

1Q2012 Digital Consumer Portrait

Mobile Consumer Research

Fortifying the Industry with Knowledge

- In our commitment to providing industry leading education in the Mobile environment, InsightExpress has completed its 20th installment of the Digital Consumer Portrait.
 - July 2007 – January 2012
- Methodology
 - US consumers were recruited into an online survey through InsightExpress' eRDD river recruitment methodology (non-panel based source)
 - 1300 respondents completed the survey between December 26 – January 11, 2012
 - Respondents were balanced to match the US Online population

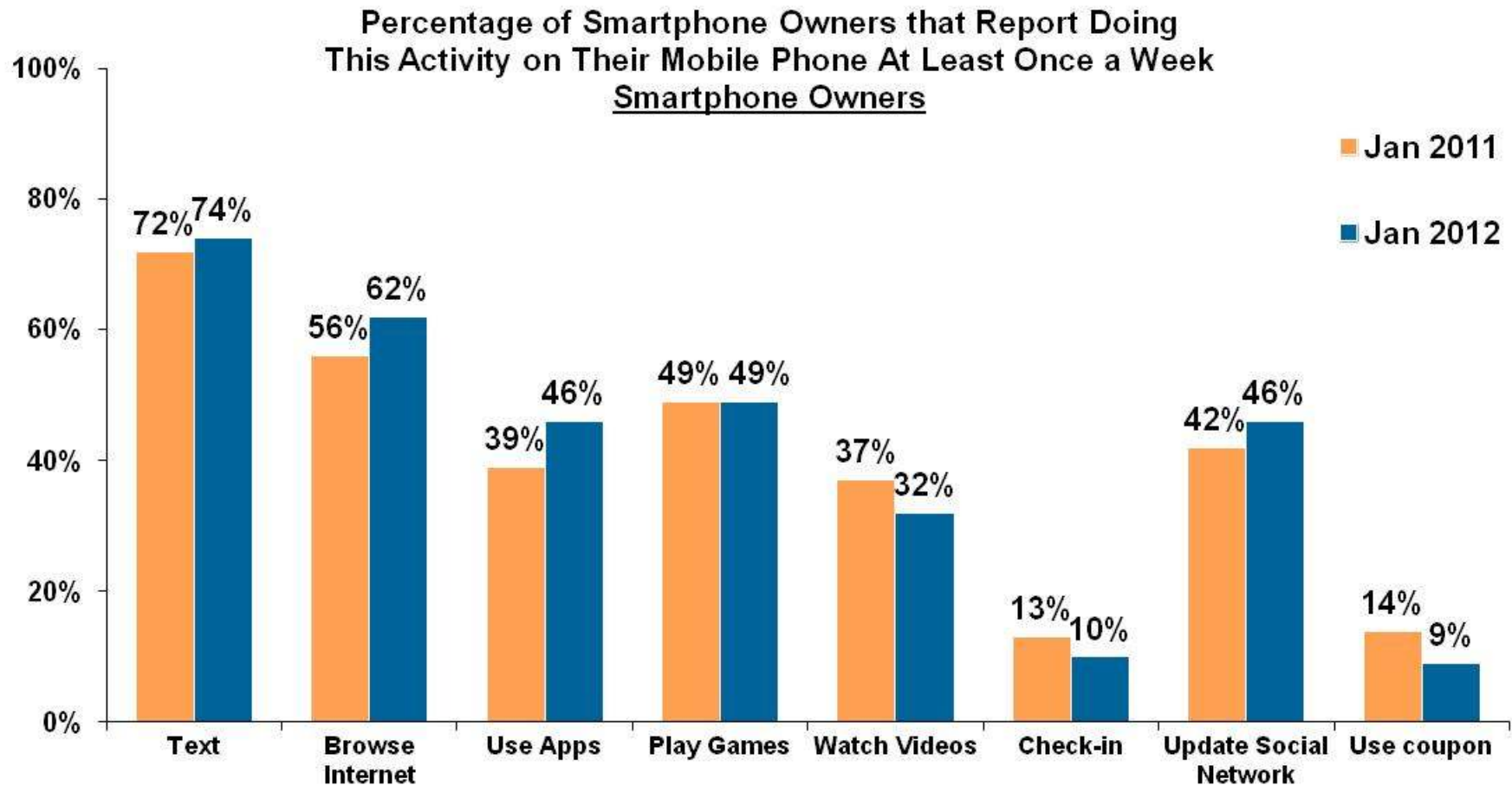


How Has Mobile Usage Changed in a Year?

Commentary

- The easy answer to that question is, “Not much”
- With the increase in the penetration of smartphones, it would be logical to expect that the number of people doing certain mobile features would also increase. However, because smartphones are being used by more and more people, we’re actually seeing a moderating effect on usage statistics.

No Large Changes in Smartphone Usage Over the Past 12 Months



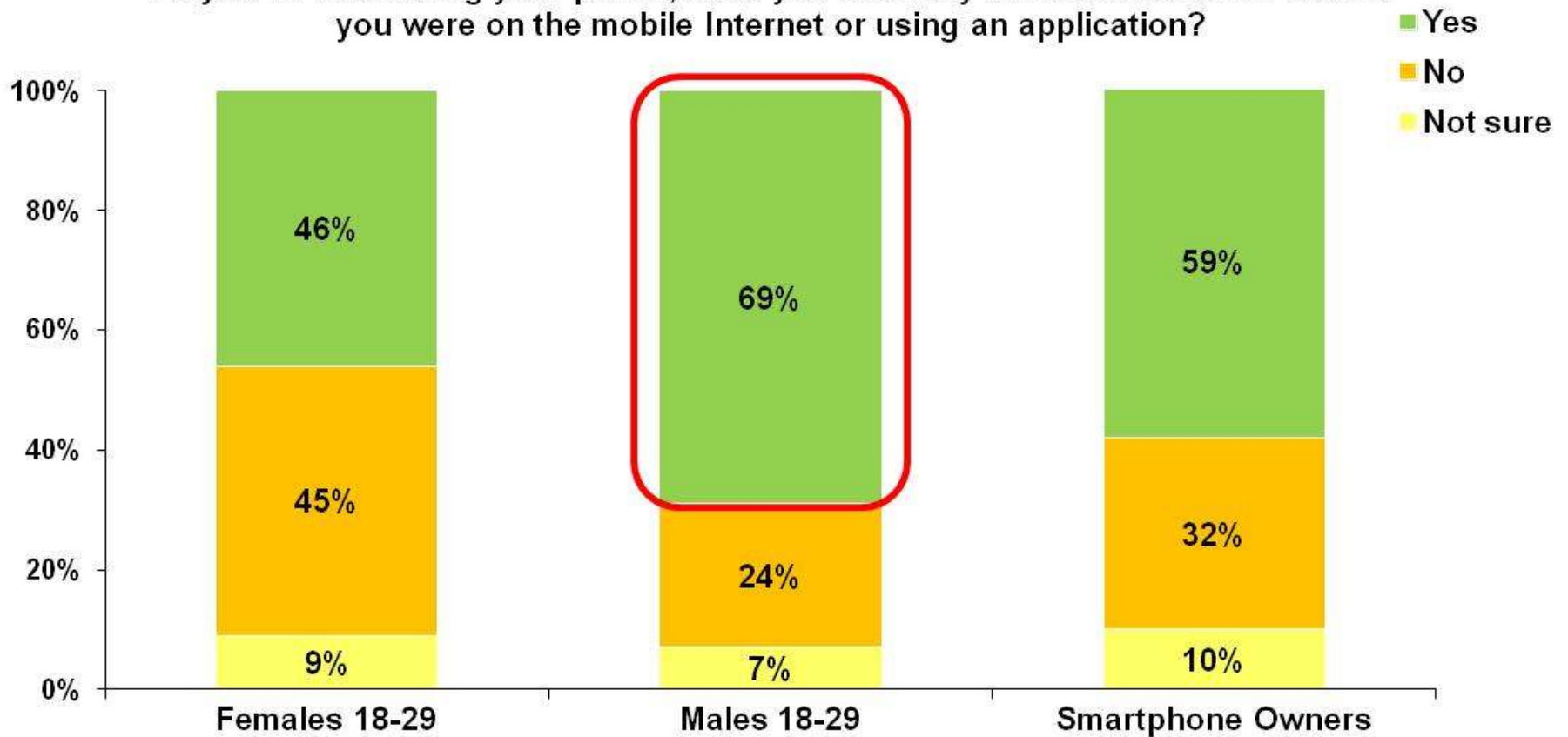
Impressions of Mobile Advertisements

Commentary

- Asking people what they think about advertisements will most often lead to a negative answer. It's like asking people if they like salespeople that they can't avoid.
- In the interest of trying to understand how mobile advertisements are perceived in the marketplace, we asked consumers not only if they recall seeing ads and how appealing are mobile ads, but also how new and different they are compared to more established advertising formats.
- One of the first surprises when we looked at the data overall, was that Men 18-29 years old were standing out as a group in many different facets. So much so that we decided to compare them against Women 18-29 and smartphone owners to give you a sense of how unique this audience is from anything we are seeing.
- Overall, Men 18-29 are more likely to be aware of having seen mobile ads, more positive towards them, and more likely to consider them New & Different compared to traditional and digital ads.
 - The “why” behind this is still a bit elusive, but our theory (based on more data to come in the following pages) is that Men 18-29 are so connected and tied to their mobile device, that anything on it receives a positive halo effect.
 - We'll look into this more in future studies to see if we can't isolate the reasons further.

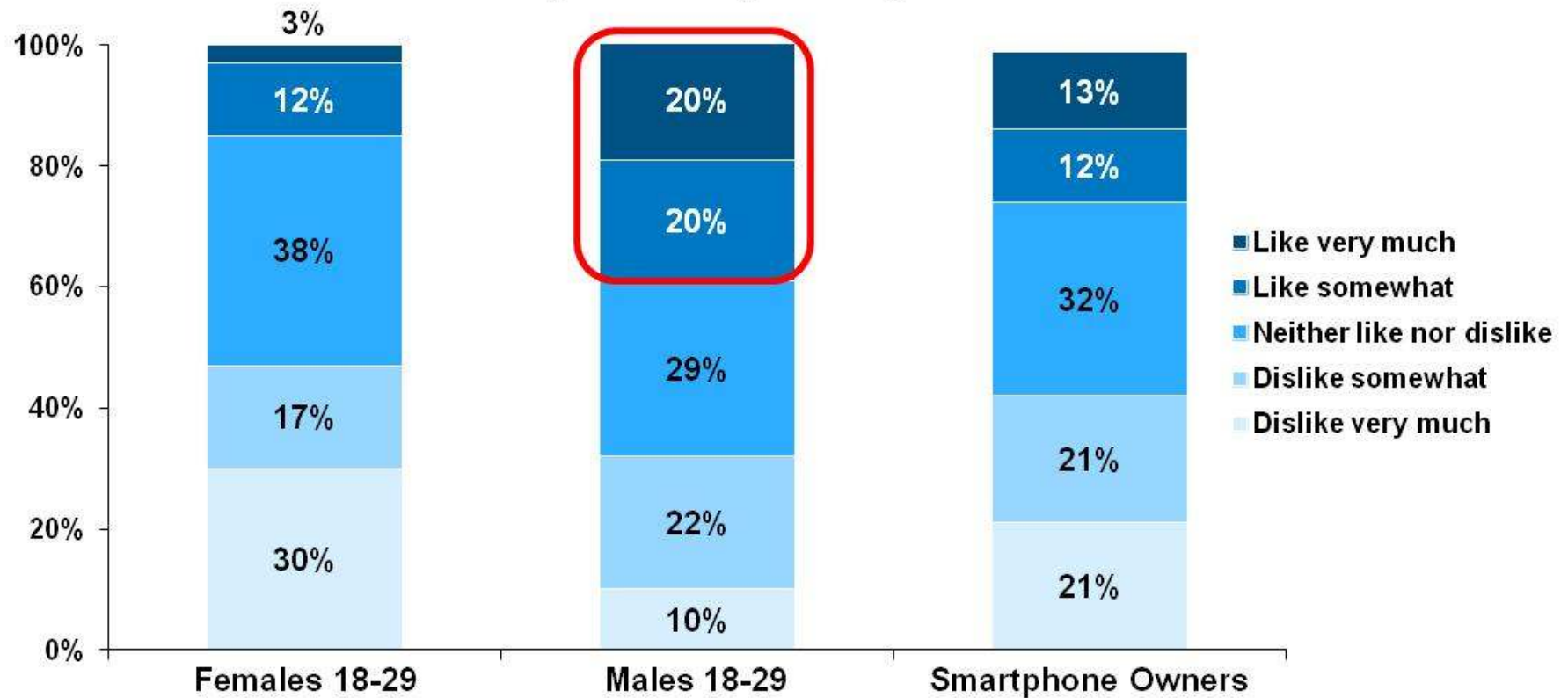
More Young Men Recall Seeing Advertisements on Their Mobile Phone

As you've been using your phone, have you seen any advertisements on it while you were on the mobile Internet or using an application?

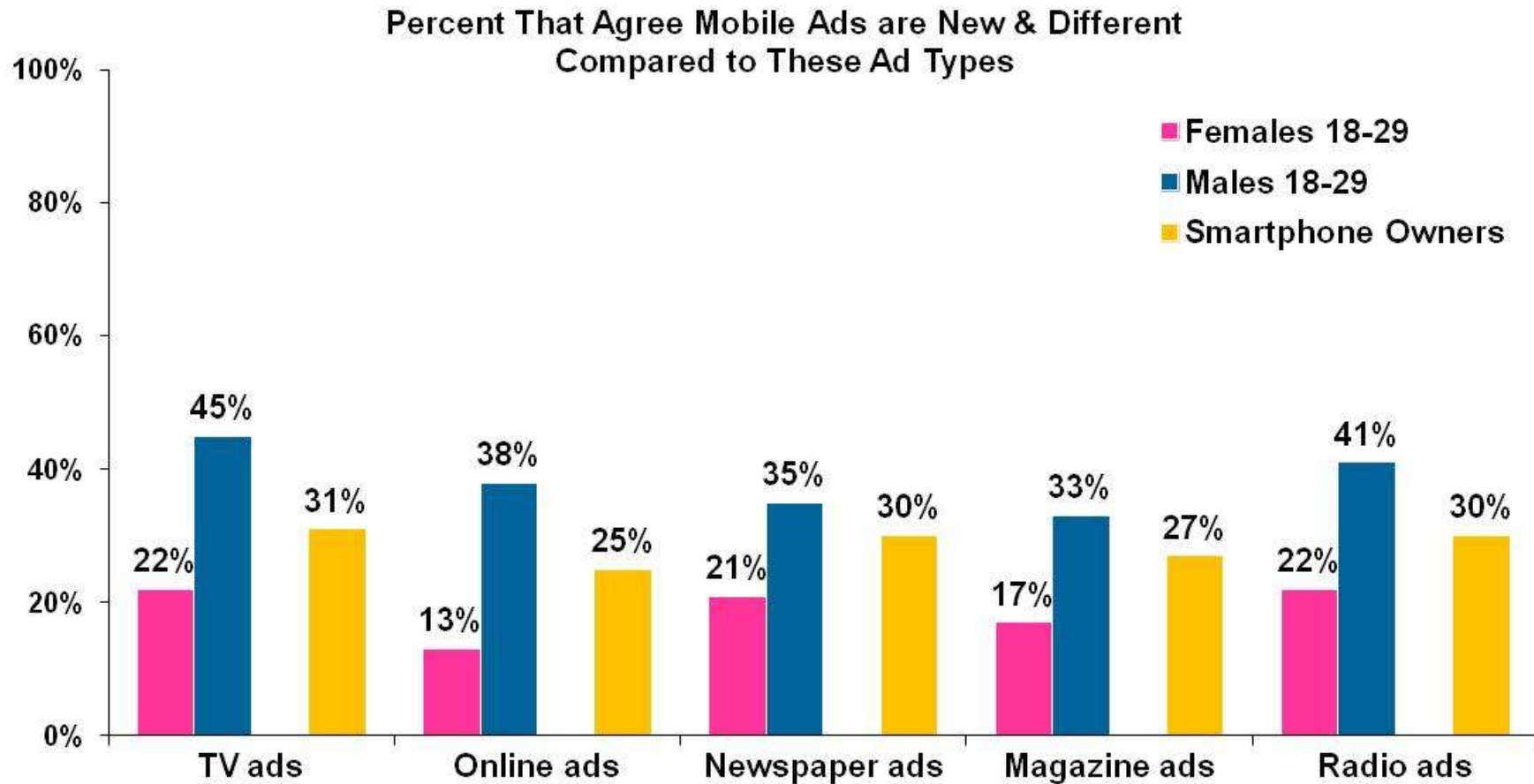


More Young Men Find Mobile Ads Appealing

How appealing are the advertisements you see on your mobile phone in general?



More Young Men Think Mobile Ads are New & Different in Comparison



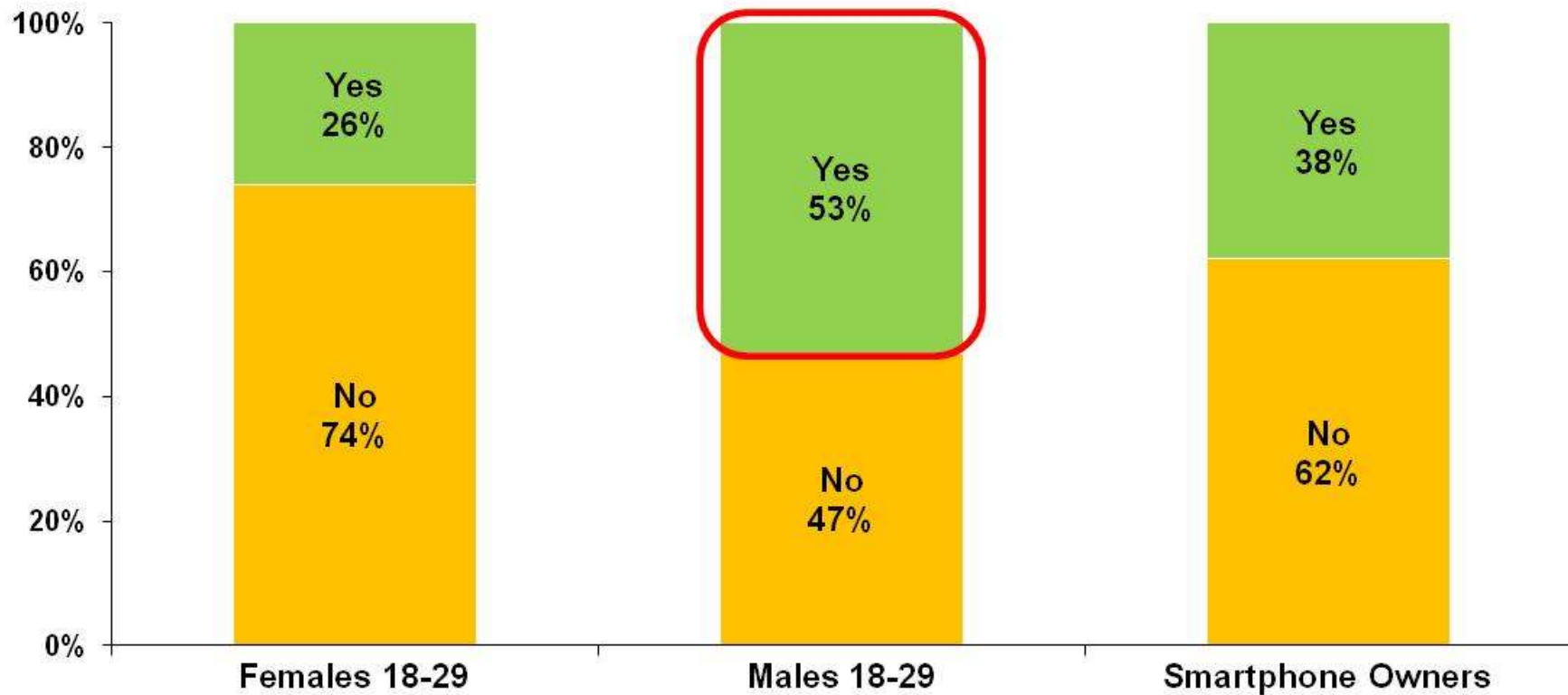
Holiday Shopping

Commentary

- When it comes to how people used their Mobile phone to help them with their holiday shopping, we see the same group, Men 18-29, standing out.
 - More than half of Men 18-29 report using their mobile to help them in store
 - Most of the activities were around information and deal gathering rather than social or brand conversations
- It's apparent that smartphone owners did not expect to rely on their mobile phone for holiday shopping in store, but that it became an important tool in their holiday experience.
- To give you an example of how important mobile had become over the years, look how it's changed since 2009
 - The percentage of smartphone owners who report using their mobile to help them find a better price while they were in a store
 - 2009 – 15%
 - 2010 – 40%
 - 2011 – 59%
 - The percentage of smartphone owners who report using a coupon on their phone while they were in a store
 - 2009 – 7%
 - 2010 – 30%
 - 2011 – 32%

More Young Men Report Using Mobile to Help Shop During Holidays

Did you use your mobile phone while you were in a store to help you shop during the holidays?



Young Men Used Mobile in More Variety of Stores than Young Women

Which types of stores did you use your mobile phone in to help you shop?	Females 18-29	Males 18-29	Smartphone Owners
Department store	52%	70%	63%
Discount store	30%	32%	35%
Supermarket/Grocery store	36%	49%	41%
Warehouse store (e.g., Costco/Sam's Club)	23%	28%	29%
Mall	41%	58%	46%
Convenience store	9%	22%	17%
General retailer (e.g., Walmart, Target)	55%	41%	48%
Electronics store	23%	55%	46%
Hardware store	7%	23%	17%
Specialty store	9%	22%	20%
Clothing store	32%	30%	30%
Auto dealer	7%	12%	12%
Restaurant	9%	24%	20%

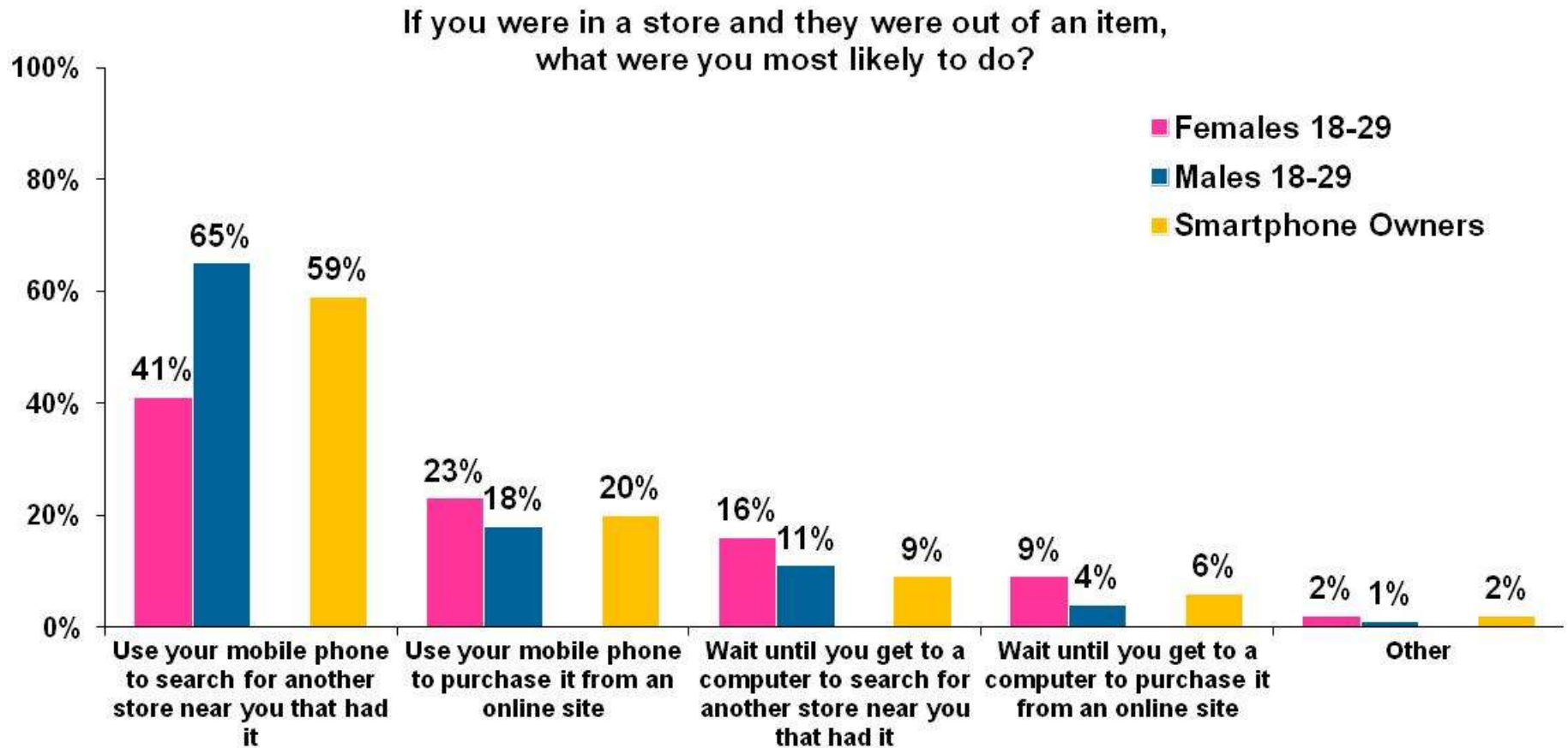
Young Men Used Mobile More for Information Gathering Than Women

Thinking about when you used your mobile phone in a store during the holidays, which of these things did you do?	Females 18-29	Males 18-29	Smartphone Owners
Virtually shopped with someone while you are in the store	30%	39%	34%
Looked for a coupon on your mobile phone	43%	46%	48%
Used a coupon that was on your mobile phone already	25%	28%	32%
Used your mobile phone to search for an item to find reviews	34%	49%	43%
Used your mobile phone to find better prices	45%	59%	59%
Used your mobile phone to take a picture/sent to someone	32%	41%	43%
Scanned a barcode with your mobile phone	16%	30%	30%
Checked into the store to see about getting a deal	20%	26%	26%
Signed up for loyalty program offered by the store via mobile	16%	12%	17%
Posted a comment to a store's social networking page	25%	22%	23%
Tweeted about your experience in the store	16%	20%	17%
Used the store application on your mobile phone	14%	19%	23%
Showed the clerk in the store a picture on your mobile phone of the product that you want	11%	23%	18%

People Used Mobile For Shopping More Than They Expected

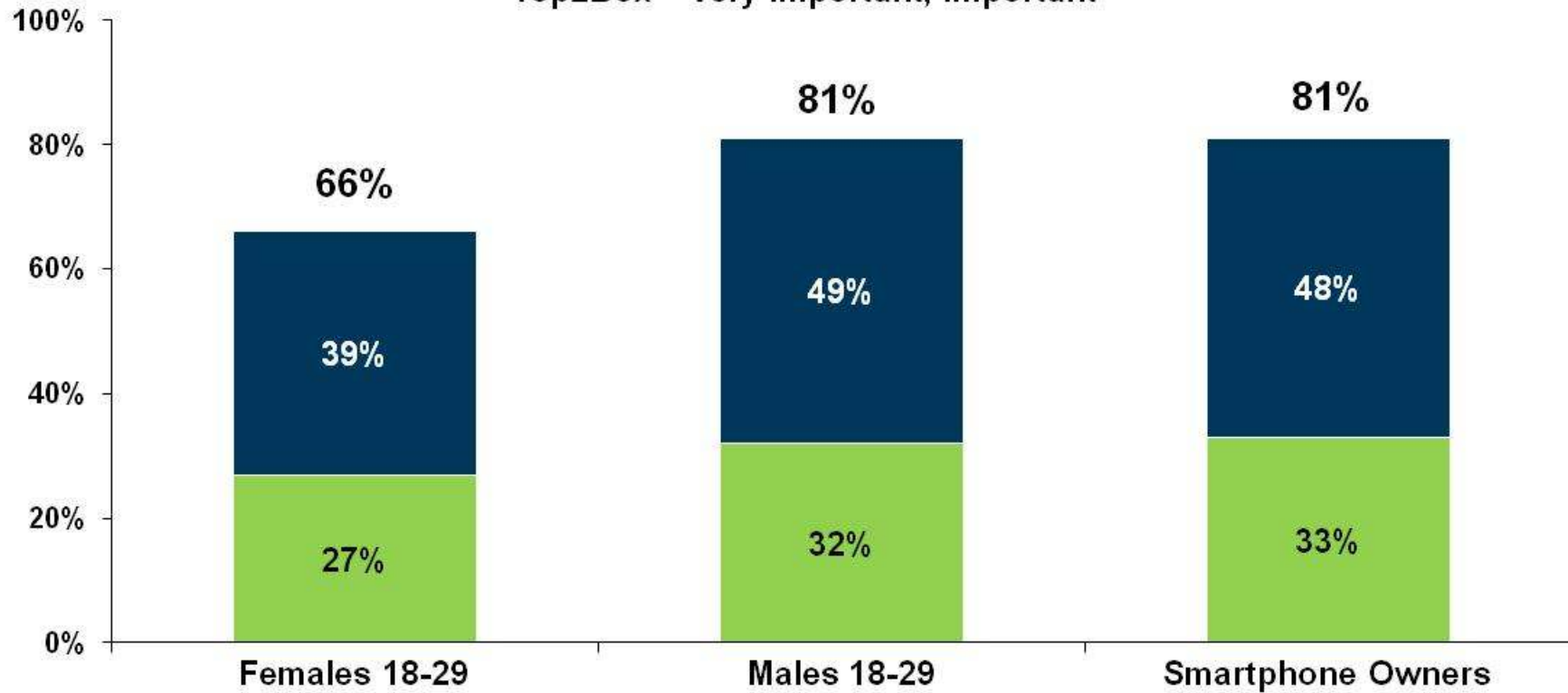
Thinking about when you used your mobile phone in a store which of these things did you do?	Smartphone Owners		
	Pre-Holiday Anticipated Usage	Thanksgiving Weekend Usage	All Holiday Reported Usage
Virtually shopped with someone while you are in the store	18%	35%	34%
Looked for a coupon on your mobile phone	23%	65%	48%
Used a coupon that was on your mobile phone already	23%	45%	32%
Used your mobile phone to search for an item to find reviews	27%	35%	43%
Used your mobile phone to find better prices	32%	55%	59%
Used your mobile phone to take a picture/sent to someone	33%	50%	43%
Scanned a barcode with your mobile phone	26%	50%	30%
Checked into the store to see about getting a deal (e.g., using FourSquare)	17%	25%	26%
Signed up for loyalty program offered by the store via mobile	15%	40%	17%
Posted a comment to a store's social networking page	14%	30%	23%
Tweeted about your experience in the store	12%	30%	17%
Used the store application on your mobile phone	20%	30%	23%
Showed the clerk in the store a picture on your mobile phone of the product that you want	22%	30%	18%

Young Men Are More Likely to Search For An Item on Mobile



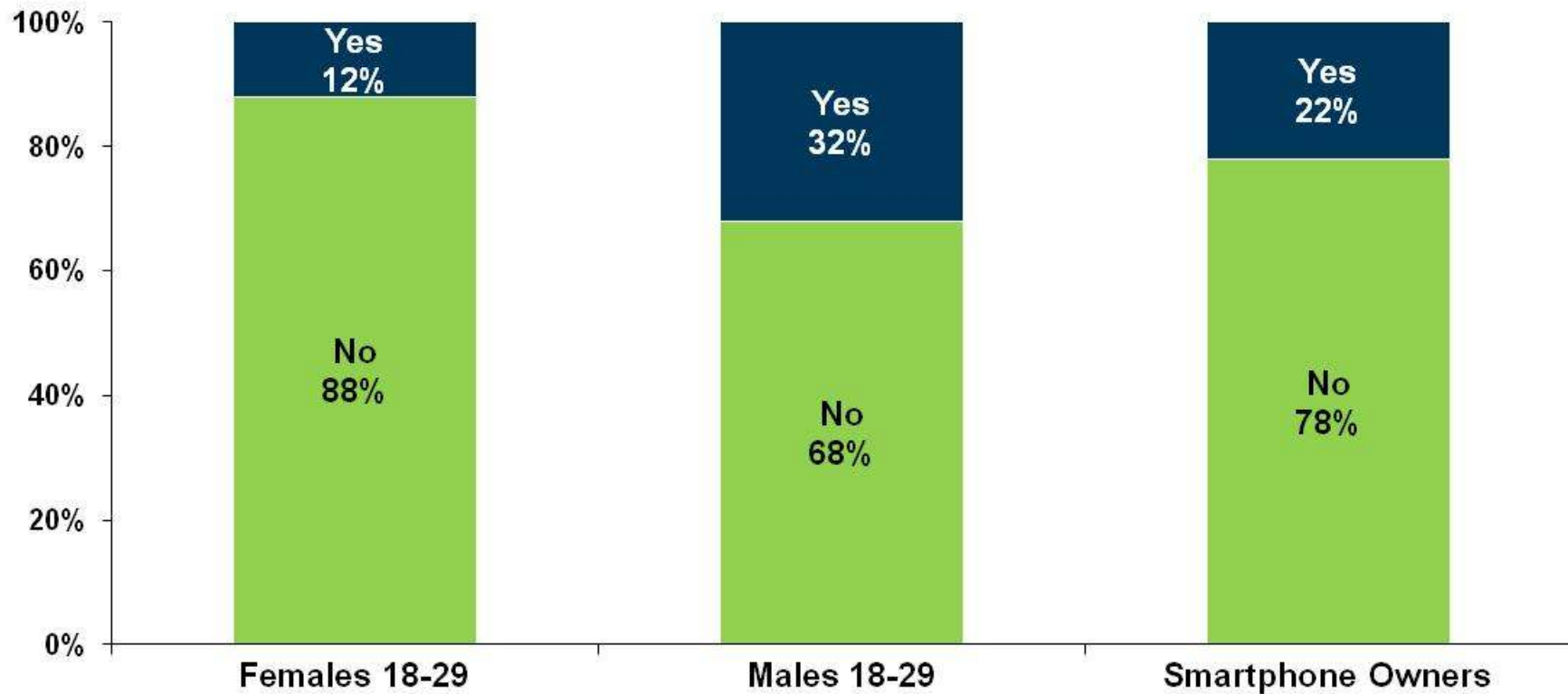
Critical for Retailers to Have Information Available on Mobile

How important was it that a retailer have information available on your mobile phone, either in a web page or application?
Top2Box – Very Important, Important



More Young Men Are Purchasing on Mobile Rather Than Other Places

Did you purchase something on your mobile phone rather than using your computer or going into the store this holiday season?



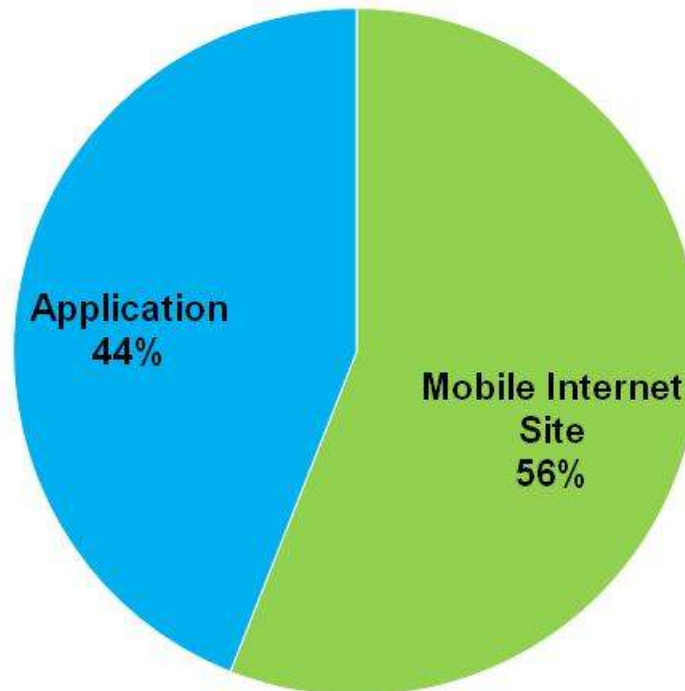
Clothing, Electronics, and Music Were Most Purchased on Mobile

What did you purchase on your mobile phone instead of your computer or going into a store?	Smartphone Owners
Clothing	37%
Electronics	34%
MP3 music	30%
Books	28%
CDs	24%
Food/Take-out	20%
DVD or Blu-Ray movie	19%
Shoes	19%
Hotel reservations	18%
Airline tickets	17%
Streaming movie	16%
Groceries	14%
Something for your pet	14%
Jewelry	14%
Home decorations	13%
Holiday-themed items	10%
Financial items	7%
Automotive/car related items	5%
Make-up	5%

Purchases Are Being Made Almost Equally Through Apps & Browser

What percentage of the purchases on your mobile phone have been through a mobile Internet site or an application this holiday season?

Smartphone Owners

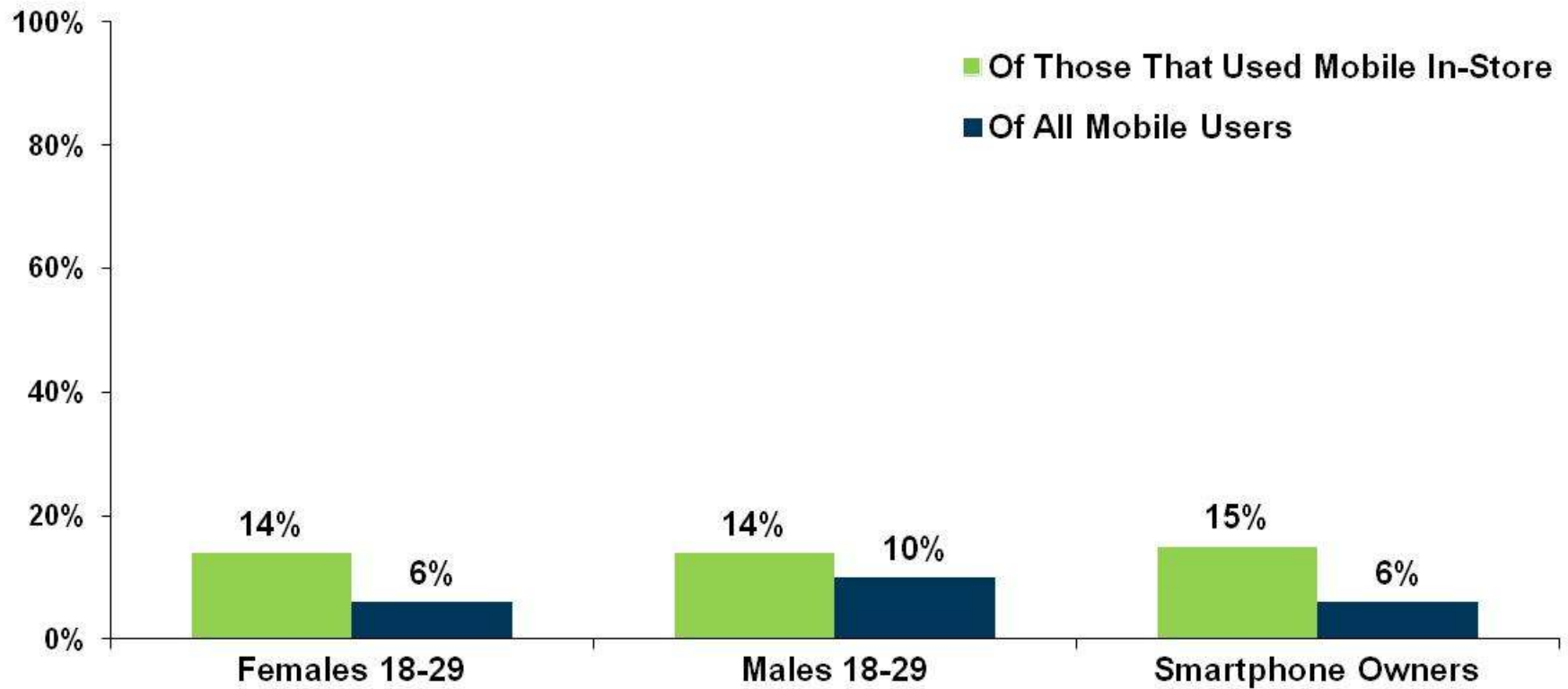


Commentary

- The retail industry has been closely watching the impact of scan and compare applications for a while but it's been difficult to estimate the reach and impact of this behavior, also known as "Scan & Scram"
- We find that the prevalence of this behavior is minimal percentage-wise, only 6% of all smartphone owners report scanning a barcode in a store and then purchasing it somewhere else.
- Because of the small incidence of this behavior, the remainder of our questions were with a small sample base and should be used as directional findings.
 - Scan & Scrammers end up purchasing the product at another physical location, indicating that there is an immediacy need behind the desire to save money
 - The majority of Scan & Scrammers repeatedly did this over the holidays. It's a shopping behavior for them, not a one time thing
 - By a small margin, National Retailers are being impacted more by Scan & Scrammers – losing business to local retailers. However, this is by no means just a National Retailer concern, local retailers are also being impacted
 - The main driver of this behavior was a belief that they deserve to get the best price. Furthermore, few felt guilty for leaving the store to buy it elsewhere.

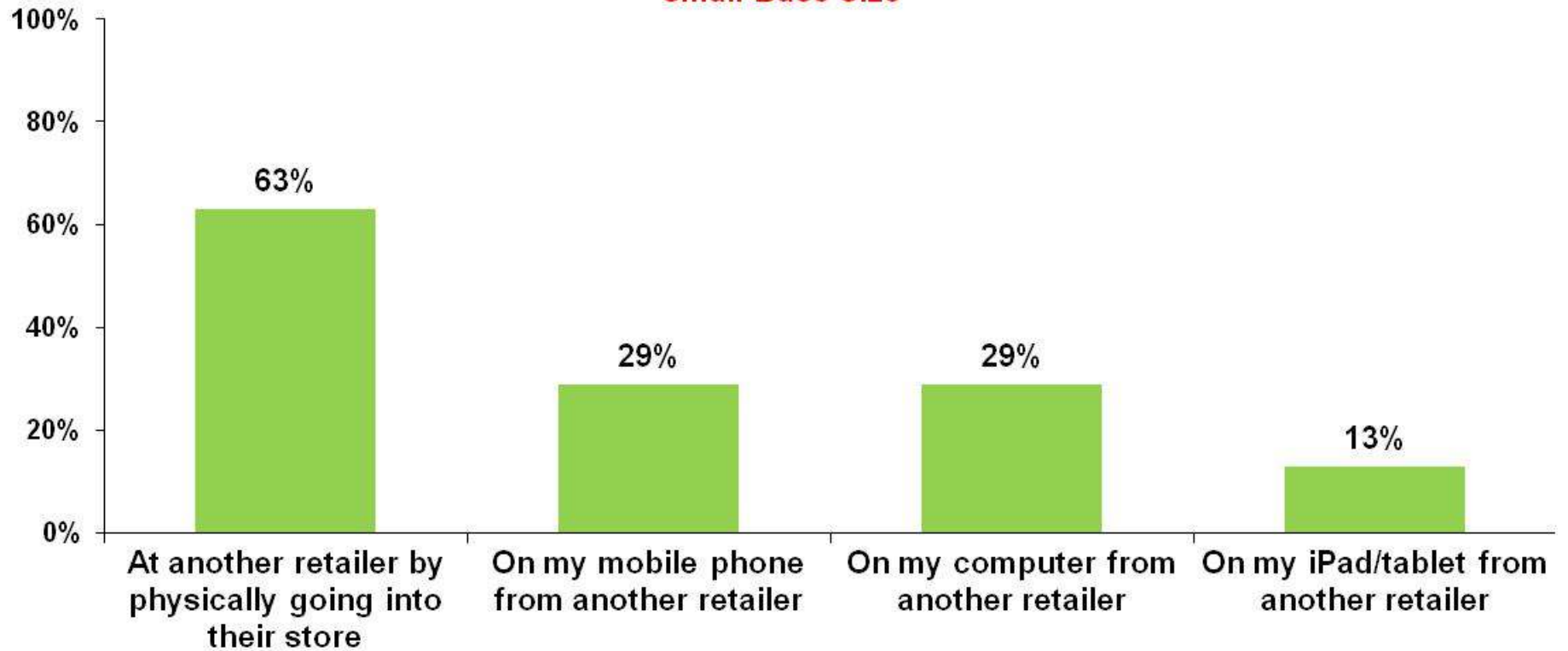
'Scan & Scram' Behavior Is Not Prevalent

Percent Who Scanned a Barcode & Then Purchased the Product at Another Store or Online



'Scan & Scram' Is About Immediacy – Most Buy in Physical Store

Where did you end up purchasing the item?
Smartphone Owners
Small Base Size

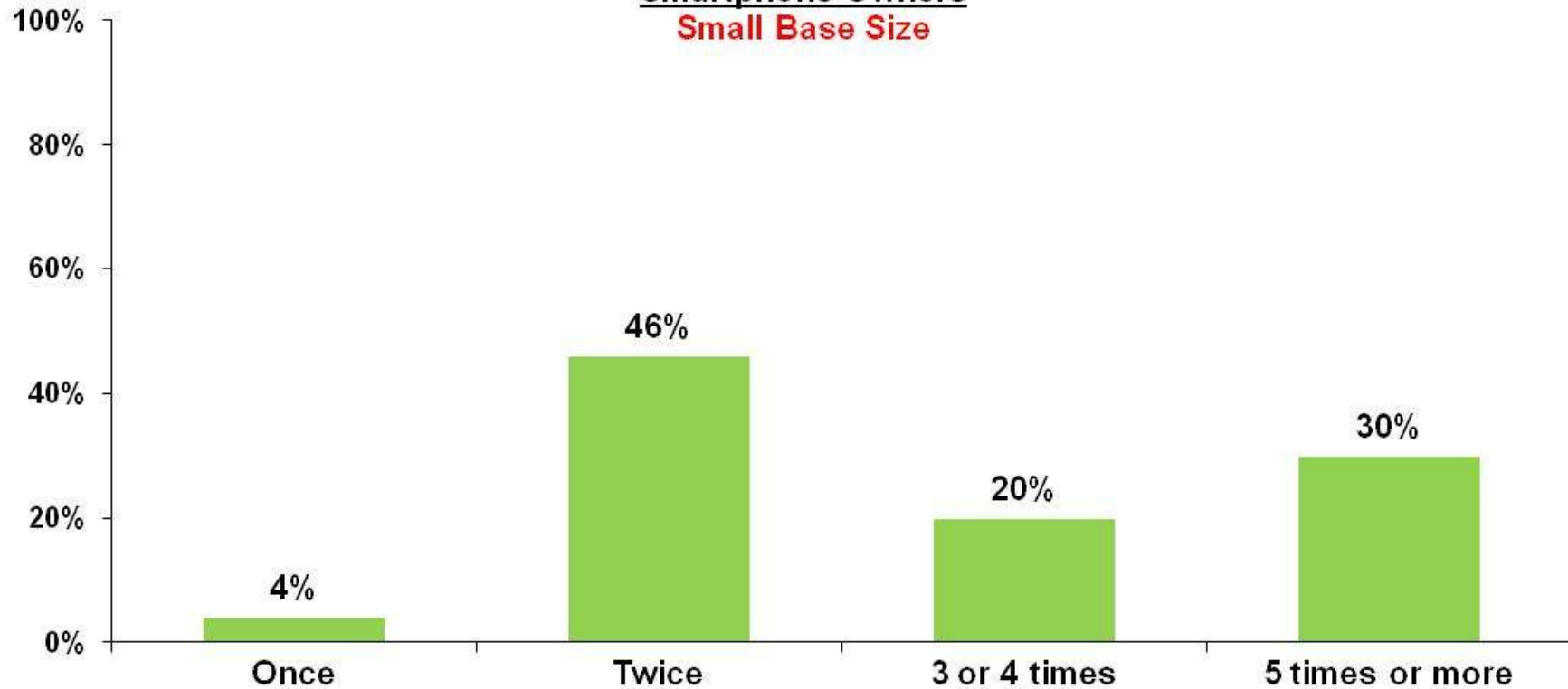


'Scan & Scram' Is Part of Their Shopping Experience

How many times did you scan a barcode in one store and purchase it from another during the holiday season?

Smartphone Owners

Small Base Size

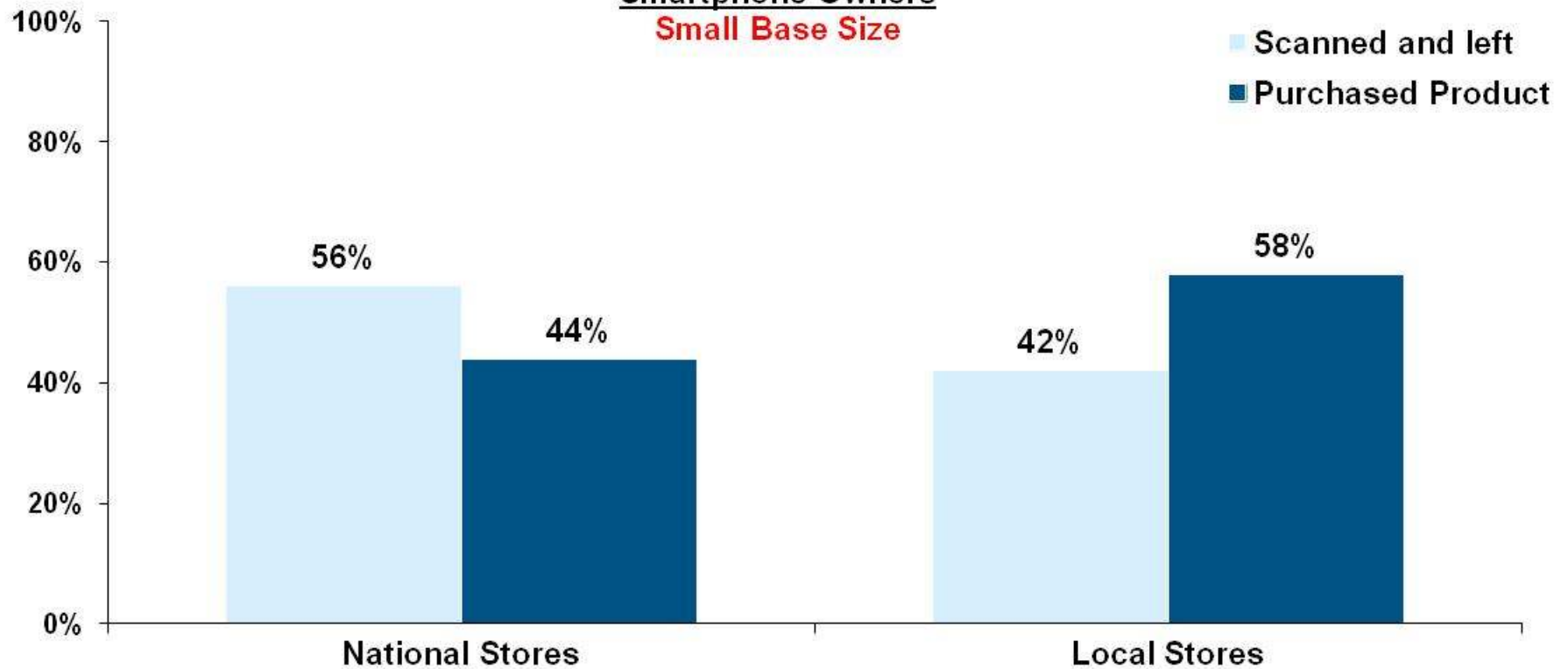


'Scan & Scram' Is Slightly More of an Issue for National Retailers

What percentage of these scans and purchases were at national/chain retailers versus local stores?

Smartphone Owners

Small Base Size

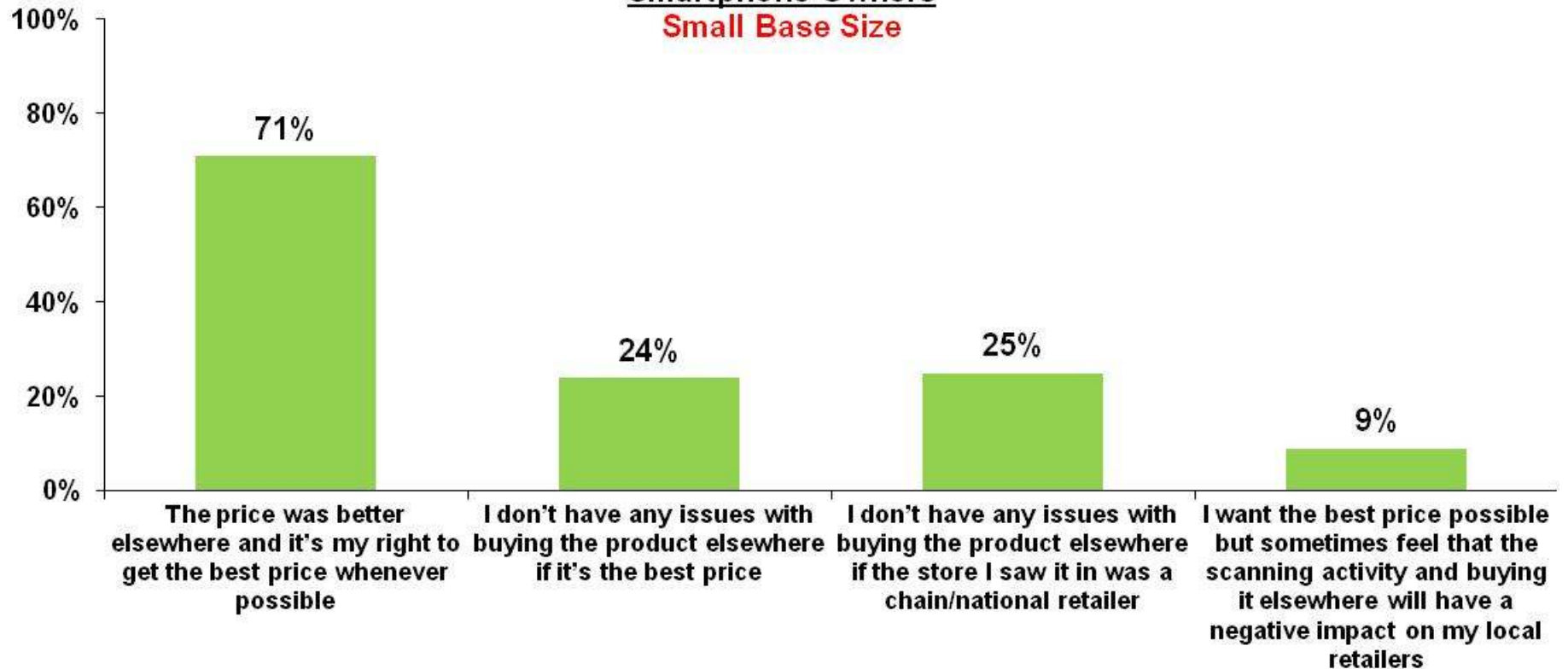


'Scan & Scram' Is About Immediacy – Most Buy in Physical Store

Which of the following best describes your reaction to scanning a product but purchasing it somewhere else?

Smartphone Owners

Small Base Size

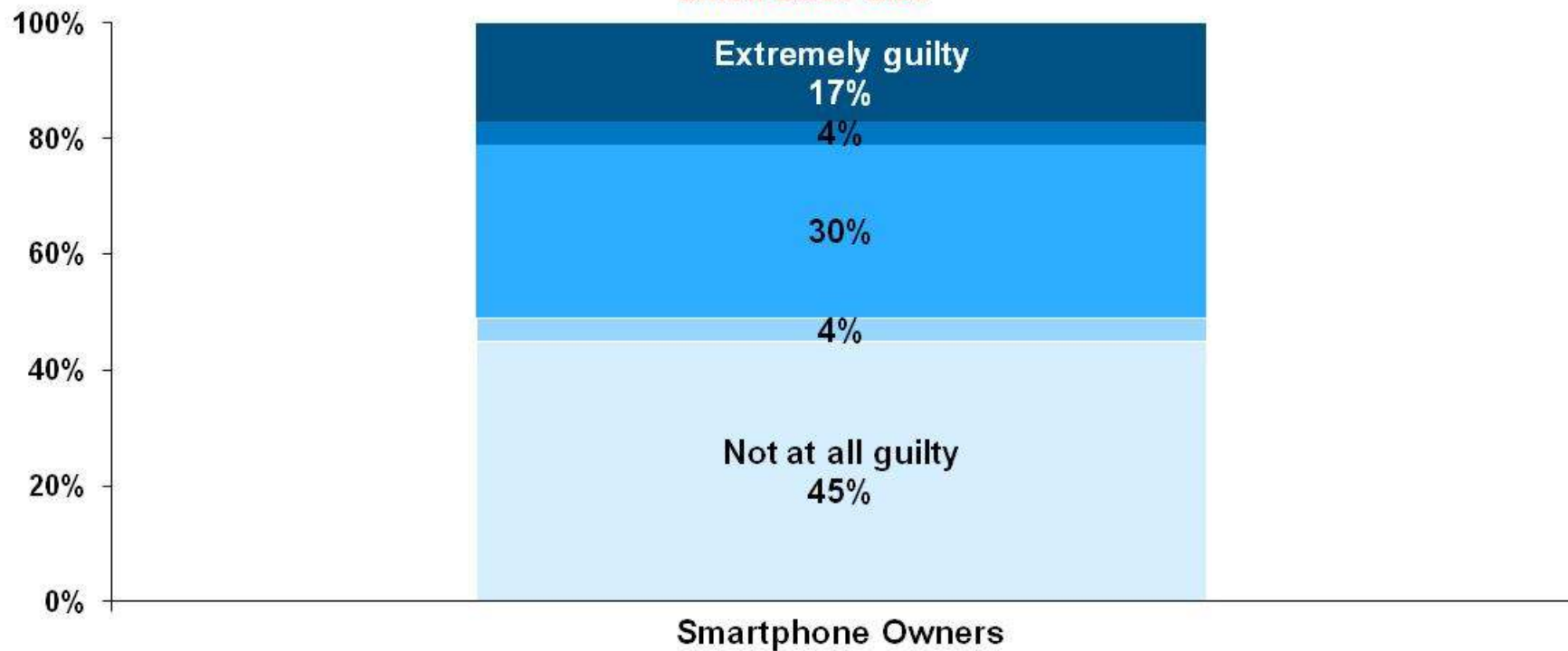


Guilt is Not a Factor in 'Scan & Scram' Behavior

How guilty did you feel about leaving a store after you scanned an item to purchase it somewhere else?

Smartphone Owners

Small Base Size



Questions?

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