

# YAHOO!

## Mobile Modes

How to Connect with Mobile Consumers

Part 2 of the Yahoo! Mobile Whitepaper Series



A man in a dark suit and white shirt is shown in profile, looking down at a smartphone he is holding in his right hand. The background is blurred, suggesting an office or public space.

**163% increase in  
mobile Internet  
users projected  
from 2010 to 2014.**

- IDC

## Investigation

It's official: mobile Internet has captivated consumers and transformed the way they live and work. Mobile devices have cycled rapidly from single-purpose handsets to smartphones that function as trusted co-pilots, helping navigate every aspect of the day. Enhanced device capabilities create more immersive consumer experiences, leading to more touchpoints and opportunities for advertisers.

Yahoo! commissioned Ipsos OTX MediaCT to conduct a multi-stage study to better understand how and why consumers interact with the mobile Internet, including application (app) usage. The study distills all mobile browsing activities down to seven modes and reveals the underlying motivations and mindsets behind each one. Additionally, the research unveils how advertising receptivity varies by each mobile mode and identifies the opportunities for advertisers to increase consumer engagement within their mobile campaigns.

## Executive Summary

Science fiction writers predicted it. Today, we're living it—a lifestyle where people link to one another electronically, glued physically or metaphorically to a digital world via their smartphones. Once the exclusive purview of an elite few, the mobile Internet has gone mainstream. The global market intelligence firm IDC projects more than 186.5 million mobile Internet users in the U.S. by 2014, a breathtaking 163 percent increase since 2010.<sup>1</sup>

Growth drivers behind this fast uptake include an ever-expanding library of mobile apps, a broad array of slick devices with bigger screens, more bandwidth and

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power, user-friendly capabilities like interactive speech, and a wide variety of carrier plans that make Internet access affordable on every budget.

From mere utility devices with limited functionality, smartphones now serve as lifestyle assistants that help people manage their daily routines, connect with others, plug into the world at large and access information on the fly. Mobile has become so woven into the fabric of daily life that mobile isn't always used while on-the-go; fully one-third of mobile activity happens in the home. Industry experts expect mobile Internet to experience yet another surge, as tablets with larger screens and improved functionality gain in popularity. eMarketer predicts that tablet sales will increase 147% in 2011, and by 2012 nearly 41 million Americans will have a tablet device, or 12.8% of the total.<sup>ii</sup>

For advertisers, the key to successfully leveraging this mobile opportunity will be mapping advertising tone, format and call-to-action to a deep understanding of the consumer mobile mindset. What consumers do on their mobile browsers, how and why they do it, directly impacts advertising receptivity and effectiveness. To simplify mobile Internet usage, Yahoo! reduced all mobile Internet browsing down to seven modes or types of consumer activity: connect, search, entertain, manage, inform, shop and navigate.

Each mode comes with a unique set of opportunities for advertisers. By understanding the nuances of each mode, marketers can enhance their mobile messaging and ad creative. For the first time, a framework exists to help create mobile messages that are tailored to each media buy.

## Highlights

### How do consumers use the mobile web?

- In the past year, time spent on the mobile Internet has increased 54 percent.
- One-third of time spent on the mobile Internet happens at home versus on-the-go.
- The mobile phone has evolved from a utility device to a co-pilot in life.

### What are mobile modes?

- Online mobile activity can be divided into seven modes: connect, search, entertain, manage, inform, shop and navigate.
- Consumers devote the majority of their mobile web time to connect (38 percent), search (16 percent) and entertain (15 percent) activities.

### How can advertisers use modes to optimize their mobile ads?

- Ad recall and engagement is highest in the shopping mode, offering an opportunity to introduce consumers to new, relevant products while on the go.
- Manage and navigate modes offer high engagement for ads pertinent to the task at hand.
- Inform and entertain modes exhibit high ad recall rates, but in the entertain mode, ads should be germane to the surrounding context.

## Methodology

The Yahoo! mobile online study comprised four separate research phases conducted across a robust total sample of 3,844 smartphone users between the ages of 13-54. The four phases include:

1. Online attitude and usage survey
2. Past-day diary record
3. Four-day immersion exercise with one-day phone deprivation element
4. Real-time 24 hour diary

## Findings

### The Mobile Evolution

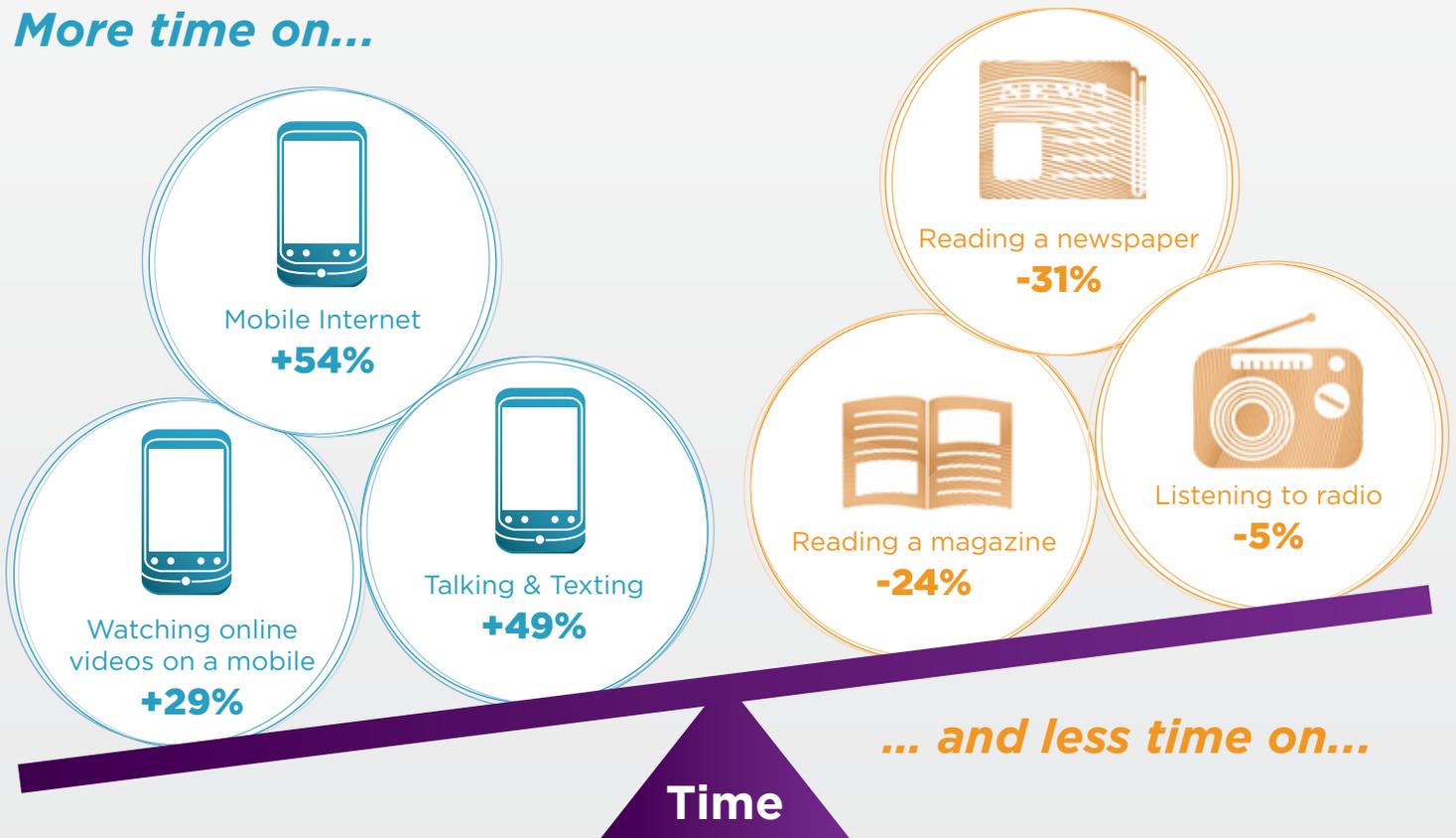
The word that best describes mobile utilization at the moment is MORE! Consumers tell us that compared with a year ago, they spend 54 percent more time on the mobile Internet, 49 percent more time talking and texting and 29 percent more time watching videos on their smartphones. Together, more capabilities and more advances in mobile technology have driven smartphone penetration to 35 percent of U.S. mobile subscribers as of May 2011.<sup>iii</sup>

Meanwhile, traditional media takes a hit, with respondents saying that they spend 31 percent less time reading newspapers, 24 percent less time reading magazines and five percent less time listening to the radio. In fact, more than half agreed with the statement “I read magazines/newspapers less often (if at all), as I prefer to access this content on my mobile device.” Just how attached are smartphone users to their devices? Nearly half concurred they would “rather give up TV than my mobile phone.”

### Chart 1

**Compared to a year ago, consumers spend more time on their mobile and less with traditional media**

### More time on...



Figures show net change by deducting those who claim to be doing this less often vs. a year ago from those claiming to be doing it more often

## Mobile: The Consumer Co-Pilot

Mobile has usurped more than just loyalty to the TV set. Thanks to robust capabilities, the mobile phone has evolved from personal utility device to personal aide in life. Users talk about their device with real emotion, viewing the mobile phone as an extension of themselves as a person.

During immersion research, which included depriving some respondents of their mobile phones, people shared sentiments like:

**“...(without it) I just feel naked in a weird sort of way.”**

**“...(without it) I felt a sense of sadness... disconnected and somewhat out of control.”**

**“...the mobile Internet has become completely integrated into my life...”**

**“...(my smartphone) helps to drive me through life.”**

Almost two-thirds of smartphone owners agree that “My mobile device allows me to access information that helps me in real life circumstances.” Fully 65% of respondents agree that their mobile device quickly provides the answer to questions when they need an immediate response. Cruise the grocery aisle, and you’ll find savvy shoppers consulting their mobile phones to do product and price research. In fact, in a previous Yahoo! study, we found that 9 out of 10 consumers have accessed the mobile web while in-store.<sup>iv</sup>

Other respondents in our study reinforced the idea of smartphone as “wing man”, busy behind the scenes making them look good. For example, one study participant mentioned perusing a menu, not recognizing an entrée, and quickly checking online for more information about the dish using their smartphone. All unbeknownst to their date.

Part personal secretary, part entertainment center, part social director, mobile phones help consumers manage their

lives better, making them feel more in control of all the details. Additionally, mobile delivers fast answers to questions that arise throughout the day and serves as an antidote to boredom when killing time. Perhaps most importantly, mobile phones fulfill a predominant “meta need”, the desire to share and communicate with others.

## A Day in the Life

You'll find most mobile owners active during the peak times between 8:30 a.m. and 1:00 p.m. But the average 47 minutes per day spent with mobile isn't restricted to this window. More than half of consumers surveyed said they "snack" on mobile content throughout the day, taking advantage of breaks in their routine.

Even more pervasive than its name implies, mobile isn't necessarily consumed only in transit or away-from-home. Rather, it has become a staple of the home multi-media environment, literally a viewing companion enabling people to research actors, vote for talent or check air times, all without missing an episode of their favorite show. Prime time has become a prime opportunity for advertisers to leverage the fact that fully one in three respondents multi-tasks at home, commonly using their mobile to shop online, chat with friends, or research commercials, all while watching TV.

## The Seven Mobile Modes

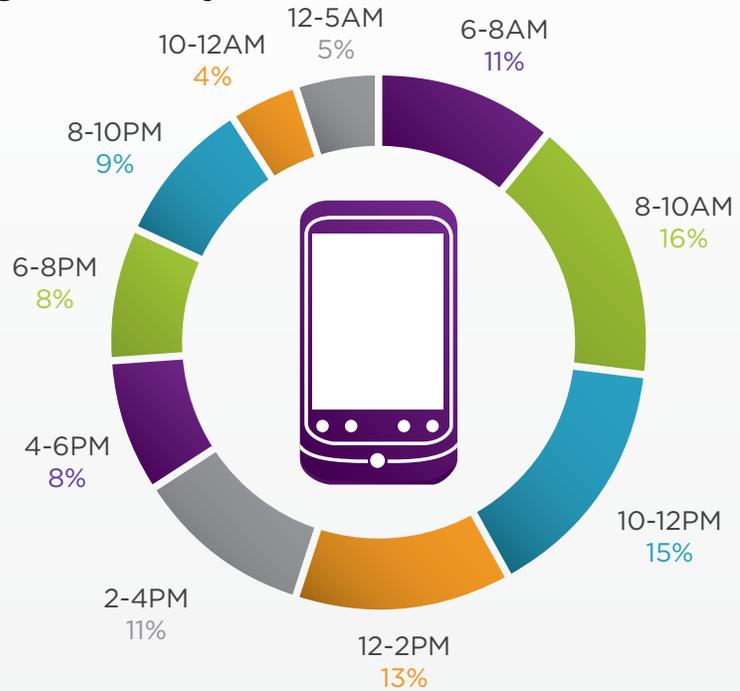
Having become thoroughly embedded in today's lifestyle, mobile Internet commands the attention of advertisers. However, the deeply personal nature of mobile means that marketers must keep in mind the consumption habits, activities and accompanying mindsets of mobile consumers to facilitate positive brand engagement.

Mobile online activity can be grouped into seven discrete types of functions known as the "mobile modes": connect, search, entertain, manage, inform, shop and navigate. See chart 3 for a description of each mode.

Not surprisingly, the most popular mobile mode, representing 38 percent of mobile activity time per day, is connect which includes email and instant messaging and

## Chart 2

### Consumers tend to "snack" on mobile content throughout the day



## Chart 3

### Mobile online usage can be grouped into 7 modes

	<b>Connect</b>	Covers all the different ways of communicating on a mobile phone, whether by SMS (text), IM, email, photo sharing or social networking.
	<b>Search</b>	Refers to information-seeking mobile behavior using a search engine to find information related to a specific issue such as a health concern or job hunt.
	<b>Entertain</b>	Alludes to listening, playing or viewing various entertainment media online via a smartphone, from music to virtual games, streaming radio, videos and articles.
	<b>Manage</b>	Includes coordinating the many aspects of everyday life, from online banking to family schedules to health records.
	<b>Inform</b>	Involves viewing news sites, portals and blogs for timely and archived news or educational material in print, audio or video formats.
	<b>Shop</b>	Refers to shopping sites, product and price comparison sites, coupon or best deal sites and the purchase of goods and services.
	<b>Navigate</b>	Encompasses locating destinations and deploying an online map or GPS system to provide directions.

the social networking sites like Facebook and Twitter. People spend roughly 18 minutes each day connecting with family, friends and associates via their mobile phone. See chart 4 for a breakdown of time spent per day on each mode.

Comparing mobile browsing activity with PC activity highlights similarities in content consumption

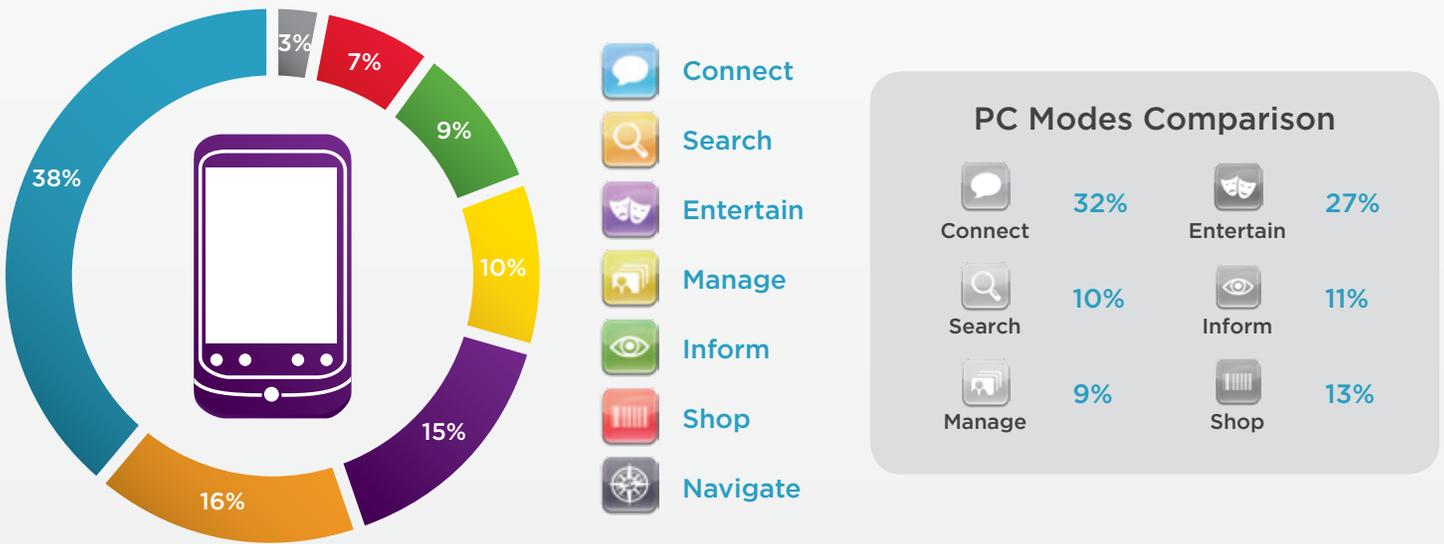
patterns, with connect, search and entertain modes dominating web usage on both platforms. Broadly speaking, the inform/shop/entertain modes represent more leisurely browsing pursuits while the navigate/manage/search modes involve more utility-oriented, goal-driven behavior.

In addition to allocating time differently across modes, how people access information changes by mode as well. Consumers are more likely to use a mobile app when in connect, inform or navigate modes, while browsers are more popular options in the shop, search and entertain modes. See chart 5.

**Chart 4**

**Connect, search and entertain are key modes for consumers on both mobile and PC**

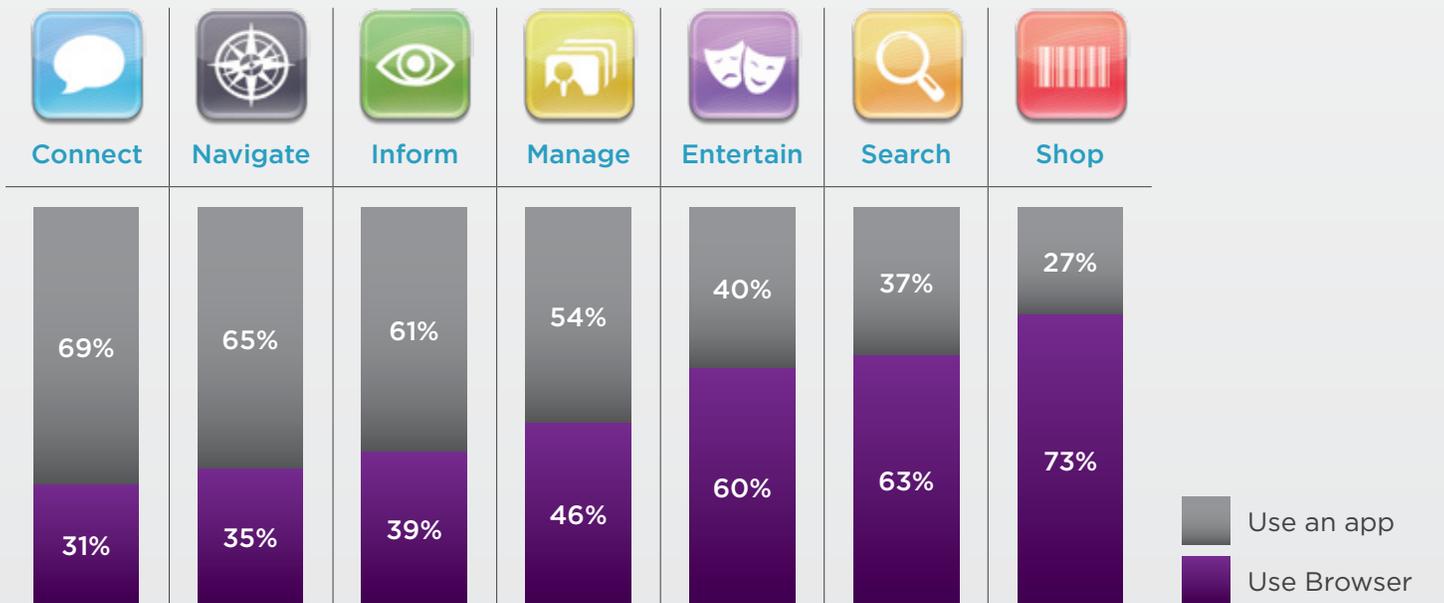
Tasks undertaken online on a smartphone (share of total time spent per day)



**Chart 5**

**Apps are most widely used in connect, navigate and inform modes**

App or Browser Usage by Mode



## Modes and Mindsets

Consumers exhibit different mindsets when they're operating in different mobile modes, and those mindsets govern consumer ad responsiveness. Chart 6 captures the likelihood of experiencing various emotions across all seven mobile modes and indexes that to a total emotion score across all mobile activities. A number greater than 100 indicates that mobile users are more likely than expected to feel that emotion while in a specific mode; a number lower than 100 suggests that they are less likely to do so.

While in inform and entertain modes, consumers experience a feeling of involvement and engagement as they play interactive games or access content from trusted sources. The two modes differ in that inform is associated more strongly with a sense of curiosity and exploration [index 152], while entertain delivers a feeling of being immersed and absorbed in the activity [index 160]. These motivational differences reflect distinct content differences between the two modes, with inform delivering new stories for the first time and entertain serving-up familiar games and music.

The search mode, although strongly task-oriented, includes browsing elements as well. While engaging in search sessions, mobile users present high levels of exploring [index 120] and irritation [index 146], a natural feeling when looking up new information. Similar to going on holiday, the mobile journey is part of the experience, complete with the sense of discovery associated with travel and some minor inconveniences along the way.

Chart 6

### Consumer mindset differs by mode, impacting the tone of voice for advertising

	 Connect	 Search	 Entertain	 Manage	 Inform	 Shop	 Navigate
<b>Involved</b> (i.e. engaged, immersed)	103	83	<b>160</b>	60	<b>112</b>	<b>117</b>	66
<b>Exploring</b> (i.e. curious)	88	<b>120</b>	104	59	<b>152</b>	<b>138</b>	73
<b>Sense of happiness</b> (i.e. happy, entertained)	<b>122</b>	79	<b>117</b>	64	81	95	80
<b>Sense of purpose</b> (i.e. efficient, fulfilled)	88	108	83	<b>136</b>	73	<b>122</b>	<b>129</b>
<b>Unengaged</b> (i.e. distracted, bored)	103	99	<b>129</b>	63	101	<b>123</b>	83
<b>Concerned</b> (i.e. anxious, guilty, upset)	80	100	106	79	105	<b>251</b>	<b>131</b>
<b>Irritated</b> (i.e. confused, frustrated)	75	<b>146</b>	71	<b>120</b>	79	<b>134</b>	<b>180</b>

This chart captures the likelihood of experiencing various emotions across all seven mobile modes and indexes that to a total emotion score across all mobile activities.

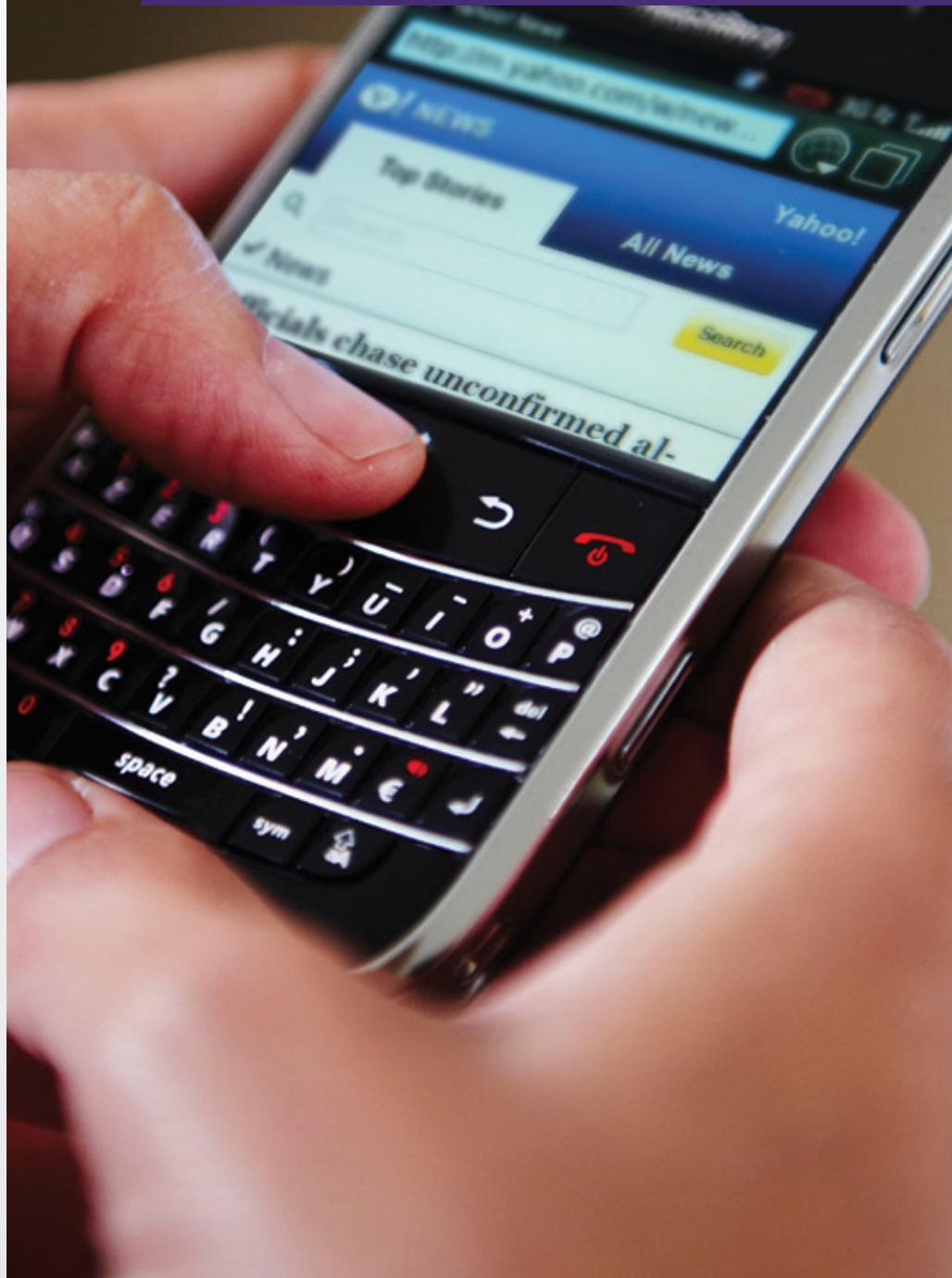
Turning to the most goal-oriented modes (navigate and manage), these two mindsets dominate and duel for consumer attention. In navigate mode people experience both a sense of purpose [index 129] and a sense of irritation [index 180]. Think of it as running late for an appointment and getting frustrated when the GPS sends you through a construction zone.

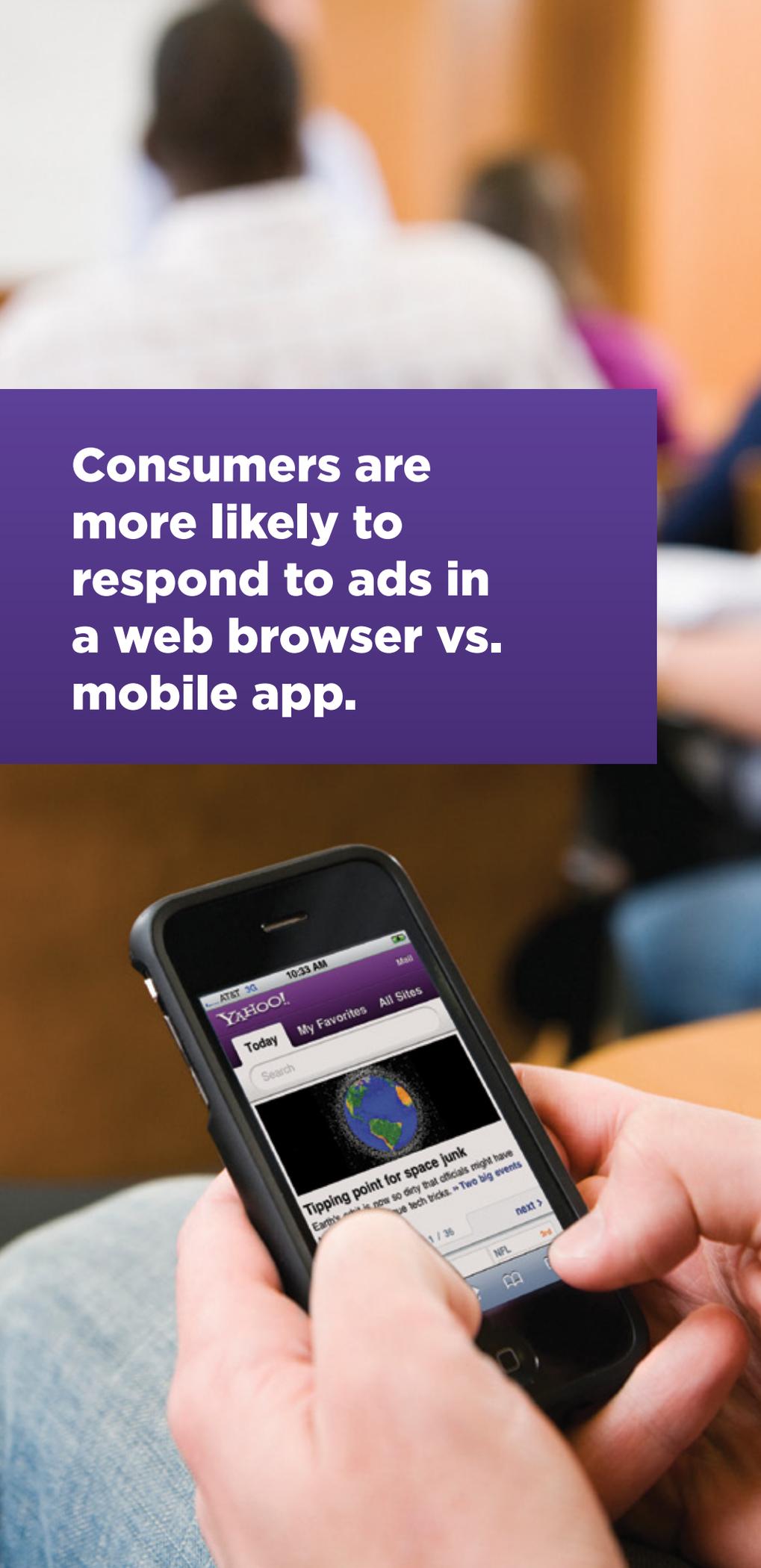
In manage mode, mobile users display the highest sense of purpose of any mode [index 136], likely because many of the tasks falling under the manage banner are time-consuming and detail-oriented versus fun. Mobile owners exhibit a sense of purpose related to completing tasks like the family schedule, but experience some frustration about finishing them.

The remaining two modes represent diametrically opposed psychoactive states, with connect being one of the most neutral modes and shop the most intense. Connect evokes a strong sense of happiness and enjoyment [index 122]. Conversely, the shop mode stirs things up, touching on multiple mindsets, beginning with a strong feeling of concern and anxiety [the highest recorded index at 251].

Shop mode emotions are likely associated with the anxiety of committing to a purchase, along with intense feelings of curiosity and exploration [index 138], colored by sometimes confusing or frustrating shopping experiences [index 134].

**“I would rather give up my TV than my mobile phone.”**





**Consumers are more likely to respond to ads in a web browser vs. mobile app.**

## Ad Recall and Engagement

The open question for every relatively new medium is the same: how to demonstrate advertising effectiveness. In any new medium, especially one providing users with a utility, ads can be viewed as intrusive. Fortunately, mobile proves the exception to that rule, with a growing number of mobile consumers accepting ads as the normal course of business. Three-quarters of mobile owners accept advertising as part of the mobile experience, especially if it means they can access content for free. Interestingly, consumers report that they are more likely to respond to ads in a mobile web browser (33%) vs. ads in a mobile application (17%).

On the ad recall metric, one of the most important measures of ad effectiveness, nearly one in two consumers noticed ads on their smartphones. This was especially true of men (56 percent), younger (age 13-17) respondents (54 percent) and Blackberry users (49 percent). Not only did consumers recall ads--they recalled multiple ads, averaging two to three recalls per person per session.

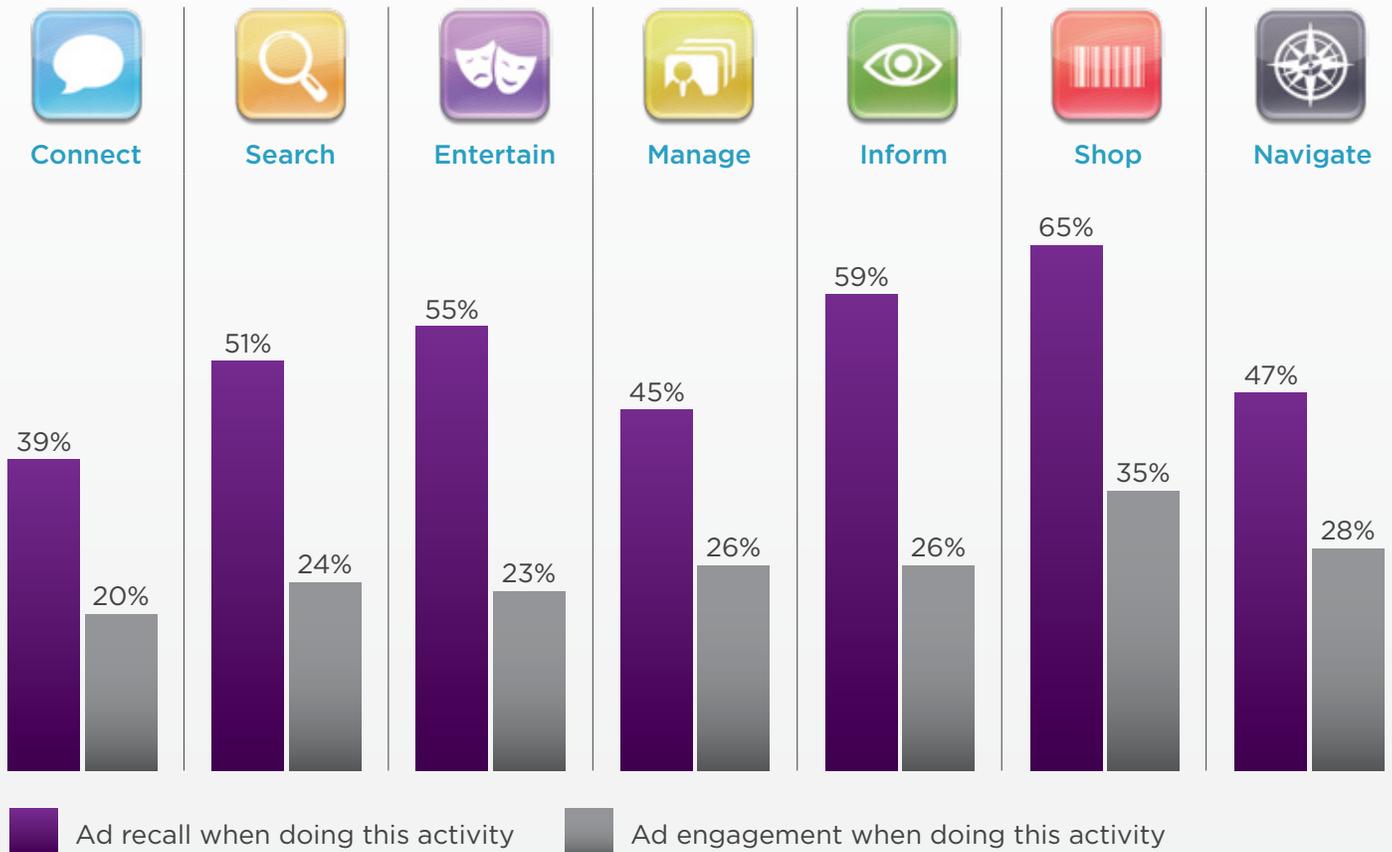
Different mobile modes and their different mindsets yield differences in ad recall and engagement by mode. More than half of consumers immersed in browsing modes recalled mobile advertising. Consumers were most likely to recall advertising while participating in browsing-oriented modes such as the shop (65 percent), inform (59 percent) and entertain (55 percent). Even those participating in more goal-oriented modes such as search or navigate, hovered around a 50 percent ad recall rate.

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## Chart 7

### Ad recall and engagement are greatest while shopping

Ad Recall/Engagement by Mode



The ad engagement metric demonstrated less variability by mode than recall, with approximately 25 percent of consumers saying they clicked on ads while engaged in five of the seven modes.

#### Mobilizing Advertising for Impact

To develop effective advertising, mobile creative must resonate with the different mindsets associated with each mobile Internet mode. For example, when consumers report a high level of involvement, such as in the entertain mode [index 160], they are totally immersed and easily frustrated if distracted from the task at hand by irrelevant ads.

On the flip side, this also represents an opportunity for advertisers who understand the psychology of the mode and shape advertising that enables consumers to manage their routines more efficiently. In the manage mode, for instance, sponsorships represent a great way for advertisers to attach their brand to quality content or resources that directly address consumer needs.

Relating creative motifs to the consumer mindset of each mode increases the degree of consumer engagement with advertising. Although ad recall is highest for people operating in the browsing modes of inform/entertain/shop, consumers connect with advertising in every mode.

Shop represents one of the highest potential modes for advertisers with 65 percent of consumers stating they recalled seeing mobile ads when in this mode. From the brand perspective, creative that introduces consumers to new, relevant products that speak to a sense of discovery and feelings of involvement are effective. Other successful ad strategies in the shop mode include simplifying the purchase process, which addresses their sense of purpose and lowers the irritation threshold, and adjusting price below other sources to address their sense of paranoia by offering the best deal.

Consumers tend to be positively pre-disposed to ad messaging in the inform and entertain modes with around 60 percent claiming to recall ads when in each mode. The most effective approach in the entertain mode is to relate advertising to what mobile users are doing at the time. Operating within the inform mode, consumers demonstrate a greater aptitude for discovery, which allows more latitude for introducing less directly relevant brand messages.

Surprisingly, the manage and navigate modes remain relatively untapped by advertisers. Consumers are less likely to recall ads, but ad engagement is at a relatively high level, indicating that they are open to advertising in both modes. In both cases, consumers demonstrate a strong sense of purpose, which is why they become irritated more easily by ads that distract from that purpose. Creative treatments that deliver a solution and assist

people in meeting their goals would work well in these modes.

Search shares the irritability factor with manage and navigate, but differs because search mode consumers are more open-minded and receptive while exploring. Developing ad creative that takes both factors into account in the search mode should increase consumer engagement.

**Chart 8**  
**How to optimize your mobile ads according to mode**

Browsing	Mode	Internet Content	Advertiser Implication
	 <b>Inform</b>	News sites, portals, blogs	Strong ad recall. Consumers are highly engaged but also have a sense of discovery, so ads do not necessarily need to be relevant to site content.
	 <b>Shop</b>	Shopping sites, comparison sites, coupon sites	Ad recall and engagement is highest. Offer creative that introduces consumers to new, relevant products and offers a way to purchase them more easily and/or at a lower price than from other sources.
	 <b>Entertain</b>	Online gaming, streaming radio, music and entertainment sites	Good ad recall. Ads should be relevant to site content. Opportunity to introduce bold, relevant ads that entertain and grab user's attention.
	 <b>Connect</b>	Email, social networking, IM, photo-sharing	Ads can be more emotional and invoke feeling. Increase engagement by keeping ads personally relevant and targeted.
	 <b>Search</b>	Search engines, research sites	Consumers are more open-minded to exploring to a degree. Introduce consumers to info that is relevant to what they are searching for.
	 <b>Manage</b>	Online banking, calendars and schedules, investment sites	Potential to get annoyed is high if ad is not relevant to the task at hand. Consider sponsorship or subtle ads that help consumers accomplish their goal.
	 <b>Navigate</b>	Online maps, GPS service	Potential to get annoyed is high if ad is not relevant. Ads that are easy to use, relevant, and reliable can result in high ad engagement.
Accomplishing Goals			

## Conclusion

Mobile is emerging as the “go to” device for keeping life together, helping consumers connect, organize, search and have fun wherever they happen to be. Consumers rely on their mobile devices to be ready with advice, information, diversion or assistance when needed.

Although the mobile Internet continues to show exponential growth, the user experience remains in the early stages. It’s good news and bad news for advertisers with three-quarters of mobile users accepting advertising as part of the mobile package, while 60 percent desire a better mobile Internet experience.

The key to tailoring mobile advertising that resonates with consumers is a thorough grasp of the seven mobile modes and their associated mindsets. Each mode provides a unique setting with different consumer thresholds of acceptance and barriers to receptivity. Even minor changes that better align messaging with the mode can significantly impact campaign success.

Consumers view their smartphones as a virtual extension of their corporal body. When people talk about their mobile phones, it’s akin to hearing them discuss a reliable friend who always “has their back.” The unique technical attributes of smartphones such as location-awareness, portability and voice-activation, present both challenges and opportunities to savvy marketers. To succeed, mobile advertising will need to leverage those capabilities, enhancing the mobile experience with meaningful content framed to the individual mobile mode, delivered at the optimal time.



**Enhance the mobile experience with meaningful ad content framed to the individual mobile mode.**



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