



# FLUID LIVES

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## Executive Summary

### Background

The “Fluid Lives” project has been a collaboration between Isobar and Yahoo!. The objective was to explore the impact of the latest mobile Internet advances on consumers. The research was carried out between October 2005 and February 2006. It involved a deep-dive ethnographic study of ordinary families across the globe, followed by an online quantitative survey. Full details of the methodology can be found in the Appendix. This whitepaper is a detailed account of the research findings.

### Highlights: Where we are today

Broadband is already in about a quarter of homes and is close to being accepted as the standard form of Internet access. Wi-Fi isn't far behind. Broadband is also accessible in the workplace for a sizeable number of people, with the boundaries between home and work Internet use blurring.

The Internet is playing an important role in daily life already and growing in stature. Brands should leverage the range of activities done online and the influence of online in purchasing decisions.

People have a much closer relationship with their PC's than with other media devices, like TV. The emotional connection is heightened because of the breadth of activities done on a PC and level of dependency. This is a subtle but important distinction compared to traditional media such as TV, and something that brands should take into account when crafting their online presence.

Consumers accept **online advertising**, but at present feel it hasn't kept pace with the evolution of the Internet. They expect it to be more contextually relevant and more entertaining – although not necessarily just like TV. Email has been rehabilitated as a marketing channel, with many consumers perceiving brand related email newsletters to be a service rather than advertising. In contrast, pop-ups remain widely reviled.

**Mobile phones** are increasingly prevalent and have become so ingrained in daily life that they've become like a lifeline to many. However, with consumers forming highly personal relationships with their phones, sensitivity is required from marketers when using phones as a communications channel.

The main role for mobile phones today remains communication, making calls and sending texts. Advanced services such as MMS (picture messaging), mobile IM (instant messenger) and mobile email are beginning to get traction. Mobiles are also increasingly doubling as cameras and entertainment hubs for content such as music and games.

**Highlights: Where we'll be tomorrow**

**WiFi** fundamentally alters the way people use the Internet - allowing people to go online in places that previously weren't possible, in greater comfort and a more relaxed mindset. It becomes increasingly possible to reach people in private environments and when they're in rooms relevant for your product. With WiFi laptops, people are never more than one step away from a shop, making impulse purchasing online more likely than ever before.

Broadband has already ushered in an era in where computers are used as much for frivolous purposes as they are functional; WiFi and laptops cement this further. In WiFi laptop homes, using multiple media at once becomes commonplace, leading to media meshing, with the Internet used to enhance the experience of other media, particularly TV. As a result, integration between online and offline media activities becomes even more crucial.

People found their **Internet-enabled mobile phones** frustrating from the start with technical set-up problems and confusing phone interfaces. The complaints continued even once these problems were overcome. Mobile content was considered to take far

too long to download. Even those who did succeed in downloading quickly hit a wall in terms of storage capacity. Unreliable access was an also an issue, particularly for mobile TV.

However, IM on mobile phones was well received. Mobile games were also popular with most and mobile TV had a following. Although accessing the Internet over mobile phones is the future, it's still in its infancy. Marketers should recognise those elements of mobile phone Internet that have gained a foothold, and focus on exploring marketing opportunities around these areas. For brands seeking to reach and engage with younger or highly tech savvy audiences, opportunities already exist.



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**Highlights: Future**

We're on the verge of a new era in which the Internet becomes **pervasive**. WiFi, coupled with laptops is the first significant step toward this pervasiveness at home and over the next decade this will expand into urban areas at large. Although the much mooted "one perfect device" is still a long way away, ultimately all sorts of objects will be seamlessly connected to the Internet; the only limit is imagination.

When this happens, every significant purchase decision – in a "real life" store or online – will be subject to price comparison and product feature comparison, at the point of purchase. Effectively, the Internet will become another element in the in-store media arsenal. As well, the coming together of the Internet and outdoor will create many new opportunities.

As the Internet becomes more pervasive, a blurring will occur between online and the "real world". It will become commonplace for people to store many personal items online. It will also affect socialising, in terms of the places where people congregate and the people with whom they interact.

Going forward, it will be possible for brands to be friends, in a far more meaningful and hands-on fashion than today. However, in a world where people are always connected, most will put up safeguards to prevent themselves being constantly intruded upon. Only brands that consumers trust and have a relationship with will be granted access.

We are entering an era of truly **"on demand"** media. Increasingly the power is shifting to consumers who are more actively controlling what they watch and when. As consumers become more hands-on, they'll expect more opportunities to interact and participate in their experiences with brands.

Search is becoming a standard interface via which people navigate to content that matches their interest at a particular point in time. Content is becoming an experience separate from time, space, channel, even form, which leads to fundamental shifts in the way consumers describe and think about media. Marketers need to look beyond the confines of individual platforms, and focus on creating experiences with perceived value which engage consumers.

Consumers are also becoming more active in sharing their opinions. Word of mouth is spreading faster and reaching further than ever before, and is increasingly influential. Brands should be part of this conversation and seek to build relationships with "influencers" in relevant communities.







## CONTENTS

The rest of this document is structured into three broad sections.

The first two sections – where we are today; where we will be tomorrow – are based on the **Fluid Lives** research. The final section is a short glimpse at what we see as being some important longer-term trends, looking further into the future than was possible for us to imitate in the research.

**The chapters are as follows.** Each focuses on a particular aspect of development and concludes with the implications for marketers:

WHERE WE ARE TODAY:		WHERE WE'LL BE TOMORROW:		THE FUTURE:	
<b>1.1 Broadband</b>	10	<b>2.1 WiFi Revolution</b>	58	<b>3.1 Pervasiveness</b>	102
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## Today //

### 1.1 BROADBAND

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#### Overview

##### Broadband has landed

Broadband is already in about a quarter of homes and is close to being accepted as the standard form of Internet access. Wi-Fi isn't far behind. Approximately a third of broadband users have WiFi at home and nearly half have laptops. By 2010 multiple laptops and WiFi are likely to be in the majority of homes and be the primary form of Internet access.

##### Just how important is the Internet?

Don't underestimate the importance of the Internet in the daily life of your audience. Among the broadband users surveyed, the average time spent using the Internet in most markets was around 25 hours a week; in China it was over 40 hours. The Internet is only going to continue to grow in stature, fast approaching that of a basic service like electricity or telephone.

Recognise the breadth of activities that broadband users engage in online and how offline media can serve as a prompt. Brands should not be afraid to use their imagination in exploring ways they could participate and support broadband users in each arena of their online activity.

Recognise too the influence that online plays in purchasing decisions. Over half the people surveyed agree that they have often changed their minds about what brands to buy based on the information they have read online.

##### So how do your audience view their PCs?

The relationship between a person and their PC – especially if a laptop – is interesting. Because PC's are held closer and touched physically far more than a TV, they are imbued with a sense of being more personal. The emotional connection is heightened because of the breadth of activities done on a PC and level of dependency. This is a subtle but important distinction compared to traditional media such as TV, and something that brands should take into account when crafting their online presence.

## Penetration

The Internet is here to stay. Already, over half of the population in most Western markets are online, and broadband is in around one quarter of homes.



	Online (% population)	Broadband (% homes)
US	68%	34%
UK	70%	22%
France	52%	25%
Germany	57%	20%
Italy	43%	24%
Spain	49%	24%
Japan	67%	49%
China	9%	10%
South Korea	69%	76%

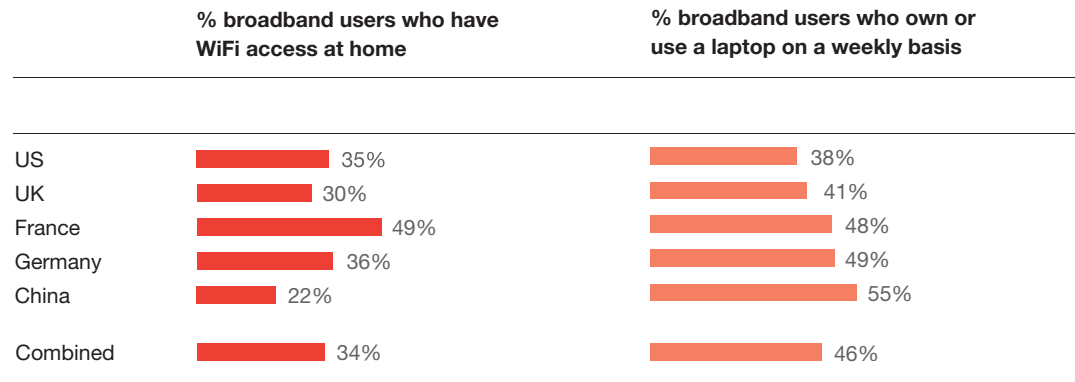
Source: Forrester, Nielson, eTForecasts, Isobar





WiFi in every home is not here yet – but it's not that far away either. The typical adoption pattern is to move from dial-up access, to broadband access, and then on to WiFi as a means of networking multiple computers and laptops.

Already, one third of broadband users have WiFi at home, and nearly half have laptops.



Overall, nearly three quarters of broadband users who have WiFi access at home also have a laptop. But, access alone isn't sufficient – having a laptop and WiFi at home doesn't necessarily mean people have made the full leap to wireless. In fact, currently only 30% of broadband users with WiFi access at home say the primary way they access the Internet at home is through a laptop with WiFi. Most still use the desktop as their primary access point; and nearly a quarter never use a laptop! Overall, only 10% of broadband users currently use a laptop with WiFi as their primary point of home access

% broadband users who have WiFi access at home who ALSO have a laptop	72%
% broadband users with WiFi access at home who access the Internet (at least sometimes) through a laptop with WiFi	48%
% broadband users with WiFi access at home who NEVER access the Internet through a laptop with WiFi	22%
% broadband users with WiFi access at home who say that the PRIMARY way they access the Internet at home is through:	
.... a laptop computer with WiFi	30%
.... a laptop computer with Wired Internet access	7%
.... a desktop computer	62%
% broadband users who say the PRIMARY way they access the Internet at home is through a laptop with WiFi	10%

Going forward, this will be one of the biggest shifts. At the current rate of uptake, **multiple laptops and WiFi are likely to be in the majority of homes by 2010, and representing the primary means of Internet access for most.** In section 2.1 we will look at what happens when this shift is made.

## Implications for marketers

Broadband is already here for a significant chunk of your audience, and is close to being accepted as the standard form of Internet access. Although it is too soon to dismiss dial-up audiences entirely when planning online activities, it is also important to cater to those viewing via broadband.

Do not think that what we are about to tell you about the impact of WiFi in homes is something you can ignore. It's already the case for 10% of broadband homes, many of whom will be among the most affluent and attractive for brands.

## What broadband users do online and why

Among broadband users surveyed, around 25 hours per week was spent using the Internet in most countries, except China where it was over 40 hours. (Remember, however, because Internet penetration is still relatively low in China, Chinese broadband users are not representative of the general population). A further 10 hours was spent using email and IM, with email representing the bulk except China where IM has become more common in workplaces.

Average hours spent per week by broadband users (home and work):

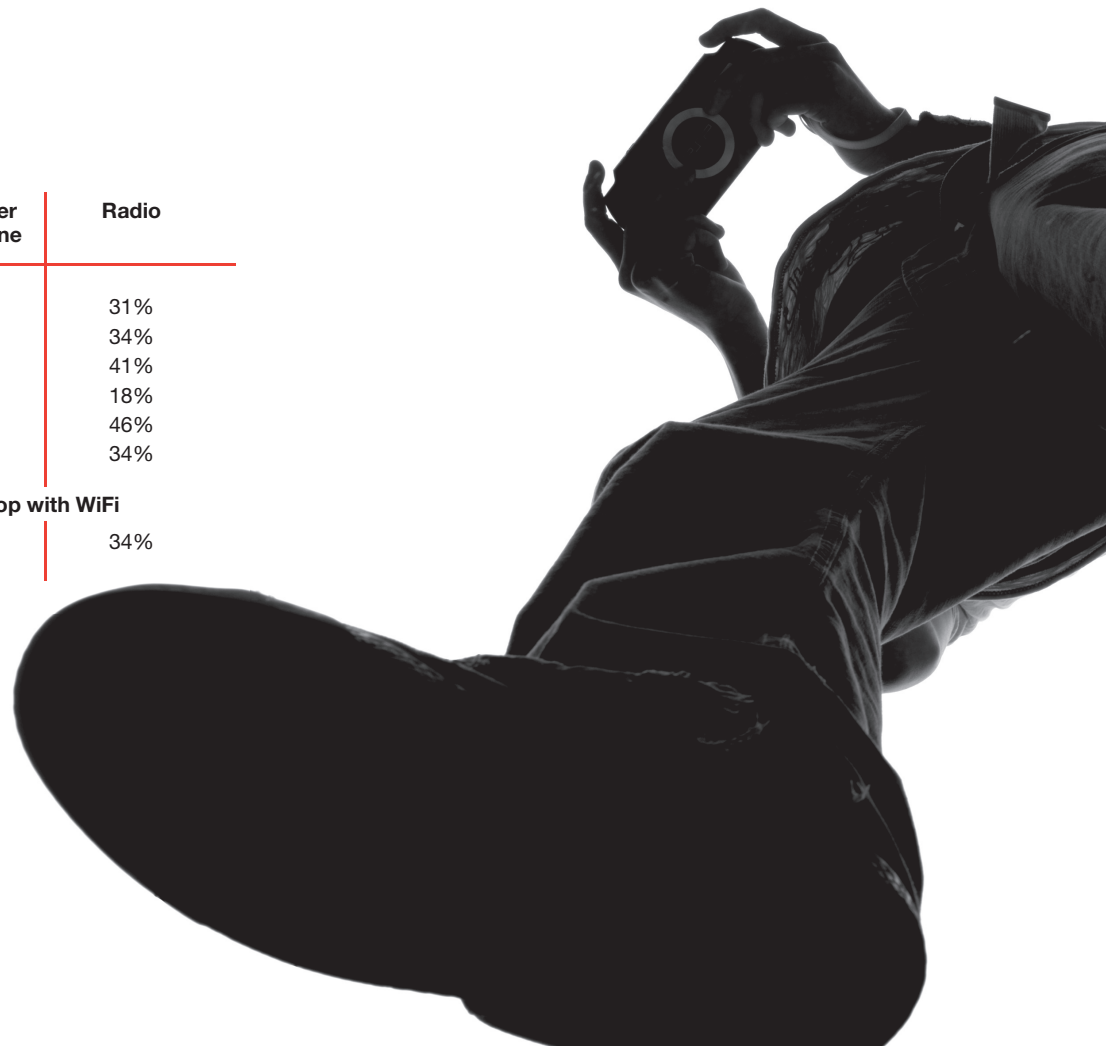
	Using Internet	Using email	Using IM
US	26.2	9.6	2.3
UK	23.8	7.4	2.2
France	24.3	8.6	2.3
Germany	25.6	7.3	1.3
China	41.6	7.9	6.7
Combined	29.2	8.2	3.2

Broadband users are prompted to go online to carry out a wide range of tasks, but one of the most interesting prompts from a marketing perspective is other media. Around half of broadband users say they are prompted to go online at least once a week by something they have seen on TV or in print; a third are prompted by radio.

**“At least once a week I’m prompted to go online by something I’ve seen on...”**

	TV	Newspaper or Magazine	Radio
US	50%	44%	31%
UK	54%	49%	34%
France	49%	55%	41%
Germany	30%	29%	18%
China	51%	62%	46%
Combined	47%	48%	34%
<b>% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi</b>			
Combined	50%	50%	34%

The time that adult broadband users spend online is spread across a wide range of activities, especially at home. Already this is more diverse than perhaps many observers suspect.



**Communication** remains a key activity. Email remains popular, but other forms of online communication are also widespread. For example, IM and chat forums were used by just over half of broadband users during a typical week. Voice over IP (VOIP) is still in the early stages overall, but more advanced in some European and Asian markets.



**% broadband users who do from home during a typical week ...**

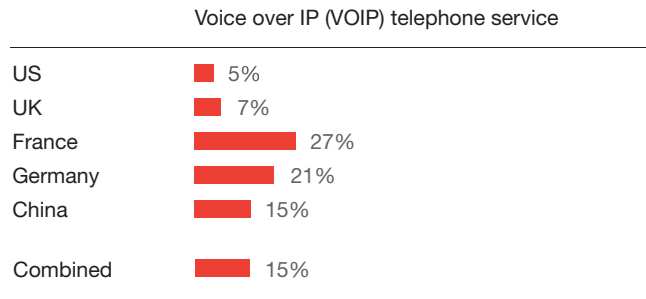
	Use Instant Messaging (IM)	Chat in online forums/boards
US	45%	30%
UK	42%	45%
France	69%	59%
Germany	33%	42%
China	75%	77%
Combined	53%	51%

**Average hours spent doing from home in a typical week by broadband users...**

	Using email	Using Instant Messaging (IM)
US	5.9	1.9
UK	3.8	1.5
France	3.9	1.9
Germany	3.9	0.9
China	3.4	3.0
Combined	4.2	1.9



**% broadband users who personally own or use on a weekly basis ...**



It is not only about behaviour – communication and socialising is an inherent element of how broadband users perceive the Internet. Overall, **half of broadband users agreed that “to me, the Internet is a social place”**; and that “I often share pictures/video clips/information from the Internet with others”.

**“For me, the Internet is a social place”**

% broadband users who agree:

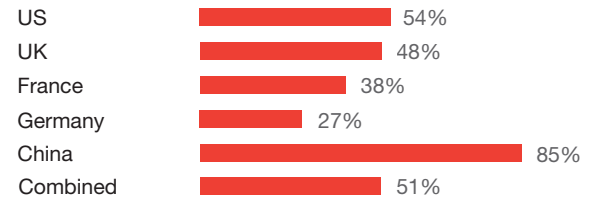


% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi



**“I often share pictures/video clips/info from the Internet with others”**

% broadband users who agree:



% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi

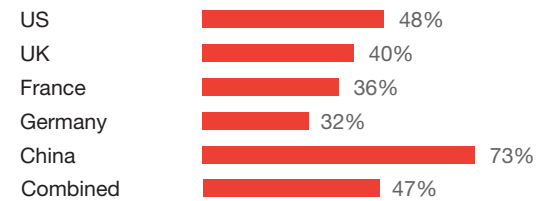


General research and keeping abreast of news is another standard element of Internet use for broadband users. Over three quarters use a search engine in a typical week at home; over two thirds read news online; over half access health information. Blogs are read by around one third of broadband users; RSS feeds by a quarter. Indeed, news reading online has progressed to such an extent that around half of broadband users agree that “I primarily read the news online or on my mobile phone instead of in a newspaper”.

% of broadband users who do from home during a typical week:						
	Use a search engine	View health information	View stock quotes or financial info	Read news	Read RSS feeds	Read blogs
US	86%	52%	28%	77%	14%	32%
UK	88%	50%	29%	69%	15%	27%
France	92%	47%	43%	68%	28%	46%
Germany	76%	59%	43%	79%	26%	25%
China	75%	71%	69%	72%	60%	65%
Combined	83%	57%	43%	73%	29%	39%

**“I primarily read the news online or on my mobile phone**

% broadband users who agree:



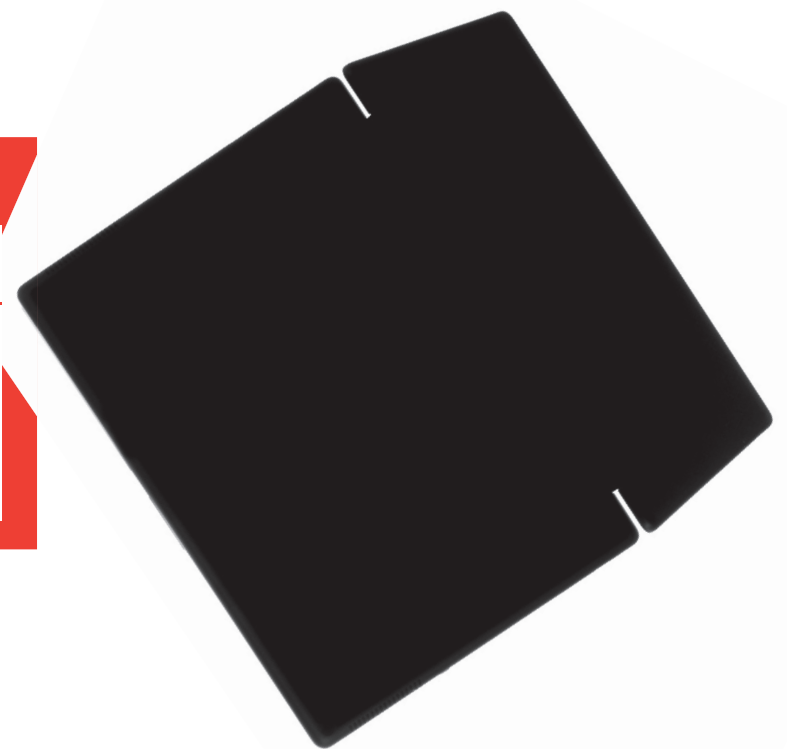
**% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi**





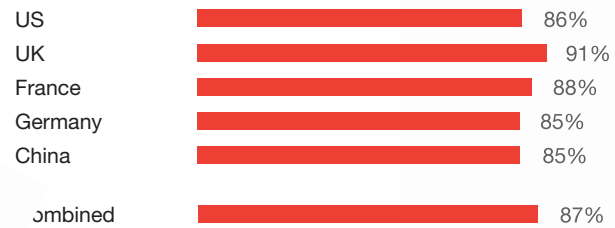
The Internet is also central to **completing routine daily tasks**, such as bill paying and checking weather forecasts. It is also used regularly for shopping and product research. **Between half and three quarters of broadband users carried out routine tasks and shopped online during a typical week.** Over three quarters agreed that “I often look online for information about products I’m thinking of purchasing”. And the information they find online is influential – over **half agree that “I have often changed my mind about what brands to buy based on information I’ve read online”.**

% broadband users who do from home during a typical week ...								
	Online banking	Check weather	View TV or movie listings	Make travel arrangements	Access local info/ yellow pages	Read blogs	Shop online	Visit auction sites
US	73%	74%	52%	45%	55%	32%	71%	54%
UK	75%	55%	53%	52%	45%	27%	81%	72%
France	81%	73%	65%	64%	69%	46%	89%	64%
Germany	85%	68%	59%	54%	57%	25%	85%	82%
China	72%	68%	80%	69%	51%	65%	77%	73%
Combined	77%	68%	60%	57%	55%	39%	81%	69%



**"I often look online for information about products I'm thinking of purchasing"**

% broadband users who agree:

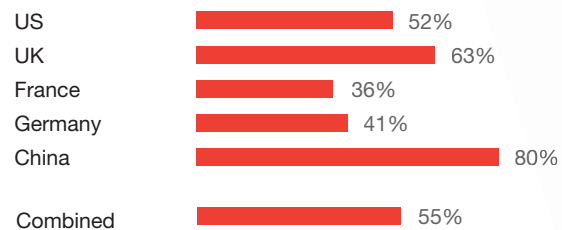


% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi



**"I have often changed my mind about what brands to buy based on information I've read online"**

% broadband users who agree:



% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi



Entertainment is another area that broadband users are increasing their use of the Internet. Over two thirds play games and half consume streaming audio or video during a typical week. Downloading movies and TV shows is also increasingly popular, especially in China.

% broadband users who do from home during a typical week ...					
	Play games	Listen to streaming audio	Listen to podcasts	Download or view streaming video	Download movies or TV shows
US	65%	39%	10%	34%	21%
UK	62%	40%	17%	35%	32%
France	68%	58%	23%	53%	45%
Germany	64%	41%	20%	34%	37%
China	84%	73%	70%	84%	84%
Combined	69%	51%	29%	49%	45%

Finally, broadband users are increasingly hands-on in terms of creating and sharing their own personal content. Most common is sharing photos/videos, done by over half of broadband users in a typical week. Less common but still significant, done by around a quarter of broadband users in most markets, is publishing your own webpage or blog.

% broadband users who do from home during a typical week ...			
	Share or manage photos/videos	Publish or manage personal webpages	Write a blog or online journal
US	46%	20%	22%
UK	50%	26%	18%
France	63%	36%	31%
Germany	53%	39%	23%
China	75%	70%	63%
Combined	58%	39%	32%

## Implications for marketers

Do not underestimate the role that offline media plays in terms of providing a prompt to go online. Although in most instances it is not immediately acted upon, there is still a recognisable link. (The exception is in homes with WiFi and multiple laptops, where such immediate action is commonplace – this is discussed further in Part 5).

Recognise the breadth of activities that broadband users engage in online – and hence the range of opportunities for brand communications. Of course, just because something is a possibility doesn't mean that a brand should exploit it; anything done online should be in the context of addressing a specific brand objective, just as any other form of marketing activity. However, brands should not be afraid to use their imagination in exploring ways in which they could participate in and support broadband users in each arena of their online activity.

## How broadband users feel about the Internet

So far we have focused on the activities that broadband users claim to do in a typical week from home. But behaviour is just part of the picture; understanding attitudes is equally – if not more – insightful in terms of understanding the role that the Internet is playing in broadband users lives.

First and foremost, recognise that **home Internet access is hugely important, with nearly two thirds of broadband users agreeing “I’d be lost without my home Internet connection even if just for half a day”**. Interestingly, the move to WiFi and laptop access does not appear to alter this significantly; it is broadband that has ushered in this dependency.

**“I would be lost without my home Internet connection, even if just for half a day”**

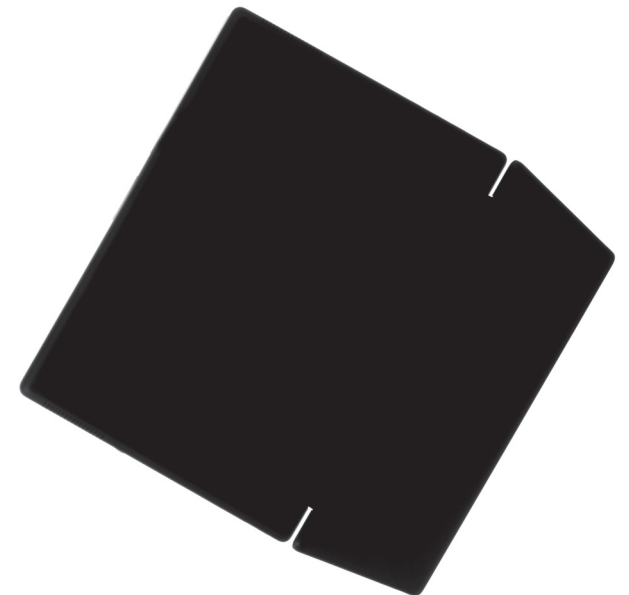
% broadband users who agree:

US		61%
UK		74%
France		61%
Germany		48%
China		71%

Combined  63%

**% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi**

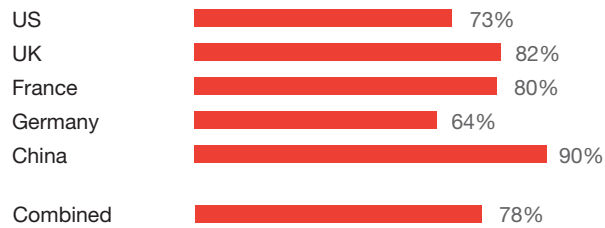
Combined  63%



Also recognise that the Internet and the devices that support it are increasingly valued for their emotional benefits as much as their function. **Over three quarters of broadband users agree that “having the Internet at home helps me relax”**; half describe their PC as being “my ally and good friend”.

**“Having the Internet at home helps me relax”**

% broadband users who agree:

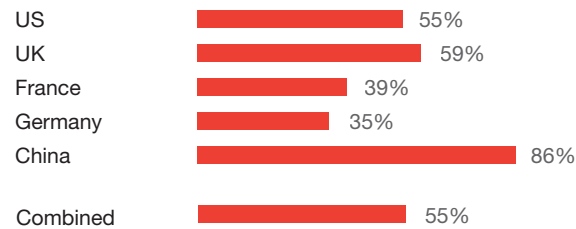


% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi



**“My home PC/laptop is my ally and good friend”**

% broadband users who agree:



% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi



**Implications for marketers**

Do not underestimate the importance of the Internet in the daily life of your audience. It is only going to continue to grow in stature, fast approaching that of a basic service like electricity or telephone.

There is a subtle difference in how broadband users perceive their home computers and laptops, compared to other devices such as a TV. PC's are held closer and touched physically far more than a TV, thus they are automatically imbued with a sense of being more personal. That feeling of emotional connection is heightened because of the breadth of activities done on a PC, especially it being a conduit to interact with others. This is a subtle but important distinction compared to traditional media such as TV, and something that brands should take into account when crafting their online presence.







## 1.2 MOBILE

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### Overview

#### Are mobiles important?

Mobile phones and other portable handheld devices are increasingly prevalent. They have become so ingrained in daily life that they've become like a lifeline, and this is only going to grow. To a significant subset they are even treated as personal talisman, customised as a reflection of their owner's identity. With consumers forming highly personal relationships with their phones, sensitivity is required from marketers when considering mobile phones as a communications channel to avoid causing criticism over intrusiveness.

#### How are people using their mobiles?

The main role for mobile phones is communication; making calls and sending texts. Interestingly, over half of mobile users in the UK and China prefer to text rather than call when they need a quick response. About a third of mobile device users are beginning to use new forms of communication such as MMS (picture messaging), Mobile IM (instant messenger) and email. Thus, when looking for ways to leverage mobile as a communications channel, basic functionality is likely to be central to any campaign seeking to reach a mass audience.

#### What about mobile entertainment?

Although only a minority of mobile phone owners currently use the entertainment options, this shouldn't be ignored, particularly when targeting a younger audience.

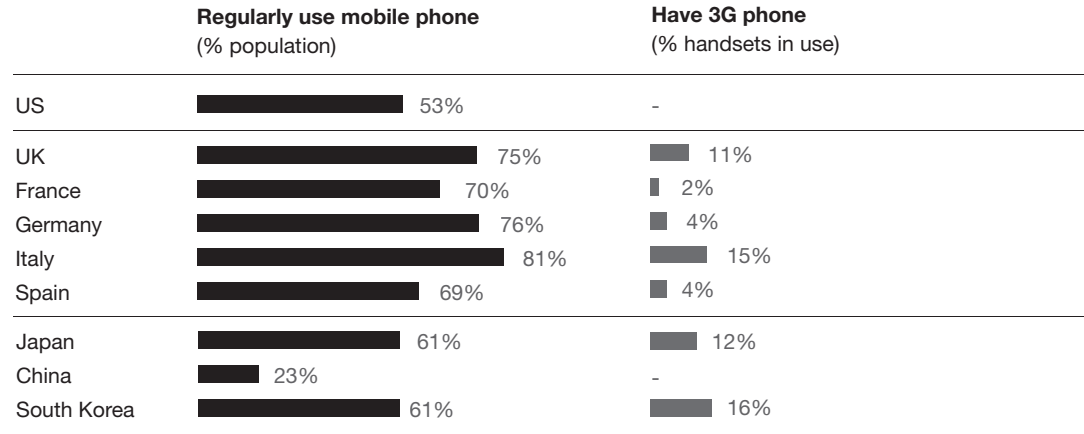
Mobile games are the most popular form of amusement on phones and the opportunity for adver gaming online to embrace the mobile platform.

Mobiles are increasingly doubling as cameras, especially for spontaneous shots based on surprising events or simply for fun. Taking photos and sending them in is a creative mechanic which few marketers have explored to date, but has great potential.



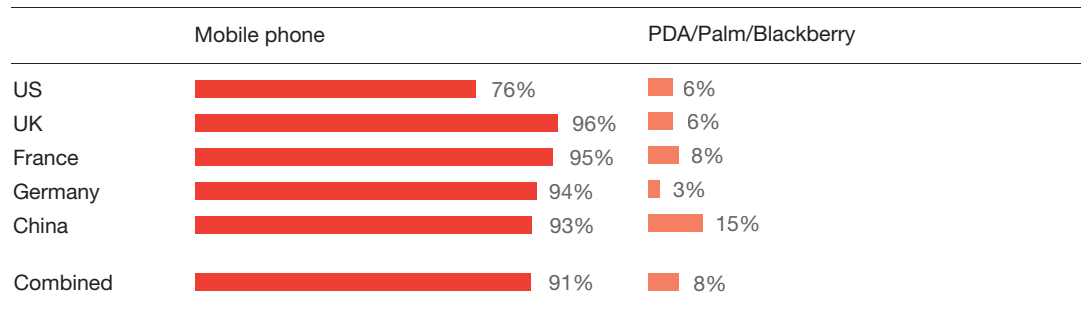
## Penetration

In Europe and Asia, the use of mobile phones is strong and growing, especially among broadband users. In the US, penetration of phones has been on a slower burn, but is at last starting to catch on. The next generation of 3G-enabled phones is also starting to spread, although they still represent fewer than 1 in 10 handsets in use.



Source: Forrester, Isobar

**% broadband users who personally own or use on a weekly basis:**



## Implications for marketers

Mobile phones and other portable handheld devices are increasingly prevalent, even in the US. Marketers should be exploring ways to leverage them as another touchpoint in the communications arsenal.

Do not get carried away, however, with the hype surrounding some of the more advanced areas. Despite their high profile, 3G handsets still represent a small proportion of phones in use – and just because someone has a 3G capable handset, does not mean that they use such services on a regular basis.



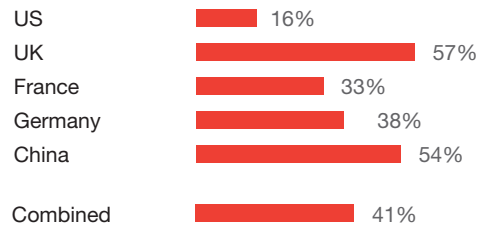
## What mobile phone users do and why

Making calls and texting remain the most common uses for mobile phones. Indeed, outside of the US, texting has become so much a part of standard communications that over a third of mobile phone/PDA users – and **over half in the UK and China** – prefer to text rather than call when a quick response is needed.

**% broadband users who own or regularly use a mobile/PDA who use**  
(= didn't answer "none of these")

	Make mobile calls	Send SMS
US	93%	36%
UK	94%	91%
France	97%	79%
Germany	96%	92%
China	99%	95%
Combined	96%	81%

**% broadband users who own or regularly use a mobile/PDA who agreed with the statement: "When using my mobile, I prefer to send a text message rather than calling someone when I need a quick response"**



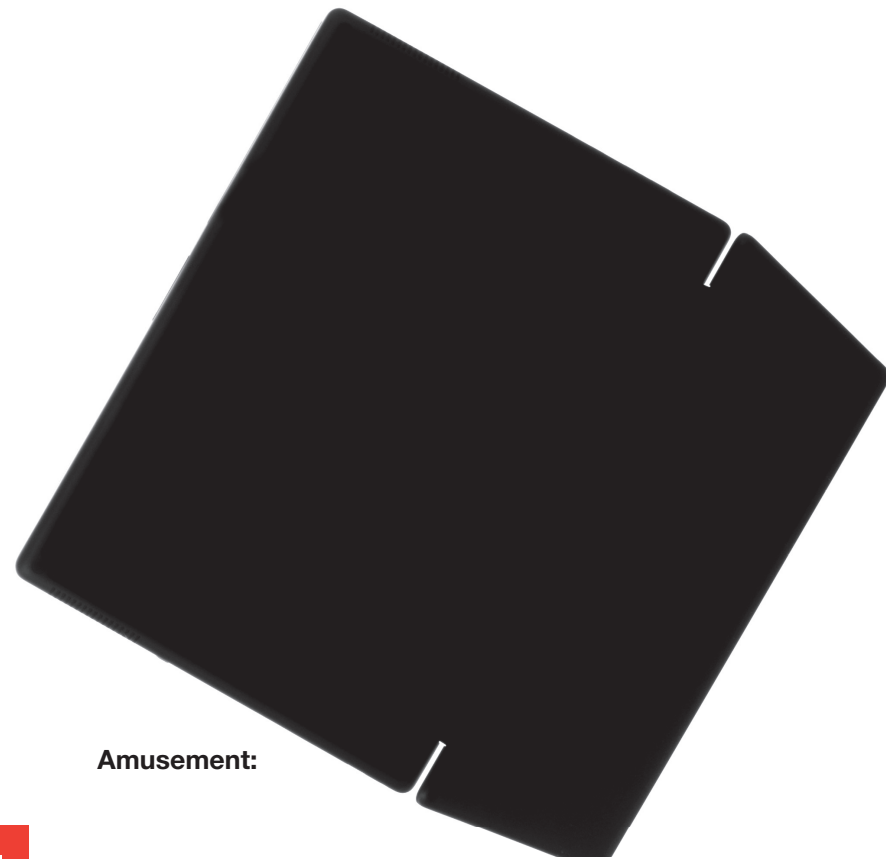
New forms of communicating – MMS (picture messaging), mobile IM (instant messenger), mobile email – are now possible too, although only used by around one third of mobile phone/PDA users so far.



**% broadband users who own or regularly use a mobile/PDA who use (= didn't answer "none of these")**

	Send MMS	Send mobile IM	Check email via mobile device
US	14%	12%	11%
UK	41%	21%	16%
France	27%	37%	19%
Germany	27%	11%	13%
China	63%	72%	56%
Combined	36%	32%	24%

But mobile phone functionality is increasingly moving beyond communication. Today's mobile phone is equipped with a plethora of advanced functionalities, ranging from the utilitarian (alarm clock, calendar, camera) to those designed primarily for amusement (radio, games). The levels of usage for these services vary but range between one quarter and one half of mobile phone owners worldwide. The most widespread non-communication related activities carried out on mobile phones are accessing the calendar, taking photos or recording video, and playing games.



**Utility:**

**% broadband users who own or regularly use a mobile/PDA who use (= didn't answer "none of these")**

	Access calendar	Take photos or record video	Access mobile Internet (news, weather)
US	40%	25%	16%
UK	45%	53%	26%
France	52%	39%	25%
Germany	55%	49%	17%
China	87%	77%	62%
Combined	57%	50%	

**Amusement:**

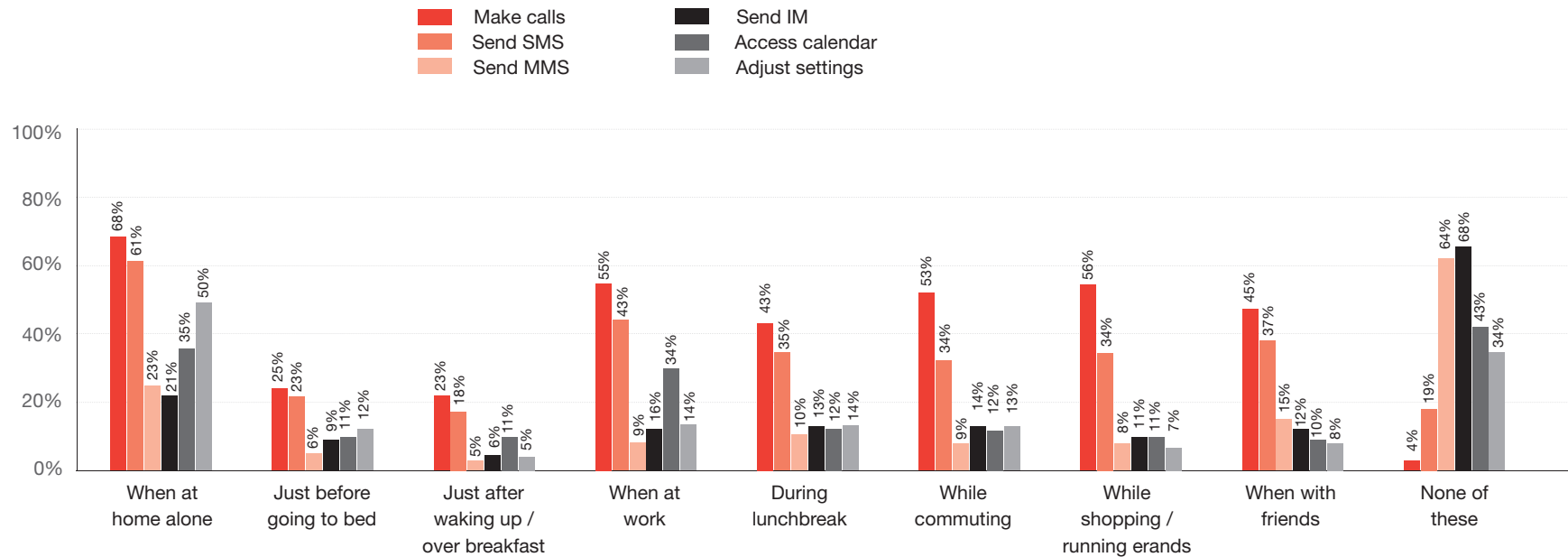
**% broadband users who own or regularly use a mobile/PDA who use (= didn't answer "none of these")**

	Play mobile games	Listen to music	Access video content
US	23%	6%	7%
UK	38%	22%	13%
France	30%	13%	11%
Germany	36%	16%	5%
China	86%	67%	51%
Combined	45%	19%	19%



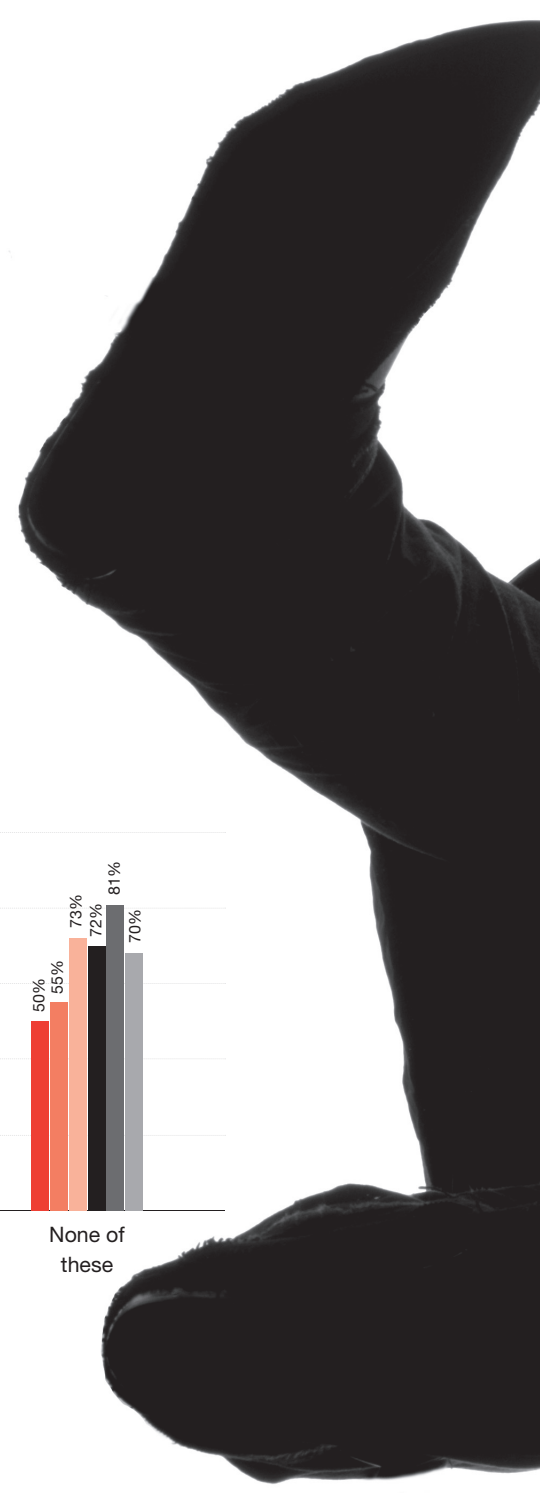
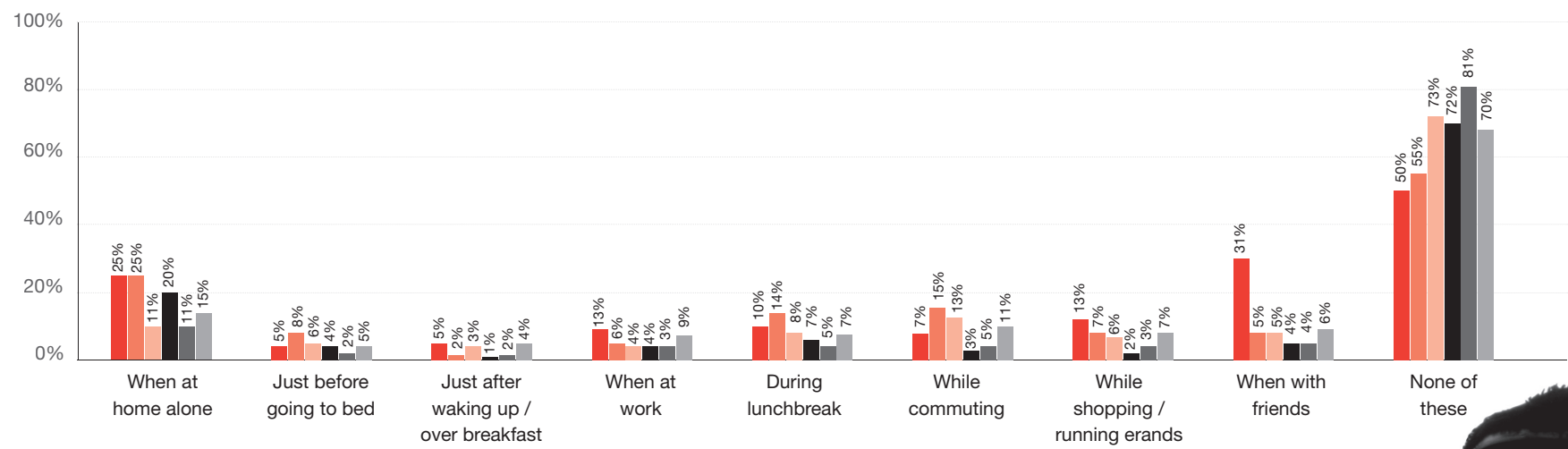
The situations and points throughout the day where these functionalities are used vary. We asked mobile phone/device users what the primary situations were that people used each functionality, during a typical week.

Basic communications functionality (making calls, sending SMS) is the most widely used, across all situations. The calendar function is used primarily at home or at work. Relatively few use functionality such as MMS and IM.





Entertainment functionality (listening to music, accessing video content, playing a game) is used by a minority of device owners. It is used as frequently when “at home alone” as it is when filling downtime outside the home (commuting, over lunch). This is surprising considering that at home there are typically many alternative forms of entertainment competing for attention! Relatively few people used entertainment functionality regularly when they were with friends, suggesting that mobile phone entertainment is primarily a solitary experience, used to relieve boredom. Unsurprisingly, the one exception was taking photos/video, which is primarily done when with friends.





## Implications for marketers

Recognise that the dominant role fulfilled by mobile phones remains communication; making calls, sending texts, and increasingly mobile IM and email. Indeed, for a significant number of people this is still the only thing they use their phone for. Thus, when looking for ways to leverage mobile as a communications channel, this basic functionality is likely to be central to any campaign seeking to reach a mass audience.

However, do not ignore the potential of mobile entertainment, especially not if targeting a younger audience. Mobile games are the most popular form of amusement on phones; and although more complicated, there is the opportunity for the popular format of advergaming online to embrace the mobile platform. Ringtones, screensavers and icons for download should also not be dismissed, being valued by those seeking to personalise their mobile (common especially among teens), and a simple and instant mechanism for prize-giving.

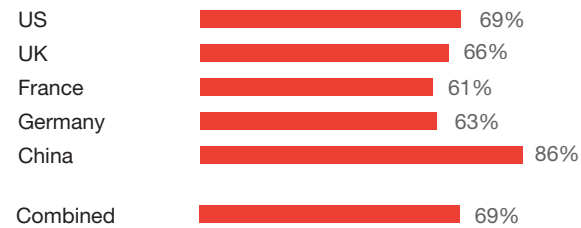
Mobiles are increasingly doubling as cameras, especially for spontaneous shots based on surprising events or simply for fun. Taking photos and sending them in is a creative mechanic which few marketers have explored to date, but has great potential.

## How mobile phone users feel about their phone

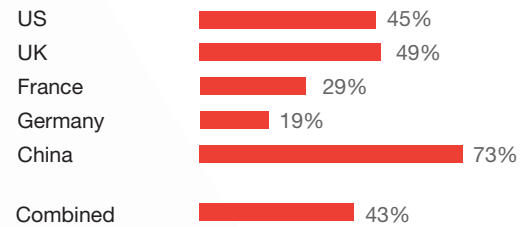
Mobile phones have already become so ingrained in daily life that for many they have become like a lifeline. The majority of phone owners leave them turned on so they can always be contacted, and over one third can not imagine being without their phone.



**% broadband users who own or regularly use a mobile/PDA who agreed with the statement: "I always have my phone turned on so I'm contactable at all times"**



**% broadband users who own or regularly use a mobile/PDA who agreed with the statement: "I am so reliant on my mobile device that I can't imagine being without it"**



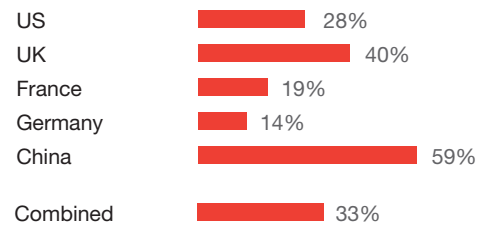
The more important phones become to someone's daily life, the more personalised the attachment formed. For a significant minority – especially, but not exclusively, teens – this extends to customising the phone itself to uniquely express their personality. Whether it be changing the ring tone, screen picture, or altering the physical appearance of the handset itself, around one third of broadband users with mobiles have taken this step.

## Implications for marketers

Mobile phones are now part of most people's 'toolkit' for going about their daily business. Many people feel as exposed if they leave their mobile phone behind as if they left their wallet, and this is only going to grow. Phones represent the only channel for communications which is both ever-present and individual.

If computers are increasingly seen as being a friend and ally, mobile phones are even more so. To a significant subset they are even treated as personal talisman, customised as a reflection of their owner's identity. This means that marketers need to be sensitive in how they approach using mobile phones as a communications channel, to avoid causing upset over intrusiveness.

**% mobile/PDA owners who agreed with the statement:  
"I have decorated my mobile phone so that it is unique/personalised to me"**





## 1.3 BLURRING BETWEEN WORK/HOME

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### Overview

#### Is blurring occurring?

A third of broadband users agreed that the boundaries of Internet usage at work and home have definitely blurred together. Among those with Internet access at work, it is becoming commonplace to use it for personal reasons. In fact, personal use accounts for around a quarter of online time at work.

#### How should brands react to blurring?

There is an opportunity to reach a significant number of people online in a workplace setting. This can be an effective form for targeting just a certain subset (e.g., office workers, reached mid-morning).

In the future as work and home blurring expands, so too will the situations in which brands can reach people online. Brands need to be sensitive not only to the location of where people are but to the context of specific activities being done online at that moment.

## Quantifying Blurring

It is a cliché that the lines between home and work are becoming blurred, but that does not make it any less true. Although not necessarily the root cause, the Internet, along with mobile phones and mobile email, are the key enablers of work/home blurring.

It is important to remember, however, that the extent to which home/work blurring is happening varies by profession. “Normal people” are not necessarily like those of us working in media

and marketing. They are not all slaves to their desk and work PC’s. They’re not so firmly attached to their PDA’s or on holiday on the beach with their mobile phone picking up work voicemails as the sea laps at their feet.

Indeed, only 50% of broadband users work in an office, and 39% do not access the Internet at all from work! **For most broadband users, their main Internet access point is at home.** Only 10% have, even occasionally, accessed

the Internet from an airport. The majority of broadband users have mobile phones, but PDA’s are only beginning to creep into most people’s lives.



% of broadband users who ...	Personally own or use weekly		
	Have Internet access at work	Mobile phone	PDA/Palm / Blackberry
US	51%	76%	6%
UK	47%	96%	6%
France	66%	95%	8%
Germany	56%	94%	3%
China	82%	93%	15%
Combined	61%	91%	8%

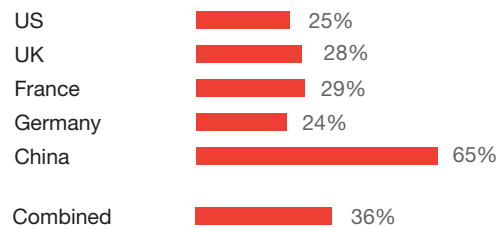


To help provide some kind of quantification of the extent to which home/work blurring has occurred, we asked several attitudinal questions in our global panel survey. What we found was that – although a significant number agreed with each attitudinal statement – it was still a minority.

Overall, only **around one third of broadband users** agreed that **“the boundaries of my Internet usage at work and home have definitely blurred together”** and that **“because of technology I spend more time working during evenings and weekends”**.

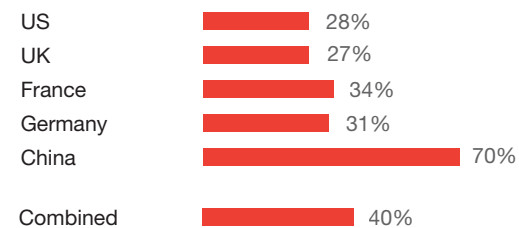
**“The boundaries of my Internet usage at work and home have definitely blurred together”**

% broadband users who agree:



**“Because of technology, I spend more time working during evenings and/or weekends”**

% broadband users who agree:

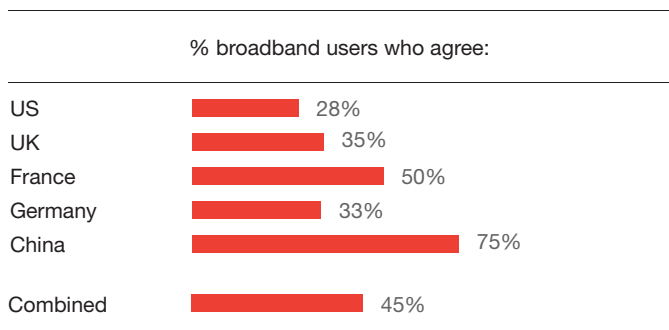




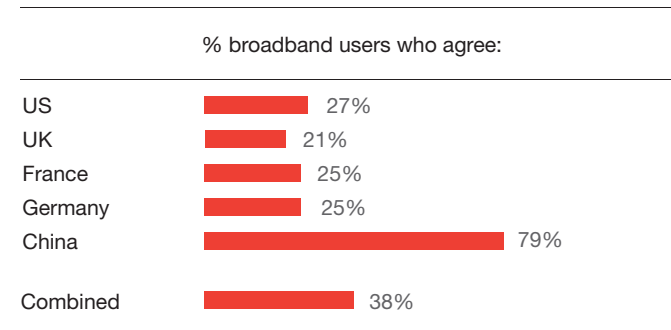
## Attitudes to blurring

Attitudes have shifted alongside behaviour too, particularly when it comes to carrying out personal tasks at work. **Nearly half of broadband users agreed “it is socially acceptable to use the Internet at work for personal, non-work related reasons”** and just over one third agreed that “since I have the Internet at home, clients, customers or co-workers expect to be able to reach me during non-working hours”.

**“It is socially acceptable to use the Internet at work for personal, non-work related reasons”**



**“Since I have the Internet at home, clients, customers or co-workers expect to be able to reach me during non-working hours”**



In terms of specific blurring of online activities – using email, using the Internet – a similar picture held. **Around one quarter of the time spent at work on email or using the Internet was for personal reasons.** Conversely, around one fifth of the time spent on equivalent activities from home was work-related.

% of time spent at WORK which is for personal reasons (average):	Using email	Using the Internet
US	23%	27%
UK	23%	24%
France	17%	22%
Germany	16%	18%
China	36%	32%
Combined	25%	26%

% of time spent at HOME which is for work reasons (average):	Using email	Using the Internet
US	15%	16%
UK	14%	15%
France	12%	14%
Germany	15%	17%
China	31%	27%
Combined	18%	18%

## Implications for marketers

There is an opportunity to reach a significant subset of people online in a workplace setting, although the extent varies by country. This can be an effective form for targeting just a certain subset of people (e.g., office workers, reached mid-morning).

Recognise that as the lines between work and home blur, so too do the situations in which brands can reach people online. Just because it is 8pm and someone is accessing the Internet from a non-business IP address does not mean they are automatically engaged in personal activities; and vice versa. Brands need to be sensitive not only to the location of where people are but more importantly the context of specific activities being done online at that moment.



## 1.4 ATTITUDES TO ONLINE ADVERTISING

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### Overview

Consumers are demanding more from online advertising. They expect advertisements to be more relevant to information they are seeking out and content they are consuming online. Relevancy also extends to knowing the life stage and personal interests of consumers being targeted. Thus, while contextual relevance is key, marketers should not be limited to placing their marketing messages within contextually relevant areas online. Data-driven capabilities of Internet advertising allow for advertisements to be behaviourally targeted, meaning marketers can now serve consumers relevant advertisements using individuals' web-surfing patterns and online behaviour as a guide.

There is also a desire among consumers for greater creativity in terms of online advertising. The Internet is a different form of media to traditional channels, with its own characteristics. Simply transplanting advertising designed for one media, like TV, to the Internet is seldom the ideal.

Email has been rehabilitated as a marketing channel, with many consumers perceiving brand related email newsletters to be a service rather than advertising. In contrast, pop-ups remain widely reviled, to the extent that there is a risk that brands will be tarnished by association.

## Relevance

Advertising is accepted as being a normal part of media by consumers, but that does not mean they are necessarily happy with what they receive.


One of the biggest annoyances about online advertising for consumers is their perceived lack of relevance. Indeed, the fact that online advertising is so often irrelevant is seen as almost archaic, as if advertisers have not kept pace with the power of the Internet and the fashion in which other types of online content have evolved.

It is not just relevance to an individual generally that is important, but relevance to the content being viewed and the task being attempted at that particular time. Over half of broadband users worldwide nominated “make it more relevant to what I’m looking at” as being one of their top two ways to improve Internet advertising. But opinions were divided as to whether ‘intelligent learning’ ala Amazon was a good approach for improving online ad relevancy – some felt this would be a welcome step; others felt it would be too much like ‘big brother’.

“It doesn’t really matter in what forms online ads are shown, it’s more to do with whether I’m into the product being advertised or not” // Male, 32 - Shanghai

“Online ads have to be really targeted. They should be aware that I’m a 31 year old woman living with a husband. I should get advertising for house linen, things that interest me” // Female, 31 - Paris

“If I get a car ad on a car site then for sure it would be helpful. But if you put a cosmetic ad in a car site then that would be like a pure commercial ad and I wouldn’t like it” // Male, 43 - Shanghai



"I like profiled suggestions. I accept them but block them immediately if I feel bombed by random information" // Female, 31 - Cologne

"If I'm reading a fashion related website and there's a cosmetic ad pop up, and if it's appealing, then I'll read it. It's key that the content of the ads is relevant to the webpage" // Female, 29 - Shanghai

"If they flag up a particular promotion that is really relevant to you, just one or two things, then it is OK. It depends how many you got and what sort of thing they were advertising, it has to be reasonably focused" // Male, 46 - London

"If I'm looking at car reviews don't show me ads for life insurance cause it doesn't make sense. If it's something that I need then I might give it a second glance, but usually I have a purpose when I'm online. If it's not related I'm not going to think twice about it."  
// Male, 26 - Chicago

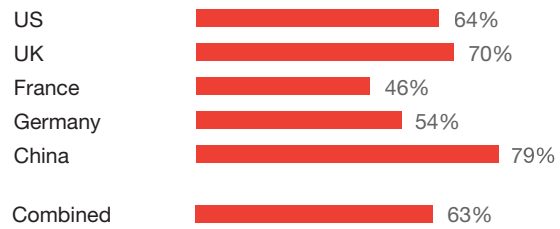
% broadband users who nominated as one of their top 2 ways to improve Internet advertising:

	"Make it more relevant to what I am looking at"	"Make it learn my preferences over time, like Amazon"	"Make it more relevant to where I am physically"
US	62%	30%	13%
UK	64%	31%	8%
France	48%	23%	11%
Germany	36%	30%	10%
China	52%	10%	13%
Combined	52%	24%	11%



**"I only read advertising online if it is relevant and useful to what I'm trying to accomplish at that time"**

% of broadband users who agree....



## Creativity

Creativity is also viewed as vital to improving online advertising. Nearly half of broadband users nominated “make it more entertaining and funny” as being one of their top 2 ways to improve Internet advertising; and nearly one third nominated “make it more original, innovative and cutting edge”. Note, however, that raising the creativity bar on Internet advertising doesn’t necessarily mean making it more like TV. Indeed, only 14% of broadband users nominated “make it more like TV advertising or a short film” as one of their preferred means of improvement.

% broadband users who nominated as one of their top 2 ways to improve Internet advertising:

	“Make it more entertaining and funny”	“Make it more original, innovative & cutting edge”	“Make it more like TV advertising or a short film”
US	34%	24%	12%
UK	37%	23%	11%
France	55%	30%	9%
Germany	53%	26%	18%
China	46%	44%	20%
Combined	45%	29%	14%

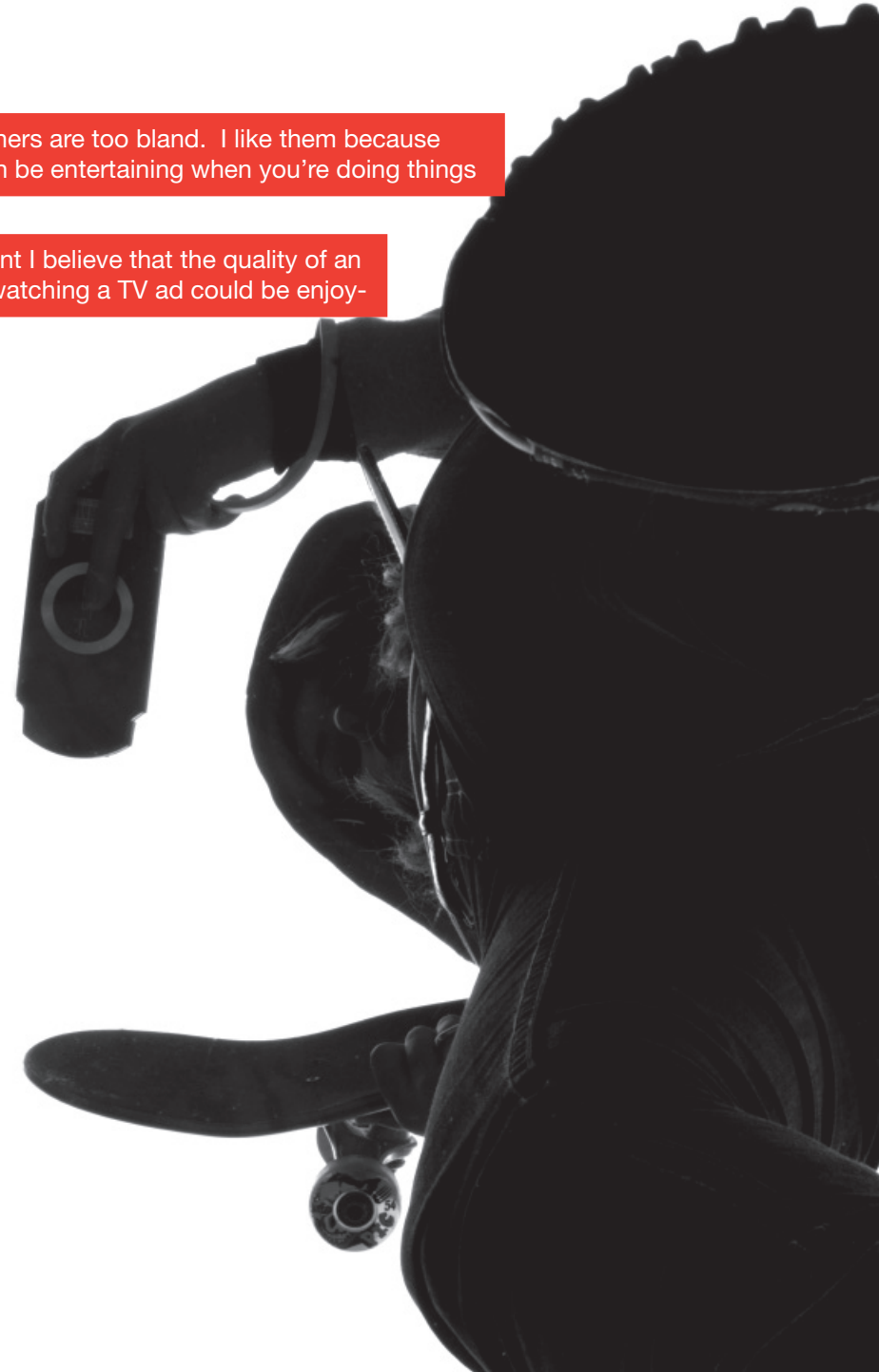
“The design, colour and way it approaches you is key for online ads... You shouldn’t draw attention only by making your ad flashing and dizzying” // Male, 43 - Shanghai

“I still believe that the most important part of an ad is its content. Even if it has an amazing form, but does not have lots in its content, I won’t pay attention to it.... It’s not fair to say that all online ads are junk and nobody will ever want to read them. If they’ve got interesting content and not too much negative interference, people will still pay attention” // Male, 32 - Shanghai



"I prefer the videoclip ads online... They catch your eyes right away, all the others are too bland. I like them because they are lively and, in a way, it feels like they're telling a story to you. They can be entertaining when you're doing things online" // Female, 29 - Shanghai

"I think there is something to do with the production of ads that needs to change. At the moment I believe that the quality of an online ad won't be as good as TV or print ads. They always look rough. I sometimes feel that watching a TV ad could be enjoyable but I think all the online ads are rubbish" // Female, 29 - Shanghai



## Pop-ups

Also note that the desire for greater creativity does not necessarily translate directly into a desire for more vibrant, flashing, moving ads. In fact, nearly everyone we spoke to expressed a vitriolic hatred of pop-ups and other similarly intrusive animated formats. Not only are such ads seen as a massive annoyance by intruding over the top of the content you are attempting to read, many also irritate by being difficult to close. To make matters even worse, pop-ups carry an added sting of having been linked to the spreading of viruses! Two thirds of broadband users have attempted to take the matter into their own hands by installing programmes designed to block out pop-up advertising (e.g., pop-up blockers, which now come standard bundled with toolbars from leading search engines).

“If I go online I do so with purpose. I feel interrupted by ads. If I watch TV I do it more along with other things, I don’t pay that much attention and if there’s ads it’s up to me to watch the screen. Online I have to make the effort to click them away” // Female, 48 - Cologne

“I don’t read online ads at all, I find them very annoying. As soon as any of them popup I close them within no time” // Female, 29 - Shanghai

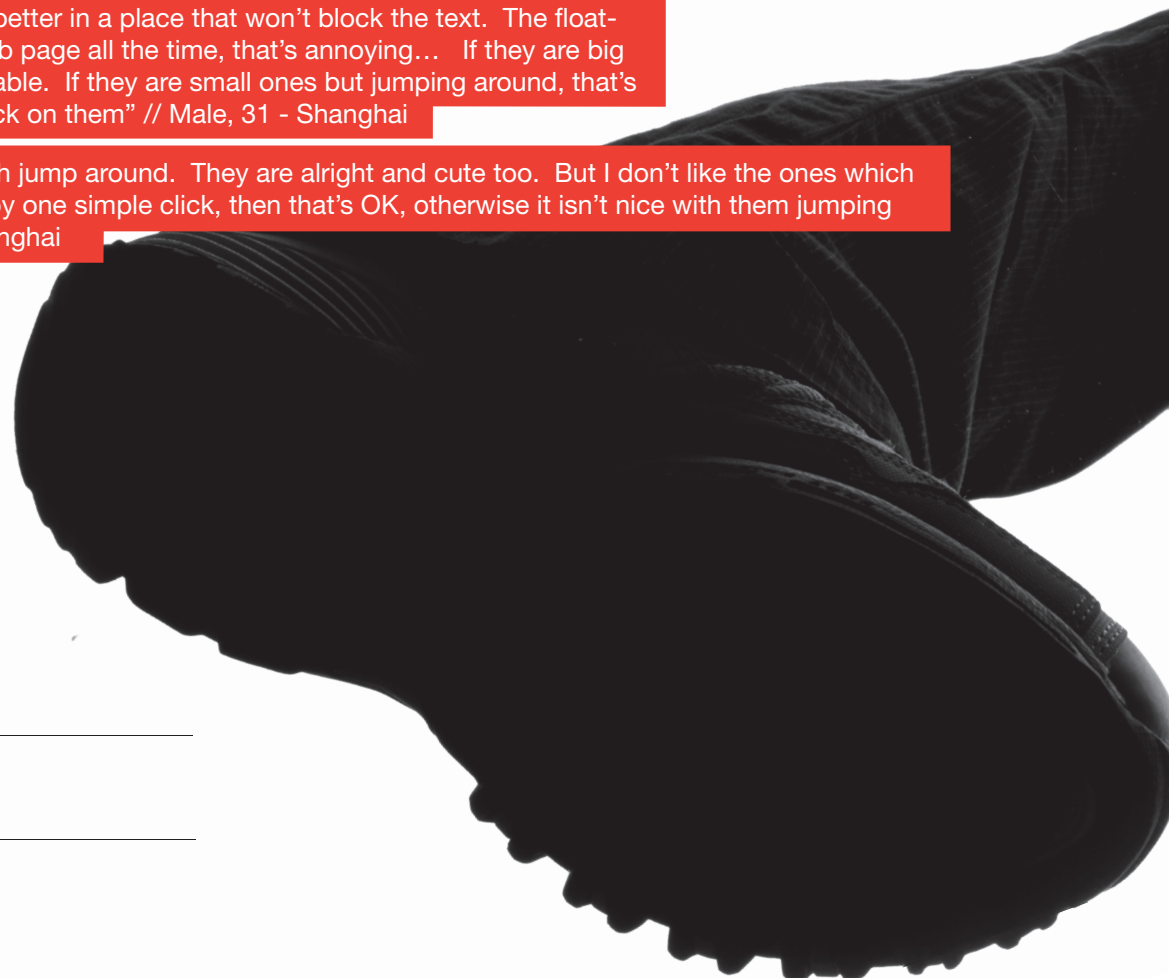
“I can’t believe those pop-ups, it’s interruptive. I can’t imagine anyone enjoying them. I think the side bar is a more elegant way of doing it” // Female, 31 - Paris

“It is a nuisance but you get into a routine of clicking on the button and them disappearing. In an ideal world there would be no pop ups” // Female, 16 - London

“Some pop ups are quite difficult and you have to say No! No! No! several times to get it to stay away and I gather they are part of some Trojan virus” // Male, 46 - London

“Normal online ads are not so bad but they are better in a place that won’t block the text. The floating ones are the worst, they just fly around a web page all the time, that’s annoying... If they are big in size but stay in the same place, that’s acceptable. If they are small ones but jumping around, that’s OK too if you only get to see them when you click on them” // Male, 31 - Shanghai

“I actually quite like the online ads which jump around. They are alright and cute too. But I don’t like the ones which you can’t close. If they can be closed by one simple click, then that’s OK, otherwise it isn’t nice with them jumping around all the time” // Female, 40 - Shanghai

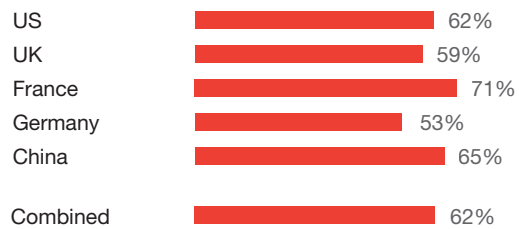


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**“I have installed a programme on my computer that blocks Internet advertising”** (Note: although the question was worded broadly, the only form of online ad blocker in widespread use is popup blockers)

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% of broadband users who agree





## Email

Finally, it is important to stress that Internet advertising is not just about displays on the web. Forms of one-to-one messaging, such as email newsletters, also form part of the online marketing arsenal. Thanks to the improvements in spam blocking, email newsletter content quality, targeting and list management, **email has rehabilitated itself as an effective channel for marketing.** Nearly half of those in our ethnographic research had signed up to receive brand-related email newsletters; and almost all described it as a form of service rather than advertising. This was the case even for quite overt forms of email marketing (e.g., emailed coupons, alerts to latest flight offers). The primary reasons for this were two-fold: First, more often than not it was perceived as being relevant (not least, because usually it was something they had signed up for). Second, it wasn't intrusive. It was easy to delete or stop from coming in future (via spam blocking or simply unsubscribing); and it could sit in email until you felt like opening it.



"I've signed up for email alerts for free stuff, you know, for perfumes, makeup, lotions and potions... also for information about when sales are coming up or when coupons are coming out" // Female, 31 - Chicago

"If you purchase items online, you are interested in getting more news from that company. It makes sense to get offers for your profile, more than getting these big catalogues from mail order companies" // Male, 51 - Cologne

"I like getting offers for cheap flights. I also get newsletters for my medical stuff and from the videoshop. I like that" // Female, 28 - London

"I generally like newsletters, you get information you are interested in. You just get them too often, you can't go through all these things" // Male, 44 - Cologne

"I get some newsletters for specific products... If it's something I've chosen then I really like it. But if it isn't then I don't like it. The ticket things are brilliant because you know as soon as the tickets come available ... That's great advertising, because you don't even think its advertising 'cos you've signed up to it" // Male, 31 - London

"I've signed up for a newsletter... If you're demolishing your house, this company comes in salvages it and sells all the doors and windows and stuff. They'll email me what's coming up this weekend, where it'll be, what they have... But it's not to sell you anything" // Male, 39 - Chicago



"I subscribed for a newsletter that informs you about new games. It's good!" // Male, 17 - Cologne

"I've signed up to a number of companies who send me something every month... I get a lot of mail from sites where I am happy to receive newsletters" // Male, 46 - London

"Sending me emails with links, I don't mind that all. I like that it's my choice" // Male, 31 - London

## Implications for marketers

Stop using pop-ups or things resembling them. Although they may be effective at attracting attention, they are universally reviled to the extent that there is a risk that your brand will be tarnished by the association.

Relevancy is key. And not simply relevancy in terms of it being of interest generally, but relevancy in terms of the context within which the message is being received. Although this has always been a factor in media placements, online it is taking on far greater prominence.

Relevancy also extends to knowing the life stage and personal interest of consumers being targeted. Data-driven capabilities of Internet advertising allow for advertisements to be behaviourally targeted, meaning markets can now serve consumers relevant adds using individuals web surfing patterns and online behavior as a guide.

There is a need for greater creativity in terms of crafting online activity for brands. Recognise that the Internet is a different form of media to traditional channels, with its own characteristics. Simply transplanting advertising designed for one media to the Internet is seldom the ideal in terms of effectiveness, even if it does appear on the surface to save money! Of course, this is not to say that brands should be innovative and daring and funny online just for the sake of it; just like all marketing activity it needs to be delivered against a brand objective.





# KNOW







## Tomorrow //

### 2.1 WIFI REVOLUTION

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#### Overview

##### How does WiFi affect online behaviour?

WiFi fundamentally alters the way people use the Internet - allowing people to go online in places that previously weren't possible, in greater comfort and a more relaxed mindset.

##### What opportunities does WiFi bring for marketers?

It becomes increasingly possible to reach people in their private environments and when they're in rooms relevant for your product. As well, in the WiFi era, people are never more than one step away from a shop, making impulse purchasing online more likely than ever before.

Broadband has already ushered in an era in which computers are used as much for frivolous purposes as they are functional; WiFi and laptops will cement this further. The future of

branded entertainment content online in a form which can be consumed in short bursts (be it an advergame, short video clip, website story, or so forth) seems assured.

In WiFi laptop homes, using multiple media at once becomes commonplace, leading to media meshing, with the Internet used to enhance the experience of other media. This is particularly true for TV. As a result, integration between online and offline media activities becomes even more crucial.



## Everywhere

The WiFi revolution begins at home, and it's fuelled by freedom. *When Internet access is unfettered by wires or lack of devices, it gets used everywhere.*

*WiFi changes the functionality of living spaces at home.* With WiFi and a laptop, there is no longer only one fixed place – a particular room, a certain seating position – where you have to go to be online. Whether it be lying in bed, sprawled on the sofa, propped on a kitchen stool... suddenly, you can get online wherever is the most comfortable and convenient.

*“I take it all around the house, upstairs and downstairs, I’ll be watching TV downstairs with it and instant messaging” // Female, 14 - Chicago*

*“There is a so called ‘living room culture’ and ‘workstation’ culture.. Now you no longer follow the rules and you can finish all your tasks in the places and rooms you prefer” // Male, 43 - Shanghai*

*“On Sunday night we’ll blog together and discuss it while in bed. It’s nice not have to get up and go somewhere to get access, it’s really convenient” // Male, 28 - Chicago*

*“I use it in the kitchen, it’s warmer in there, plus if my boyfriend is cooking then I can talk to him about shopping and things. To get him to sit down and look at sofas he would be like I can’t be bothered” // Female, 28 - London*

“There was more freedom, I no longer needed to print out the recipe, I could just place the laptop on top of the microwave” // Female, 31 - Paris

“Having wireless at home means you can move to anywhere you like. The weather is getting cold here in Shanghai and I love to lie in my bed doing work from there, it’s cosy and convenient” // Male, 43 - Shanghai

“The laptops been everywhere but the bathroom... my son did ask one day if he could bring the laptop in while he was bathing but I said no!” // Female, 42 - Chicago

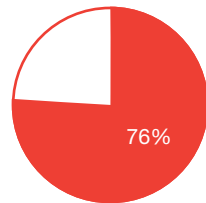
“With Wi-Fi I can be on the sofa, in the kitchen, in the office or on the bed and I can surf as much as I want” // Female, 31 - Paris

“I like chatting in bed, in the dark, with my computer on my lap” // Male, 14 - Paris

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**“Because I have a laptop with WiFi, I access the Internet from different rooms of my house”**

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% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi

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Of course it is not all perfect – laptop batteries still require charging; WiFi signal strength can vary throughout the house; the tap-tap-tapping on the laptop can be annoying to others nearby. But overall, WiFi was a huge success and something that no-one in our sample would ever revert back from. Indeed, when looking back, people found it hard to imagine how they would coped without it – almost as strange as if you only had access to electricity in one room!

“I thought Wi-fi would be more a luxury, but now that I have it I need it, I really, really rely on it. It helps me so much” // Female, 28 - Chicago

“As soon as we got WiFi a whole world opened out, The WiFi in itself is tremendous” // Male, 46 - France

“The wireless has made a massive difference. Less arguments about who is connected” // Male, 31 - London

“We got used to having these items. It wasn't hard before we had them, but to give them away now would be difficult. We got used to having quick information access” // Female, 52 - Cologne

“We don't really use the computer (in the basement) anymore...it seems like a dinosaur now” // Female, 40 - Chicago

## Feeling

As a result of having laptops and WiFi, the pattern of usage and what it feels like to go online changes – dramatically and within the space of a few weeks. It was praised for saving time, by making it easier to multi-task, but also by just simply ‘being there’ always at hand. But more importantly, it is perceived as having brought greater comfort, helping you relax by being wherever you want to be at home with the Internet always within reach.

Specifically:

Using the computer becomes just generally more relaxing, even when you're doing something you do not like. Having to do work or homework does not feel quite so bad when you're sprawled on the sofa rather than sitting at a desk. Similarly, carrying out chores online (e.g., online bill paying, uploading and labelling photos, clearing out email) becomes less of a drag when you're in front of the TV.



“My favourite place is in the kitchen. It’s also comfortable if there are friends around, I just put it on my knees” // Female, 31 - Cologne

“I love surfing on the Internet sitting up in bed in the dark // Female, 16 - Paris

“It’s almost like it’s more comforting to have the laptop with us because it doesn’t take time away from the two of us. We can be in the same room together (but) he can be doing one thing and I can be doing another” // Female, 31 - Chicago

“It’s less tedious when you can be comfortable, quite often it’s not hard work and it’s much more comfortable to do it whilst listening and watching TV.” // Female, 47 - London

“With the kids its easier to get them to do things, homework wise... the fact they can sit on the couch doing their paper, what a cool feeling to be relaxed rather than sitting at a desk staring at a big monitor” // Female, 42 - Chicago

“It’s now something I’ll relax with in bed at the end of the day” // Female, 40 - Shanghai

“It’s one piece that takes away a little stress. If I forget to do something at work I can just grab the laptop and send an email without having to go to the study” // Male, 28 - Chicago

## Integration

Going online becomes more integrated into home life. Just as the TV is often left on in the corner, a magazine left open on the kitchen table, so now is the Internet. When not in use, laptops tended to be left turned on and connected, either in sleep mode or plugged in and charging, so as to avoid the rigmarole of booting up. It becomes commonplace to dip in and out, grazing-style, spontaneously, rather than only going online in large bursts. Multi-tasking increases too – whether it be with other media (e.g., watching TV and going online during the ad breaks) or daily chores (e.g., checking emails in kitchen while stirring the pasta sauce).

“I feel like we multitask more... eg: we’re in the kitchen and he’s at the stove cooking and I’ve got the laptop reading him the recipe, but I’m also bringing up personal and work emails, bank accounts to do online bill paying... It’s multitasking on the computer as well as in the home” // Female, 31 - Chicago

“Now I can go onto the Internet for 5 minutes, which I wouldn’t necessarily do before” // Female, 42 - Paris

“For me, it’s more a matter of short connection times, whereas previously it was longer periods ... (but overall) I spend more time on it, I don’t have to rush” // Female, 31 - Paris

“Every Sunday we watch football together in the living room. If we have something to do – eg paying bills, Internet research, blogging, whatever – we can do that from the living room and not have to take away from our football watching... so commercial comes on, we do our thing, football comes back on, we wait” // Female, 31 - Chicago

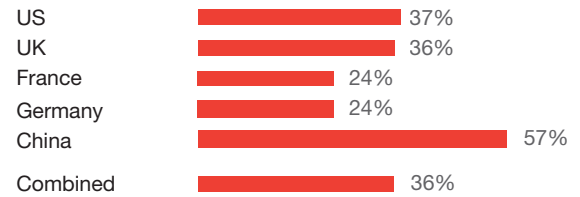
“Now I go online as a matter of course. I tend to do it more at the same time as other activities” // Male, 46 - Paris

Using multiple media at once (e.g., TV and Internet) becomes commonplace, but it’s not always just about multi-tasking. It’s often also a form of meshing, with the Internet enhancing the experience of other media. For example, the Internet often served as a means of finding more information about a news story, or finding content not otherwise available (e.g., a banned music video that is being discussed). In one instance during our research, it also served to bring a sense of community, by letting them be in an online chat room dedicated to a particular TV show while watching it broadcast live.



**“I spend a lot of time online while watching television”**

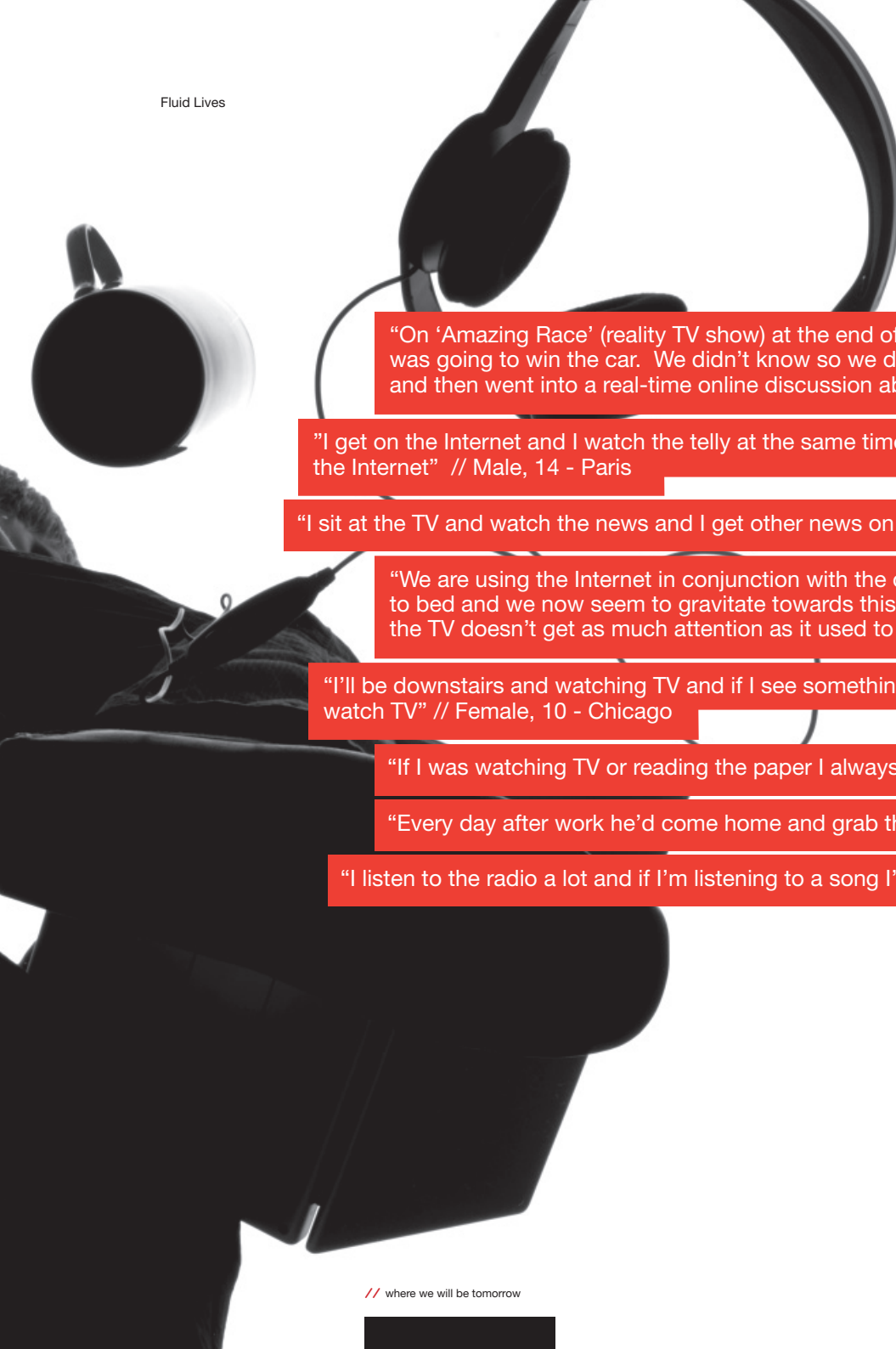
% broadband users who agree:



% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi







“On ‘Amazing Race’ (reality TV show) at the end of it they had a live thing on the Internet about who was going to win the car. We didn’t know so we downloaded and watched a whole video about that and then went into a real-time online discussion about it” // Female, 40 - Chicago

“I get on the Internet and I watch the telly at the same time... That’s what I do when I’m listening to a football match and I’m on the Internet” // Male, 14 - Paris

“I sit at the TV and watch the news and I get other news on the Internet if I want to get more information on a particular story” // Male, 45 - Chicago

“We are using the Internet in conjunction with the other stuff because from 6pm the TV is on until about 9pm when we go to bed and we now seem to gravitate towards this room, we’ll be watching TV and playing with the laptops ..... Maybe the TV doesn’t get as much attention as it used to get but it is still on” // Male, 47 - London

“I’ll be downstairs and watching TV and if I see something that I like I’ll just go on that website and get it, and I can still watch TV” // Female, 10 - Chicago

“If I was watching TV or reading the paper I always had the laptop nearby to look up the announced links” // Male, 51 - Cologne

“Every day after work he’d come home and grab the laptop, and then go watch TV” // Female, 40 - Chicago

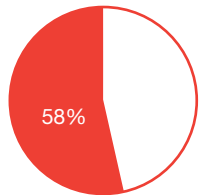
“I listen to the radio a lot and if I’m listening to a song I’ll see if there’s a ring tone or a music video for it online” // Female, 14 - Chicago

You are not shut away from others at home when you go online, unless you want to be. You can be with them and be part of the general family conversation, yet still catch up on emails or checking the latest eBay listings and sports news. This flexibility was seen as a huge blessing, especially among close-knit families where previously Internet access had been limited to a study or basement. Indeed, **in many families, once enough laptops were provided the hidden-away desktop became seldom used**, with all everyday online activities switching to the laptops in the lounge, kitchen, and bedroom (when quietness or privacy was sought).

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**“Because I have a laptop with WiFi, I seldom use my desktop anymore”**

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% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi

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“The tapping away when I’m watching TV annoys me, but we’re always together. We were a bit mildly antisocial before, but now we all sit together” // Female, 47 - London

“Overall, what’s nice about Wi-Fi is that you can stay together. That’s really what’s changed, I thought that was great” // Female, 42 - Paris

“How he winds down at night is to be on the computer... So now we’re spending more time together because he can be with me not in the office”// Female, 31 - Chicago

“It brings you all together, if you know someone is downstairs then you will sit together, what you want to do isn’t impeded by phone lines or power points.”// Male, 46 - London

“It’s a more user-friendly, more family-oriented mode” // Female, 45 - Paris

‘If I was cooking, then he would be sitting in here (on laptop), ... you follow people around and be together rather than any other reason...’ // Female, 47 - London

“Everybody used to complain about me spending all my time in the den looking up football scores on the Internet, now I can do it in the living room and be with everyone else”// Male 14 - Paris

It becomes easier to share online experiences with others, to the extent that the Internet becomes a “conversational lubricant”. Whether it be watching the latest viral movie, researching possible holiday destinations, idly browsing in online shops, it is far more natural to say “hey, look at this” when they are in the same room. **Conversations also spark going online, with a quick search becoming an automatic reflex to settle an argument or bet.**

“What changed is the communication if you go online. You can easily show things you see or discuss items you want to buy as the laptop is here in the living room” // Male, 51 - Cologne

“We had friends over and suddenly we started checking things online. So, you still spend time seeing friends but you might end up spending the time together on technology” // Female, 31 - Cologne

“I play on ourgame (ourgame.com), mostly simple entertaining games. I sometimes invite my Mum to be online to play the game with me” // Female, 28 - Shanghai

“When a friend told me about this new campaign the government does which we hadn’t heard of, we checked online. It’s stuff like that which I do more and more” // Male, 35 - Cologne

## Chameleon

Online laptops act as chameleons, even more so than desktop PCs. Once there are sufficient laptops in a home for everyone to have their own, they are **thought of in more personal terms** akin to a mobile phone. At one moment, they are **functional**, helping you to do your homework or serving as a portable reference points, like a recipe book or DIY magazine. The next instant they have shifted to be a **gateway for entertainment**, for downloading music, playing games, watching videos. Whenever the impulse strikes, they’re a **doorway to a shop**. And, of course, throughout it all they have a **vital hub for communications**.



## Laptops are personal:

"I like the laptop. It's like a friend. It would be hard if I had to give it back...this is my laptop, my one"  
// Female, 48 - Cologne

"My laptop is my confidant, the person I talk to when things aren't going well for me" // Female, 18 - Paris

"The phone gives you the opportunity to be reached, but maybe the laptop is the most emotional object as it gives you freedom"  
// Male, 51 - Cologne

"I liked the laptop so much I immediately decided it was mine" // Male, 11 - France

"We've named our computers" // Male, 14 - London

"It's a family friend, it's a personal friend, a friend who has become closer ... My friend who is up to date with everything, available, dependable" (talking about relationship with computer) // Male, 47 - Paris

## Laptops are functional:

"There was more freedom, I no longer needed to print out the recipe, I could just place the laptop on top of the microwave"  
// Female, 31 - Paris

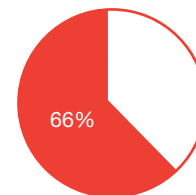
"We're remodelling our bathroom in our basement and I'm trying to figure out how to build the shower floor 'cos they don't sell the size I need. So I've been looking at home improvement sites and taking (the laptop) down with me to follow along with their directions" // Male, 39 - Chicago

"We're missing some curtains, you can see them online but you can't really get the colour, so I was bringing the laptop to match the colour against the sofa, which was kinda cool, I couldn't do that with my desktop" // Female, 40 - Chicago

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**"Because I have a laptop with WiFi, I use it as a portable reference"**

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% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi

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## Laptops are a gateway to entertainment:

"My two little nieces were spending the night so they wanted to watch Cinderella but Timmy was downstairs where the DVD player is. I was in my room and I come out and find they've got the laptop set up watching and are all on the couch together... next thing you know my IM is going off, 'please bring us popcorn!'" // Female, 40 - Chicago

"I show her funny video clips online in the kitchen while we're making dinner" // Male, 28 - Chicago

"My friend came around and we played online games together on the wireless network"  
// Male, 15 - London

"I watch TV and play online games at the same time. It's a browser game so I don't need to do things all the time"  
// Male, 17 - Cologne

"Richie sits with us in the living room with the laptop on his lap the whole time... listening to music, playing games, chatting on IM..." // Female, 16 - London

"In December we threw a party and I used the laptop to play music through my stereo, which before I couldn't do"  
// Male, 28 - Chicago

## Laptops are a doorway to a shop:

"I bought a lot of Christmas gifts online this year and I did it from my bedroom" // Female, 31 - Chicago

"You can almost do two things at one time. I sit there and watch TV and comparison shop"  
// Female, 40 - Chicago

"Sometimes in the evening I just sit looking up things I might like to buy at some stage in the future" // Male, 47 - London

"I did a lot of holiday shopping ... I could go anywhere I wanted to do all my shopping and they couldn't see it. Before with the desktop in the kitchen they saw everything" // Female, 47 - Chicago

"If you want to book a flight, you just book it in your living room" // Male, 44 - Cologne

"He was on one laptop and I was on the other... we were reading reviews for cameras and comparing... we were sitting there side by side watching TV and doing this research" // Female, 40 - Chicago



Even prior to WiFi, the lines between work and home were blurred. WiFi adds to this by helping to smooth the edges. For instance, some of the tasks people bring home from work can be fulfilled with relatively low concentration. WiFi and laptops now allow these to be done with family and friends around, rather than in forced seclusion in the study. Indeed, this is such a step forward, that some people in our research began to leave work earlier and complete more of these routine tasks at home. For a few, too, WiFi led to marginally less guilt associated with working from home as it meant they were no longer hogging the Internet connection!

“I had a lot to do this weekend and found I could do the work I needed and still feel that I had a weekend because I’d been around people, watching TV, relaxed” // Female, 47 - London

“If I sit here watching TV only, I feel my time has been wasted. But now I can do some of the work that doesn’t require much concentration and watch TV at the same time” // Female, 42 - Shanghai

“Half of you wants to do work outside of work hours and the other half feels guilty. Having Wi-Fi has removed the guilt because you can still do it and you can carry on life at the same time” // Male, 51 - Chicago

“Most of the time I spend on my computer is talking to my students. Some of them have started to work and aren’t available in the day time. So when I’m home, I’ll talk with them online, or exchange some documents” // Male, 43 - Shanghai

**“The boundaries of my Internet usage at work and home have definitely blurred together”**

% broadband users who agree:	36%
% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi	44%



## Implications for marketers

Through WiFi and laptops, it is becoming possible to reach people in their homes in more private environments than ever before (e.g., tucked up in bed). Correspondingly, they can be reached when they're in rooms relevant for your product (e.g., in the kitchen for FMCG goods).

With WiFi, people are more likely to be sitting in a comfortable spot and feeling less constrained when they go online – similar to the feeling of relaxation when reading a magazine. There is thus a greater chance for online advertisers to reach them when they are in a more relaxed mindset; browsing rather than oriented to completing a particular task.

As habits evolve with WiFi-connected laptops being kept nearby, so too does the potential for online shopping. In the WiFi era, people are never more than 1 step away from a shop – its is always within reach. Now there is an opportunity for impulse purchasing online, which before was something that only really occurred when people were browsing in shops. (But don't forget they are more empowered online than in a “real” shop to compare prices, across product models and brands.)

## More Time Online

With the advent of WiFi and laptops, **Internet usage rises – doubling for some** who took part in the Fluid Lives ethnographic study.

“We’ve used it so many more times than I thought we would have. I kept thinking we already had an Internet connection at home and at work, so what is going to be different, but it was” // Female, 31 - Chicago

“No-one could be bothered before, sitting there, plugging it in. It was just too much of a faff... (since getting wireless) we’re using the Internet so much more than before” // Female, 28 - London

“I was online more often as I didn’t need to sit in the cold basement” // Male, 14 - Cologne

It made the Internet more prevalent in our lives, I think we are using it a lot more than we used our desktop” // Female, 45 - Chicago

“It saves a lot of time... I check my emails more often as I don’t need to go upstairs to the workplace or wait because the kids or my husband were already sitting there in front of the computer” // Female, 52 - Cologne

“Before I had to go upstairs (to use the Internet). Now I don’t have to go upstairs for anything. It has multiplied my Internet time by three” // Male, 14 - Paris


“I do the same things as before the research just more often and more intense” // Male, 51 - Cologne

“Before we had this I could quite happily use the main computer during the day on my own but I never did. Once the laptops arrived I suddenly used the computers a lot more, but in the lounge. I started using the computer during the day which I have never done before” // Female, 47 - London

Partly this rise in time spent online is because of the freedom WiFi brings to go online in places that previously were not possible and to dip in on impulse while doing other things.

Indeed, much of the new-found time online appears meshed with (and often prompted by) other media, especially TV. In almost all families studied in our ethnographic research, **it quickly became normal to have a laptop with you on the sofa when watching TV**, as something to dip in and out of as curiosity strikes based on what you are watching or to fill time during ad breaks.



A high-contrast silhouette of a person sitting on a sofa, holding a smartphone. The person is positioned on the left side of the page, with their legs crossed and arms extended to hold the phone. The background is white, making the dark silhouette stand out.

Just as crucial a factor, however, is having multiple computers all able to be online at the same time – especially multiple laptops. Currently, in homes with few computers – laptop or otherwise – the biggest constraint on the time that individuals spend online is the need to share it with others in the household. **When there are enough computers for everyone to have their own, the artificial limitation on time spent online disappears.**

## Implications for marketers

People are already spending far more time online compared to the time they spend with traditional media than ad budget allocations would suggest. This imbalance between the proportion of ad spend allocated to online versus traditional media is even more pronounced in homes with WiFi and laptops.

With the rise in media meshing behaviour, there are more opportunities for creating interaction in real-time by driving traffic from other media (TV especially) to online. Perhaps we should even think of WiFi laptops as being the real “interactive TV”? Not only can they support far greater interaction than a TV remote can, because the interaction is taking place on a laptop screen rather than the TV itself, it does not infringe on the TV viewing of others in the room.

Integration between online and offline communications has always been important. In WiFi laptop homes it becomes even more crucial as there is far greater likelihood that people will be exposed to messages on both platforms concurrently. Also, there is the opportunity for online to play an expanded support role as part of the communications plan. To date, most online/offline interaction has centred on offline media providing a prompt to go online. Especially for TV, when people have WiFi laptops beside them on the sofa, it is possible that online could serve as a prompt to watch (or book to record) a particular programme.

## Changing Activities

During the course of the research, there was little evidence that the transition to WiFi and laptops affected the kind of things that people did online; just the frequency and pattern with which they did them. In this respect, the shift to WiFi differs to the shift from dialup to broadband, when a whole new world of online activities (e.g., downloading, streaming, richer online games) is opened up. **The impact of WiFi and laptops on Internet use is more subtle than the shift to broadband, more to do with “feeling” and mindset, but equally profound.**

There were, however, hints suggesting that changes in the things that people do online might happen when viewed over the longer-term. Based on these hints and logical reasoning, our expectations are that:

**In WiFi and multiple laptop homes, we’ll see greater use of the Internet for entertainment purposes** – especially those that are more frivolous – than would have otherwise been the case. Previously, the practical barriers to accessing the Internet (the need to move to where the computer was kept, interruption to whatever it was you were doing, need to share access with others, and so forth) meant that when people went online they’d got things ‘saved up’ to do and a limited timeslot in which to do them. As a result, “worthy tasks” took precedence over the more frivolous and fun – indeed, many of the prompts for the latter may even have been forgotten. With WiFi and laptops, the situation changes, with the Internet always at hand and an option when there is a desire for entertainment.

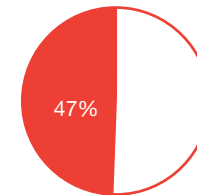
**Shopping online will grow and broaden across categories faster in homes with WiFi and laptops than if they had been restricted to desktops.**

When access to the Internet is always close at hand, it becomes more likely to become the default port of call for following up on purchase ideas heard about elsewhere (e.g., over a dinner conversation, mentioned on TV). Thus, more opportunities will arise for shopping online.

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**“Because I have a laptop with WiFi, I shop online more often”**

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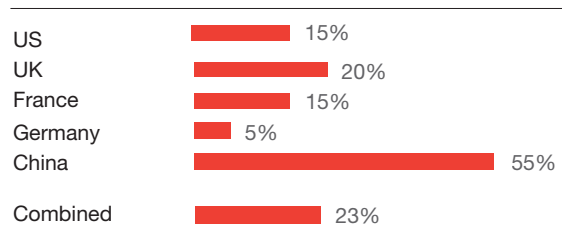
% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi

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Instant Messaging (IM) usage will grow faster in homes with WiFi and multiple laptops than those without. **Among teens in particular, we found that IM usage skyrockets.** This was not due to them newly discovering IM; after all, for most teens, it is already a hugely important form of communication. Instead, the change was because once they had WiFi and (crucially) enough laptops so several people could go online at once at home, the previous constraints on IM use were removed. It was not only IM communication with friends outside of the home; aspects of family chitchat went digital too. And once IM becomes established as a mode of in-house communication for several people, it begins to spread to others (e.g., parents) who previously would not have considered it.

**“I or other people I live with use IM or SMS to communicate with each other when we’re in different rooms in the house”**

% broadband users who agree:



% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi



“I sit and chat on IM all the time, when I am watching TV, getting ready, all the time.” // Female, 16 - London

“She was downstairs, Timmy would be upstairs and they’d be instant messaging each other... I was like ‘can’t you talk to each other’” // Female, 40 - Chicago

“Even when I’m at home, I use my laptop to check my office emails, and I also use it to talk with friends and my staff on IM” // Male, 43 - Shanghai

“Before I started chatting I didn’t use the Internet too much. Since getting the laptops I chat a lot more” // Male, 14 - Cologne

“Very often he’s kind of lost playing the online game so we talk via IM” Female, 29 - Shanghai

“We message each other sometimes, we are in the other room, you end up saying random things... Yeah, like ‘you are in trouble’ or ‘you smell’ “ Female/ Male 16/15 - London

“She’s instant messaging us up here... it’s ridiculous... ‘Mum, bring me a glass of water’ ” // Female, 42 - Chicago

“Most of the time I spend on my computer is talking to my students. Some of them have started to work and aren’t available in the day time. So when I’m home, I’ll talk with them online (IM), or exchange some documents” Male, 43 - Shanghai

“Online I can speak to all of my friends at the same time. I can’t invite them all here, the room would be packed and I think my Mum wouldn’t really like it. Obviously it’s nicer to see someone eye to eye but that’s not always possible so the Internet is a compromise” Male, 14 - Cologne

“I have IM running most of the time, unless I have something like a bit of homework in tomorrow and then I turn it off or don’t bother answering anyone” // Male, 18 - London

“I can watch my favourite TV series while chatting with my girlfriends” // Female, 31 - Paris

“You should see the kids in the evening. Each on his bed with a laptop chatting to each other” // Female, 48 - Cologne

“Some of my friends actually prefer to talk on IM even when there are phones available” // Male, 32 - Shanghai

“I used to share (a computer) with my brother so I couldn’t use it as much as I wanted, now I can use IM with my friends when I get home from school, or on the weekend” Female, 16 - Paris

Voice over IP (VOIP) services and other Webcam-based chat services will grow faster in WiFi homes, because they will not be constrained to a particular location. With a desktop, you are tied to a particular spot, which constrains the amount of time you can use it (just like the phone cord constrained you in the days before cordless phones!). With WiFi you can be doing whatever else you need to do – lying on the floor doing homework, in the kitchen cooking, whatever – and the laptop can be propped up beside you open to a video-screen for chatting.

“It’s funny because I have the webcam on a lot and my friends watch me sing along to the songs I’m playing on my computer, you can see their emotions and stuff. It is nice to see the people and you can tell more what they are thinking. It is fun to be able to see them, especially if you’re having a serious conversation” // Female, 16 - London

“It’s really great because I can phone my mother in the Antilles on VOIP and be cooking in the kitchen at the same time.” // Female, 31 - Paris





“I’ve made more use of VOIP, because I was no longer restricted as to time, nor was there a concern about disturbing Eric... I telephone my sister in England” // Female, 42 - Paris

“(With the webcam) you can show people stuff, like show them the new top you bought... I had all my Christmas presents on my bed and showed all my friends” // Female, 16 - London

## Implications for marketers

Broadband has already ushered in an era in which computers are used as much for frivolous purposes as they are functional. WiFi and laptops will cement this further. The future of branded entertainment content online in a form which can be consumed in short bursts (be it an advergame, short video clip, website story, or so forth) seems assured.

As highlighted earlier, the transition to WiFi and laptops encourages impulse online purchasing. This in itself helps boost online shopping. There is an even further boost, however, that comes simply from being able to shop online in a more comfortable environment. Although there are of course some products more suited to selling online than others, the range is extremely broad and expanding all the time. If not already selling their wares online, brands should explore opportunities to do so – whether it is directly or via an established third party (e.g. Amazon, Ebay).

As online communication expands beyond email to encompass forms such as IM and VOIP, so do the potential opportunities for brands. Whether it is a form of direct communication (e.g., branded characters which people can talk to via IM; real-time online help for your website visitors) or as a background support to personal conversations (e.g., wallpaper).



## 2.2 MOBILE INTERNET PROMISE

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### Overview

#### How did people use the Mobile Internet?

People found the Internet enabled phones frustrating from the start with technical set-up problems and confusing phone interfaces.

The complaints continued even once these problems were overcome. Mobile content was considered to take far too long to download, in comparison to the Internet which was the benchmark used by many participants. Even those who did succeed in downloading quickly hit a wall in terms of storage capacity. Unreliable access was also an issue, particularly for mobile TV.

It wasn't all discouraging, however. Mobile IM and its relatively seamless integration with computer IM was well received. Mobile games were also popular with most and mobile TV had a following. Although "accessing the Internet via mobile phones" is the future, and consumers desire it, it's still in its infancy.

#### What should marketers do today?

Recognise those elements of the mobile Internet that have gained a foothold, and in preparing for the future, focus on exploring marketing opportunities around these areas. For brands seeking to reach and engage with highly tech savvy audiences, an opportunity already exists.

In any endeavour to provide mobile Internet content, be clear on the need it fulfils in your target audience's life, relative to the alternatives available. The most successful mobile Internet services so far have been centred on facilitating conversations or "time-killers" when people are bored, on their own, with their mobile is closest to hand.



## Problems

As part of our Ethnographic research, we upgraded people to the latest mobile technology available in their markets – the latest gadgets (of various makes), 3G, mobile TV – and gave them an unlimited budget to try it all out.

The results were surprisingly downbeat. Having begun enthusiastically, eager to try out the new mobile services and full of ideas for how they would use them, almost all ended up disillusioned. **When asked which of the gadgets we would give them they would be willing to give back at the end of the study, almost everyone nominated the phone.** Many were also planning to downgrade, cutting back on their access to mobile content services at the end of the research.



“I could give away the mobile easily, I’m still disappointed that it didn’t work as I expected. // Female, 52 - Cologne

“Accessing the Internet on a mobile still has a lot of imperfections, and it looks like they still have a long way to go” // Female, 29 - Shanghai

“If you took the phone away I’d go buy a normal phone. The idea (of 3G) is great but it’s slow, it’s all blurry and the idea of having a mobile is so that you’re mobile, not so you’re stuck there” // Female, 31 - London

”With the telephone, at the beginning I often used to go on the Internet but I no longer use it even when I’ve got nothing better to do because it’s annoying with the screen being too small” // Female, 18 - Paris

“There were things I was disappointed by, I just expected more. I’d be a thankful user of UMTS but the technology isn’t fully developed. It’s too slow, I don’t enjoy it” // Male, 35 - Cologne

“Very often I encounter problems when I try to access the Internet via my mobile. The network still is not stable, and very often it will hang there for ages. It feels like 10 years ago when broadband service is not that popular” // Female, 42 - Shanghai

The problems began almost immediately, in simply getting set up. In the US, the least advanced mobile market, even just choosing a high-end phone was bewildering. Even once a choice was made, there were **problems in getting it to work. Unhelpful salespeople, technical set-up problems and confusing phone interfaces led to much frustration.** Indeed, in a few instances and after several fruitless attempts, some of the people simply gave up trying to do anything beyond calling and basic messaging with their phones.

"I was so helpless with my mobile as the video calling didn't work, that I went to a Vodafone shop to get assistance. But the shop assistant also didn't know how it works! Then I tried to get help online... I think I did everything correctly and there's something wrong with the feature" // Female, 52 - Cologne

Amanda's phone was not able to send pictures, we went through numerous people and had to get another phone, it's really annoying someone saying it's turned on and you're saying well it's not working // Female, 40 - Chicago

"There's no detailed information on the manual (for mobile phone) guiding you how to do the setup.... for the multimedia part, you have to do the settings manually. I searched some information online, completed the setting and only after that could I send/receive MMS" // Male, 32 - Shanghai

"I was in the dining room and on my telephone I tried to send an email to my neighbour. It asked me for a code, and I didn't know what this related to... I am stuck with this wretched code, it's quite a shame, because it would have been really practical" // Male, 46 - Paris

"Some of the functions are not very user-friendly. For me, if I have to figure out and learn how to operate it, I tend not to use it" // Male, 43 - Shanghai

Even among those who did manage to access advanced mobile content services, after the initial excitement wore off the impracticalities of it curtailed their use. For example:

Video calling through their phones was entertaining to try out the first few times it was used, but quickly dwindled. Partly this is due to the classic network problem: because video-calling functionality is not yet widespread, there is not yet many people you can use it with! But more fundamentally, it was because there were few instances – aside from special occasions or the odd shopping trip – in which people could imagine wanting to use it. Practical problems arose too, such as the difficulty of being able to hear the conversation, without holding the phone – and thus the camera lens – to your ear!

“Oh its naff. If you were going to show me something then maybe, but just for the sake of seeing each other then now... And I have to be honest, if someone rang with a video call then I wouldn't answer it... I don't like even talking to people on the phone really, let alone having to look at them too! I like texting” // Female, 16 - London

“I think video telephony is still in its infancy ... video and audio isn't synchronous, so that appears a bit strange. You never know if someone starts speaking or just yawns” // Male, 51 - Cologne

“Videoconferencing is fine for 50% of calls, with friends. It's not so good when I've got colleagues calling me on the mobile. I don't want people to see me on the sofa in my pyjamas” // Female, 31 - Paris

“To be able to see your whole face you have to have the phone a certain way away, but if you have your phone a certain way away then you can't hear them. You're shouting at the phone, holding it away from your head, so then you just bring it to your ear and they're looking at your ear. It is just pointless” // Female, 16 - London

“I tried video calling but the quality was bad... I think it's a bit useless, it would only make sense if the other person wants to show you something” // Male, 17 - Cologne

“I wanted to try videoconferencing in Belgium (when on holiday), it didn't work and I didn't understand why” // Female, 45 - Paris

“We used the videophone quite a lot to start with but the novelty has worn off... ridiculous things eg 'where are you Mum', 'in Tesco's', 'let's have a look'” // Female, 47 - London

Mobile content, such as news, games, music and video-clips, was considered to take far too long to download. It was also unreliable, often cutting out midway through a download and taking several attempts to get it through. **And even those few who did start to get into downloading things to their phone quickly hit a wall, running out of storage capacity on their phone.**



"I tried going online with my mobile but it took too long so I switched it off. Then I was told that it takes that long so I tried again, but it just takes forever" // Female, 48 - Cologne

"The quality of accessing Internet with the mobile is not very good. For example, the signal is very poor in some places especially when I'm on the metro, and some of the software is not stable and will crash my mobile. Moreover, most of the Mobile Internet services are charged by month (and) even if you use it once or twice you still have to pay the fee for the whole month. The way they charge is not very reasonable" // Female, 29 - Shanghai

"I was trying to find a certain shop in Covent Garden the other day and I thought I knew where it was and I couldn't find it... Tried to look on my phone ... If 3G had been quicker then it would have been perfect but instead I phoned a mate who looked it up on the Internet" // Male, 31 - London

"I've visited most of the sections... Some of them are very poor with their content. eg: there's a mobile bookshelf section. Before visiting it I thought there might be a lot of new books available, (but) actually in that sections there's not much you can find" // Female, 40 - Shanghai

"I managed to go online with the mobile but I had to lean out of the window" // Male, 14 - Cologne

"If reading a purely 'text' news item on my mobile, it takes about 5 to 10 seconds to load one full screen. And, as the screen of a mobile is small, each news item is usually at least 5 to 6 screens long. It means for me to read a complete item takes at least a minute on my mobile. It's not efficient at all. If I spend one minute on my computer to read news, I can browse 2-10 pieces" // Male, 32 - Shanghai

"I downloaded games for the mobile and found out it's not for me. It's fine to have one or two but I do not need loads of them... Downloading eats up so much battery and it's expensive!" // Female, 42 - Paris

"The storage on my mobile is very small. So when I put the SD card into my computer to copy the songs that I download online, it only lets me save 2 complete songs" // Female, 14 - Shanghai

At the time of our research, Mobile TV services were available only in the UK, Germany and France. All those who tried it reported that the small screen and volume problems made it unattractive for watching for any length of time. More fundamentally, *there was unreliable access to mobile TV services in many of the situations where people wanted to watch mobile TV* – while walking the dog, on the train, etc.

“When I walked the dog I always tried the mobile but it didn’t work. The signal is too weak to watch TV” // Female, 42 - Paris

“I tried watching TV on my mobile, but the quality is too bad, especially the sound” // Male, 17 - Cologne

“I used to watch the telly when I have five minutes to spare at work. The sound is excellent quality, but it’s rather a party trick when it comes to the pictures, you’re not going to watch it a long time when you can watch the ordinary television without damaging your eyesight” // Male, 46 - Paris

“I tried out (mobile TV), then it got tiresome. It is too small and the volume isn’t loud enough. With the actual telly I can do something else at the same time, but with this I feel obliged to look at it” // Female, 28 - London

“I’m put off mobile TV because of) the size of the picture. But it’s a good way of keeping yourself amused if your car has broken down” // Male, 47 - Paris

“Watching the telly, I have found that the picture locks up and I’ve had to switch the handset off and on again in order to restart the telly” // Male, 33 - Paris

## Implications for marketers

Do not believe the hype. Even services which launch to great fanfare with high trial rates do not necessarily succeed in retaining trialists if the service does not live up to expectations and once the novelty wears off. Although the “mobile Internet” is the future, it is not ready for primetime yet. (In a sense, this is analogous to the early days of the Internet, which was also plagued by slow connections and confusing set-up procedures).

But that does not mean brands should not be experimenting with the mobile Internet in a low-key, low-cost fashion to learn, build partnerships and prepare for the future. Indeed, for certain types of brands (e.g., those seeking to reach and engage with more tech savvy audiences), there is already an opportunity. Just as the early days of TiVo in the US presented a great opportunity to target the ‘niche’ of affluent and early adopter homes; so too does the mobile Internet today.

People are crying out for support in terms of setting up and learning how to use new mobile services. Just as there are now established businesses providing IT support for home computing; in the absence of mobile retailers being able to fill the role, the same kind of service is needed for mobile. Until this support arrives, brands should be wary of any type of advanced mobile content for which handsets are not automatically configured to use when they leave the factory.



## Glimmers of Success

It was not all doom and gloom however. There were some glimmers of success:

**Mobile IM was a hit among everyone who tried it.** In large part, this was due to IM's popularity generally – by letting IM fans stay plugged in even when they were not around a PC (e.g., at a friend's house). The relatively seamless integration of mobile IM with computer IM was also appreciated, especially how the functionality on a phone had been adjusted to suit the interface (e.g., displaying in the buddy list only those buddies who are currently 'available' rather than the entire list). Indeed, mobile IM was one of the few areas where this seamless crossover between mobile and PC appears to have been achieved.

“The biggest advantage of mobile IM is that it is easier to get in touch with people. I sometimes only have their IM account but not their mobile numbers” // Female, 29 Shanghai

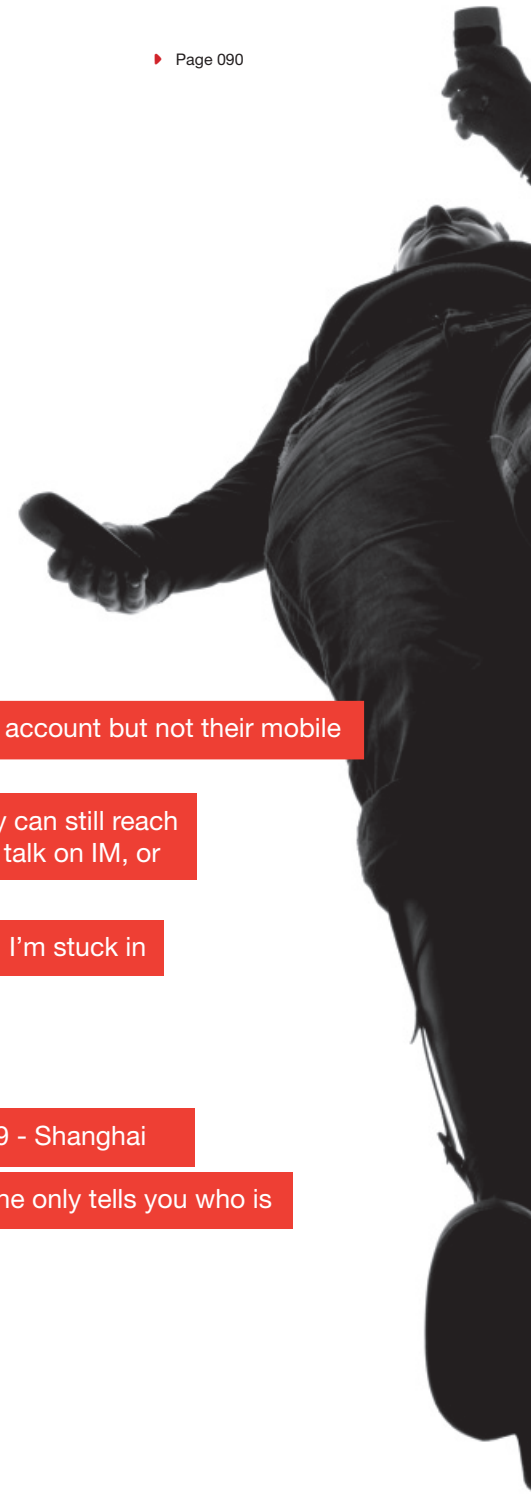
“The biggest advantage of mobile IM is when you're not in the office and people are looking for you urgently, they can still reach you. Also there are some people who for various reasons may not like to talk on the phone, but are more used to talk on IM, or might think sending messages on IM is more cost-effective” // Male, 32 - Shanghai


“With this new PDA phone I can use IM. It's very convenient... I can use it to talk with my friends in the car when I'm stuck in traffic on my way home” // Male, 43 - Shanghai

“I instant messenger on my phone when I'm at my friend's house because she doesn't have a computer”  
// Female, 14 - Chicago

“When I'm offline on my IM my friend can still reach me via my IM mobile. This is very convenient” // Female, 29 - Shanghai

“I have every other Friday off, and I go out and about. I use messenger on my phone. It is different – IM on your phone only tells you who is connected at that time. Good for when you're bored and on your own” // Male, 31 - London





Mobile email access, particularly via Blackberry, was highly valued. The flexibility to be in touch and respond to messages, wherever you were, was valued especially in terms of work-related email. It was also described by several people as saving time, by allowing you to respond to email during previous downtimes (e.g., waiting for a meeting to start, commuting) and deal with problems right away before they escalate. This latter point was particularly welcomed by one person in our sample, who enthusiastically recounted how his mornings were now less stressful – although his wife was less pleased as it meant he now spends longer working at home!

“I liked the blackberry. I could check my emails at the breakfast table” // Male, 51 - Cologne

“The blackberry is amazing for, believe it or not, reducing the time you spend on email – because you can deal with things instantly.” // Male, 31 - London

“Having all of the technology in one piece is priceless because I do a lot of working out of my office. So if I have to meet one of my clients outside of the office I can just pull up something on Word or PowerPoint or Excel and I know I have that information right there rather than having to rely on someone else’s technology” // Female, 31 - Chicago

“If I was out shopping and needed to be in touch with my boss I could read and answer the emails via my phone” // Female, 42- Chicago

“The Blackberry has put me in good stead at work - I like that, less pressure at work. I walk in in the morning and I don’t necessarily do emails. It definitely changed my Monday routine” // Male, 31 - London


Video calling was seen as having been worthwhile in some one-off, special occasions. Although no-one in our sample considered that they would use it on a regular basis, most could see that – despite the problems – if it was an option there would be some occasional circumstances when they would use it. In particular, shopping trips were mentioned as being a time when video calling and picture messaging could sometimes come in handy, as a way to show an item to someone not present.

“I saw the common room and the tech room at my daughter’s school. I’d never seen those places before. I know her friends so the people there waved to me” // Female, 47

“The people at my work hadn’t seen the kids since they were babies, so they saw the kids” // Female, 42 - Chicago

“When Charlotte passed her driving test, she was very stressed, and mobile video helped us to go with her and help her” // Female, 18 - Paris

“We had one situation where they went to Ally Pally for fireworks ... you can get out of Ally Pally on either side and I didn’t know where she was when I was trying to pick them up. If she had been able to show me on the phone (where she was standing) I’d have known exactly where it was, instead of searching through thousands of people” // Female, 47 - London



"Charlotte went to Leroy Merlin for me (looking for birthday watch), with the call on video, and she showed me the products. It was a tremendous time-saving, it saved half a day" // Male, 47 - Paris

"The other day I went to Castorama to look at some closets. I filmed them so I could show my wife the doors, the drawers and accessories and she was delighted because she was able to actually see it. She wouldn't have got as good an idea from a verbal description" // Male, 33 - Paris

"I called up to show Rebecca a potential Christmas present I was considering buying" // Male, 46 - London

"I was at Ikea and I couldn't decide so I just took a picture and sent it off. I think that's handy, you can document things if you don't have a camera with you" // Female, 31 - Cologne

Those few who had access to streamed Mobile TV services (ie: Mobile TV that is equivalent to watching a TV broadcast, rather than downloading a clip) while at work, used it to fill time during coffee breaks and while waiting for meetings to start. It was even used by one person as a way of giving their eyes a break from looking at a computer screen – *although the irony of taking a break from one screen by looking at another, even smaller, was noted!* Overall, although no-one saw mobile TV as a substitute for watching on a bigger screen, people could imagine occasions when they would like to use it, to dip in and out of during the day or when there was a big news or sports event and they weren't near a normal TV.



“Sitting at work waiting for someone to turn up to a meeting, you just sit and watch a bit of MTV. It’s a time filler, I only watch it at work.... we are supposed to take breaks at work every 45 minutes – health and safety regs. So that’s my time to watch my phone!” // Male, 31 - London

“I used the TV a lot at work because I was able to check up on the news as often as I liked, and discreetly at that” // Male, 33 - Paris

“I tried it in the train to find out if it worked, it helps to pass the time” // Female, 31 - Paris

“The other day I was stuck on the motorway. The cars weren’t moving, there had been two accidents. So I spent some time watching some excerpts of Elie Semoun sketches. That took the stress out of the situation. I was laughing out loud in the car, watching my mobile” // Male, 46 - Paris

“I’m not addicted to mobile TV but it’s fun to show to friends. We zapped from channel to channel to prove it works. We saw M6, Fun TV and AB1. We watched TV in the girls bathroom so the monitors wouldn’t confiscate my phone” // Female, 18 - Paris

“I didn’t use my mobile to watch a whole football game, I just sometimes quickly had a look to be informed. It’s better than just getting an SMS” // Male, 17 - Cologne

Mobile music – whether it be downloaded songs or via radio inbuilt into mobile handsets – proved popular. This was especially the case in China, where phones came with special add-on speakers so that you could play songs on your mobile out loud. It was not perfect – as with all forms of mobile content, there were practical problems in terms of battery life, sound quality and memory space limiting both the number of songs that could be stored and the length of any given song. But, overall, mobile phones became quickly perceived as a device for storing and playing music, boding well for future usage. (Note, however, that this does not necessarily mean that the current profitability of the mobile music industry – led by ringtones – will continue. People in our research proved surprisingly adept at finding ways to get music onto their mobile phones for free, whether via transfers from their PC, blue-toothed from a friend's phone, or simply recording it straight onto the phone from the radio!)

“She likes to listen to music, and it's easier when she's walking on the street (to listen via her mobile)” // Female, 42  
- Shanghai (talking about her daughter)

“It would be hard to give away the mobile and the PSP. I have my mobile with me all the time. There's music on it that I like and it'd be hard if I didn't have the opportunity anymore to listen to it” // Male, 14 - Cologne

“My friend told me that you could record a song and set it to be your ringtone. So instead of spending \$2 online for it I now just get it free off the radio” // Female, 14 - Chicago

Mobile games were popular among almost everyone, as a way of filling time, for some almost to the extent of becoming a habit. Although they paled in comparison to the PSP in terms of quality of play and image, they provided a substitute while away from home. (Paradoxically, despite being designed for portability, all those we gave PSPs to loved them so much that they seldom took them outside of home, for fear that they would be stolen or broken!)

“I nearly missed my stop because I was halfway through tetris” // Female, 28 - London

“Because I had these other things on (the phone) I played games... I found myself at work, we get a 15 minute coffee break, and I'd eat and I'd play games and I'm playing golf... all of a sudden the other guy goes 'what was that' cos he hears a bird chirping and I'm like 'I'm relaxing!' ” // Male, 45 - Chicago

“Games kill the battery (but) I do play them constantly on the tube. So I don't have to talk to anyone” // Male, 31 - London

“I downloaded monopoly... It's good if you're bored and don't have any decent videos to watch. If you don't have anything to do then you can play on your phone” // Male, 15 - London

“Gaming on the mobile only makes sense when I'm on my way somewhere, otherwise I prefer the laptop” // Female, 31 - Cologne

“You can't compare mobile phone games with PSP games. I just play them if I don't have my PSP with me” // Male, 17 - Cologne

Even general mobile Internet content – news, sports information, and so forth – garnered a few fans among those who would managed to overcome the difficulties of access. For those few who did get into a routine of using the mobile Internet regularly, commuting was the most popular time.



“With the mobile I can get onto the Internet anywhere. I often do this when I take the train, e.g., or on the coach in the waiting room” // Male, 14 - Paris

“I used the Internet when I was on the train to school. There is nothing else to do, really” // Male, 17 - Cologne

“A boy asked me if I had the results of a football match and I looked them up... it’s good for information search” (talking about mobile) // Male, 14 - Paris

“I’ll play with it if I’m going to the doctor and there is a long queue” (about mobile phone) // Female, 45 - Paris

“I like checking the news when I’m on the train. I go online via my mobile and quickly go through. This is what really became a habit, although it took some weeks” // Female, 31 - Cologne

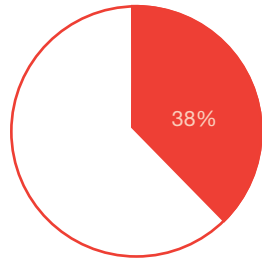
But perhaps the best indication that the mobile Internet promise will become a reality, eventually, is the **sheer lust for it among consumers**. People want to be able to access the Internet and be connected, wherever they are – and they expect this to be of a similar standard as is possible via a PC. The problem for mobile operators is that these expectations are so high that when the reality falls short – as it does at the moment – rather than be happy with the little they have, people get disillusioned and annoyed. In effect, **at least in Europe, it’s the WAP debacle all over again**. (But even those in our sample who were disillusioned have not given up hope; they’ll just be more cautious and pessimistic in upgrading than they would have been otherwise).

Sidenote: Mobile Internet via laptop

So far in talking about the mobile Internet we have focused on access via mobile phones or related pocket-sized gadgets (Blackberry, PDAs). But of course the Internet can also be accessed out of home via a suitably equipped laptop.

People in our survey were encouraged to experiment with taking their laptops out of home, and several did. Few got into a habit of doing so, however, because of the hassle of lugging it around and lack of reliable WiFi coverage. Many also felt that the laptop (like the PSP) was so valuable and precious to them, that it was too risky to take it outside the home where it might be damaged or stolen.

**“Because I have a laptop with WiFi, I regularly access the Internet from places other than home or work”**



% broadband users who agree for whom PRIMARY home Internet access point is a laptop with WiFi:

“I took the computer up to Starbucks which was quite fun. You buy an hour, so I had to pay 5 pounds for an hour, it was great to use it but of course the blackberry cuts across the use of a laptop in those sorts of situations” // Male, 46 - London

## Implications for marketers

Most mobile Internet access will be via smaller devices, not laptops. Thus, you should take this into account when developing content.

Recognise those elements of the Mobile Internet that have gained a foothold, and in preparing for the future, focus on exploring marketing opportunities around these areas.

In any endeavour to provide Mobile Internet content, be clear on the need it fulfils in your target audience's life, relative to the alternatives available. The most successful mobile Internet services so far have been centred on facilitating conversations or “time-killers” when people are bored, on their own, with their mobile closest to hand. With few exceptions, functional services – e.g., Internet search from your phone, mobile commerce – have not yet emerged to the same extent.



# THE FUTURE the next ten years





## Future //

### 3.1 PERVASIVE INTERNET

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#### Overview

##### How long until the Internet becomes pervasive?

We're on the verge of a new era in which the Internet becomes pervasive. WiFi, coupled with laptops is the first significant step toward this pervasiveness at home. Over the next decade this will expand into urban areas at large.

##### How will this change marketing?

When this happens, every significant purchase decision – in a “real life” store or online – will be subject to price comparison and product feature comparison, at the point of purchase. Effectively, the Internet will become another element in the in-store media arsenal.

Soon there will be another element to factor into

the targeting of online marketing messages – location and movement state (e.g., standing still, walking, driving). The coming together of the Internet and outdoor media will create many new opportunities. An early glimpse of this has been the use of bluetooth as a means of beaming music and video content to mobile phones, from posters.

In a world where people are always connected, most will put up safeguards to prevent themselves being constantly intruded upon. Only brands that consumers trust and have a relationship with will be granted access.



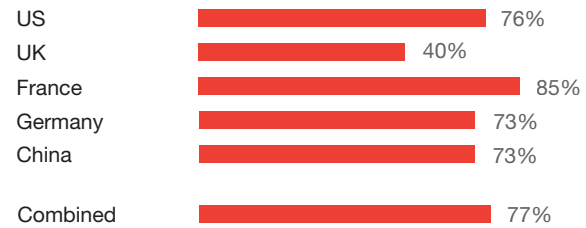
## Pervasiveness

We are on the verge of a new era in which the Internet becomes pervasive – part of everyday surroundings and a background hum in every situation. It is still a way off yet, reliant on rolling out the latest developments in networking and devices, but it is clearly visible and no longer the stuff of science fiction.

Consumers themselves recognise this, with over three quarters agreeing that “in the future, I’ll have some type of connection to the Internet 24/7”.

### “In the future, I will have some type of connection to the Internet 24/7”

% broadband users who agree:



WiFi, coupled with “always on” laptops, is the first significant step towards this pervasiveness at home. Over the next 5 years wireless connectivity will expand into urban areas at large.

Already, WiFi hotspots are starting to proliferate. As of a year ago, there were around 25,000 hotspots in each of US and Europe, most based around various functional areas (e.g., airports, coffee shops) and supplemented by ad-hoc volunteer initiatives.

**WiFi Hotspots Worldwide**

Estimated as of early 2005



Source: J-Wire (April 2005) via Emarketer





Metropolitan-wide wireless initiatives are also emerging, most based around WiMAX (the next generation to the WiFi standard suitable for larger-scale implementations). Indeed, within a few years, metropolitan wireless provision will be seen as akin to a basic utility service like electricity or water. As of 2005, it was estimated that only around 1,500 square miles were covered by metropolitan wireless provision; by 2010 this is forecast to grow nearly a hundred fold.

“More than 186 US cities have announced WiFi proposals up from just 122 in July...  
WiFi deployment is picking up in cities, faster than I thought”

*Mercury News, Feb 22nd 2006*

“As of 2005, only 1,500 square miles worldwide were covered by metropolitan wireless provision. By 2010 this is forecast to reach 126 thousand miles - larger than the area of Poland”

*ABI Research via Emarketer, March 2006*

3G and its successors will also play an important role in enabling the pervasive Internet era. Fundamentally, WiFi and WiMAX technologies are best suited to stationary use, or slow walking pace movement. In contrast, 3G is designed to support truly mobile use, such as while moving at speed in a vehicle.

And, of course, in parallel with the rollout of connectivity to everywhere, there are also big boosts coming in speed of connection.

## Implications for marketers

Just as having instant access to the Internet is close to becoming commonplace in our homes, akin to electricity or central heating, the same will eventually be true everywhere. When this happens, every significant purchase decision – in a “real life” store or online – will be subject to price comparison and product feature comparison, at the point of purchase. Effectively, the Internet will become another element in the in-store media arsenal.

Soon there will be another element to factor into the targeting of online marketing messages – location and movement state (e.g., standing still, walking, driving). The coming together of the Internet and outdoor media will create many new opportunities for marketers. Indeed, one early glimpse of this has been the use of bluetooth as a means of beaming (for free) music and video content to mobile phones, from posters.

In a world where people are always connected, most will put up safeguards to prevent themselves being constantly intruded upon. Only brands that consumers trust and have a relationship with will be granted access. There will likely also be new classes of marketing intermediaries who manage such contacts, to ensure that, for example, no more than a set number of messages within a certain period are sent.





## 3.2 Blurring worlds

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### Overview

As the Internet becomes more pervasive, a blurring will occur between online and the “real world”. It will become commonplace for people to store many personal items online, ranging from mementos through to important certificates.

The Internet will also affect socialising, in terms of the places where people congregate and the people with whom they interact. Half of the broadband users surveyed agreed that in future it would not be unusual to have close friends they had never met. Going forward, it will be possible for brands to be friends, in a far more meaningful and hands-on fashion than today. Brands will be able to adopt the same form of presence as a real-life person in a virtual space, leveraging artificial intelligence to conduct conversations.

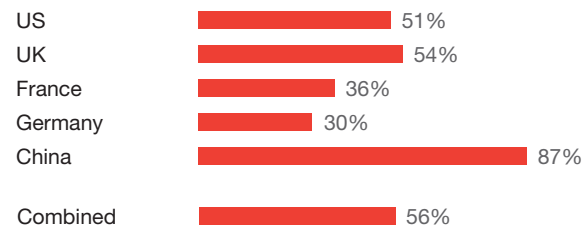
## Blurring

As a result of the pervasiveness of the Internet, there will be increasing blurring not only between different physical locations, but between online and “real world” activity. This blurring is something that broadband users can already see the beginnings of, and believe will continue even more in future.

For example, over half of broadband users we surveyed agreed that “in the future, my life in the real world and my life online will become increasingly intertwined”.

### “In the future, my life in the ‘real world’ and my life online will become increasingly intertwined”

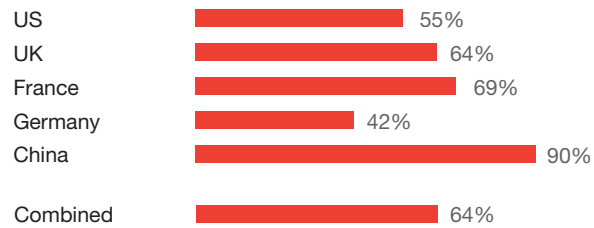
% broadband users who agree:



Partly this will be driven by changing habits in storing and accessing information. Overall, half of broadband users (but over three quarters in China) agreed that in future they will use the Internet to safely store important paperwork and personal mementos, and be able to tap into personalised content at any time; and two thirds believe that because of this, in future they will never be lost!

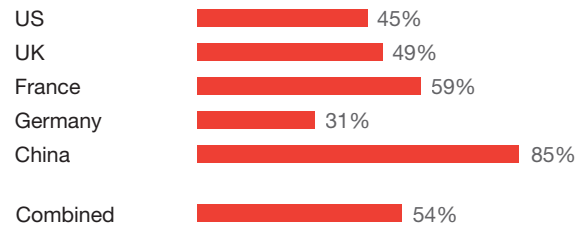
**“In the future, I will use the Internet to safely store all of my personal photos and home movies, and share them with friends and family ”**

% broadband users who agree:



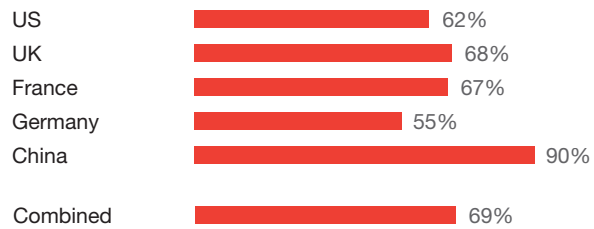
**“In the future, I will use the Internet to safely store all of my personal paperwork (e.g, important documents, recipes, letters etc)”**

% broadband users who agree:



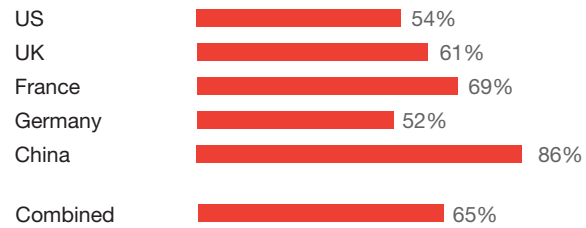
**“In the future, it will be easy to get personalised Internet content and websites at any time”**

% broadband users who agree:



**“In the future, I will never be lost because I’ll have access to GPS/maps wherever I am”**

% broadband users who agree:



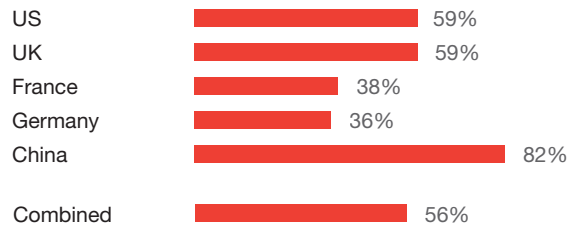


However, it's not all about practicalities, there is an emotional and social angle to it too. For instance, thanks to soon-to-be pervasiveness of the Internet, half of broadband users surveyed agreed that "in the future, it will not be unusual to have close friends you've never met in person".

And nearly three quarters believed that in the future they'd use some form of video-calling.

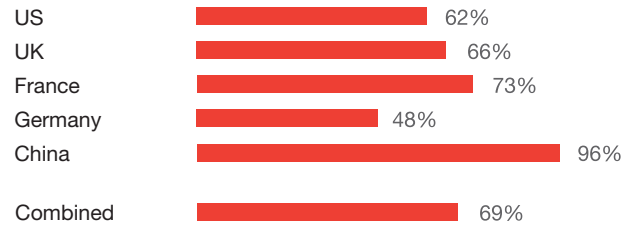
**"In the future, it will not be unusual to have close friends you've never met in person"**


% broadband users who agree:



**"In the future, I will use video/face-to-face calling to friends and family"**

% broadband users who agree:





There is one other interesting angle to this online/offline blurring not yet discussed, which relates to the long-term evolution of the Internet as a software platform. Web 2.0 generally refers to a second generation of services available on the World Wide Web that fosters communities letting people collaborate, and share information online. In contrast to the first generation, Web 2.0 gives users an experience closer to desktop applications than traditional static Web pages. At the moment, almost all the software that people use to carry out everyday computing tasks (e.g., word processing, spreadsheets, presentations) resides on their computer. Going forward, empowered by the next generation of technologies (AJAX, FLEX, etc), many of these applications will move online. People will be able to do much more than store their documents online; they will be able to write them, share and collaborate in real-time almost as if they were in the same room.

## Implications for marketers

Going forward, it will be possible for brands to be friends, in a far more meaningful and hands-on fashion than today. Brands will be able to adopt the same form of presence as a real-life person in a virtual space, leveraging artificial intelligence to conduct conversations and provide information in response to a question. This may seem the stuff of science fiction, but it has already been done successfully through IM Bots today. (An IM bot is a chatterbot program that uses instant messaging (IM) as an application interface and artificial intelligence. The end user has the feeling they are talking to a real person and is apt to forget that they are really just querying a database).

As people increasingly come to treat the Internet as a place for safely storing and easily accessing everything from mementos to important certificates, there will be a great premium placed on brands who support this. There are many ways in which this could be done, ranging from the functional (e.g., automatic uploading of purchase receipts, instruction guides) to the more frivolous (e.g., virtual wardrobe containing all the items you've bought from a certain brand or store).





## 3.3 DEVICES

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### Overview

Broadband users are quite open-minded when it comes to the kind of devices they expect to be using to access the Internet in the future. Handheld devices, such as mobile phones, will be in widespread use, but the much mooted “one perfect device” is still a long way away – not least because of consumer ambivalence towards it, with the exception of China.

In the longer term, all sorts of objects will be seamlessly connected to the Internet. Whether they be add-ons to existing products, or new products in their own right, the only limit is imagination.



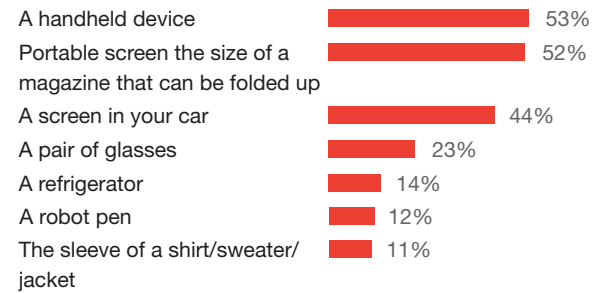
## Future Devices

Broadband users are quite open-minded when it comes to the kind of devices they expect to be using to access the Internet in the future. Perhaps surprisingly, only half expect to do it through a handheld device (perhaps reflecting current disappointment with mobile interfaces!). A similar proportion expects it to be through a portable roll-up magazine sized screen. In-car access is expected to increase by over a third, with a further quarter agreeing that they will access it via a pair of glasses. The more hyped device forms, however, are less believable or attractive to broadband users as a means of Internet access – a refrigerator, a robot pet, wearable clothing.



**“In the future, I will access the Internet through...”**

% broadband users who agree:



Overall, our belief is that device forms which are closest to what people are accustomed to using (e.g., the rolled up magazine) will be intuitively the most attractive and hence the most successful longer term. (“Digital paper” has a bright future, once it makes its way out of the lab!). **Hand-held devices, such as mobile phones, will also be in widespread use, but realistically are still several generations away from having a desirable interface.**

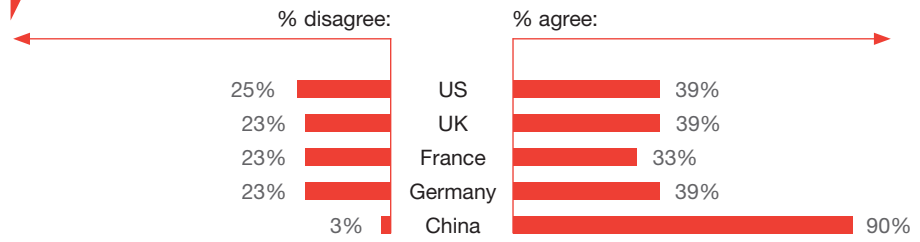
In terms of personal handheld devices, we are not likely to see the arrival of the stereotypical “one perfect device that does everything” any time soon. Although this may remain the long-term dream, currently there is much ambivalence towards the concept among consumers. The big exception to this is China, where there is a strong cultural tendency to embrace new technology and an eagerness for the Convergence dream. Do not be surprised if the lead in the race to create the “one perfect device” is taken by China.

“I’m not the kind of person who wants all devices in one. If I think of my iPod; I like the shape so much that I couldn’t think of having a phone integrated into it” // Female, 18 - Paris

“I think that (computers and mobiles) are better separated. It is because computers have replaced notebooks and you don’t really bring notebooks with you all the time, but you can bring the mobile with you anywhere so it’s separated” // Male, 44 - Cologne

“Somehow I still want to believe that television won’t be replaced by anything else, because of the size of it. You can’t picture anyone lugging a huge TV screen around!” // Male, 46 - Shanghai

**“I look forward to the day when I have one electronic device that does everything”**



“If there’s a mobile handset that combines with iPod and has a huge space for my mp3 files and also allows me to watch some clips on it, that will be something I’d really want to have” // Female, 29 - Shanghai

“I’d love to get everything with one screen. For example, it would be very convenient if I could access all the different media via one device” // Male, 46 - London

“I wish I could have data on all devices - or I could just have all devices in one if I download something... At the moment there are too many interfaces. Downloading something and then putting it on the iPod - that’s too much effort” // Male, 26 - Chicago

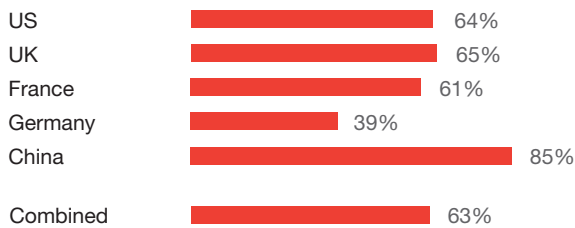
Instead, we believe the focus of handheld device development in the next 3-5 years will be to create many different types of devices, each of which lets you do many things.

A classic example of this is the recently launched PSP. This lets you access the Internet, play games, watch films, view photos, and listen to music, all from a device that is small enough to fit into a roomy jacket pocket. But a PSP is not a replacement for a phone or a digital camera.

The engineers are still a while away from cracking all the interface and form issues, but there are glimmers of success. The instinctively lovely shape of iPods that makes anyone who holds one crave to own it. The incredible clarity of the PSP screen. The ruggedness of a USB memory stick that lives on your key-ring and has become such a standard part of ones everyday toolkit that it is included on Swiss Army knives! It will take time, longer than 2010, to perfect shapes and interfaces but with each generation of devices it gets closer.

**“In the future, all new buildings will have computer technology and / or the Internet built into them in every room”**

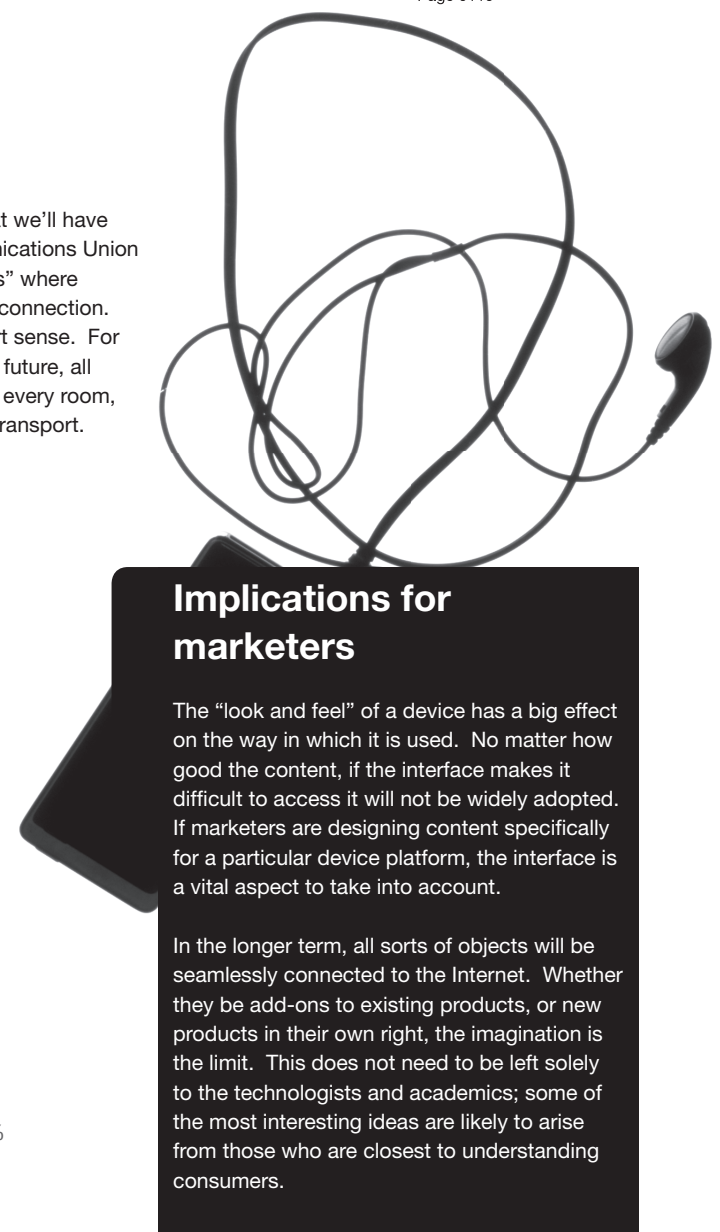
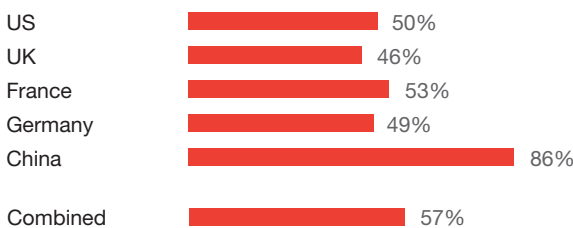
% broadband users who agree:



Finally, of course it's not only through personal devices that we'll have Internet access in future. As the International Telecommunications Union put it recently, we're moving towards an "Internet of Things" where every object big or small has some form of inbuilt Internet connection. Consumers can perceive this happening already in an overt sense. For example, two thirds of broadband users believe that in the future, all new buildings will have computers and the Internet built in every room, and Internet access screens will be integrated into public transport.

**“In the future, there will be Internet access screens on the back of every bus and train seat”**

% broadband users who agree:



**Implications for marketers**

The “look and feel” of a device has a big effect on the way in which it is used. No matter how good the content, if the interface makes it difficult to access it will not be widely adopted. If marketers are designing content specifically for a particular device platform, the interface is a vital aspect to take into account.

In the longer term, all sorts of objects will be seamlessly connected to the Internet. Whether they be add-ons to existing products, or new products in their own right, the imagination is the limit. This does not need to be left solely to the technologists and academics; some of the most interesting ideas are likely to arise from those who are closest to understanding consumers.



## 3.4 SEPARATION

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### Overview

We are entering an era of truly “on demand” media where individuals are able to choose to consume what they want, when they want and where they want. The web is at the heart of this shift, but the ethos is spreading to engulf other forms of media too.

Search is becoming a standard interface via which people navigate to content that matches their interest at a particular point in time. Already search marketing is of huge importance online; it will become even more so in this “on-demand” world.

Content is becoming an experience separate from time, space, channel, even form, which leads to fundamental shifts in the way consumers describe and think about media. Marketers need to look beyond the confines of individual platforms, and focus on creating experiences with perceived value which engage consumers.



## On Demand

We're entering an era of truly "on demand" media – where individuals are able to choose to consume what they want, from an ever-expanding universe of options of traditional, non-traditional, digital, non-digital (which they themselves can contribute to); when they want it; where they want it, in terms of physical location and device.

The Web is, at its heart, "on demand", and it's becoming hard to remember a time before it. Indeed, the "search, click & find" instant gratification of the Internet is now part of the DNA of modern life. It is going to become even more so over the next 3-5 years, with the next generation of search services built on the concept of personalising results. Such personalisation will happen through a combination of intelligent tracking of past search terms (and the results which were clicked) and the online behaviour of your friends and peers in terms of tagging, bookmarking and so on.

"I'm not that good in using search engines to get the results that I want, which makes life quite difficult" // Female, 47, London

The Web was born this way; not so other forms of media. But the "on demand" ethos is gradually spreading to engulf them to as consumers realise what they can expect and demand.

## Separation of Content

In the past, media content such as a TV show was tied to a schedule and point of access. In the digital, on-demand world that's fast approaching, it becomes un-tethered. Content is becoming an experience separated from time, space, channel, even form. This is leading to fundamental shifts in the way consumers describe and think about media.

What is television, when it can be watched on a mobile phone, on a computer, downloaded from a vast library? Quickly the notion of TV as being something you watch from a screen in the corner of a room and have to watch "live" dissipates. We are well on the way to that already, with even the language starting to change - e.g., talking about wanting a "plasma screen TV" rather than just a "plasma TV". Indeed, the first step toward divorcing a TV screen from "television" was arguably the rise of the Games Console.

What is a PC when you can use it to make phone calls and send texts, when you can use it to watch TV, listen to the radio, play games, read a newspaper?

And what is a phone, these days? Now you can play games on your phone, use it as a calendar, record, download and play back music, take photos, access email and IM, watch TV, so many functions that basic voice calling is only one small item.



## Implications for marketers

Search is becoming a standard interface via which people navigate to content that matches their interest at a particular point in time. Already search marketing is of huge importance online; it will become even more so in the “on-demand” media future that’s fast approaching.

Marketers need to look beyond the confines of individual platforms, and focus on creating experiences that consumers value and are interested in. A few may be suited only to one particular platform, but the vast majority could span multiple channels, each enhancing the overall experience and providing different levels at which consumers can choose to engage.



## 3.5 ME / WE MEDIA

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### Overview

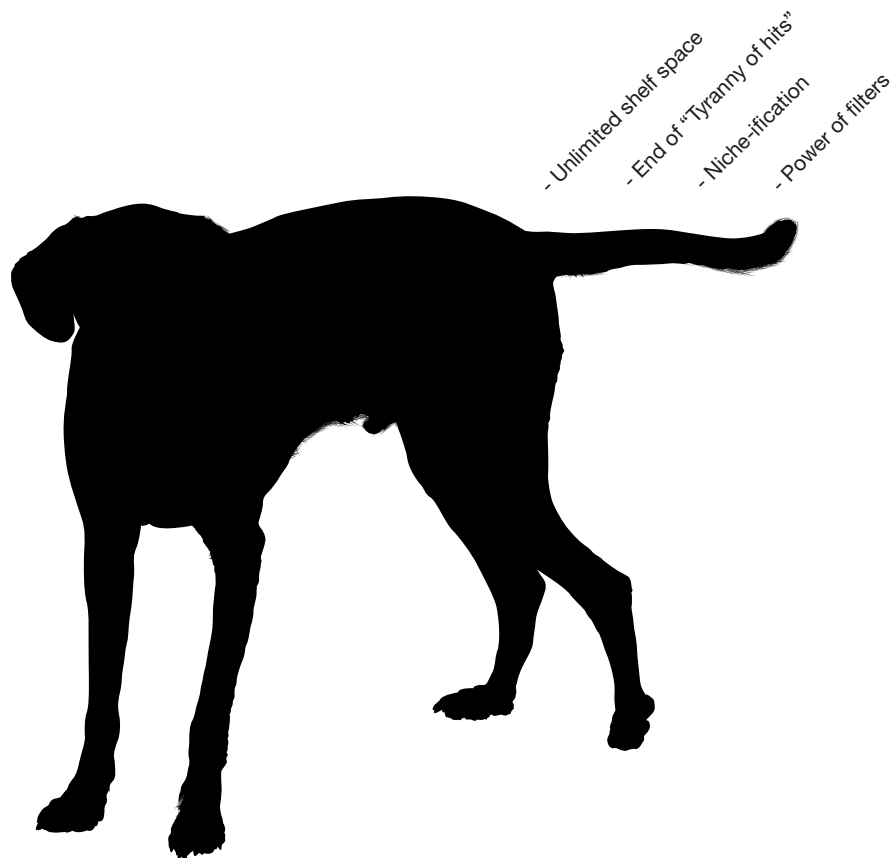
Increasingly the power is shifting to consumers who are more actively controlling what they watch and when. As consumers become more hands-on, they'll expect more opportunities to interact and participate in their experiences with brands. The opportunities for branded content will be even higher in future than they are today.

Consumers are also becoming more active in sharing their opinions. Word of mouth is spreading faster and reaching further than ever before, and is increasingly influential. Brands should be part of this conversation and seeking to build relationships with “influencers” in relevant communities.

## Hands-on

Equipped with all these increasingly flexible and powerful gadgets, your average consumer of 2010 will be far more hands-on in terms of shaping and participating in their media experience. **“The Long Tail” of media consumption will become an ever greater force going forward, with online distribution at its heart.**

Increasingly consumers – especially teens – are becoming active, not passive. They want to get involved, they want to share, they want to experiment and they want to be heard. This isn't to say that they will not still welcome guidance in an editorial sense as to where to begin their explorations – but the net is thrown wide as to sources. This is already very strongly evident in the online arena with the rise of community media such as blogging and sharing photos.



## The Long Tail

“Most of us want more than just hits. Everyone's taste departs from the mainstream somewhere, and the more we explore alternatives, the more we are drawn to them... Hit driven economics is a creation of an age without enough room to carry everything for everybody. Not enough shelf space for all the CD's, DVD's and games produced. Not enough channels to broadcast all the TV programmes, all the music created, and not enough hours in the day to squeeze everything out... This is the world of scarcity. Now, with online distribution and retail, we're entering a world of abundance. And the differences are profound” Chris Anderson - Editor-in-chief of Wired Magazine. Author of the The Long Tail. October 2004

## Community Media

Community media is the ultimate manifestation of Me/We Media, in that it is all about self expression and participation. Making a comment online, sharing photos, tagging, blogging in all its many variants and so forth, are ways in which consumers are forging their lives in the online world.

But user-generated content is not the only way in which community is affecting media. In essence, communities – effectively groups of people connected by a common interest – are helping to fulfil the need for trusted guidance and endorsement that once was provided by traditional media. This isn't to say that traditional media brands won't still play an important role – they will, for so long as they maintain a strong brand with a distinct personality. But now they face competition. In essence, we are moving from Network Channels to Networks of Connection.

Overall, we are entering a new era online. "Web2.0", also nicknamed the "Social Web" is on our doorstep and over the next 5-10 years will become firmly established.

### Implications for marketers

Increasingly the power is shifting to consumers. Not only in terms of exercising individual choice over what to watch and when, but in terms of the influence of communities. Word of mouth is spreading faster and reaching further than ever before, and increasingly influential. Brands should be part of this conversation and seeking to build relationships with "influencers" in relevant communities.

The opportunities for branded content will be even higher in future – not only in terms of the practicalities of distribution, but in the way in which people are introduced to it. Of course, this is not to say that brands should rush to become mini-film or game producers (although in some instances it may be appropriate – e.g., the Chanel short film with Nicole Kidman), but there will be greater scope than before.

As consumers become more hands-on, they'll expect more opportunities to interact and participate in their experiences with brands. Although not everyone will choose to take it up, there will be an expectation of being granted the option. It is already starting to happen online, so brands need to be factoring this into their strategic planning now.

## Appendix: METHODOLOGY

### Ethnographic Research

The ethnographic research was carried out with the assistance of FireFish and their affiliates.

The research was carried out involving ordinary families in 5 cities: Paris, London, Shanghai, Cologne and Chicago. The goal was to observe the impact on their daily life of the move from broadband to today's cutting edge wireless offerings - which will represent the mainstream within the next 5 years. The ethnographic phase took place between October 2005 and January 2006.

The sample in each country consisted of two households, each with two children aged between eight and sixteen years (one child per household in China in line with legislation), and one young professional couple with no children.

All households had fixed broadband Internet connection and had expressed interest in upgrading their current technology in line with project methodology.

#### Approach:

- Pre upgrade media diary and questionnaire
- Pre upgrade household interviews

During technology upgrade period:

- 'Blog' by household members
- Spontaneous calls to project 'hotline' with other observations
- Post migration media diary and questionnaire
- Extended concluding interviews

#### Technology:

All households were supplied with:

- Broadband Internet with wireless router
- 2 x laptop computers (in addition to the equipment they already possessed)

Range of mobile devices, including:

- Most advanced mobile phone available in their market and unlimited access to mobile Internet services
- PDA / Blackberry
- PSP

## Quantitative Research

Once the ethnography stage was completed, an online quantitative survey was created to provide a stake in the ground of broadband user behaviour and attitudes today, and to gain insights into how consumers see the future of technology developing.

The quantitative research was carried out by Ipsos Insight, with data collection taking place during February 2006. Respondents were chosen to be a representative sampling of broadband Internet users in the same five markets as the ethnographic research.

Respondents were aged 18-49 in the US and 15-49 elsewhere, with the data weighted to reflect representative age proportions in each country. A total of 1,679 interviews were carried out through an online questionnaire. Sample sizes by markets were as follows:



The sample, weighted to each country's local broadband penetration, showed a natural coincidence of WiFi users, of 34%. The statistical precision of the sample is 5% for each market





## The Fluid Lives study was a collaboration between Isobar and Yahoo!

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### About Isobar

Launched on July 5th, 2004, Isobar provides alignment, integration, coordination and leverage of all digital assets within Aegis on a global, regional and a national basis. Isobar provides clients with a full service digital marketing offering through its global network of 65 offices in 32 markets worldwide. Isobar's media business currently has online billings in excess of \$750 million, employing 1,400 staff worldwide. Isobar is a truly digital communication network.

### About Yahoo! Europe

Yahoo! Europe provides communications, commerce, media and search services across its sites in Europe to meet the needs of local consumers. Yahoo! Europe is comprised of the Yahoo! sites for the UK & Ireland ([www.yahoo.co.uk](http://www.yahoo.co.uk)), France ([www.yahoo.fr](http://www.yahoo.fr)), Germany ([www.yahoo.de](http://www.yahoo.de)), Italy ([www.yahoo.it](http://www.yahoo.it)), Spain ([www.yahoo.es](http://www.yahoo.es)) and Catalan ([www.ct.yahoo.com](http://www.ct.yahoo.com)). Yahoo! also offers one of the Web's most popular free email services, Yahoo! Mail, in Swedish, Norwegian, Danish, Greek and Russian. The Yahoo! offices in London, Dublin, Paris, Munich, Milan and Madrid are staffed by local nationals and Yahoo! Europe is headquartered in central London. Kelkoo.com, a wholly owned subsidiary of Yahoo! Inc., is the leading shopping search and comparison site in Europe. Kelkoo operates in 10 European countries, including United Kingdom, France, Germany, Spain, Italy, Netherlands, Belgium (Flemish) Sweden, Denmark and Norway.

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