

HOW AMERICA SEARCHES: MOBILE

SURVEY CONDUCTED BY OPINION RESEARCH CORPORATION

REPORT WRITTEN BY ICROSSING

APRIL 24, 2007

KEY FINDINGS

- + **Frequency distinguishes mobile Web access:** 30% of mobile users access the Internet on their mobile devices, with 50% doing so several times a week
- + **Access drives search activity:** 75% of those who access the mobile Internet conduct searches on their mobile devices
- + **Devices make a difference:** Smart phone users – those with devices such as the Palm Treo or any of Research In Motion's BlackBerry handsets, all of which have QWERTY keypads and larger screens – are more than three times as likely to access the Web (81% versus 25%) and nearly four times as likely to search (67% versus 18%) than users with other types of mobile devices
- + **Search engines rule over carrier search functionality:** Mobile searchers prefer navigating directly to mobile-specific versions of major search engines such as Google, Yahoo!, MSN and Ask to using carrier-supplied search functionality (such as search bar or home page box) by a margin of nearly two to one, with Google by far the engine of choice
- + **Mobile search visibility at a premium:** Maps/directions, weather and local information are the content categories of greatest interest to mobile searchers, but the finding that around 75% are not willing to browse beyond the second page of search results puts a premium on mobile search visibility
- + **Dedicated content a must:** An overwhelming 84% of mobile searchers expect the sites they visit frequently to have a dedicated mobile version

INTRODUCTION

As of March 2007, the number of wireless subscribers had climbed to nearly 234 million, reaching more than 72 percent of the total population, according to industry tallies by CTIA–The Wireless Association. With mobile devices on hand throughout the day and the number of mobile Internet users topping 20 million, wireless is beginning to deliver on its long-held promise of becoming the “third screen.” While previous “How America Searches” reports have shown search to be central to the online behavior of adult Internet users in the U.S., searching remains a far more limited activity for mobile users. Just 22 percent of the mobile user population (ages 16 and over) performs Internet searches from their mobile devices, meaning that they enter a search query by accessing the mobile version of a search engine on their handset or using the search functionality provided their wireless carrier.

Several factors stand in the way of mobile Internet access and mobile search becoming mainstream activities: the cost of access, the quality of the experience and the lack of content formatted for mobile devices, a problem particularly acute for those users who do not own smart phones such as the Palm Treo or any of the BlackBerry handsets. If nothing else, marketers, content owners and their carrier partners looking to capitalize on the promise of mobile search should take note of the following key findings: the type of content users seek varies greatly, but websites must be positioned in at most the first two pages of results in order to earn users’ clicks. In addition, sites must be optimized carefully so they can be captured in a maximum of three keywords. Finally, an overwhelming 84 percent of respondents expect the sites they visit frequently to have a dedicated mobile version.

To better gauge the mobile opportunities available to marketers and content owners – publishers and search engines alike – iCrossing commissioned Opinion Research Corporation to conduct a survey of the U.S. mobile user population in March 2007, concentrating on how and the degree to which mobile teens and adults perform searches on their mobile devices, the types of search functionality they prefer, the factors driving them to search on their mobile devices and their attitudes about mobile search and the results they typically receive.

“I wouldn’t even think of using my phone [to search] if I could use my computer.”

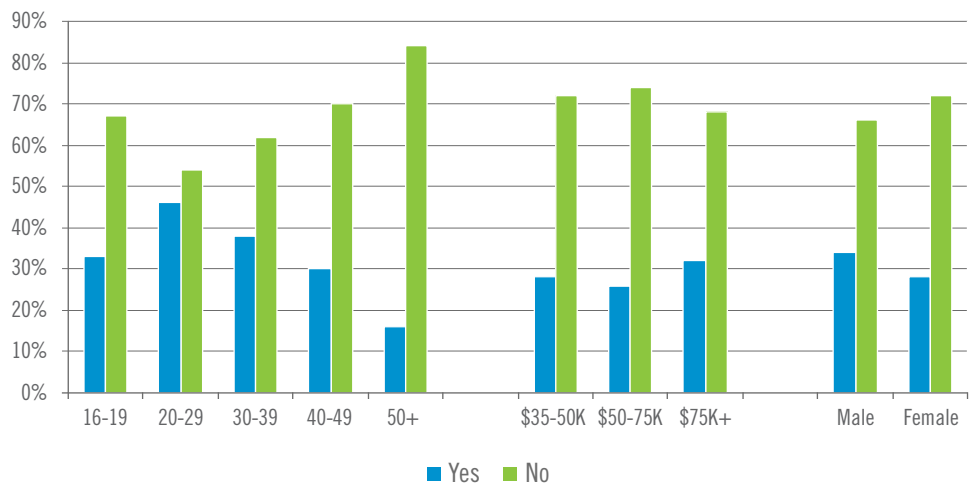
— Young professional mobile user

ACCESS DRIVES SEARCH ACTIVITY

Web access and searching have yet to develop into mainstream activities among mobile users. Just 30 percent of survey respondents said they access the Internet from their mobile devices, although of those accessing the Web, 27 percent stated that they do so daily and over 50 percent declared that they do so several times a week. Overall, users in the 20 to 29 age bracket are the most avid Web surfers, and men appear more likely than women to access the Internet from their mobile devices. On the other hand, frequency of Web access from mobile devices does not appear to be affected by factors such as gender and income.

MOBILE USERS ACCESSING THE INTERNET ON THEIR MOBILE DEVICES, BY AGE, INCOME AND GENDER

Question: Do you access the Internet on your mobile device? (yes, no)
 Base: U.S. mobile users ages 16+ (n=1,001)

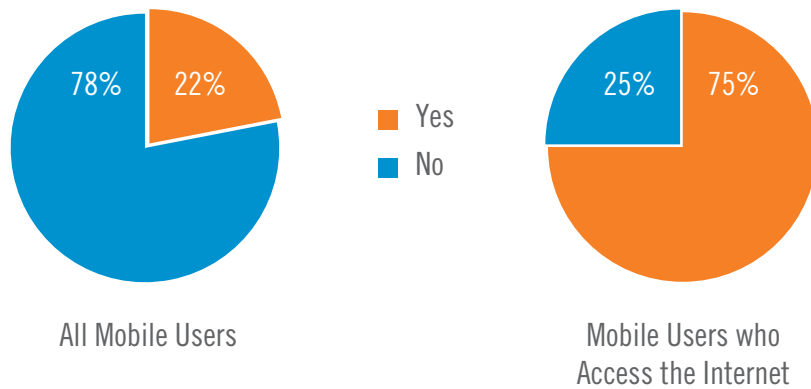


As seen in the left pie chart below, searching from wireless devices is a relatively uncommon activity among the total mobile user population. However, once mobile users access the Web on their wireless device, they become very likely to use it for search, with 75 percent of mobile Web users responding that they perform searches from their wireless device. This suggests that as with wireline, PC-based Internet access, mobile access similarly will be a driver of search activity.

MOBILE SEARCH ACTIVITY AMONG MOBILE USERS AND MOBILE USERS WHO ACCESS THE INTERNET ON THEIR MOBILE DEVICE

Question: Do you search the Internet on your mobile device? (yes, no)

Base: U.S. mobile users ages 16+ (n=1,001) / Mobile users who access the Internet on their mobile device (n=300)

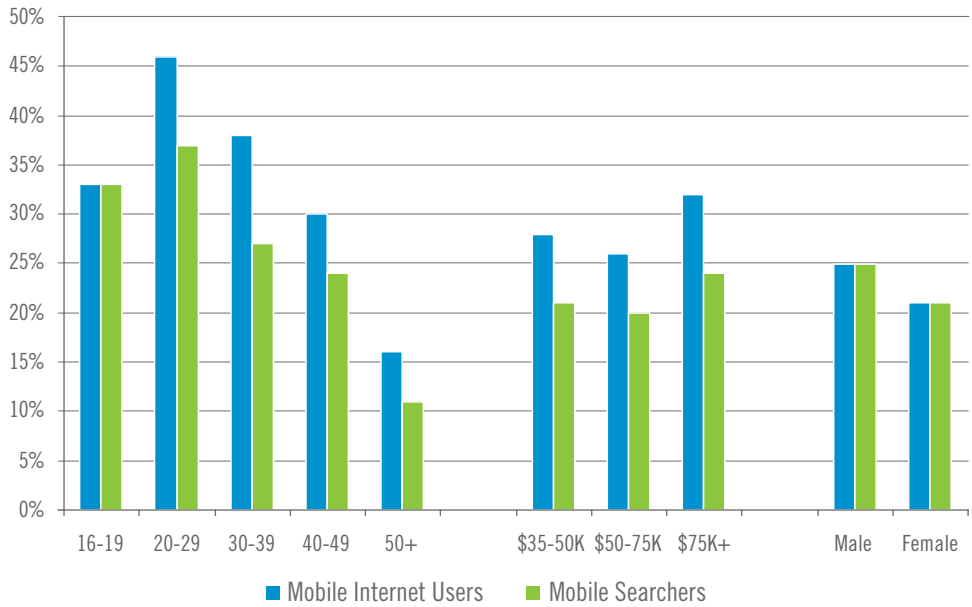


Mobile search activity is fairly even across age, gender and income categories, although as with mobile Web access, users in the 20 to 29 age bracket are the most likely to search from their mobile devices. As might be expected, the indices for searching are considerably higher among those who access the Web than among the total mobile user population. Small base sizes prevent any definitive conclusions about mobile search frequency, but it appears relatively unaffected by factors such as gender.

MOBILE USERS ACCESSING AND SEARCHING THE INTERNET ON THEIR MOBILE DEVICES, BY AGE, INCOME AND GENDER

Questions: Do you access the Internet on your mobile device? (yes, no)/ Do you search the Internet on your mobile device? (yes, no)

Base: U.S. mobile users ages 16+ (n=1,001)



Note: very small base size for 16-19 year-old mobile Web users; use for directional purposes only

DEVICES MAKE A DIFFERENCE

Device type, however, does make a major difference in terms of both mobile Web access and mobile searching. Smart phone users – those with devices such as the Palm Treo or any of Research In Motion’s BlackBerry handsets, which have QWERTY keypads and larger screens – are more than three times as likely to access the Web (81% versus 25%) and nearly four times as likely to search (67% versus 18%) than users with other types of mobile devices. They also are significantly more likely than average to both access and search the Web from their devices on a daily basis, although it is worth noting that frequency tends to even out beyond this point. As such, these daily “power users” constitute the most attractive targets for both mobile content and services.

FREQUENCY OF MOBILE INTERNET ACCESS AND MOBILE SEARCH

Questions: How do you use the mobile Web? (daily, several times a week, at least once a week, several times a month, at least once a month, less often than once a month, never/rarely)/How often do you search the Internet on your mobile device? Searching the Internet on your mobile device could include using a mobile Web site, such as Google or Yahoo!, or using the search capability built in with your phone’s software, such as a Verizon or Cingular search function. (daily, several times a week, at least once a week, several times a month, at least once a month, less often than once a month, never/rarely)

Base: U.S. mobile users who access the Internet on their mobile device (n=300)/Mobile users who search the Internet on their mobile device (n=225)

	Mobile Internet Access		Mobile Search	
	Smart Phone	Other Mobile Device	Smart Phone	Other Mobile Device
Daily	43%	22%	27%	16%
Several times a week	27%	23%	31%	25%
At least once a week	11%	15%	19%	21%
Several times a month	9%	11%	12%	10%
At least once a month	5%	14%	8%	18%
Less often than once a month	6%	6%	3%	10%
Never/Rarely	0%	0%	0%	0%

“Searching the Internet isn’t what Sprint does, so I don’t know why I’d use their search bar.”

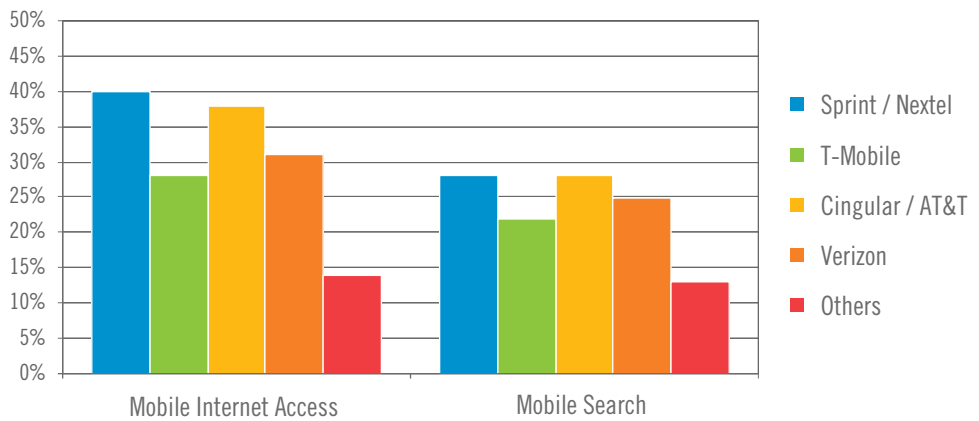
— Student mobile user

Customers of Sprint/Nextel and Cingular/AT&T access the Internet to a higher degree than those subscribers on T-Mobile, Verizon and other networks. With mobile search, the picture is a bit more balanced across the top three carriers. Somewhat anomalously, T-Mobile subscribers, who trail respondents on other carrier networks in terms of both mobile Web access and mobile search, appear more inclined to surf and search on a daily basis. This is a surprising result given that T-Mobile is the only nationwide carrier yet to upgrade its network to 3G, although it may be explained by the fact that T-Mobile's data plans are less expensive than others at the bottom end of the price range.

MOBILE INTERNET ACCESS AND MOBILE SEARCH ACTIVITY, BY CARRIER

Questions: Do you access the Internet on your mobile device? (yes, no)/ Do you search the Internet on your mobile device? (yes, no)

Base: U.S. mobile users ages 16+ (n=1,001)



**SEARCH ENGINES RULE
OVER CARRIER SEARCH
FUNCTIONALITY**

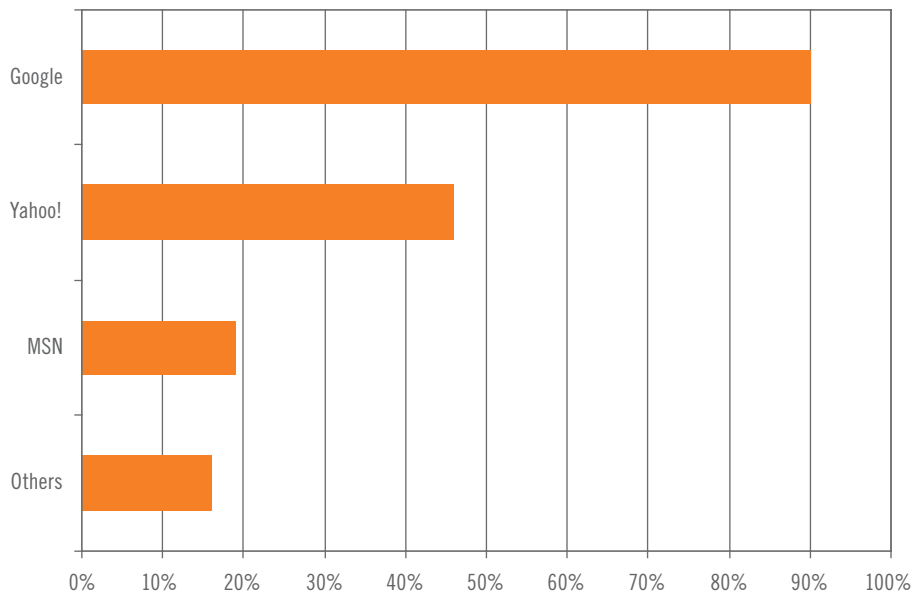
When it comes to the task of actually conducting searches, respondents prefer navigating directly to mobile-specific versions of major search engines such as Google, Yahoo!, MSN and Ask to using carrier-supplied search functionality (such as search bar or home page box) by a margin of nearly two to one (69% versus 38%). These constitute the primary methods respondents use to search from their mobile devices. SMS (text message-based) search was not used by a statistically relevant enough sample to report. Among those who displayed a preference for carrier-supplied search functionality, 87 percent cited convenience as the primary reason, while just 28 percent mentioned good results. Convenience is half the battle, especially on mobile devices, but with search, the quality and relevance of results are paramount, and these findings suggest that carriers may need to improve on some aspects of their search functionality in order to garner a large share of the mobile search audience.

Google is the engine of choice among mobile searchers, preferred by 90 percent of those surveyed. Yahoo! and MSN were a distant second and third, respectively, while Ask and AOL ranked in the low single digits. These results should come as little surprise, as they largely parallel users' preferences on the wired Web, making Google's dominance of search share roughly proportional on both wired and wireless Internet. In fact, 96 percent responded that they use the same engine to conduct searches on their mobile device as they use on their PC.

MOBILE SEARCH ENGINE PREFERENCES

Question: If you prefer a third-party search engine such as Google, Yahoo!, MSN, AOL or Ask to conduct searches on your mobile device, which of the following engines do you use? Please select all that apply.

Base: U.S. mobile users who search the Internet through a mobile version of Google, Yahoo, MSN, AOL or Ask (n=156)



“Google is Google, whether it’s on your computer or on your phone. You can’t go wrong.”

— Student mobile user

MAPS, WEATHER AND LOCAL INFORMATION DOMINATE SEARCH QUERIES

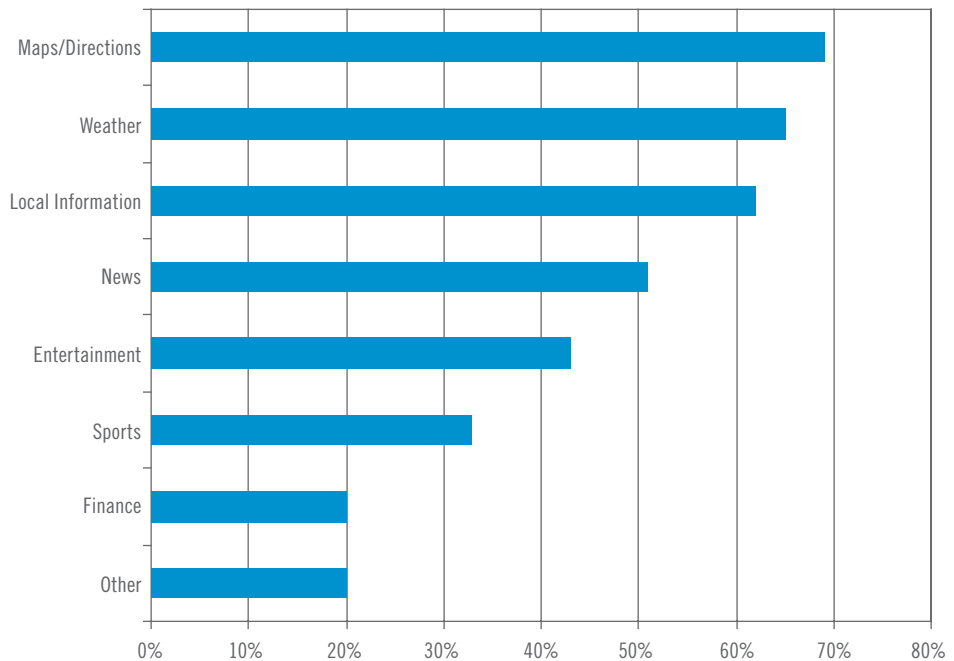
Mobile searchers are wide-ranging in their queries, but maps and directions, weather and local information are the leading categories, suggesting that mobile users are interested primarily in satisfying immediate needs. Interestingly, women appear to be the more avid searchers of everything but financial information (such as stock quotes) and sports (scores, team and player news and the like).

One thing is certain: mobile searchers have little patience for digging deep into search results. Most will browse at most two pages, with 25 percent of respondents saying they will look at the first page only, and 51 percent saying they will go as far as the second page. This puts a premium on optimization and overall mobile search visibility, for two key reasons. First, the small screen real estate affords far less space than a typical PC monitor, and second, 96 percent of mobile searchers use a maximum of three terms to conduct their searches (and over 60% only use up to two).

TYPES OF CONTENT SEARCHED FOR ON THE MOBILE WEB

Question: What types of content do you search for when you conduct searches on your mobile device? Please select all that apply.

Base: U.S. mobile users who search the Internet on their mobile device (n=225)



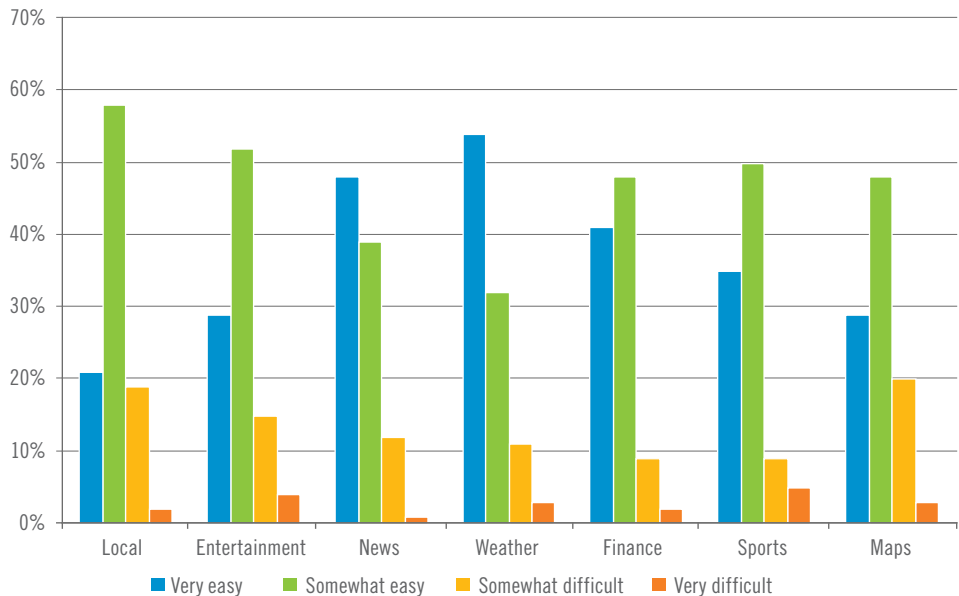
There is considerable variation in mobile searchers' success at finding the content they are looking for, the perceived difficulty of the process and their level of satisfaction with the relevancy of the results they receive. Because mobile searching is still relatively immature, ease of finding content remains a fundamentally important characteristic of the searching experience. Complexity, by contrast, only creates more hurdles for consumers, and will impede usage.

Weather, news, finance and, to a lesser extent, sports sites achieved the most favorable scores for these three criteria, reflecting the maturity of digital content in these categories. On the other hand, local information and maps/directions – two categories of significant interest to mobile searchers – demonstrated some room for improvement, with just 20 percent and 35 percent respectively saying that they are always successful in finding the content they are looking for (versus 65% for weather, 48% for finance and 44% for news). They rank low for ease of finding (21% and 29%, respectively, versus 54% for weather – considered by respondents as the easiest type of content to find).

PERCEIVED EASE OF FINDING MOBILE CONTENT, BY CATEGORY

Question: How easy or difficult is it for you to find the type of content you search for on your mobile device? (very easy, somewhat easy, somewhat difficult, very difficult)

Base: U.S. mobile users who search the Internet on their mobile device (n=225)



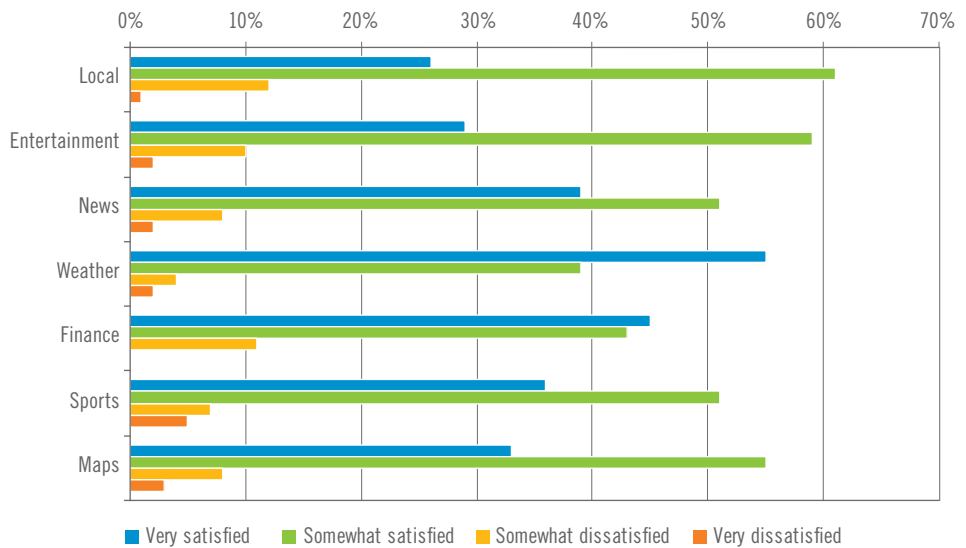
Arguably, local information and maps/directions are among the most important categories as far as mobile content is concerned, being closely linked to helping mobile users accomplish specific goals, such as finding a store or a restaurant. Maps should start to improve as carriers begin to roll out Java-based map applications and search engines like Google and Yahoo! offer more robust map functionality with features like real-time traffic data.

It is worth noting that smart phone users do not appear notably more successful or satisfied than users with other mobile devices. This is a surprising result given the extent to which they surf and search more intensely than users with standard-issue handsets.

LEVEL OF SATISFACTION WITH RELEVANCE OF SEARCH RESULTS, BY CATEGORY

Question: How would characterize your level of satisfaction with the relevance of the search results that are returned to you? (very satisfied, somewhat satisfied, somewhat dissatisfied, very dissatisfied)

Base: U.S. mobile users who search the Internet on their mobile device (n=225)



Overall, mobile searchers are moderately satisfied with the way the pages and websites are displayed when they click through from a search result. However, whereas 64 percent described themselves as “somewhat satisfied,” only 15 percent characterized themselves as “very satisfied” (21% were somewhat or very dissatisfied), suggesting strongly that there is work to be done in the crucial transition from search results to clicking through to a site. Mobile searchers’ attitudes here are somewhat conflicting. On the one hand, they are divided almost evenly in terms of their expectations for whether Web sites they visit on their mobile devices should look the same on as their PCs. On the other, when asked whether they expect sites they visit frequently to provide a dedicated mobile version, a resounding 84 percent responded in the affirmative.

CHALLENGES REMAIN

Beyond the hurdles associated with the format and display of mobile search results and content, additional impediments stand in the way of more widespread mobile surfing and searching activity. The cost of mobile Internet access continues to be a serious impediment for many consumers. Results from this study indicate it is simply too high for mass adoption: 52 percent of survey respondents cited too-high access costs as the number one reason why they do not access the Web from their mobile devices. Similarly, when asked what factors would encourage more Web usage, 69 percent pointed to cheaper data plans – again, by far the leading response.

Setting and adjusting access costs is largely the domain of the wireless carriers, and in doing so, they should bear in mind that advertising-subsidized access is not necessarily the solution to consumer complaints. While 69% of mobile subscribers stated that cheaper data plans would encourage them to use the mobile Web, a smaller 52 percent said they would consider using the mobile Web if data plan costs were supported by advertising (38% were unsure and responded with a “maybe”). Among the smaller group of mobile searchers, 63 percent viewed mobile advertising as “acceptable” if it made their mobile Web access cheaper (37% termed it “always unacceptable”), but only 27 percent considered opt-in offers a more acceptable form of mobile advertising – findings marketers looking to use the mobile channel also should take into account.

Of course, access costs are not the only impediments associated with mobile Web access and mobile search. Devices and reliable, fast connections play an important role in the way mobile users experience the Web on their mobile devices. Both respondents who access the Internet from their handsets and those who do not complained about factors such as connection speed, small screen size, difficulty of use and user experience issues. The next generation of wireless devices may help alleviate complaints about device complexity and screen size to some degree. However, carriers and content owners – publishers as well as search engines – will all have to play their parts in ameliorating the user experience, particularly problem areas such as site layout. Over one-third (35%) of mobile Web users who do not conduct searches on their mobile devices found the layout of sites messy, confusing or disorienting when trying to access them on their handsets.

“I wouldn’t mind paying [for mobile Web access] if it were cheaper.”

— Student mobile user

CONCLUSIONS

Mobile phones have become nearly universal, and while many subscribers have moved beyond usage of basic calling features, mobile Web access is still the province of a relatively small, advanced segment of the user population. However, it is an important trigger of related activities, like mobile search. In order to push mobile Web access and mobile search into the mainstream, many key pieces need to fall into place. User issues and complaints surround everything from the pricing of data plans to device capabilities to the optimization and formatting of content for the mobile Web. Resolving these issues will require the collaboration of an intricate ecosystem composed of wireless carriers, device manufacturers and content owners, including both publishers and search engines. In working to do so, participants in the mobile value chain should be mindful of the specific challenges involved in making content work on the mobile Web and for mobile search, as well as the expectations of the advanced mobile users who conduct searches on their mobile devices. Optimizing content to match audience preferences is always a challenge, but never more so than for the mobile channel, where screen real estate is at premium. Convenience, ease of use, speed and relevancy are the values that must remain at the forefront of this ongoing effort.

ENDNOTES

METHODOLOGY

Opinion Research Corporation conducted interviews for the mobile Web usage study via the Internet, utilizing a sample from the Web panel provider e-Rewards. A total of 1,001 interviews were completed at an average length of three minutes. The survey was conducted nationally and produced results with a confidence interval of ± 3 at 95 percent confidence. Screening criteria for the survey included respondents who:

- + Have household income greater than \$35,000 annually
- + Own a wireless device
- + Use the mobile Web at least less than once per month

In addition to the quantitative survey, a series of three, one-hour focus groups was conducted at the iCrossing office in New York City. The respondents were categorized into three major age segments (15-20, 21-34 and 35-64) and screened according to the degree of their wireless and wireless Internet access.

CONTACT

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