



Mobile Youth
Around the
World

December 2010

nielsen
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Overview

From texting to video to social networking, mobile phones are taking an ever-expanding role in our daily lives. And young people around the world are more immersed in mobile technology than any previous generation.

The Nielsen Company analyzes and tracks mobile usage in North America, Africa, Asia, Europe, Latin America, and the Middle East. In this report, we'll highlight mobile youth data from Brazil, Russia, India, China, Vietnam, Germany, US, UK, Spain and Italy.

Usage patterns vary greatly among youth throughout the world, demonstrating how culture, economy and age can all play a large part in mobile behavior. These factors affect device selection, payment and usage.

Understanding whether behaviors are a function of age or other environmental factors can help marketers communicate more effectively with this key demographic through mobile services and devices.

What kind of phones do young people use?

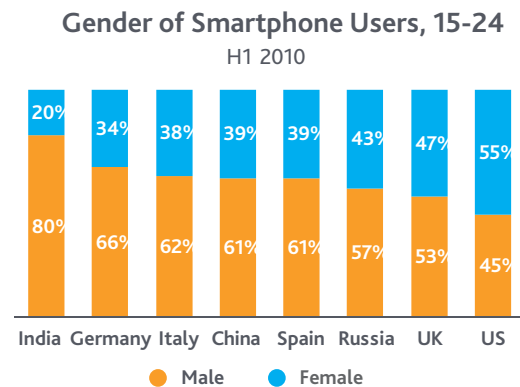
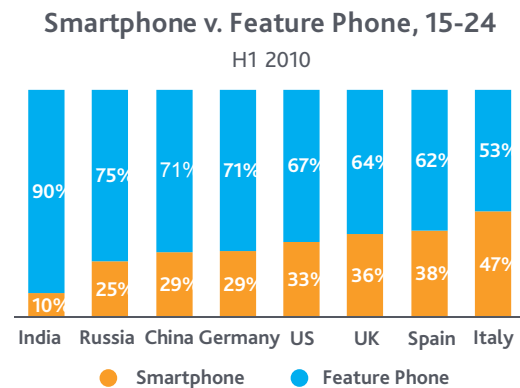
Smartphone v. Feature Phone

Out of all the countries examined, Italy leads in smartphone penetration with 47 percent of young people ages 15-24 owning a smartphone, compared to 31 percent of adults over 25. Smartphone penetration among European youth averages 28 percent in the countries surveyed, while penetration among older adults in Europe is 27 percent.

As of Q2 2010, 28 percent of US mobile subscribers had smartphones. Youth in the United States exceed the population average smartphone penetration by 5 percent.

All countries tend to skew male in smartphone adoption with one notable exception—the US, where 55 percent of smartphone users age 15-24 are female. In the overall US smartphone population, 55 percent were male.

Italy has the highest smartphone penetration among youth 15-24; smartphone users skew male everywhere but US



Source: H1 2010

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Multiple SIM Cards

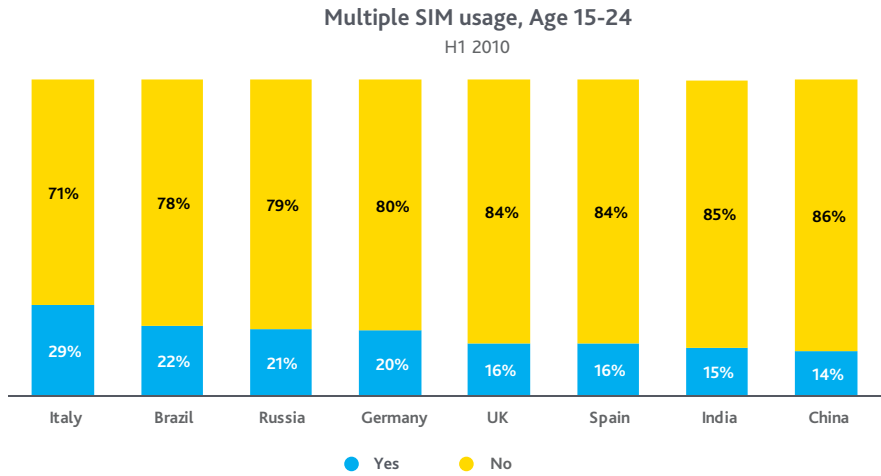
One distinguishing factor of the US versus other countries' mobile behavior is multiple-SIM card usage. Outside the United States, it is not unusual for people to swap the SIM card in their phone in order to take advantage of different tariffs and lower cost in-network calling from mobile carriers. Multiple SIM usage is even more common in Brazil, Russia, India and China (BRIC) among youth, where adults 25+ have a lower usage rate. In Europe, youths use multiple SIMs 9 percent less than the adult average. In terms of the motivation behind having more than one SIM, Italian youth claim their primary reason is to take advantage of different tariffs and free text messages. In China, young multiple SIM users are most likely to do so because of the ability to have different numbers for different people. Some device manufacturers are taking advantage of this trend by creating devices that make it easy for consumers to insert multiple SIMs into the same phone at the same time.

How did they choose their device?

Person responsible for device selection

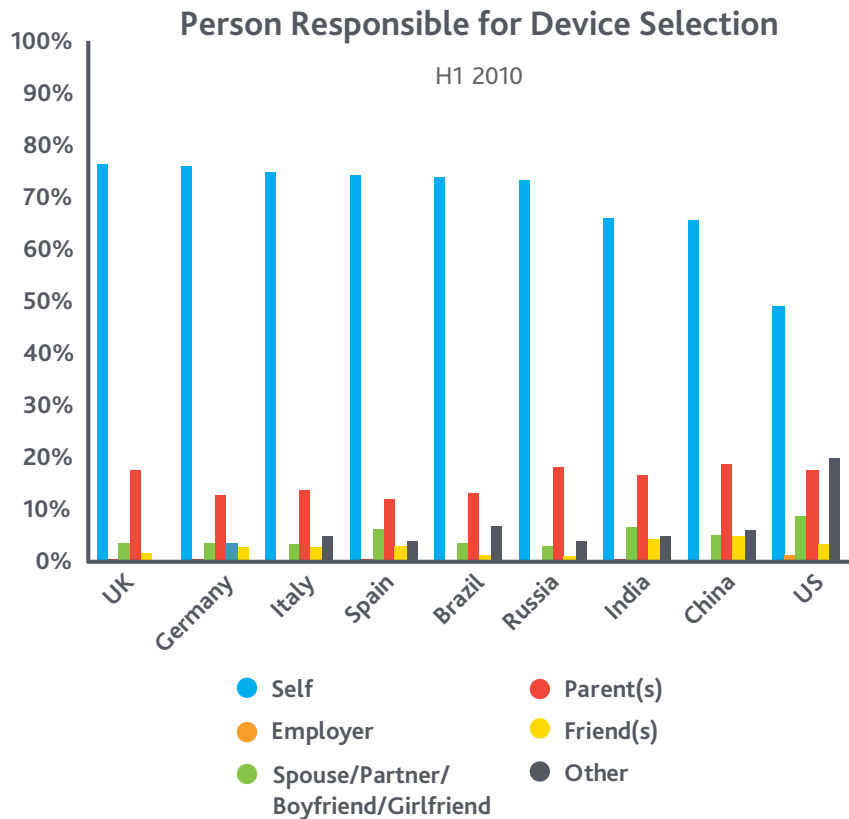
An overwhelming majority of young people throughout the world choose their own devices. Across the countries surveyed, only 16 percent of young people's parents chose their phone.

Italy is leading in multiple SIM usage



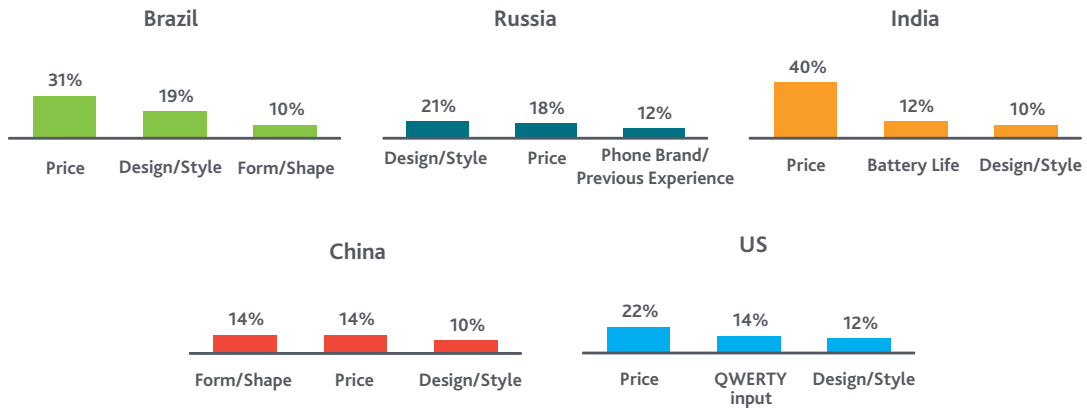
Source: The Nielsen Company

Young people choose their own mobile devices



Source: The Nielsen Company

Price is top ranked purchase driver in all countries



Source: The Nielsen Company

Purchase Drivers

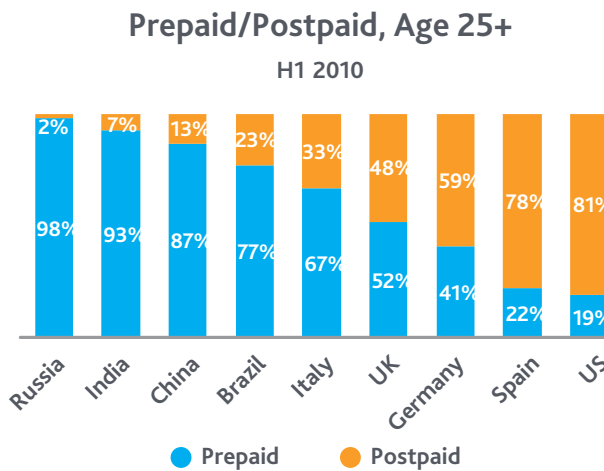
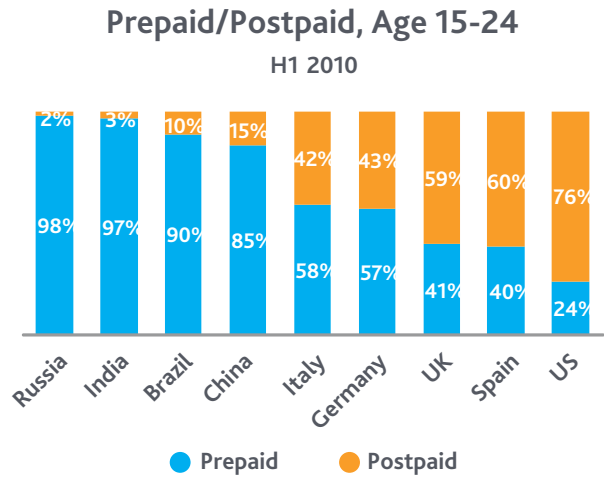
Price was the most common consideration in selecting a mobile phone for young people, though that is true among other age groups, too. Adults in these countries rated price the most important consideration, too. Youth aged 15 to 24 put price as the first purchase driver, with the exception of Russian youth, 21 percent of whom placed design/style first. Around 14 percent of Brazilian adults say design/style is the most important consideration, compared to 7 percent of US adults.

How do they pay for their phones?

Prepaid v. postpaid

Prepaid, also commonly referred to as "pay as you go," is a method of payment where mobile credit is bought before the service is activated. Unlike postpaid services, which are often contract based, the minutes people can talk are paid for prior to use and require minimal credit history. Outside the United States, prepaying for service is a common method, often due to a lack of the required infrastructure and ecosphere to track credit history. At 24 percent, young people in the US are much less likely to

Prepaid/Postpaid among youth is comparable to general population



Source: The Nielsen Company

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prepay than the emerging markets, which all have prepaid rates over 85 percent. This data is consistent with the global adult population, except postpaid as a majority tends to slightly increase in the 25+ bracket, which may be a more suitable age for a contractual agreement.

Person responsible for mobile charges

Personal payment for mobile charges increases as teens move into young adulthood. Across the countries surveyed, personal payment increases on average thirty percent once mobile users exit their teen years. Germany and Brazil are tied for the highest percentage of teens who say they pay their own bill, while Italy has the lowest. The US has the lowest rate of personal payment among ages 20-24, with only 45 percent of youth in that age bracket paying for their own service.

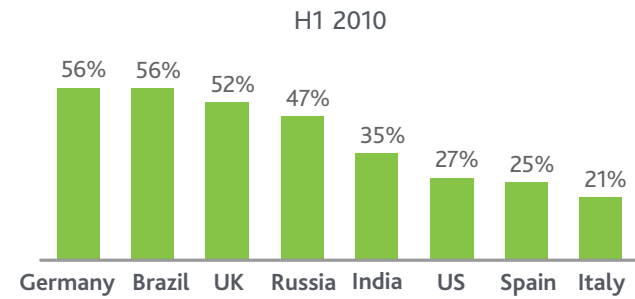
How do they use their phones?

Advanced data usage

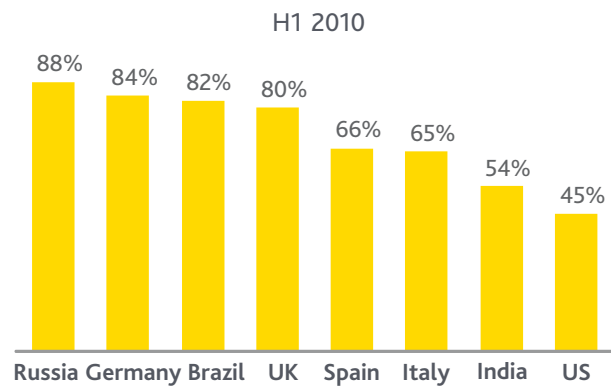
Youth in China and the US lead the way among young mobile subscribers who use advanced data. Eighty-four percent of Chinese youth use their phones beyond voice and text compared to 47 percent of Chinese adults. Eighty-three percent of US youth use advanced data, 32 percent higher than US adults.

Personal payment increases 30% on average once teens move into young adulthood

Pay for own mobile service, Age 15-19

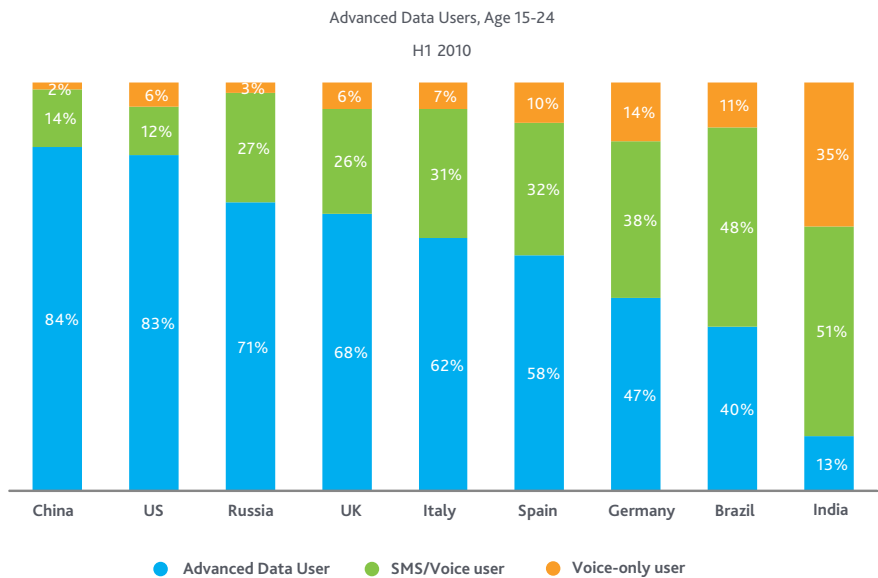


Pay for own mobile service, Age 20-24



Source: The Nielsen Company

Chinese youth lead the way in advanced data usage



Source: The Nielsen Company

Types of Advanced Data Usage

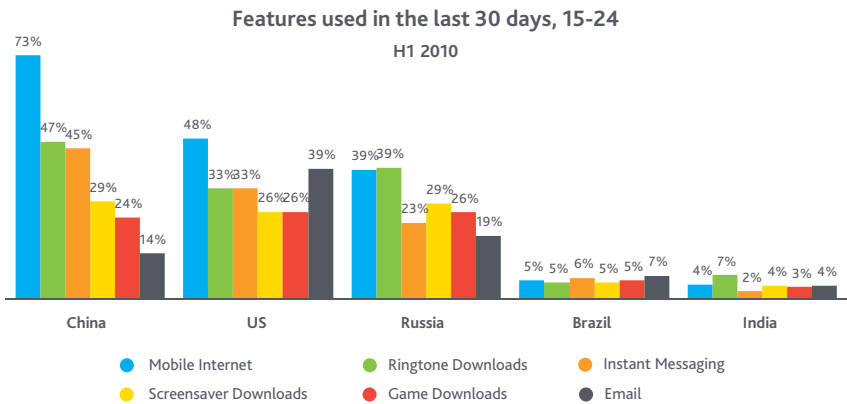
At 70 percent, young Chinese advanced data users have a significantly higher mobile internet usage rate than the rest of the world. In the UK and US, females have at least a 10 percent higher rate of messaging use than males.

Among European youth, those in the UK are more likely to use mobile internet, with over 20 percent more usage than other European countries.

Text and Picture Messaging

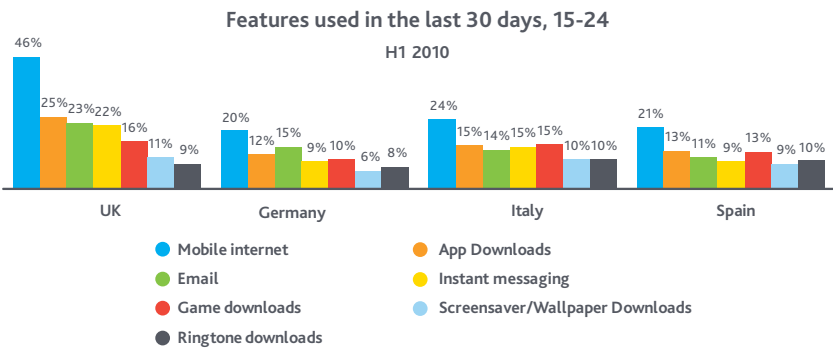
Messaging tends to skew female in the majority of markets, except for a few outliers. Indian males are twice as likely as Indian females to use mobile messaging. China also skews slightly male in both types of messaging, but only by a 4 percent margin. In the UK and US, females have at least a 10 percent higher rate than males who use messaging services.

Chinese youth lead in mobile internet usage, US top mobile e-mail users



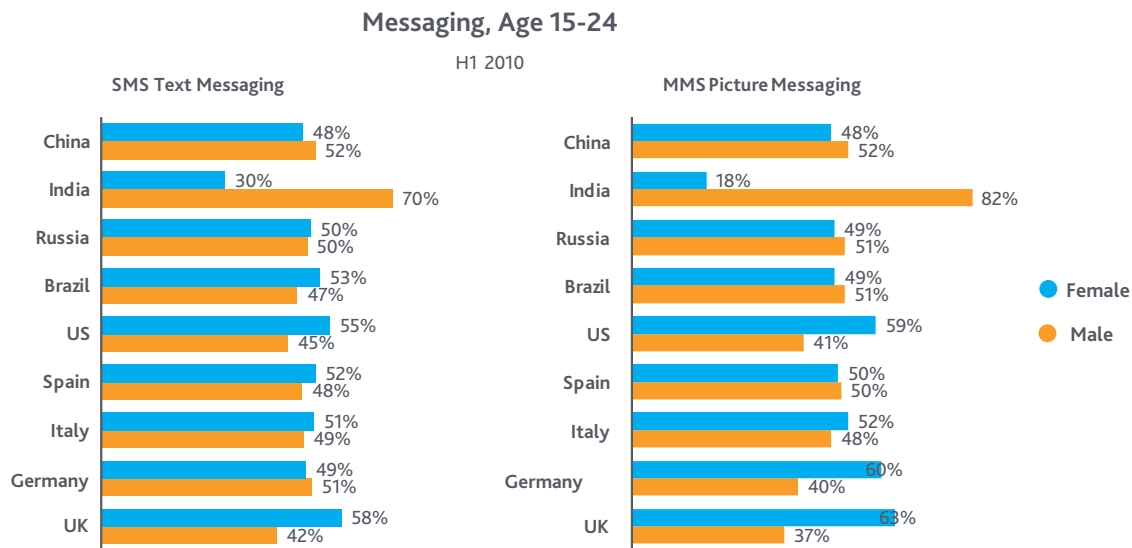
Source: The Nielsen Company

UK has over 20% more mobile internet users than other European countries



Source: The Nielsen Company

SMS and MMS messaging generally skews female, except for China and India



Source: The Nielsen Company

Mobile Youth in Vietnam

Twenty percent of the Vietnamese population is between the ages of 15 and 24, and half of these young people already use mobile services.

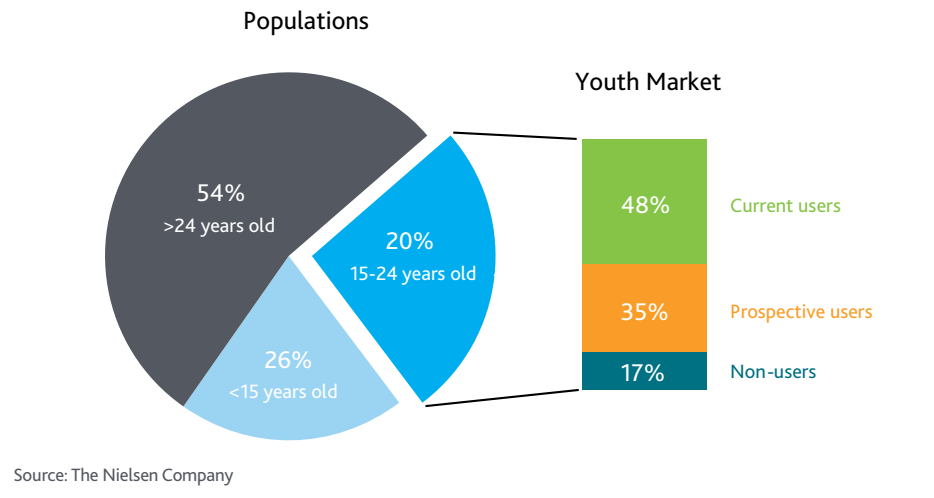
Like their counterparts in other countries, young people in Vietnam use more data than average. Nine percent of them access the mobile internet on a regular basis compared to 3 percent of all Vietnamese mobile users. Eighteen percent use multimedia services, too, compared to 7 percent of Vietnamese mobile users of all ages.

But when it comes to understanding the purchase behaviors of mobile youth—particularly with regard to service choices—it is important to distinguish between teens and young adults. Teenagers' decisions are still guided by their parents, who tend to control the purse strings. Young adults increasingly make their own choices, are more subject to peer influence and have more control over their own pocket money.

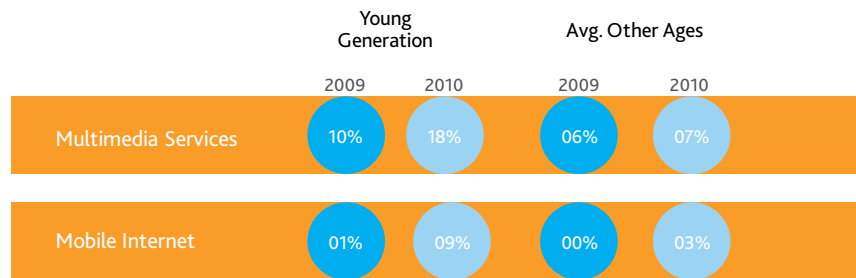
These distinctions are particularly apparent when we look at how young people choose their mobile service. Like most emerging countries, Vietnam is primarily a prepaid market. That is, unlike the United States where mobile users enter into a long-term contract with a particular wireless operator and pay on a monthly basis, Vietnamese mobile users pay in advance for their mobile service and then "top up" their minutes when these run out.

The parents of Vietnamese teenagers tend to be responsible for paying for their kids' mobile services. They tend to spend 100,000 vnd once or twice a month and pay to top up their kids' phones as needed. Promotions do not seem

Youth ages 15 to 24 make up 20% of population. Half subscribe to mobile services.



Vietnamese youth use more advanced data than other age segments



Source: Mobile Insights 2010, 2009

to affect the top-up behavior of teens or better that of their parents who actually pay for it.

But promotions are very important to young adults ages 18-24. They will actually wait for the right promotion to top up, or top up even if they don't need the minutes just to take advantage of a promotion. Their increased price-sensitivity is because they are now paying for their own mobile service. They tend to spend half as much as the parents of teenagers (50,000 vnd) each time, but top up more frequently, perhaps two or three times a month.

Promotions become more important when youth have to pay for mobile services themselves.

	Teens	Young Adults
Who Pays	Parents	Self: Pocket Money
Amount	100,000vnd/each time	50,000vnd is more preferred
Frequency	1-2 times a month	2-3 times a month
Promotions	Top up on need basis	Wait for promotions, top up even if not needed in promo period

Source: The Nielsen Company

US Teen Texting

If it seems like American teens are texting all the time, it's probably because on average they're sending or receiving 3,339 texts a month. That's more than six per hour they're awake—an 8 percent jump from last year. Using recent data from monthly cell phone bills of more than 60,000 mobile subscribers as well as survey data from over 3,000 teens, Nielsen analyzed mobile usage data among teens in the United States for the second quarter of 2010 (April 2010 – June 2010). No one texts more than teens (age 13-17), especially teen females, who send and receive an average of 4,050 texts per month. Teen males also outpace other male age groups, sending and receiving an average of 2,539 texts. Young adults (age 18-24) come in a distant second, exchanging 1,630 texts per month (a comparatively meager three texts per hour).

Number One Reason for Getting a Phone? It's Not Safety Anymore

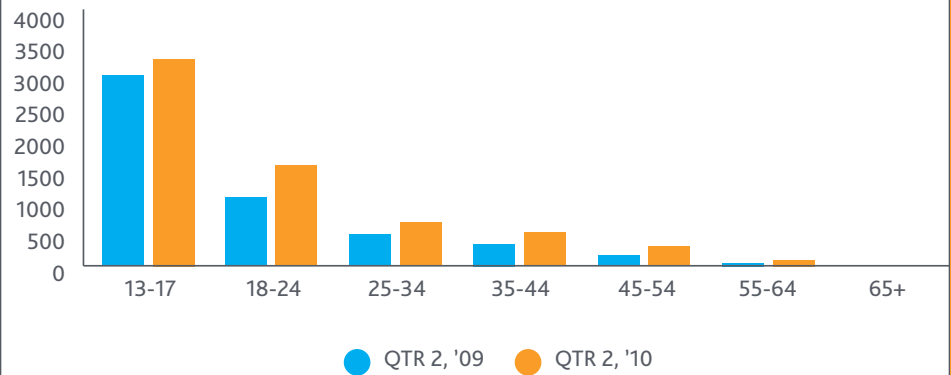
Texting is currently the centerpiece of mobile teen behavior. Forty-three percent claim it is their primary reason for getting a cell phone or mobile device, which explains why QWERTY input is the first thing they look for when choosing their devices. Safety, which was the main reason for getting a phone in 2008, is now less important—it is now in a virtual tie with the general desire to stay in touch with friends.

Texting is Easier and Faster than Voice Calls

All of this texting activity has come at the expense of voice. Last year, teens texted instead of calling because it was fun. Now, 78 percent of teens recognize the functionality and convenience of

Text usage by age

Q2 2009 - Q2 2010, Customer Value Metrics, National

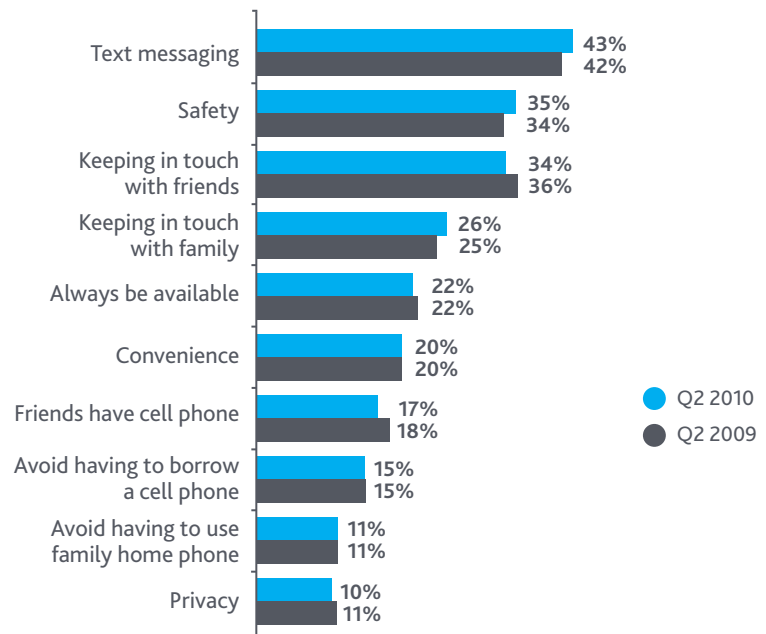


Source: The Nielsen Company

Top reasons for mobile adoption vs. previous year

Teens' Top Reasons for Mobile Adoption

Teen Subscribers (n=3,250/3,128)



Source: The Nielsen Company

text messaging, considering it easier (22 percent) and faster (20 percent) than voice calls (though still fun). Voice activity has decreased 14 percent among teens, who average 646 minutes talking on the phone per month. While voice consumption rises

and peaks at age 24, only adults over 55 talk less than teens. Teen females, who are more social with their phones, average about 753 minutes per month, while males use around 525 minutes.

Data and Apps are Rising Stars

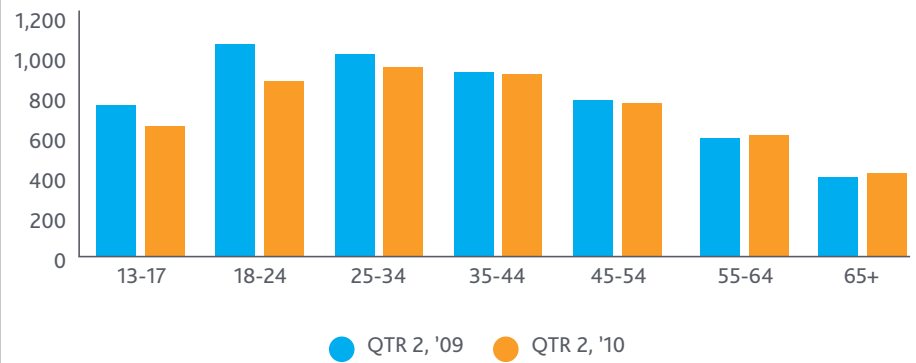
Ninety-four percent of teen subscribers self-identify as advanced data users, turning to their cell phones for messaging, internet, multimedia, gaming and other activities like downloads. While teen usage does not reach levels of activity seen by young adults, it has increased substantially versus Q2 last year, from 14 MB to 62 MB. This four-fold increase is the largest jump among all age groups. Much of this boost is led by males, who are more gadget-savvy and consume 75 MB of data, versus 17 MB in Q2 last year. Teen females use about 53 MB of data, compared to 11 MB a year ago.

Teens are not only using more data, but they are also downloading a wider range of applications. Software downloads among teen subscribers who use apps enjoyed a solid 12 percent increase in activity versus last year, from 26 to 38 percent. This includes popular apps such as Facebook, Pandora and YouTube. Usage of the mobile web has also surpassed activity on pre-installed games, ringtone downloads and instant messaging, too. Other mobile activities like mail and text alerts have also seen significant growth.



Voice usage by age

Q2 2009 - Q2 2010, Customer Value Metrics, National

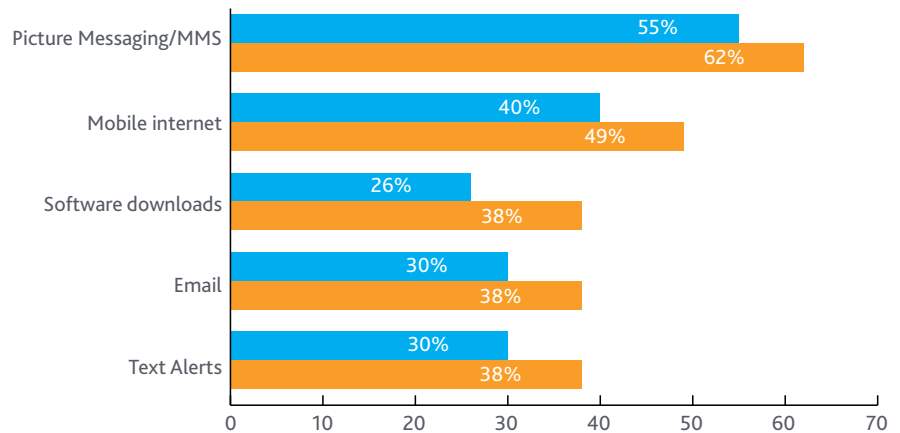


Source: The Nielsen Company

National data usage among teens

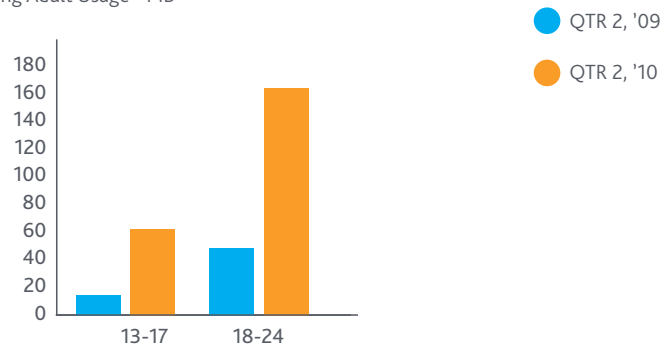
Q2 2009 vs. Q2 2010

Reported Application Usage (Use in Last 30 Days)



Customer Value Metrics

Teen vs. Young Adult Usage - MB



Source: The Nielsen Company

Mobile Insights Coverage

In 2010, The Nielsen Company surveyed mobile consumers in 19 countries, including the countries listed below. The sample sizes indicated in the chart reflect all respondents, not just youth.

Global Coverage	Methodology	Sample (per wave)	Cadence	Regional Coverage
US	Online	75,000	Quarterly	National
Germany	Online	5,000	Q1	National
Spain	Online	8,500	Quarterly	National
Italy	Online	5,000	Quarterly	National
UK	Online	5,000	Q1	National
Brazil	Face to Face	5,000	Q2	10 urban cities
Russia	Face to Face	5,000	Q1	9 urban cities
China	Face to Face	5,000	Q1	Tier 1, 2, and 3 cities
India	Face to Face	5,000	Q2	22 telecom circles

About The Nielsen Company

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