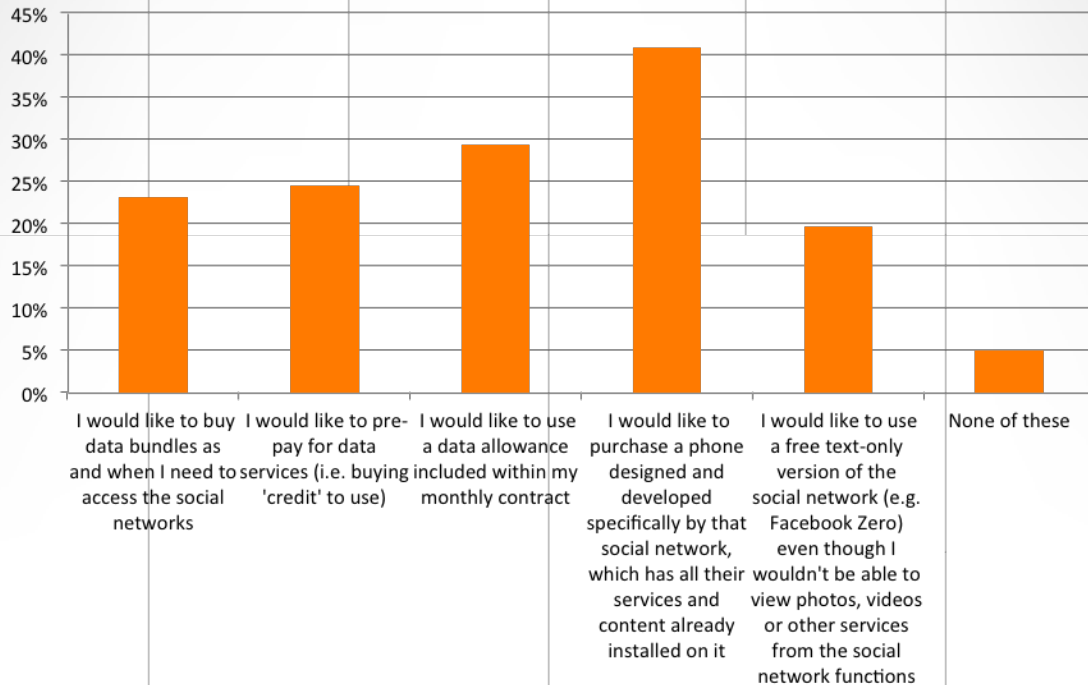
Please imagine that you were looking to purchase a high-end smartphone (i.e. an expensive smartphone with lots of features/ functionality e.g. Apple iPhone)...
Which ONE, if any, of the following BEST describes what you would do?



- 41 per cent of Indian consumers would like to purchase a mobile designed and developed specifically by their favourite social network, which has all their services and content already installed on it
- 25 per cent of Indian consumers would like to use pre pay by buying credit for data services

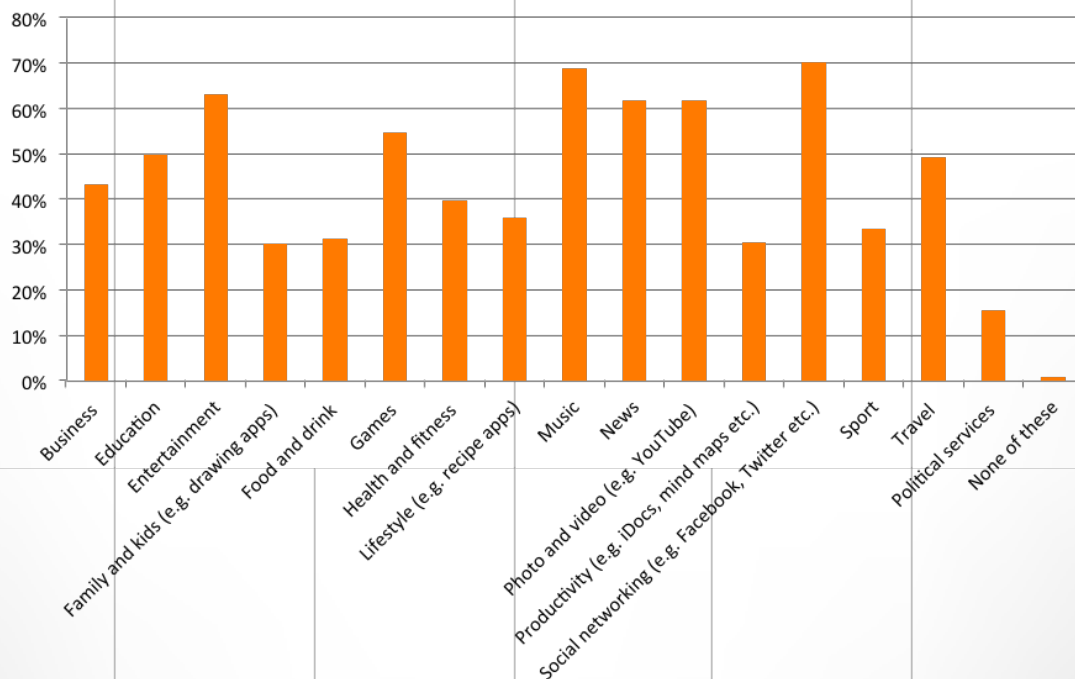
Thinking about using social networks (e.g. Facebook, Twitter etc.) via a mobile phone/ smartphone...

Which, if any, of the following do/ would apply to you? (Please tick all that a



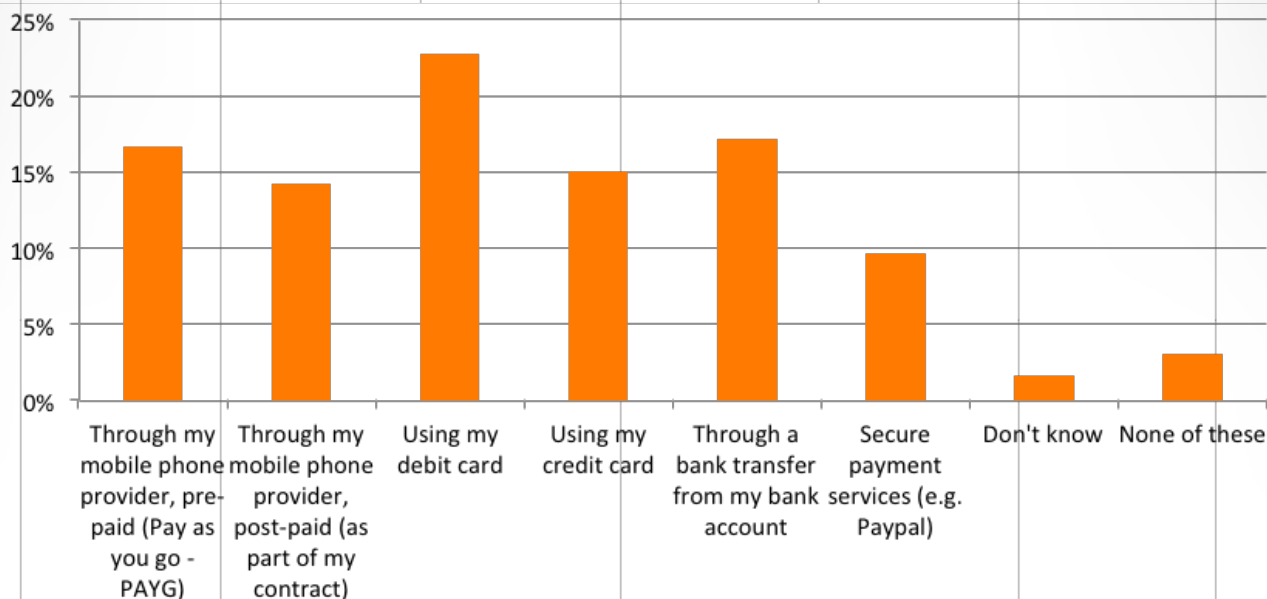
- The three most popular types of content Indian consumers use their mobile phones for are:
- 70 per cent of consumers use their phone for social networking
- 69 per cent of consumers use their phone for music
- 63 per cent of consumers use their phone for entertainment

Which, if any, of the following types of content do you/ would you like to be able to have access to through a mobile phone/ smartphone (e.g. via an app, news alerts, website access etc.)? (Please tick all that apply)



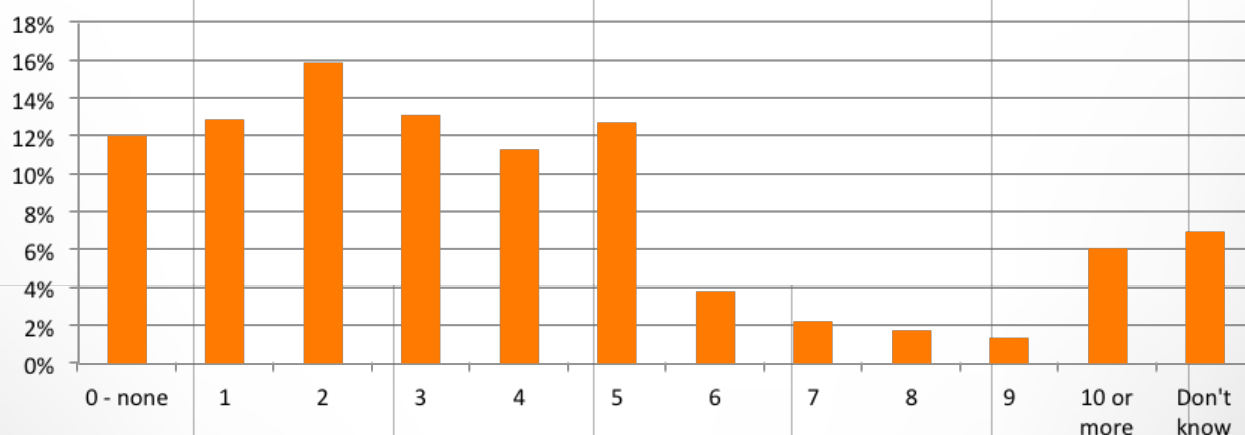
- Indian consumers would most like to pay for content over their mobile phone via their debit card (23 per cent)
- 17 per cent of Indian consumers would most like to pay over their mobile phone via on a pre-paid, in a pay as you go format
- Only 14 per cent would like to pay as part of a contract

And please imagine that you had to pay to access content through a mobile phone/ smartphone (e.g. paid-for apps, subscriptions to news alerts etc.)... Which ONE, if any, of the following methods of payment would you find most convenient to use?



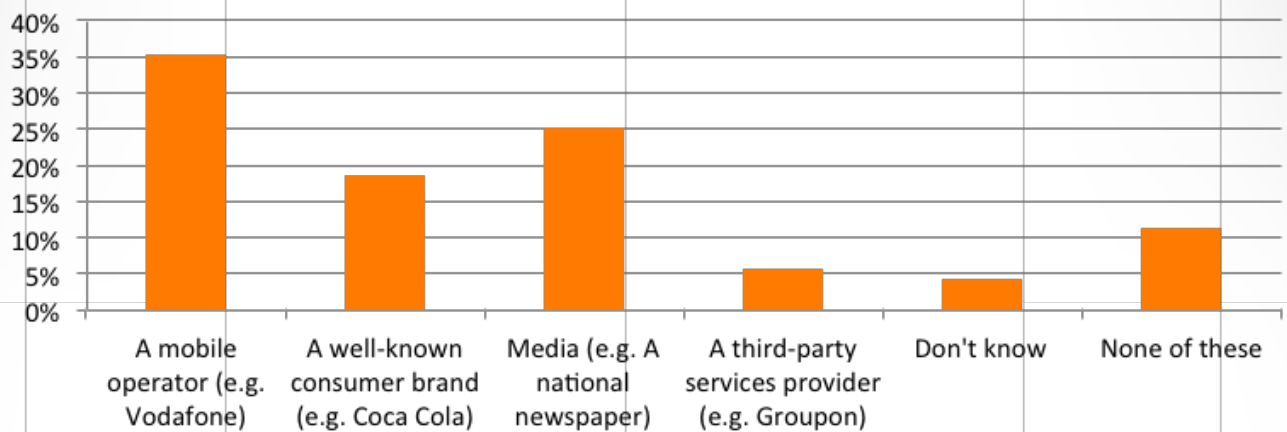
- Indian consumers prepared to spend \$3,923,114,594 on content on their mobile handset each month

If an app or subscriptions to specific content (e.g. news alerts, sport, etc.) cost an average of \$1 USD per app/ update, how many do you think you would be prepared to pay for every month?



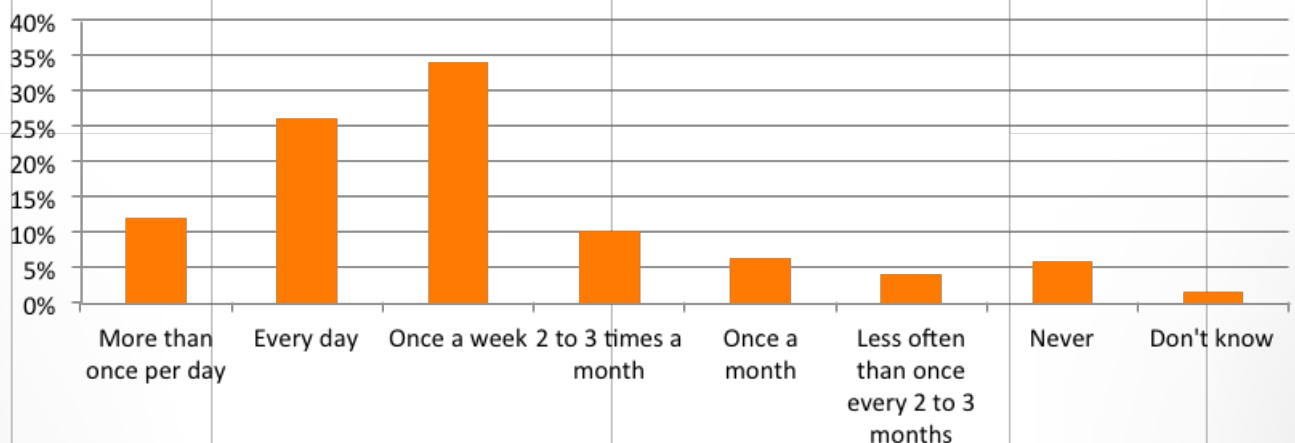
- Indian consumers are most likely to trust promotions sent from a mobile operator, with over a third (35 per cent) saying these are most trust worthy

Which ONE, if any, of the following would you be MOST likely to trust if they sent you promotional messages to a mobile phone/ smartphone offering you new services/ content?



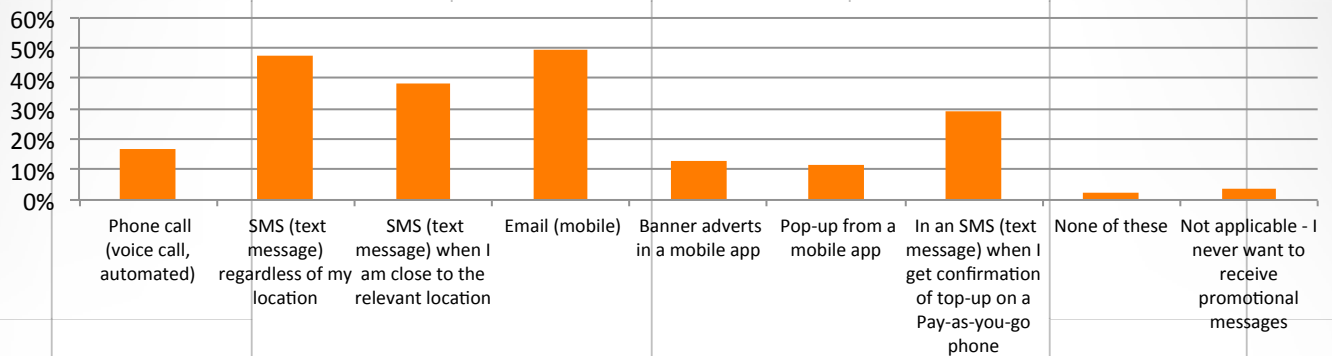
- 72 per cent of Indian consumers happy for brands to send promotional messages to their phone once a week

Approximately how often, if at all, do you think it is appropriate for a company to send you advertising and promotional messages to a mobile phone/ smartphone?



- 48 per cent of Indian consumers would most like to receive promotional messages in an SMS format, rising to 39 per cent so long as the message is relevant to their location

In which, if any, of the following ways would/ do you like to receive promotional messages from companies on a mobile phone/ smartphone? (Please tick all that apply)



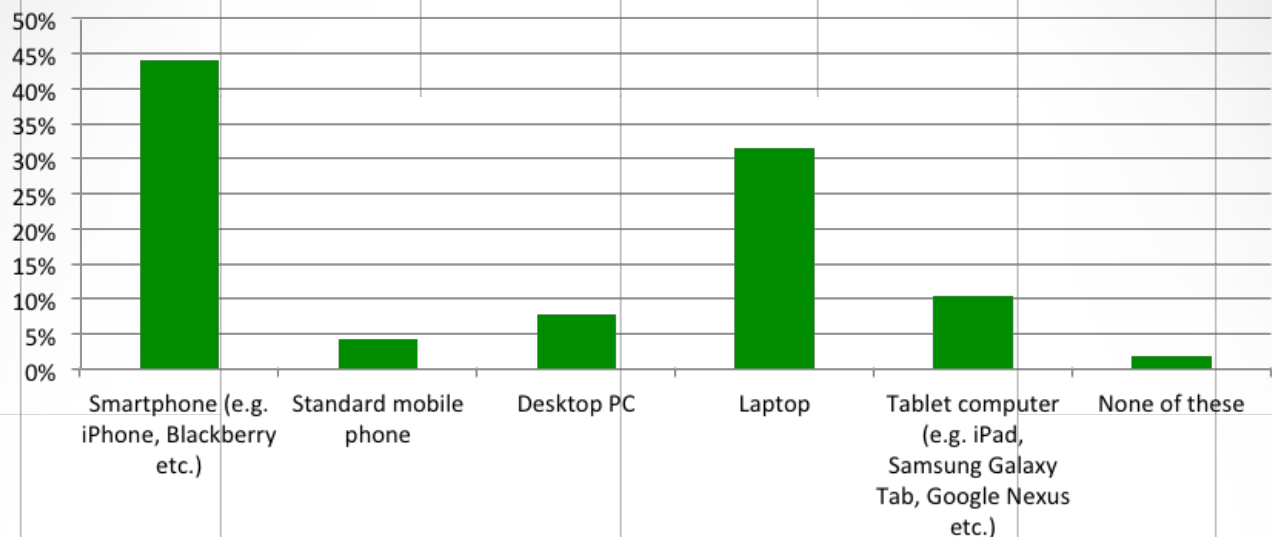


KINGDOM OF SAUDI ARABIA KEY FINDINGS

KINGDOM OF SAUDI ARABIA KEY FINDINGS

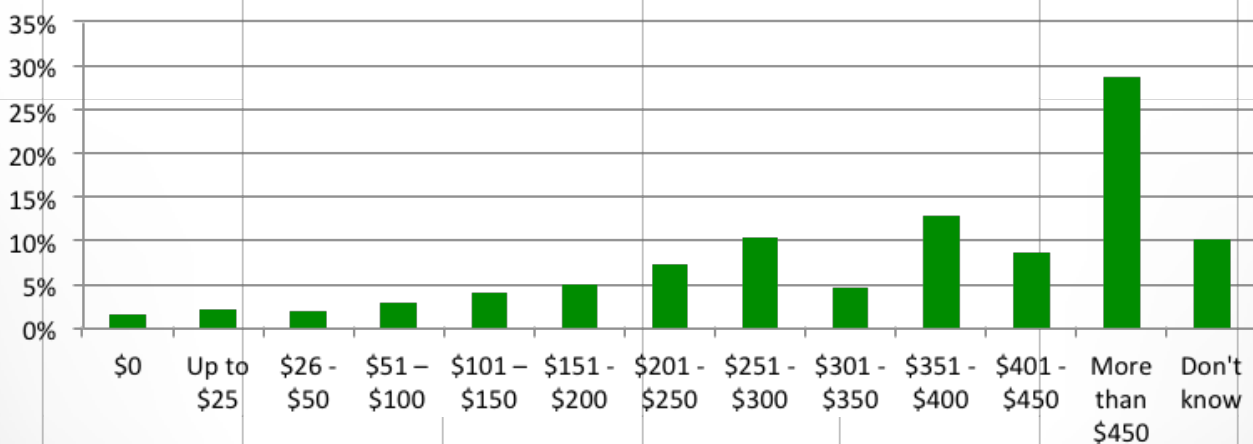
- Nearly half (48 per cent) using their mobile handset as the device they use the most

Which ONE, if any, of the following devices that you personally own do you use MOST often?



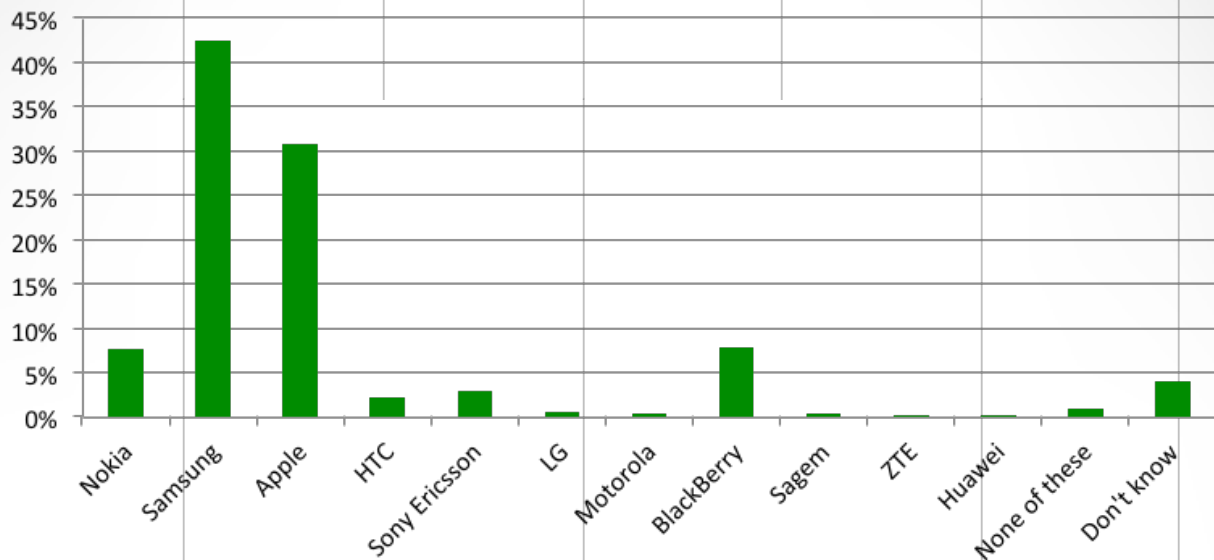
- 29 per cent of Saudi consumers prepared to spend over \$450 on their mobile
- 73 per cent of Saudi consumers prepared to spend over \$200 on their mobile

Please imagine that you were looking to buy a new mobile phone/ smartphone handset. Approximately how much would you be willing to pay for the new mobile phone handset?



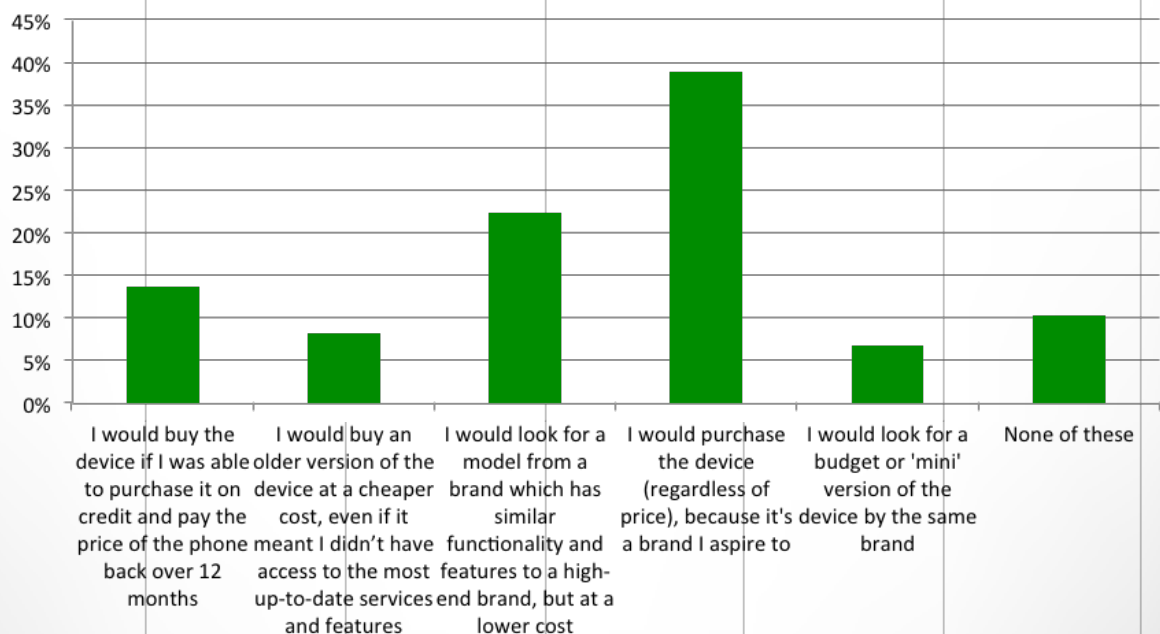
- Apple second most popular handset – 31 per cent of Saudi consumers would most like to buy one
- Nokia third most popular handset – 8 per cent of Saudi consumers would most like to buy one

Please imagine that you were looking to buy a new mobile phone/ smartphone handset...
If you didn't have to worry about the price of the device, which ONE, if any, of the following brands would you MOST like to purchase a handset from?



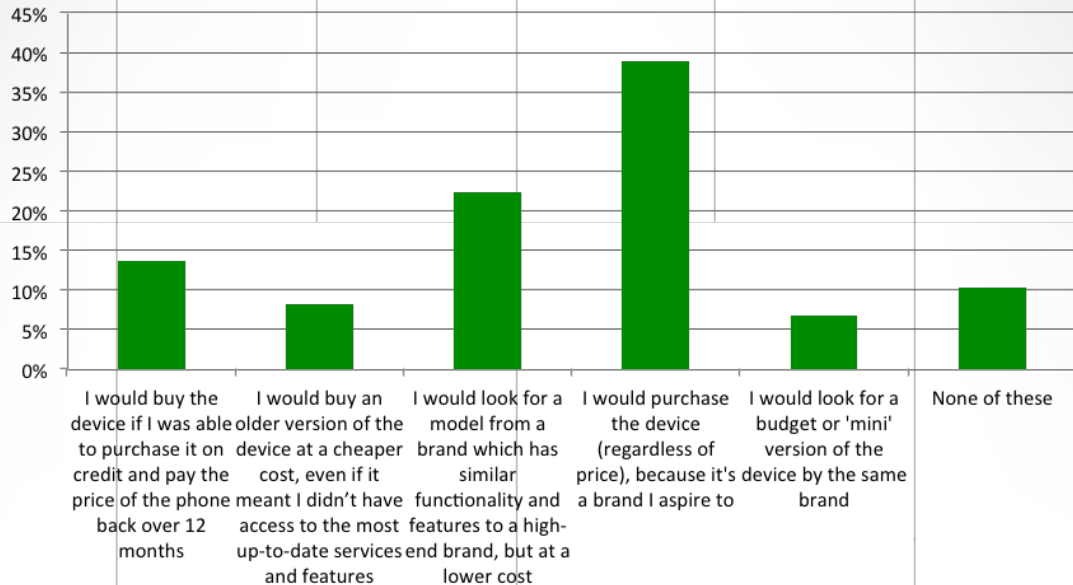
- Saudi consumers are most likely to purchase a device (regardless of price), because it's made by a brand they aspire to own
- 22 per cent look for a handset from a brand that has similar functionality and features to a high-end brand, but at a lower cost

Please imagine that you were looking to purchase a high-end smartphone (i.e. an expensive smartphone with lots of features/ functionality e.g. Apple iPhone)...
Which ONE, if any, of the following BEST describes what you would do?



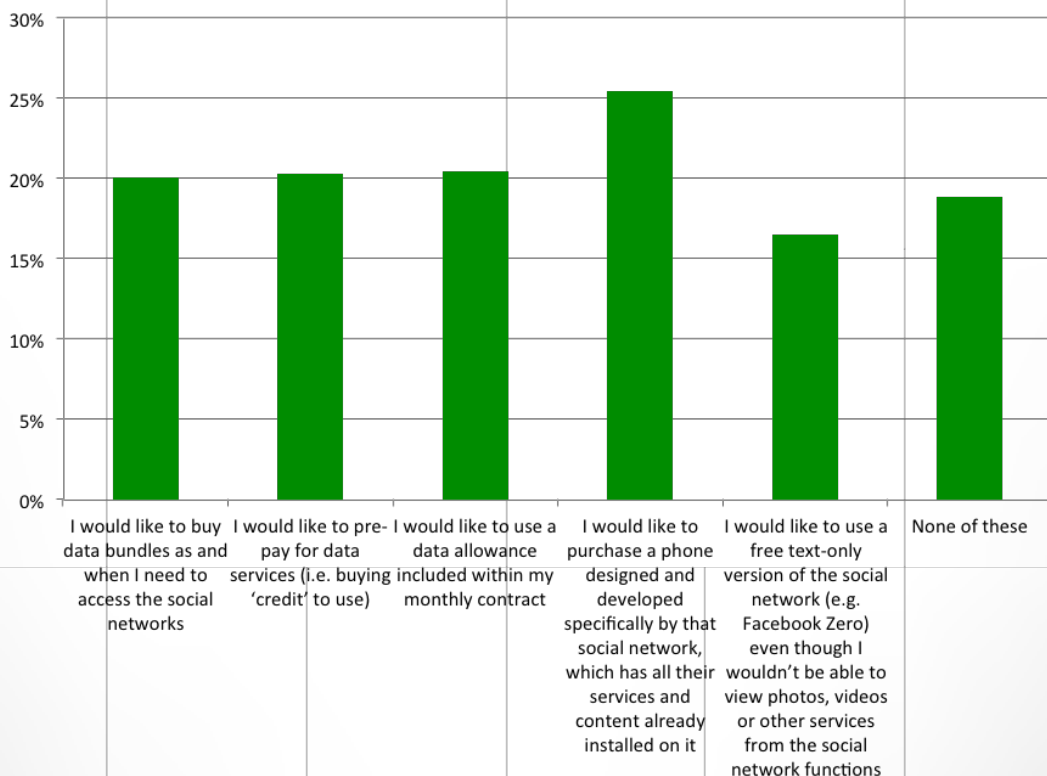
- Saudi consumers are most likely to purchase a device (regardless of price), because it's made by a brand they aspire to own
- 22 per cent look for a handset from a brand that has similar functionality and features to a high-end brand, but at a lower cost

Please imagine that you were looking to purchase a high-end smartphone (i.e. an expensive smartphone with lots of features/ functionality e.g. Apple iPhone)...
Which ONE, if any, of the following BEST describes what you would do?



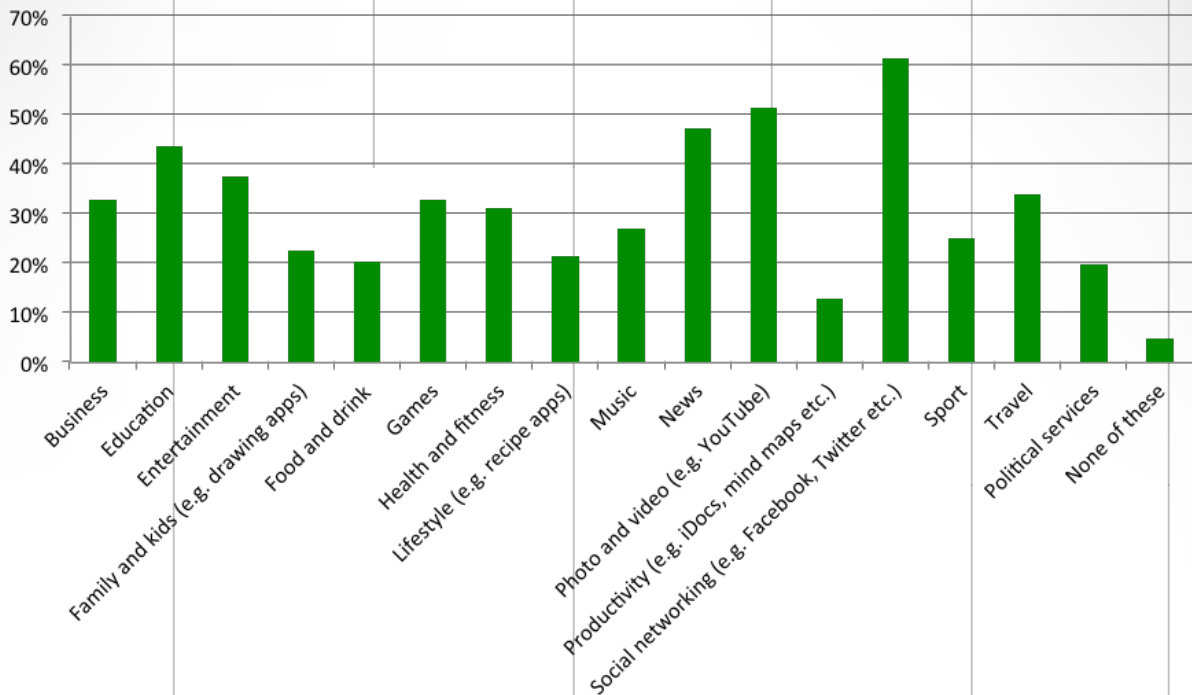
- 25 per cent of Saudi consumers would like to purchase a mobile designed and developed specifically by their favourite social network, which has all their services and content already installed on it
- 20 per cent of Saudi consumers would like to use pre pay by buying credit for data services

Thinking about using social networks (e.g. Facebook, Twitter etc.) via a mobile phone/ smartphone...
Which, if any, of the following do/ would apply to you? (Please tick all that apply)



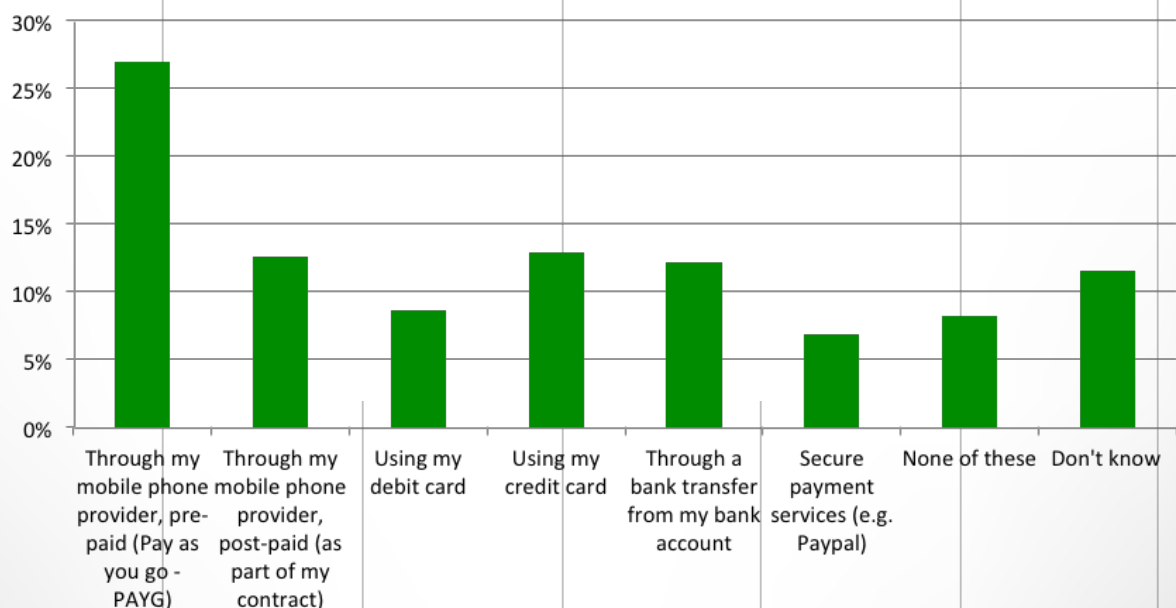
- The three most popular types of content Saudi consumers use their mobile phones for are:
- 63 per cent of consumers use their phone for social networking
- 52 per cent of consumers use their phone for video and photo
- 47 per cent of consumers use their phone for news

Which, if any, of the following types of content do you/ would you like to be able to have access to through a mobile phone/ smartphone (e.g. via an app, news alerts, website access etc.)? (Please tick all that apply)



- Saudi consumers would most like to pay for content over their mobile phone via on a pre-paid, in a pay as you go format (27 per cent)

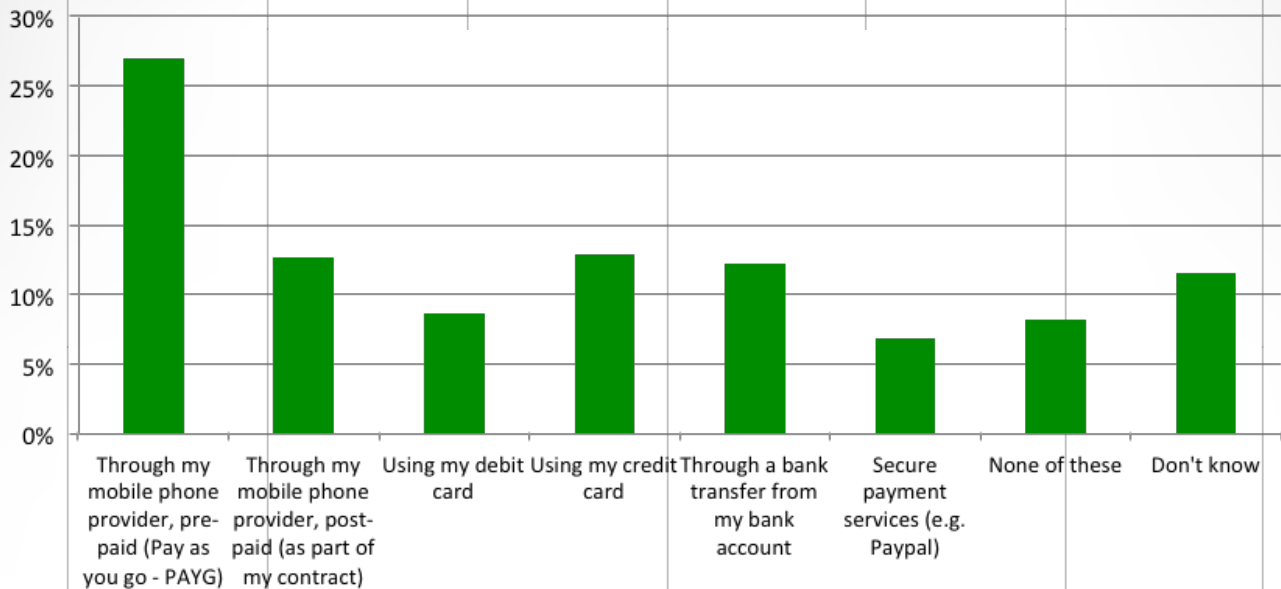
And please imagine that you had to pay to access content through a mobile phone/ smartphone (e.g. paid-for apps, subscriptions to news alerts etc.)... Which ONE, if any, of the following methods of payment would you find most convenient to use?



- Saudi consumers prepared to spend \$65,713,146 on content on their mobile handset each month

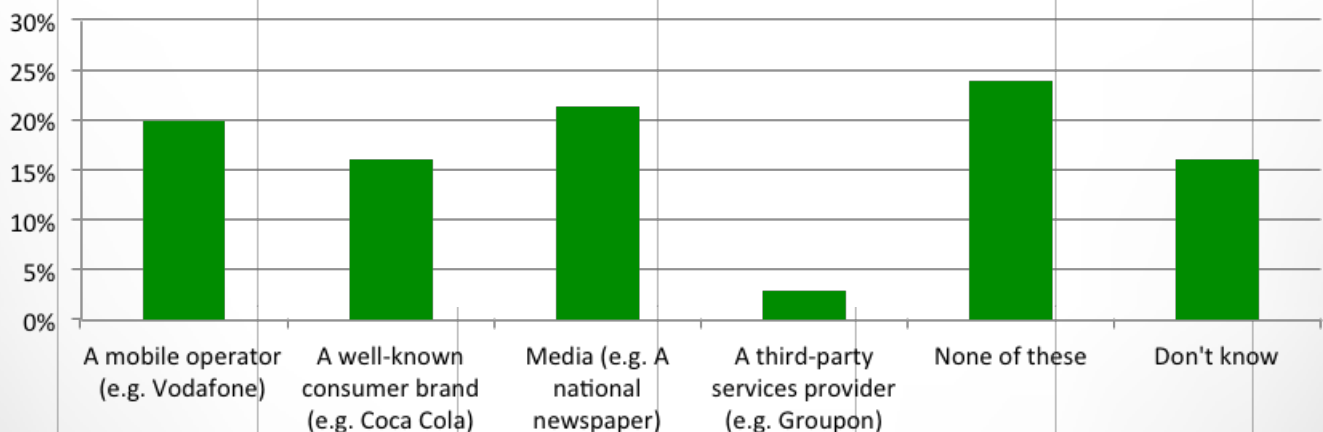
And please imagine that you had to pay to access content through a mobile phone/ smartphone (e.g. paid-for apps, subscriptions to news alerts etc.)...

Which ONE, if any, of the following methods of payment would you find most convenient to use?



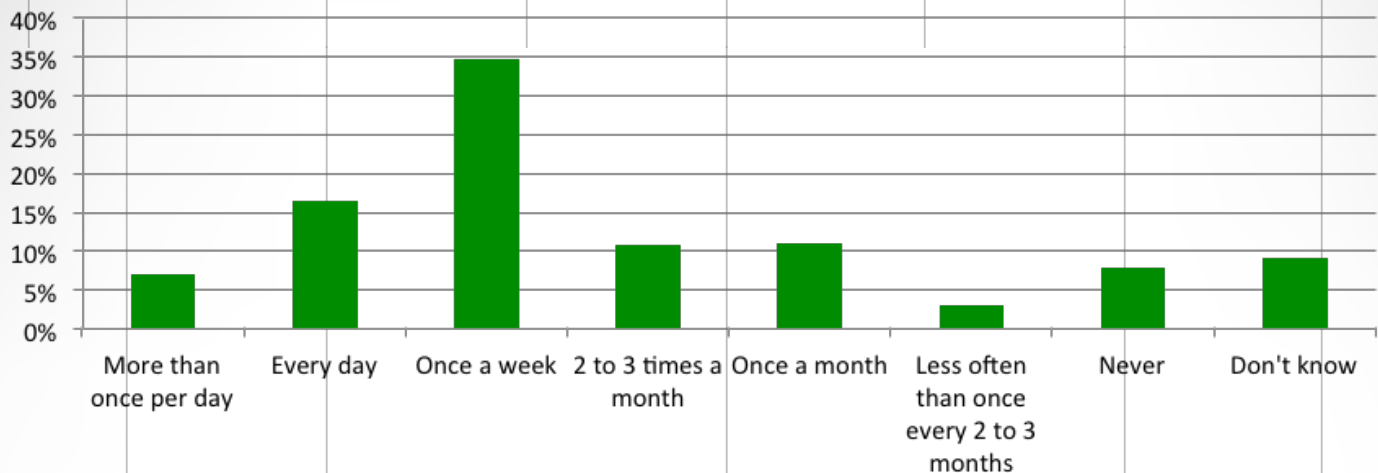
- Saudi consumers are most likely to trust promotions sent from the media, with over a third (22 per cent) saying these are most trust worthy
- The second most trust worthy source is well known consumer brands (16 per cent)

Which ONE, if any, of the following would you be MOST likely to trust if they sent you promotional messages to a mobile phone/ smartphone offering you new services/ content?



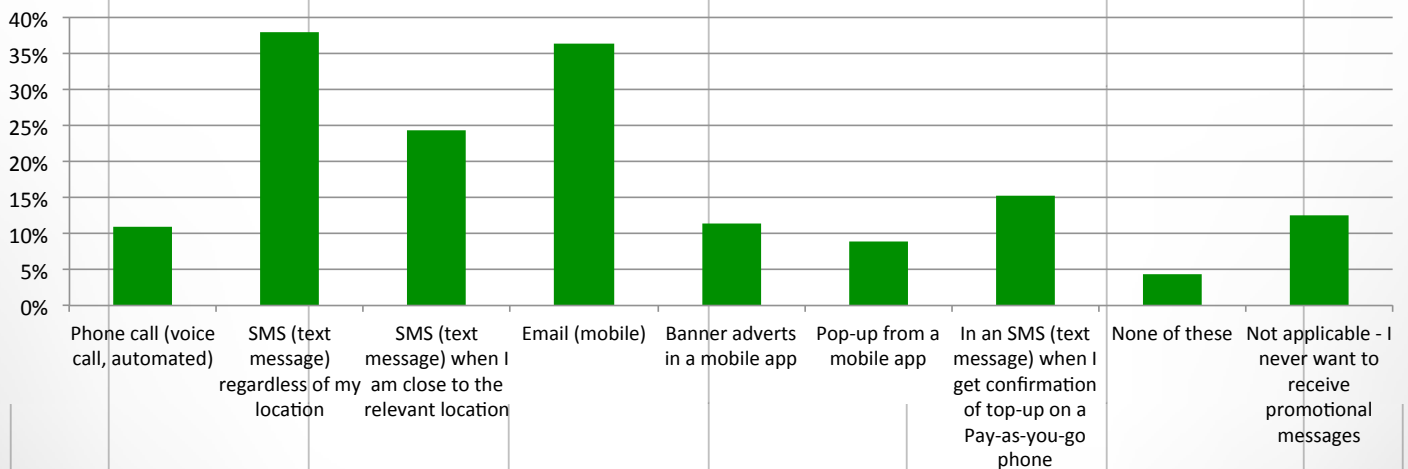
- 59 per cent of Saudi consumers happy for brands to send promotional messages to their phone once a week

Approximately how often, if at all, do you think it is appropriate for a company to send you advertising and promotional messages to a mobile phone/ smartphone?



- 38 per cent of Saudi consumers would most like to receive promotional messages in an SMS format, rising to 62 per cent so long as the message is relevant to their location

In which, if any, of the following ways would/ do you like to receive promotional messages from companies on a mobile phone/ smartphone? (Please tick all that apply)



RESEARCH METHODOLOGY

2013 EMERGING MARKETS MOBILE ATTITUDES REPORT



All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 3500+ adults. Fieldwork was undertaken between 6th-20th February 2013. The survey was carried out online. The figures have been weighted and are representative of all Brazil, India, KSA, UK, US adults (aged 18+).

Nigerian fieldwork research was conducted online by Vanson Bourne, a research based technology marketing consultancy.



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WE SWITCH CONSUMERS **ON**