

# MOBILE 2010 YEAR IN REVIEW

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## **The comScore 2010 Mobile Year in Review**

2010 represented a year of dynamic growth in mobile driven by acceleration in mobile media consumption across markets. As mobile continues to play a more prominent role on the digital stage, it's imperative for marketers to understand how consumers are using mobile devices and perhaps more importantly what synergies and differences vary between the PC-Internet screen and the mobile media screen.

In addition to our Digital Year in Review for the U.S. market, released in early February, [http://www.comscore.com/Press\\_Events/Presentations\\_Whitepapers/2011/2010\\_US\\_Digital\\_Year\\_in\\_Review](http://www.comscore.com/Press_Events/Presentations_Whitepapers/2011/2010_US_Digital_Year_in_Review), this year comScore presents its inaugural report, **The 2010 Mobile Year in Review**, a look at the top highlights in mobile across the U.S., EU5 (UK, France, Germany, Italy and Spain) and Japan. With the importance of mobile growing not only for mobile marketers, but digital marketers in general, the report delivers insights into the rapidly evolving mobile landscape.

The many questions that will be addressed in this report include:

- How have market enablers like 3G, smartphones and unlimited data plans driven mobile media usage among consumers?
- What were the year's top device trends, how have smartphone devices changed the market?
- What mobile content categories are most popular among consumers, how do these differ across geographies?
- How do browser and application access influence mobile content consumption?
- How are consumers using mobile media to stay connected, how has daily consumption changed?
- What does all this mean for the future of the mobile market?

**The comScore 2010 Mobile Year in Review** offers an overview of the prevailing trends in mobile media usage during the year and considers their implications for the year ahead. It examines key trends across device usage, smartphone adoption and mobile media trends looking across geographies including the U.S., EU5 and Japan.

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## Methodology

The comScore 2010 Mobile Year in Review report utilizes data from products within the comScore mobile suite of services including comScore MobiLens and GSMA Mobile Media Metrics (MMM).

### comScore MobiLens

The foundation of our MobiLens service is the continuous collection of consumer behaviour information. Using proprietary data collection methods, we survey nationally representative samples of mobile subscribers aged 13+. Survey fieldwork is conducted monthly and to ensure demographic representation. Recruitment quotas are set based on each country's census demographic and geographic profiles for age and gender. The resulting MobiLens survey panels are nationally representative samples of mobile subscribers substantial enough to provide projected data for sub-segments as small as 1% of mobile subscribers aged 13 years of age and higher. The MobiLens' sampling and survey methods undergo extensive analysis and market validation including comparisons to known network operator market shares, leading handset model shares, downloading activity, and other usage metrics. For 2010, the following represent the estimated monthly survey completes by market utilized for this report.

- U.S.: 10,000 mobile phone owners
- UK, Germany and Japan: 5,000 mobile phone owners
- France, Spain and Italy: 4,000 mobile phone owners

For more information about comScore MobiLens, please visit:

[http://www.comscore.com/Products\\_Services/Product\\_Index/MobiLens](http://www.comscore.com/Products_Services/Product_Index/MobiLens)

### GSMA Mobile Media Metrics (MMM)

Mobile Media Metrics (MMM) is a census-based approach to mobile measurement—a worldwide initiative designed to stimulate growth in digital advertising on mobile. As an international leader in digital measurement and analytics, comScore was chosen by the GSMA as the research partner to deliver this service in the UK, which is the first country in which this initiative has been brought to market.

The GSMA MMM audience includes all unique mobile subscriber accounts (MSISDN's) represented in the WAP gateway log files from the UK mobile network operators and MVNOs. All data is anonymized twice before used by comScore for market research purposes. Certain types of traffic are currently not measured, including: WIFI and some encrypted traffic (Opera and some Blackberry). We do not measure https or pages from a local cache. Traffic from non-browser connected applications and traffic from pc's and other non-mobile handset devices using Internet access cards and SIMs is currently measured but excluded from the reporting.

For more information about GSMA Mobile Media Metrics (MMM) please visit:

[http://www.comscore.com/Products\\_Services/Product\\_Index/GSMA\\_Mobile\\_Media\\_Metrics\\_MMM](http://www.comscore.com/Products_Services/Product_Index/GSMA_Mobile_Media_Metrics_MMM)

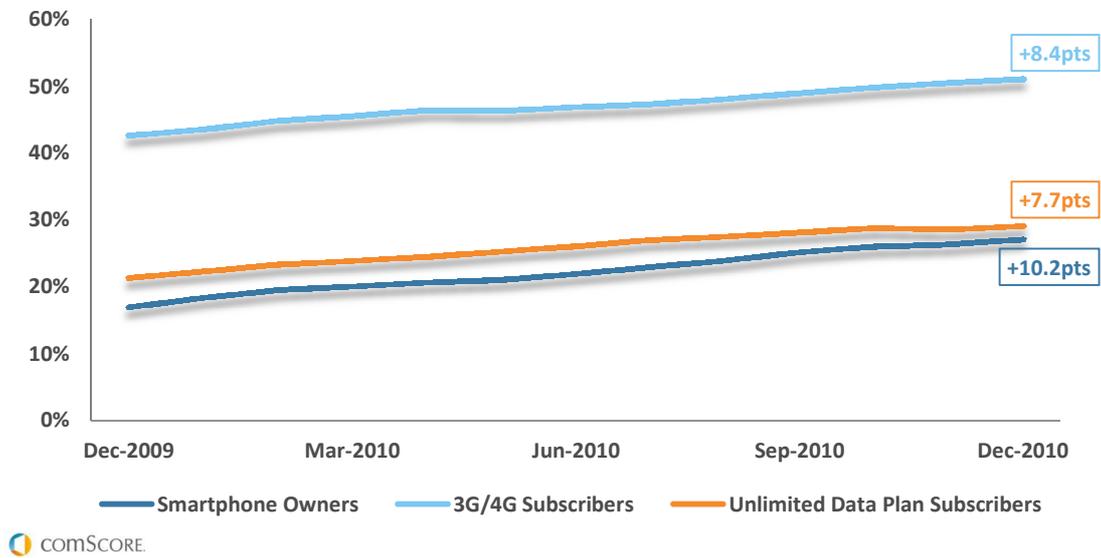
## 2010 Mobile Landscape Overview

### A Game Changing Year for Mobile

2010 was a year of undeniable progress in the mobile arena. A wide variety of increasingly advanced devices were introduced to the market, mobile content options continued to increase with an ever-growing library of applications paired with improvements to the mobile browsing experience, while the definition of the word “mobile” evolved with the introduction of tablet devices such as the iPad. Major milestones in mobile were crossed during the year both in the U.S. and EU5 (UK, France, Germany, Italy, Spain) markets. comScore also began reporting data on the Japanese market beginning in mid-2010 so year over year trends are not available. However, an in-depth look at the Japanese market is included in the ‘Spotlight’ section, and relevant cross-market comparisons are made throughout based on activity in the back half of the year.

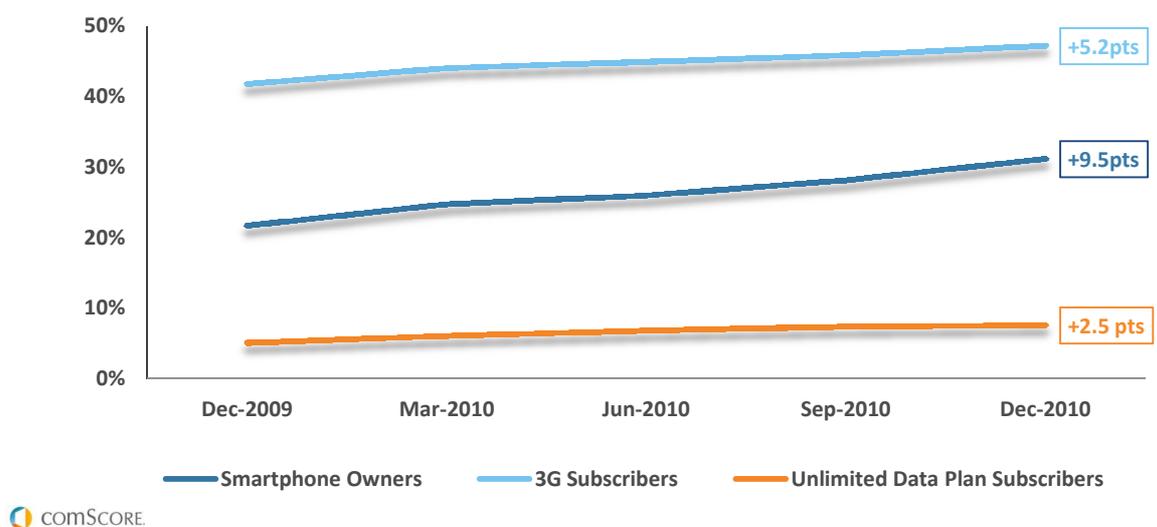
In December 2010, nearly 47 percent of mobile subscribers in the U.S. were mobile media users (browsed the mobile web, accessed applications, downloaded content or accessed the mobile Internet via SMS) up 7.6 percentage points from the previous year. The growth in mobile media usage is largely attributable to the growth in smartphone adoption, 3G/4G device ownership and the increasing ubiquity of unlimited data plans, all of which facilitate the consumption of mobile media. From December 2009 to December 2010, the percentage of mobile phone subscribers with unlimited data plans increased from 21.3 percent to 29.0 percent, with more phones now requiring an unlimited data plan subscription at the time of purchase. During the same period, smartphone ownership increased from 16.8 percent to 27.0 percent, while 3G/4G phone ownership reached 51 percent in December 2010.

**Growth of Mobile Market Enablers in the U.S.**  
 Source: comScore MobiLens, 3 mon. avg. ending Dec-2009 to Dec-2010



While in the EU5, mobile media usage reached 37 percent penetration, up 7 percentage points from the previous year. Driving this mobile media usage in Europe, 3G adoption reached 47.1 percent in December 2010, up from 41.7 percent the previous year. Smartphone adoption accelerated to reach smartphone 31.1 percent, up nearly 10 percentage points. From December 2009 to December 2010, the percentage of mobile phone subscribers with unlimited data plans rose to nearly 8 percent.

**Growth of Mobile Market Enablers in EU5**  
 Source: comScore MobiLens, 3 mo. avg. ending Dec-2009 to Dec-2010



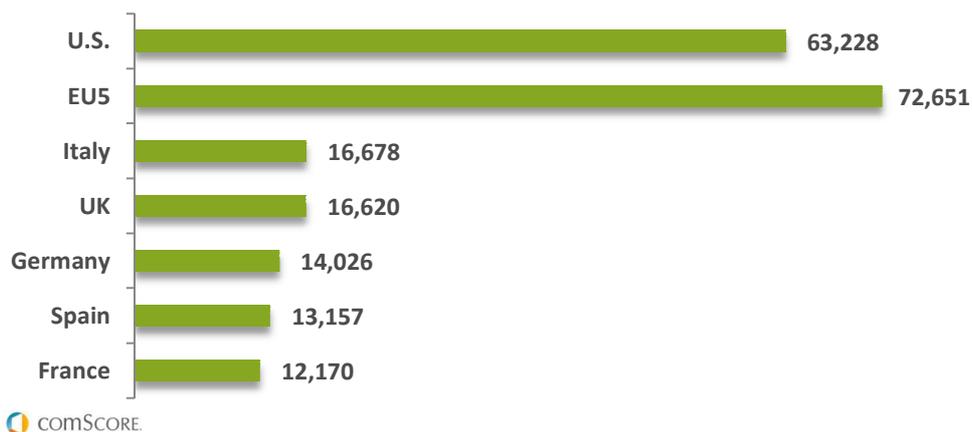
### Key Differences in Mobile Media Enablers in U.S. and EU5

While Europe was “in the lead” in the mobile race with their early and widespread adoption of text messaging and higher smartphone penetration compared to the U.S., the U.S. has eclipsed Europe in terms of the penetration of mobile media with 47 percent of the American mobile audiences using connected media, compared to 34 percent of Europeans.

In terms of total smartphone subscribers in the seven individual markets analyzed in this study, the U.S. led with 63.2 million smartphone subscribers in December. When measured as a unit, the EU5 had more than 72.6 million smartphone subscribers (led by Italy and the UK, each with more than 16 million smartphone subscribers), 15 percent greater than the U.S. in December 2010. However, just a year ago EU5 was 25 percent larger than the U.S., demonstrating the rapid adoption in the U.S. over the past year.

#### Smartphone\* Installed Base by Subscribers (000)

Source: comScore MobilLens, 3 mon. avg. ending Dec-2010



\*comScore defines smartphones as a mobile device with the following operating systems: RIM, Apple, Microsoft, Google, Palm, Symbian.

The key differences driving mobile media usage between the two markets can largely be attributed to unlimited data plan and 3G adoption. The U.S. leads Europe in the penetration of 3G—and now 4G—devices, but the clearest difference in these key enablers is the uptake of unlimited data plans in the U.S. Nearly one-third of mobile users in the U.S. have unlimited data plans compared with just 8 percent of mobile users in Europe. This has been a key driver in U.S. mobile media consumption, as consumers have not had to be concerned about bill overages, thus removing a barrier to frequent usage. Until very recently carriers in the U.S. were very aggressive about making these unlimited plans attractive, but during the year some U.S. carriers moved away from unlimited data plans and returned to a model with a capped monthly data limit. This changing business model will be an important element of mobile media

consumption growth in the U.S. throughout 2011: If plans become too restrictive or expensive, it is possible that the rate of growth could slow down in the U.S.

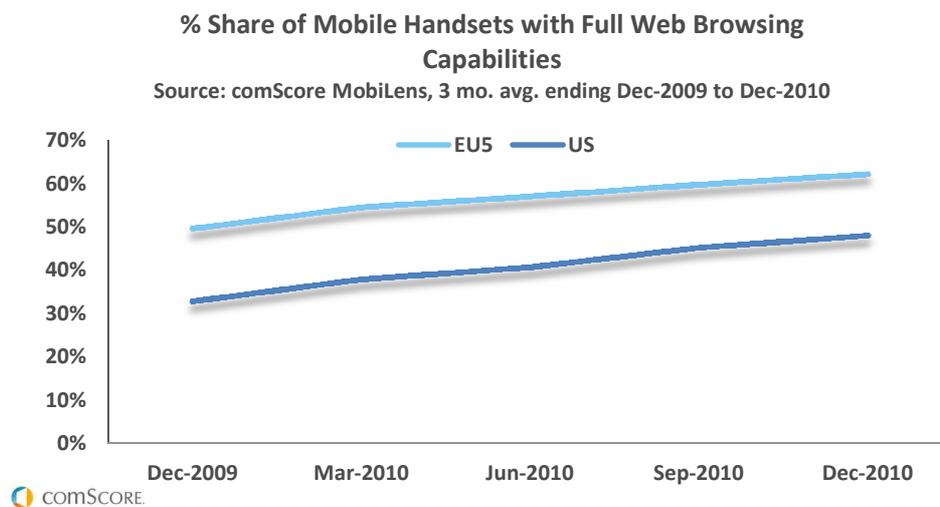
## 2010 Mobile Device Landscape

### Device Enhancements Pave the Way for Improved Mobile User Experience

Throughout 2010 device technology has continued to improve rapidly, providing consumers with an increasing amount of technological features to utilize during their mobile experience. As mobile phone owners trade up to new handsets, they're finding devices that support an array of powerful features. Handsets increasingly have large screens for improved content experiences, video recording capabilities, hardware and software-based QWERTY keyboards, and touch screens, all adding value to the mobile user experience.

One of the most important trends has been the penetration of devices that have full web browsing capabilities, supporting HTML in addition to legacy mobile standards such as WAP. Nearly half (48 percent) of U.S. phone owners can browse the full web while 61 percent of EU5 phone owners have this capability. Full HTML browsers were in fact the only category of browsing technology to grow in 2010, illustrating the mobile industry's embrace of the web, up 46 percent in the U.S. and up 28 percent in the EU5. If you add full web browsing capable handsets to those with older and less capable web browsing capabilities, the combined accounts for more than 90 percent of mobile subscribers in the U.S. and EU5 that can browse some type of web or WAP content on their mobile device.

Still, there is far more technology fragmentation in mobile than in the PC world. There are more than 60 different browser versions being deployed across mobile handsets from over a dozen vendors, making mobile technology increasingly complicated.



### Smartphones Take Center Stage Among Top Devices of 2010

Nearly each month consumers face an ever-growing number of devices to consider when making their mobile phone purchase. Consumers can choose from some of the most basic options all the way to the top of the line technologically advanced options, and everything in between. In 2010, more and more smartphone devices were introduced in both the U.S. and European markets and it's no surprise to see that smartphones rank as some of the top acquired devices of the past year.

In the U.S., 4 of the top 5 acquired devices in 2010 were smartphones, while 3 of the top 5 in Europe are smartphones, demonstrating the importance of smartphones for consumers on both sides of the Atlantic. Apple's success is clearly demonstrated as the iPhone 3GS and iPhone 4 hold the top two slots in both markets.

The rise of Android is demonstrated in the Motorola Droid's appearance as #5 on the list in the United States. While Android gained significant share in 2010, passing Apple in terms of installed base, this user base is distributed across multiple devices from multiple manufacturers. In the U.S. there were 68 different Android handset variants—a challenge for the Android platform in 2011 will be building and maintaining platform and ecosystem coherence across multiple versions of the operating system, OEM-specific software (original equipment manufacturer), and multiple device form factors.

Top Acquired Phones in the U.S.		Top Acquired Phones in EU5	
Source: comScore MobiLens, Jan-2010 to Dec-2010		Source: comScore MobiLens, Jan-2010 to Dec-2010	
1	Apple iPhone 3GS	1	Apple iPhone 3GS
2	Apple iPhone 4	2	Apple iPhone 4
3	BlackBerry Curve 8530	3	Nokia - 5800 XpressMusic
4	LG - Cosmos	4	Nokia - 5230
5	Motorola - Droid	5	BlackBerry Curve 8520



### Top Purchase Considerations for Consumers in Market for Mobile Device

With continually increasing competition, it's vital for OEMs, operating systems, and carriers to understand what is driving consumers' mobile purchase decisions. In both the U.S. and UK, new phone purchasers were primarily concerned about network quality and the cost of their monthly service and phone.

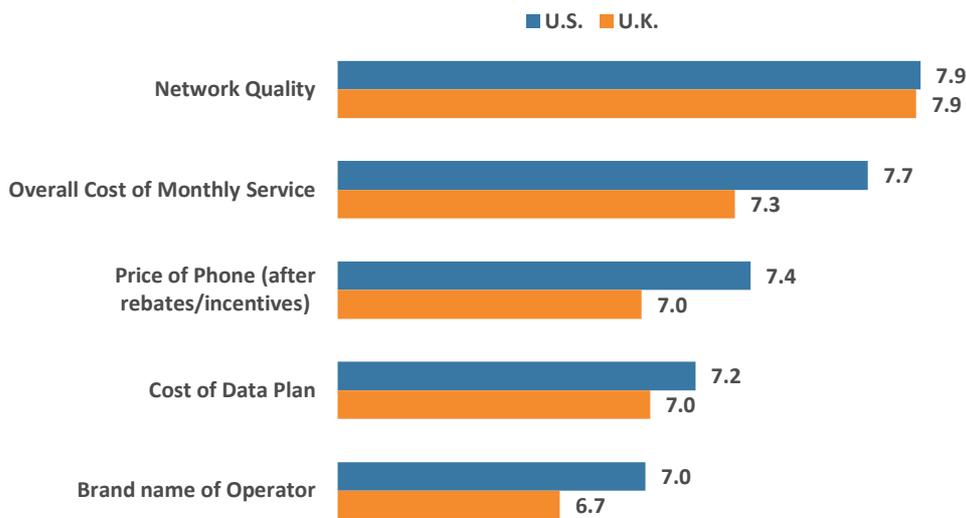
The top consideration for device purchasers was network quality. On a scale of 1 to 10, with 10 being most important, consumers in the U.S. and UK scored the importance of network quality 7.9. Network quality is also tied to the importance of network operator brand which is also in the top 5 criteria for consumer purchase consideration (7.0 in the U.S. and 6.7 in the UK).

The other main concern for purchasers was price with cost of monthly service, price of phone and cost of data plan all ranking in the top 5 purchase factors for consumers in both the U.S. and UK. Cost of data plan appearing among the top 5 demonstrates that new phone purchasers are clearly looking at their phones as a mobile media device and considering the price that comes with connecting.

### Top 5 Factors in New Handset Purchase Consideration for All Mobile

(1-10 scale, 10 = Most important)

Source: comScore MobiLens, Dec-2010



### Smartphone Purchases Rank Different Criteria as Important

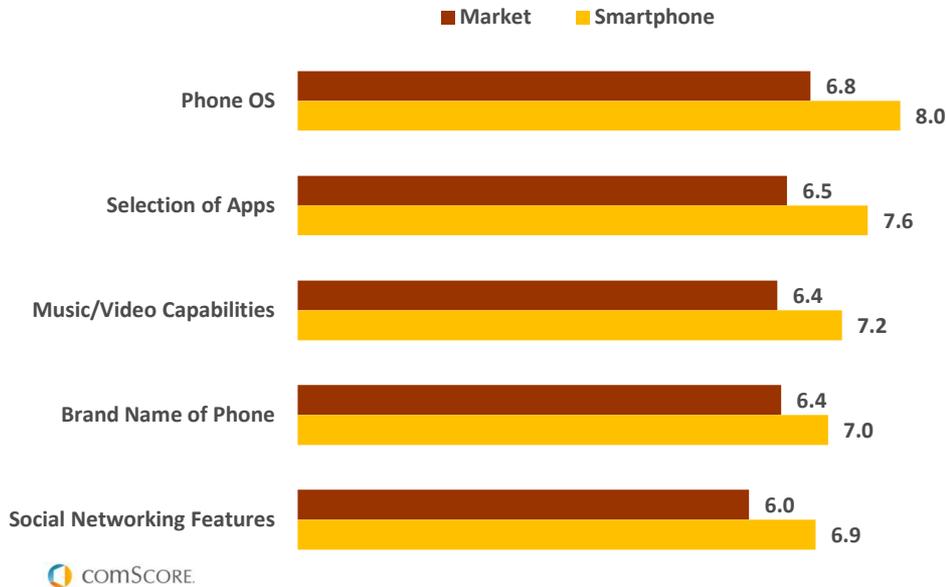
While smartphone purchasers' top consideration—like the rest of the market—is network quality, the second most important consideration is phone operating system (OS). It was only a couple years ago where just technology geeks had an awareness of “mobile operating system,” but today smartphone purchasers rate this factor an 8 in importance on a 10 point scale.

When comparing purchase factors between total market purchasers and smartphone-specific purchasers, there are factors that are clearly more important to smartphone purchasers. Smartphone owners show the most disparity with the total market in the importance of mobile operating system, selection of apps, multimedia and social networking features. Smartphone purchasers are increasingly sophisticated consumers who are looking not just for a phone, but for a device that is part of a larger ecosystem that provides a complete mobile media experience, including apps, music, and video.

### U.S. Smartphone versus Market Purchase Consideration Factors

(1-10 scale, 10 = Most important)

Source: comScore MobiLens, Dec-2010

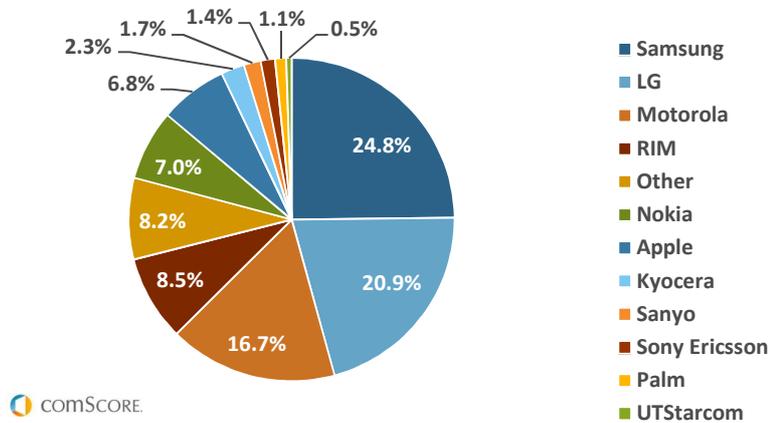


### OEM Share by Market

Original Equipment Manufacturer (OEM) market share continues to be an important and often fluctuating part of the mobile ecosystem. In the U.S. Samsung unseated last year's OEM leader, Motorola, to rank as the top OEM provider with 24.8 percent of devices owned by mobile subscribers in December 2010, up 3.6 percentage points from the previous year. LG had the second largest share of the handset market with 20.9 percent (declining 1.0 percentage points versus the previous year), followed by Motorola with 16.7 percent (down 6.7 percentage points) and RIM with 8.5 percent (up 1.5 percentage points). Apple captured 6.8 percent of the OEM market, up from 4.3 percent share the previous year, as the introduction of the iPhone 4 bolstered its growth.

### OEM Installed Base U.S. Market Share

Source: comScore MobiLens, 3 mo. avg. ending Dec-2010



Looking across the EU5 and Japan revealed various differences in OEM penetration. Nokia was the top OEM in the UK (30.4 percent share), Germany (33.1 percent share), Italy (47.4 percent share) and Spain (47.0 percent share). Samsung took the top spot in France with 34.1 percent share and also ranked in the top three in the UK, Germany, Italy and Spain. Sony Ericsson ranked in the top three in the UK (13.7 percent), France (10.7 percent) and Germany (18.2 percent), while LG ranked as the third largest OEM in Italy (7.2 percent) and Spain (10.0 percent). Japan did not share any of the top OEM providers with any of the EU5 markets or with the U.S. highlighting the uniqueness of this market. Sharp led as the top OEM in Japan with 25.3 percent, followed by Panasonic (15.0 percent), and Fujitsu (11.7 percent).

### Top 3 OEMs by Installed Base as % Share of Mobile Market

UK, France, Germany, Italy, Spain, Japan

Source: comScore MobiLens, 3 mon. avg. ending Dec-2010, Japan data for Dec-2010 only

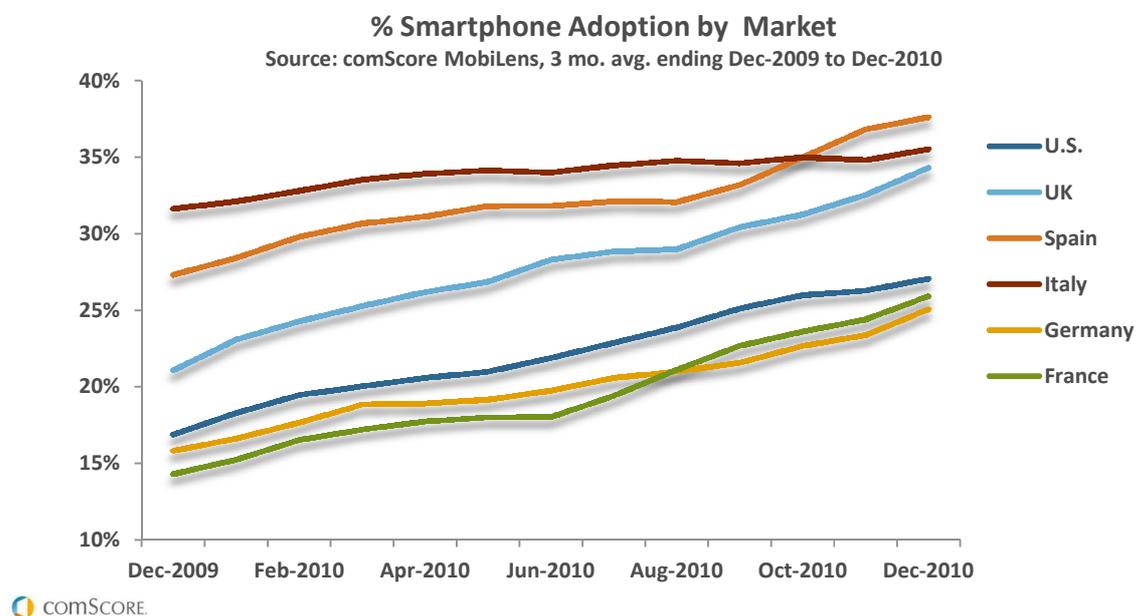
Nokia	30.4%	Samsung	34.1%	Nokia	33.1%
Samsung	19.4%	Nokia	20.6%	Sony Ericsson	18.2%
Sony Ericsson	13.7%	Sony Ericsson	10.7%	Samsung	17.8%
Nokia	47.4%	Nokia	47.0%	Sharp	25.3%
Samsung	21.4%	Samsung	15.3%	Panasonic	15.0%
LG	7.2%	LG	10.0%	Fujitsu	11.7%

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## 2010 Smartphone Trends

### Smartphone Adoption by Market

2010 saw smartphone adoption increase considerably across the U.S. and Europe. Despite the wide proliferation of iPhone and Android devices in the U.S. this year, on a relative basis, smartphone adoption continues to trail certain markets in Europe. Currently, Spain leads all markets with smartphone adoption of 37.6 percent (up 10.3 percentage points vs. year ago), as it surpassed Italy in November. The UK also has strong smartphone adoption at 34.3 percent, up from 21.0 percent last year, as the fastest growing among the six markets analyzed. U.S. smartphone adoption stood at 27 percent at the end of 2010, up from 16.8 percent the previous year.



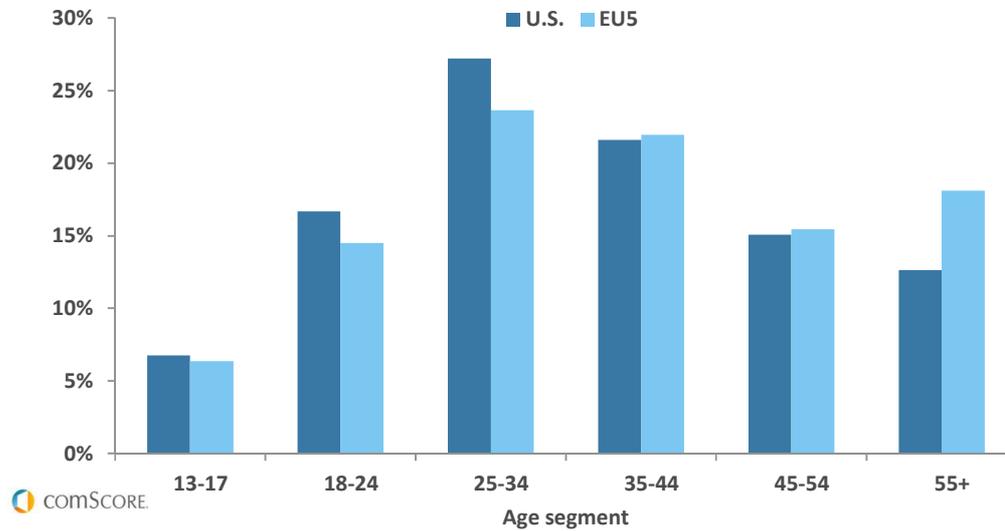
### Smartphone User Demographics Vary by Market

The demographic profiles of smartphone users reveal certain differences across markets. In Europe, where the smartphone market is slightly more developed, the demographics skew older, while in the US, the reverse is true. In Europe, those 55 and older represent 18.1 percent of the market as compared to just 12.6 percent in the U.S. The U.S. shows a higher percentage of its smartphone market driven by 18-24 year olds (16.7 percent vs. 14.5 percent) and 25-34 year olds (27.2 percent vs. 23.6 percent).

However, it should also be noted that the fastest growing age segments in the U.S. smartphone market were 13-17 year olds (up 86 percent to 4.3 million smartphone users) and those age 55 and older (up 78 percent to 8 million smartphone users). In Europe, the fastest growth came from 13-17 year olds (up 66 percent to 4.6 million smartphone users) and 18-24 year olds (up 54 percent to 10.5 million smartphone users).

### % Composition of Smartphone Users by Age Segment

Source: comScore, MobiLens, 3 mo. avg. ending Dec-2010

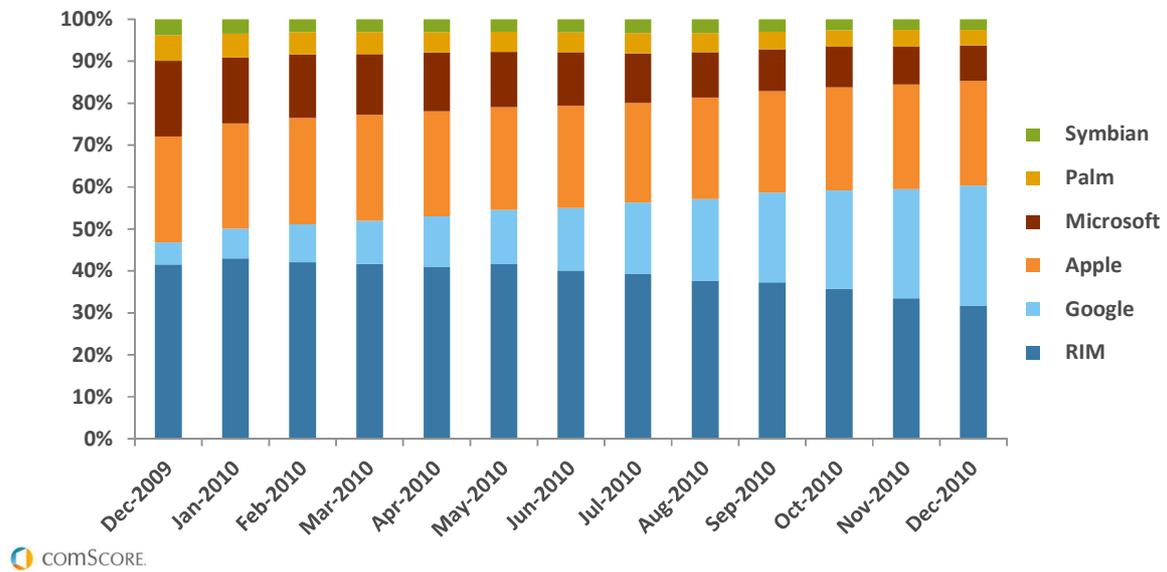


### Smartphone Operating System Market Share

The U.S. and European smartphone markets also exhibit differences in penetration for the various operating systems (OS). The U.S. market is currently led by RIM, which owns 31.6 percent market share, but both Android (28.7 percent) and Apple (25.0 percent) are quickly gaining ground. Android was the biggest gainer in share during the last year, growing from 5.2 percent in December 2009 to 28.7 percent in December 2010 to launch itself into the #2 position. Android’s rapid adoption was largely attributable to the proliferation of new devices across carriers and OEMs that used the platform. Apple’s platform remained mostly steady in terms of market share in 2010, but the introduction of Verizon as an iPhone carrier in early 2011 promises to give Apple a boost in the coming year.

### % Share of Smartphone Market by Operating System in the U.S.

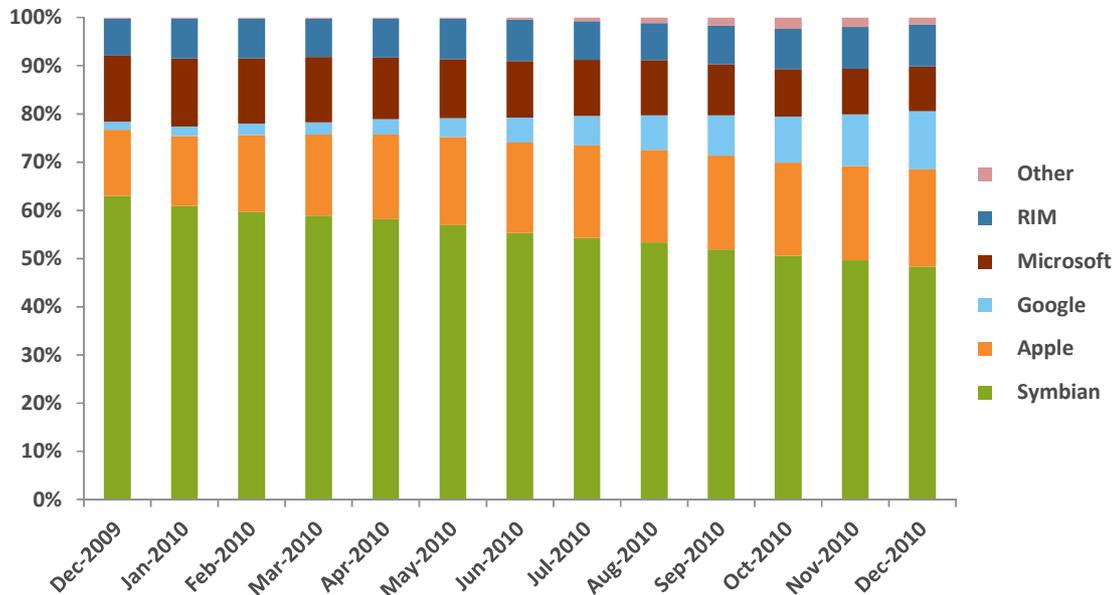
Source: comScore MobiLens, 3 mo. avg. ending Dec-2009 to Dec-2010



Meanwhile, Symbian’s stronghold on the European smartphone market loosened in 2010 as other platforms gained traction. Symbian saw its smartphone market share decline from 63.0 percent in December 2009 to 47.8 percent in December 2010, while Android consumed the largest portion of Symbian’s market share, growing more than 10 percentage points to 11.9 percent of the smartphone market at the end of 2010. Apple also saw its share grow considerably, from 13.8 percent to 20.0 percent, while RIM grew marginally to 8.6 percent share.

### % Share of Smartphone Market by Operating System in EU5

Source: comScore MobiLens, 3 mo. avg. ending Dec-2009 to Dec-2010



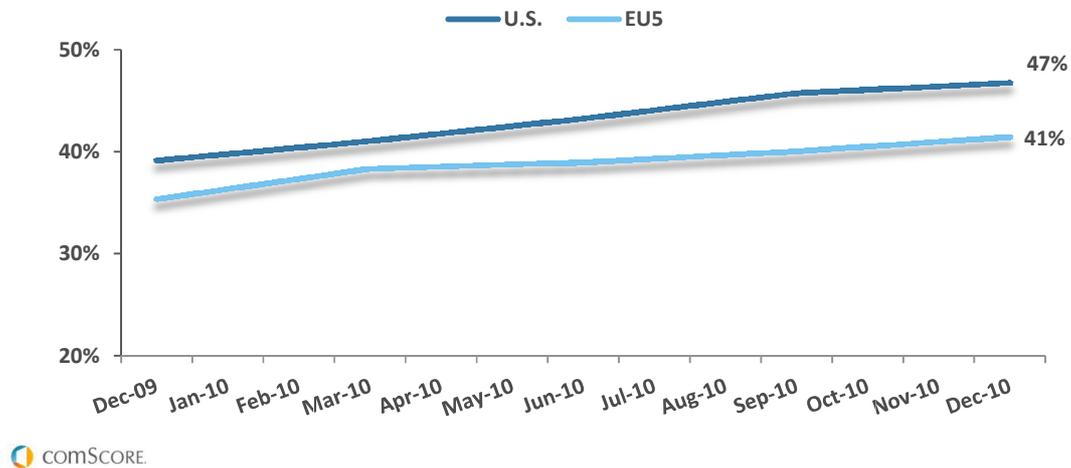
## 2010 Mobile Media Consumption

### Mobile Media Usage More Common in U.S. than Europe

Throughout the past year, mobile media adoption has continued to grow, as consumers are increasingly turning to their mobiles for many other uses beyond just talking or even texting. Since December 2009 the number of mobile media users has grown significantly in the U.S. as well as across the EU5. 109 million U.S. mobile subscribers (46.7 percent of the total audience) accessed mobile media (browsed, accessed applications or downloaded content or accessed the mobile Internet via SMS) in December 2010, up 7.6 percentage points versus year ago. Europeans displayed a similar adoption rate with 41.1 percent of mobile users accessing mobile media in December 2010 compared to just 35.3 percent in December 2009.

### % Share of Mobile Media Users

Source: comScore MobiLens, 3 mo. avg. ending Dec-2009 to Dec-2010

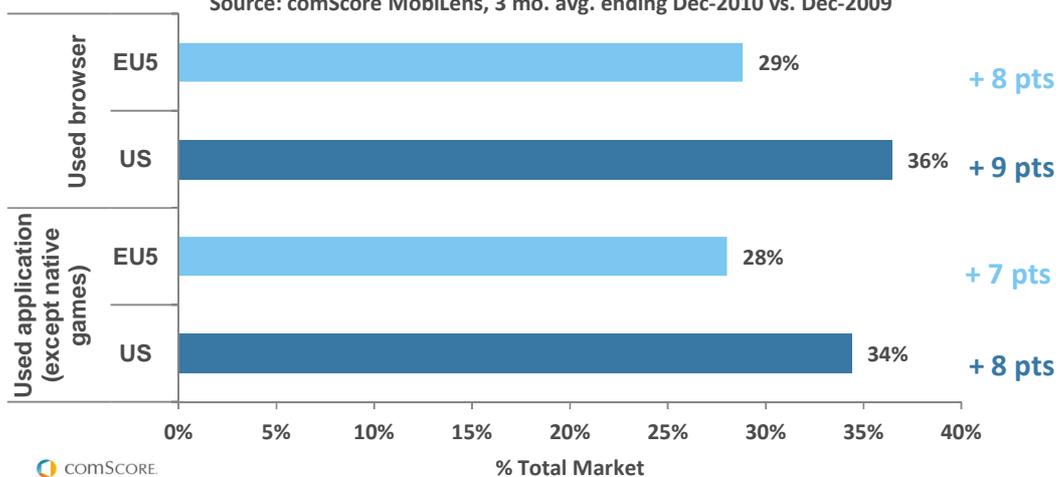


### How Today's Mobile Consumers Access Content

Two ways for mobile media users to access content are to browse through the mobile web or to access content through applications. Even though applications received much more attention by the media throughout 2010, our analysis in the U.S. and the EU5 region showed that by a small margin, application usage is still second to browser usage when it comes to the mobile web. For example 36 percent of mobile using Americans and 29 percent of Europeans browsed the mobile web in December 2010, while application access reached 34 percent of Americans and 28 percent of Europeans. Across regions mobile browsing and application usage is growing in the range of 7 to 9 percentage points.

### % Share of Browser and Application Users

Source: comScore MobiLens, 3 mo. avg. ending Dec-2010 vs. Dec-2009

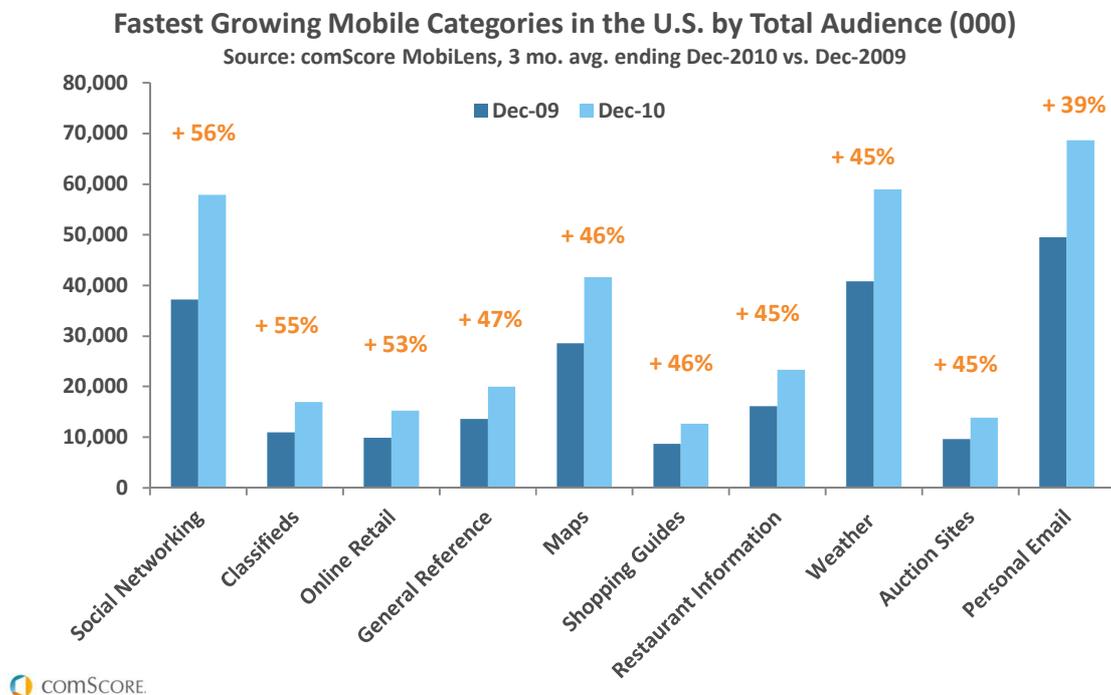


Further analysis of browser use and application access shows that the two activities are not mutually exclusive. In fact, most users that utilize one method use the other. In the U.S., 82 percent of app users also use their browser, while 78 percent of browser users also utilize apps. Only 6 percent of app users don't utilize their browser, while 8 percent of browser users don't utilize apps. In Europe, 71 percent of mobile browser users also use apps, while 73 percent of app users also use their browser. Just 7 percent of app users in Europe don't browser, while 8 percent of browser users don't utilize apps. Instead of the browser vs. app question being an 'either or' proposition, the mobile web audience has quickly come to expect and utilize both browsing and apps as an integral parts of the mobile web experience.

### Fastest Growing Content Categories – Social Networking and Retail on the Rise

Many factors, like smartphone adoption and unlimited data plans, are driving content consumption on mobile devices across geographies. The below graph shows the content categories in the U.S. and Europe that grew the fastest since December 2009.

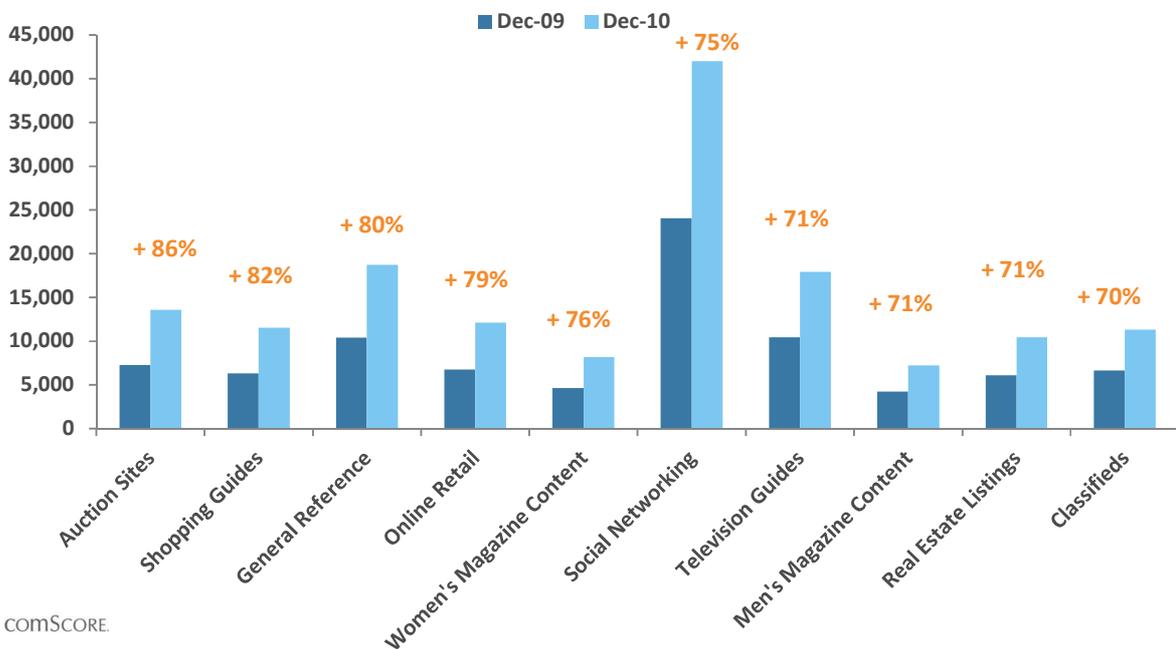
Social Networking was the fastest growing category among U.S. subscribers and reached 57.9 million mobile users in December 2010, up 56 percent versus year ago. The Classifieds category was the second strongest growth sector (up 55 percent), reaching almost 17 million mobile subscribers, followed by Online Retail sites with a 53-percent increase in visitors.



In Europe, retail-related categories also grew significantly over the past year. Auction sites increased by 86 percent and reached 13.6 million mobile users across the EU5 region in December 2010. The second fastest growing category in Europe was Shopping Guides (up 82 percent), followed by General Reference sites (up 80 percent), and Online Retail (up 79 percent). The number of mobile subscribers accessing Women’s Magazine content (up 76 percent), Social Networking sites (75 percent), and Men’s Magazines (71 percent) was also up significantly.

**Fastest Growing Mobile Categories in EU5 by Total Audience (000)**

Source: comScore MobiLens, 3 mo. avg. ending Dec-2010 vs. Dec-2009



**Spotlight on Japan**

In mid-2010, comScore began reporting on mobile usage in Japan, the first market in Asia where comScore has introduced its MobiLens service. The Japan market is perhaps one of the most mature and sophisticated mobile markets in the world with mobile audiences accustomed to using mobile media regularly.

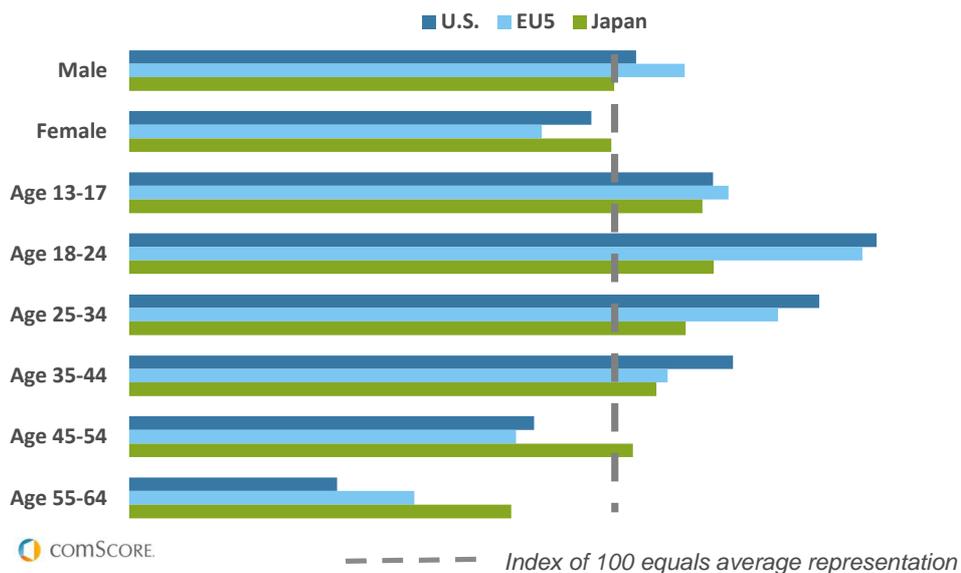
Japan’s mobile audience reached nearly 100 million mobile users in December 2010, with more than 75 percent of those subscribers using connected media, far surpassing the U.S. and European countries in this measure.

A demographic analysis of mobile media users across markets showed that mobile media consumption was more balanced across age segments in Japan when compared to the U.S. and Europe indicating a high maturation level in Japan. Across all three geographies, mobile users age 18-24 showed the highest propensity for mobile media usage. In the U.S. 18-24 year olds were 55 percent more likely to access mobile media than an average mobile user, while Europeans in this age segment were 52 percent more likely to do so and Japanese were 21 percent more likely. Older age segments were the least likely to access mobile media with Americans 55+ showing the least likelihood of mobile media connection with an index of 43.

The U.S. and Europe also showed greater gender disparity among mobile media audiences compared to Japan where usage was equally likely for both male and female mobile subscribers. In the U.S., females were 4 percent less likely to be mobile media users, while in Europe females were 15 percent less likely.

### Mobile Media Usage by Demographic Segment Audience Index

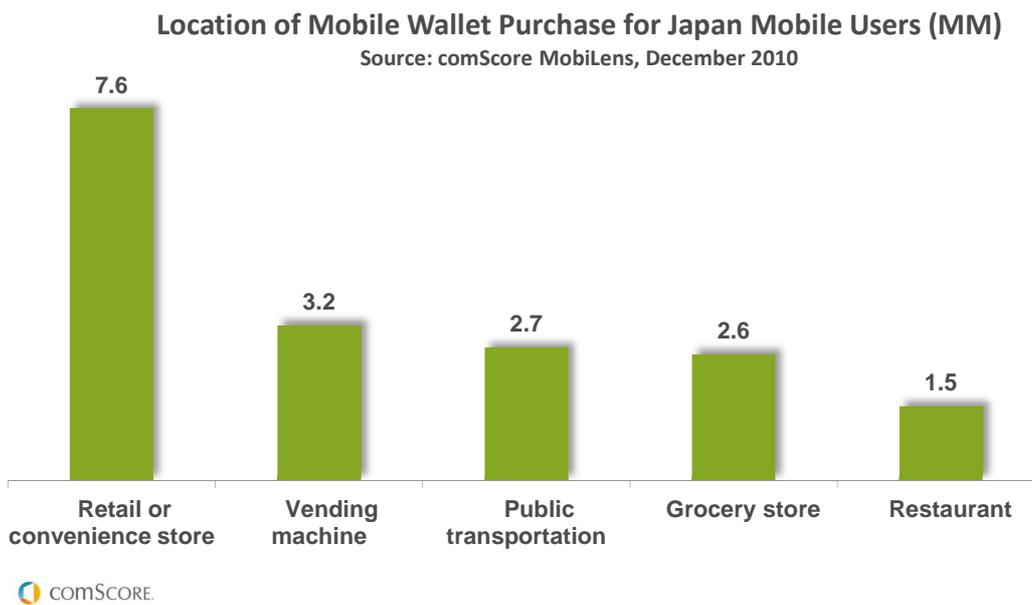
Source: comScore MobiLens, December 2010



### Mobile Wallet – How Millions of Japanese Utilize Their Phone for Payment

The use of the mobile wallet, using mobile phones in place of debit or credit cards for in-person purchases, is starting to gain traction across parts of the globe, but Japan is still one of the pioneering markets of this feature.

In December 2010, 9.8 million mobile users in Japan made a purchase using their mobile wallet, accounting for nearly 10 percent of mobile subscribers. When looking at the most likely places people used their mobile wallet, retail/convenience stores topped the list with 7.6 million mobile subscribers using their mobile wallet at these locations in December, followed by vending machines (3.2 million), public transportation (2.7 million), grocery stores (2.6 million) and restaurants (1.5 million).



### Top Mobile Activities by Market

An analysis of the top mobile activities across the U.S., Europe and Japan revealed varying degrees of mobile usage across activities. In many cases, mobile users in Japan displayed the strongest propensity for mobile media usage across categories. More than half of Japanese mobile subscribers used their browser in December 2010 (55.4 percent) and accessed applications (53.3 percent), far surpassing the U.S. and Europe. Japanese users were also the most likely to utilize their device to take photos with nearly 63 percent doing so in December.

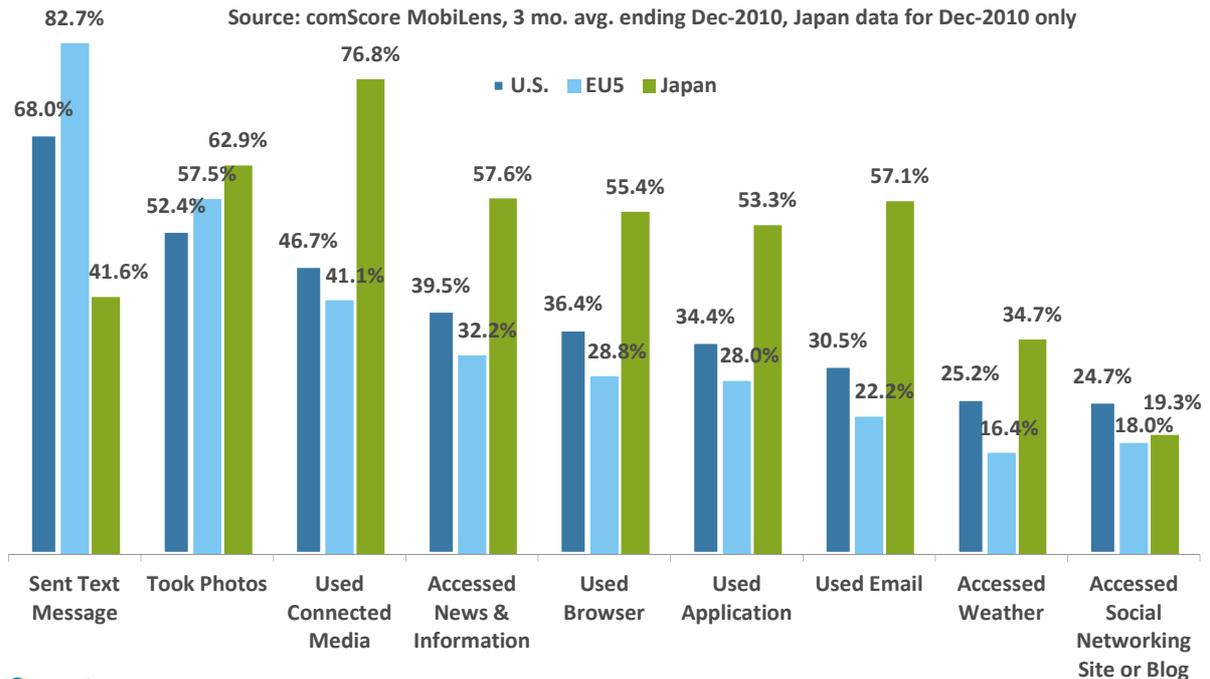
European mobile subscribers were the heaviest texters (82.7 percent), while Japanese were the lightest (41.6 percent), respectively. Low text messaging in Japan is in part due to heavy usage of email (57.1 percent of mobile subscribers), a function to which they have been accustomed as a standard capability on their mobile devices for many years.

U.S. mobile users were most likely to access social networking sites or blogs on their mobile at 24.7 percent, followed by Japanese users (19.3 percent) and then Europeans (18 percent). Net, among the

major usage categories, with the exception of texting and social networking, Japanese mobile users are more active on the mobile web than their U.S. or EU counterparts, most by a wide margin.

### Top Mobile Activities in the U.S., EU5 and Japan by % Share of Total Mobile Users

Source: comScore MobiLens, 3 mo. avg. ending Dec-2010, Japan data for Dec-2010 only



Other top mobile activities across geographies included playing games, accessing search and using maps. Europeans displayed the strongest propensity for listening to music on their mobile devices (25 percent). Europeans also displayed the strongest penetration of playing mobile games at 25.3 percent.

Subscribers were also keen on using their mobile devices to access financial information. The U.S. mobile market displayed the most mature mobile banking market reaching 11.4 percent of mobile users. While Japanese mobile users were most likely to access financial information or stock quotes at 16.5 percent.

### Mobile Activities in the U.S., EU5 and Japan by % Share of Total Mobile Users

Source: comScore MobiLens, 3 mo. avg. ending Dec-2010, Japan data for Dec-2010 only

	U.S.	EU5	Japan
Played Games	23.2%	25.3%	16.3%
Accessed Search	21.4%	14.9%	31.5%
Captured Video	20.2%	26.1%	15.8%
Accessed Maps	17.8%	13.0%	17.1%
Used Instant Messaging	17.2%	14.2%	3.6%
Accessed Sports Info	15.8%	12.0%	18.2%
Listened to Music	15.7%	25.0%	12.9%
Accessed Bank Accounts	11.4%	8.0%	7.0%
Accessed Financial News or Stock Quotes	10.2%	8.0%	16.5%
Accessed Restaurant Info	10.0%	6.5%	9.7%
Accessed Traffic Reports	8.4%	7.4%	14.0%
Accessed Classifieds	7.3%	4.8%	3.6%
Accessed Online Retail	6.5%	5.2%	8.5%
Watched TV and/or Video	5.6%	5.7%	22.8%
Accessed Travel Service	4.4%	4.6%	2.9%



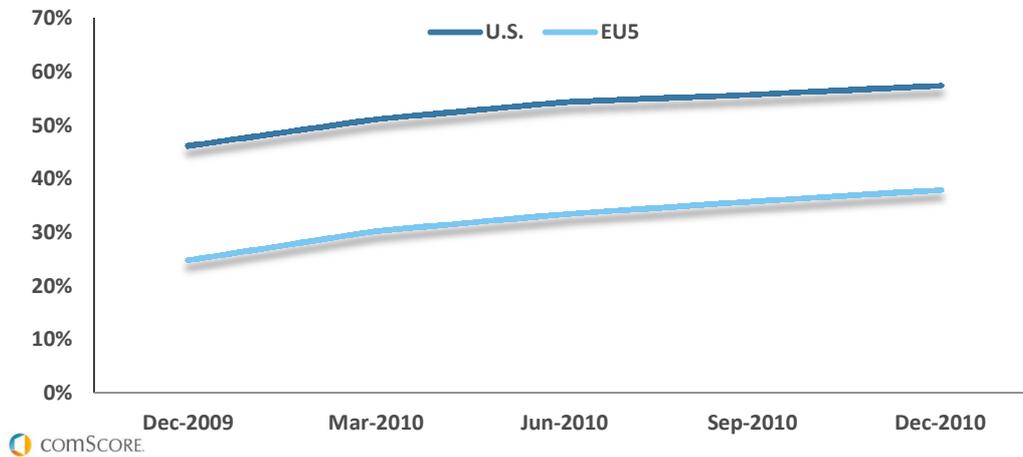
### Social Media Use Continues to Grow on Mobile Devices

Social networking was among the fastest growing activities for mobile users since December 2009. Over the last year the number of mobile users that accessed a social networking site at least once a month via their mobile device increased by 56 percent to nearly 58 million users in the U.S. The growth was even stronger in Europe, with a 75-percent increase in the number of users over the last year to 42 million in December 2010.

Among smartphone users, social networking usage was even more pronounced. In December 2010, 57.3 percent of smartphone users in the U.S. (36.2 million users) accessed social networking sites or blogs at least once during the month, an increase of 11.2 percentage points versus the previous year. European usage also showed impressive growth with 37.8 percent of smartphone users accessing social networking sites or blogs in the month (27.5 million users), up 13.1 percentage points from last year.

### % of Smartphone Subscribers Accessing Social Networking Sites or Blogs Ever in Month

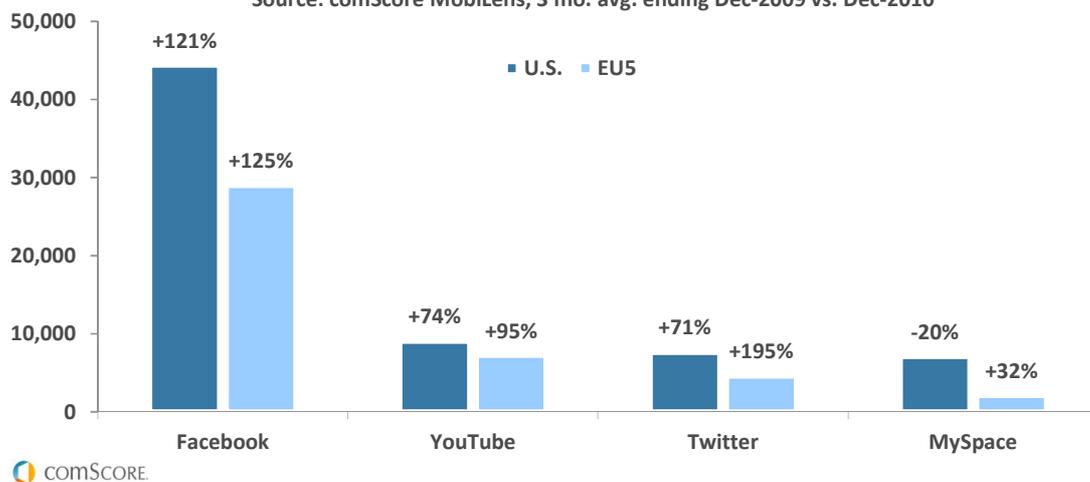
Source: comScore MobiLens, 3 mo. avg. ending Dec-2010



The growth of social networking via mobile devices is mainly driven by Facebook, which reached 90 percent of U.S. social media users and 85 percent of European users, and grew more than 120 percent over the past year in both regions. YouTube and Twitter hold second and third position in the U.S. as well as Europe, but the European market shows much stronger growth. In Europe, YouTube grew 95 percent over the past year and the number of users to Twitter.com from mobile devices increased 195 percent. The most significant difference in 2010 is the trend for MySpace, which declined 20 percent of in the U.S. but gained 32 percent in Europe.

### Top Social Media Brands by Total Audience (000) Percent Growth

Source: comScore MobiLens, 3 mo. avg. ending Dec-2009 vs. Dec-2010



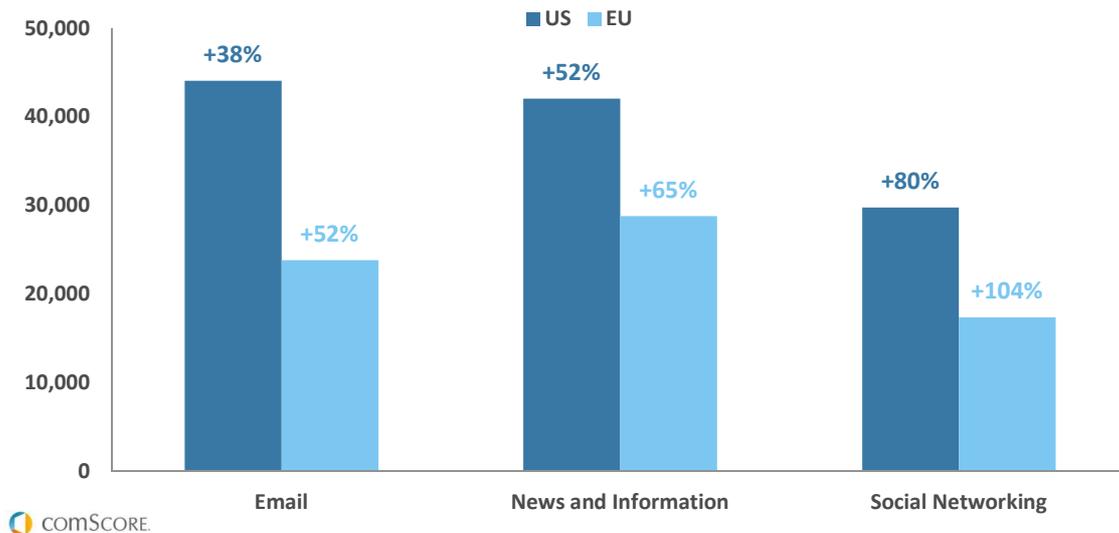
### Mobile Increasingly Embedded in Daily Life

While the total mobile media audience increased substantially in 2010 (+20 percent in the U.S., +19 percent in EU5) and all signs suggest it will continue to do so, one of the most important shifts has been the increase in the frequency with which mobile phone owners use their devices to connect to content and peers.

Across three key categories (email usage, news and information access, and social networking) the largest observed increases were in mobile users who access these services almost daily, compared to weekly or once during the month. Social networking especially saw high growth, with daily users increasing 104 percent in the EU5 and 80 percent in the U.S. For many people, mobile media consumption has rapidly moved from an occasional activity, perhaps even a novelty, to an essential service they depend on every day while at home, work or on the move.

#### Daily Users (000) of Select Services in U.S. and EU5

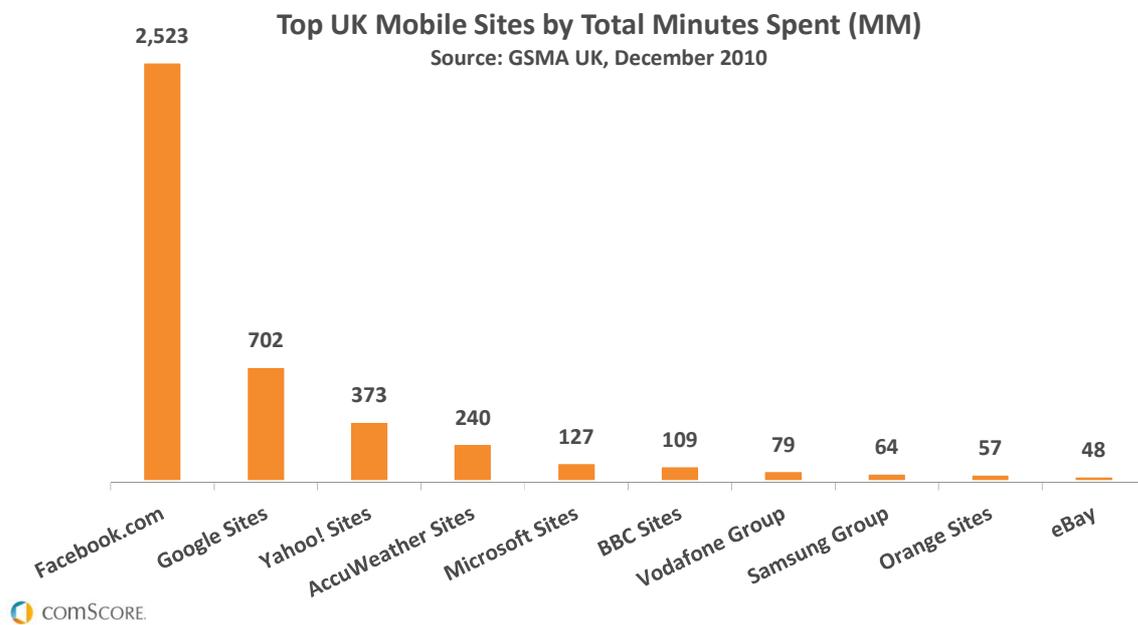
Source: comScore MobiLens, 3 mo. avg. ending Dec-2010 vs. Dec-2009



### Spotlight UK – GSMA Mobile Media Metrics

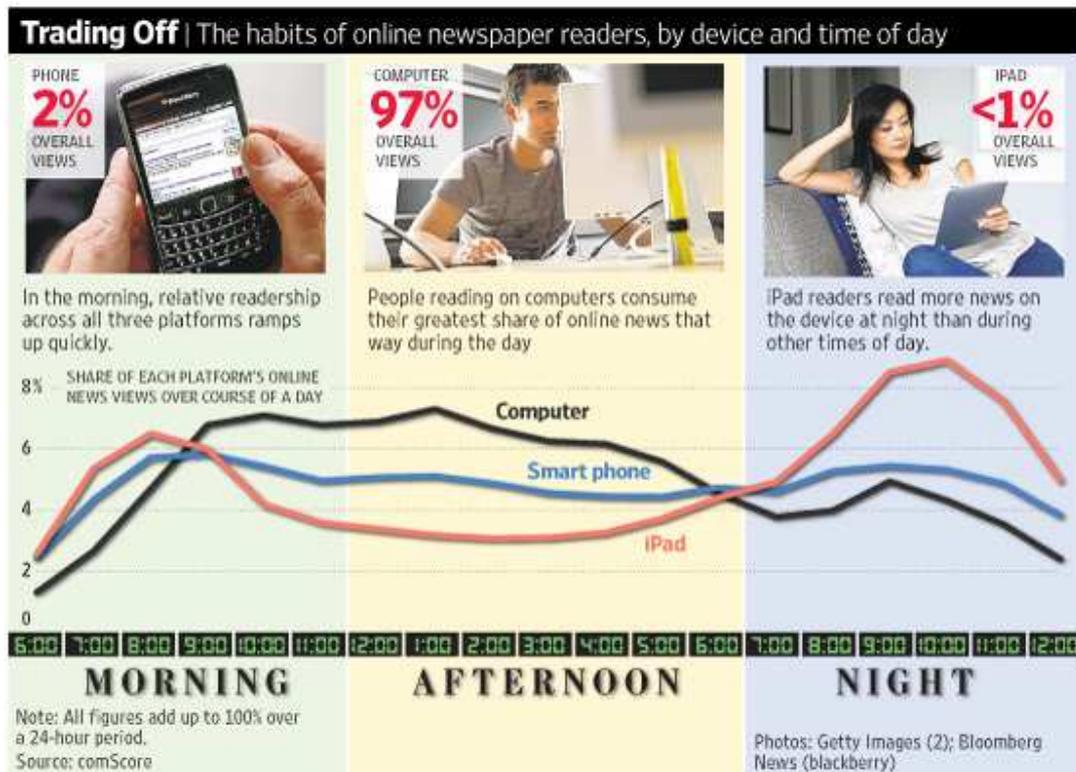
In the UK we have very unique insights into mobile browsing behaviour through anonymised census mobile Internet data from the five mobile operators (through the GSM Association). This unprecedented view of mobile browsing gives us, among other things, the opportunity to analyze the top mobile sites by total time spent.

In the UK, Facebook was the clear leader in a ranking of top sites by time spent. In December 2010 the 7.5 million unique mobile visitors spent a total of 2.5 billion minutes on Facebook.com, averaging 5.6 hours per visitor during the month. Google Sites ranked second with nearly 702 million minutes spent on the sites by its nearly 9.5 million unique visitors, followed by Yahoo! Sites with 373 million minutes. Microsoft Sites ranked fifth (127 million minutes spent on the property), followed by the BBC with nearly 109 million minutes in December 2010. The BBC had the third highest number of unique visitors in December 2010 with 3.7 million, ranking behind only Google and Facebook.



### Multi-Screen Consumption – How Do Consumer Patterns Vary by Device

As the number of devices continues to proliferate, one very interesting dynamic with important implications for the digital ecosystem is the pattern of consumption across devices during the course of a day. As an example, comScore conducted an analysis over a 24-hour period in the U.S. on online newspaper readers' consumption habits revealed some interesting insights on the synergies across devices – PC, smartphone and iPad. Overall PC viewing accounted for 97 percent of all online newspaper views during the 24 hour period, while smartphones accounted for 2 percent and the iPad accounted for less than 1 percent. When looking at how Americans utilized these devices differently throughout the day to consume news, it was observed that morning hours saw similar relative readership across all three devices. While in the afternoon, online newspaper readership peaked on PC and while at night iPad readers consumed more news on the device than during the day.



Data for 24 hour period on September 21, 2010, Data Source: comScore, Inc.  
Graphic Source: Wall Street Journal, November 15, 2010  
<http://online.wsj.com/article/SB10001424052748703326204575616310040096840.html?mod=e2tw>

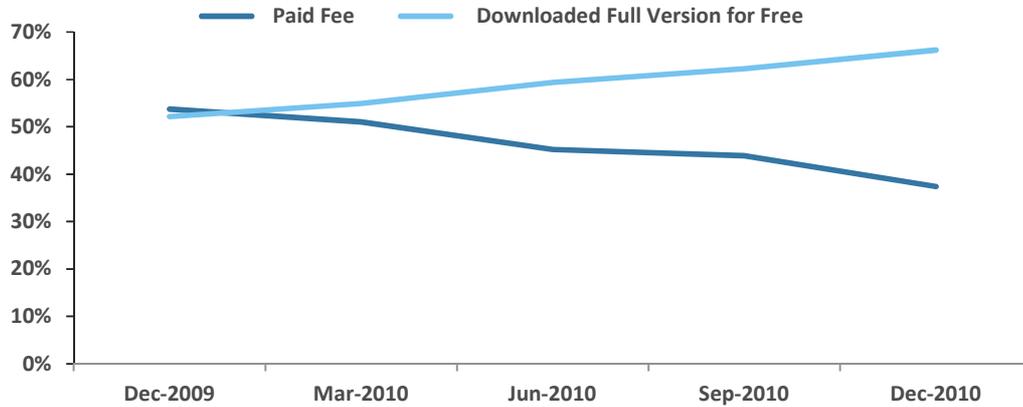
### “Freemium” Model Gains Ground for Games and Apps

With hundreds of thousands of apps available for mobile consumers to choose from, most publishers are moving toward a free app, ad-supported model or a “freemium” mix of ad-supported and paid content. The shift is evident in the general app ecosystem and in particular in the mobile games environment.

Games are currently the largest app content category and in the past year the number of people in the U.S. that have downloaded games to their mobile phone has increased by 52 percent. At the end of 2009 the number of people downloading games for free threatened to eclipse the number of those who paid a fee for a game. In early 2010 the crossover point was reached and accelerated throughout the year. By December 2010, only 37 percent of those that downloaded a game paid a fee for it, a decline of 17 percentage points from the previous year. This change in behavior speaks to a larger trend in the mobile app community where the real value of application content is not necessarily in a transaction to acquire the app, but in the potential advertising revenue this type of targeted reach could bring.

### % Share of Mobile Users that Downloaded a Full Version of a Game for Free or Paid a Fee

Source: comScore MobiLens, 3 mo. avg. ending Dec-2009 to Dec-2010

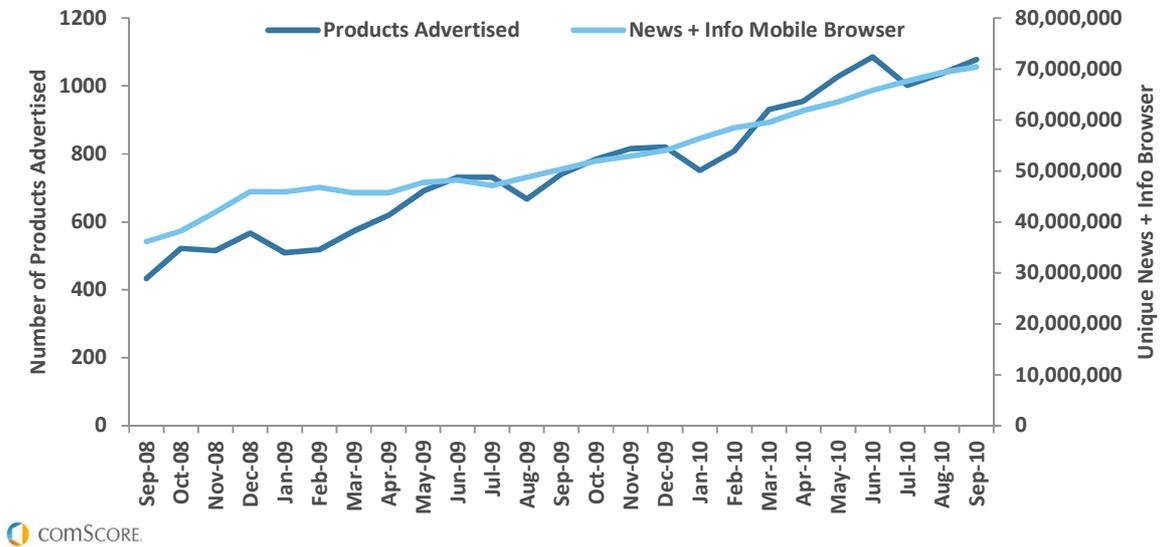


### Mobile Advertising Continues to Grow, Foundation for Advertising Economy in Place

Although mobile advertising is still in its infancy compared to the PC Internet environment, advertising across mobile content is continuing to grow as more brands are recognizing the vast reach of this platform. When looking at the number of products advertised across the mobile landscape, the number of products is growing in step with the number of people using their mobile browser. In the U.S., the number of products advertised via mobile content has increased to more than 1,000 in September 2010, growing nearly 150 percent in the past two years. This represents the first stage in the maturation of the mobile advertising industry, but there is a need for consistent metrics and simplified trading exchanges to accelerate this growth. The fragmented nature of mobile creates a challenging environment for the uniform deployment of ads and their measurement across platforms, devices and technologies. For mobile advertising to ramp up to its full potential, the industry must be armed with consistent metrics that advertisers and publishers can agree on to create a robust mobile ad economy.

### Mobile Browsers vs. Products Advertised in the U.S.

Source: comScore Ad Metrix Mobile, Sept-2008 to Sept-2010



## Looking Ahead to 2011

### 2011 Set to be a Transformative Year for Mobile

2010 was a very exciting year for everyone working in the mobile industry and for all marketers who are just ‘getting into’ mobile marketing and advertising. As with many industries there is constant change, lead by strategic partnerships such as Microsoft and Nokia and the 2011 iPhone/Verizon deal, through the introduction of new devices to the market, including tablets, e-readers and increasingly sophisticated smartphones, and through new device capabilities. There is one element though that prevails through this rapidly evolving market and that is the importance of your consumer. For all brands operating in the mobile space, whether it be device manufacturers, operating systems, carriers or mobile content developers, knowing how consumers are interacting with mobile – the who, where, when, why and how – will be critical in this increasingly competitive market.

**Mobile Media:** In 2010 ‘mobile media’ has been one of the most talked about topics in the industry and we can expect that in 2011 at least half of all mobile users will have access to mobile media, which will likely be driven by the increased adoption of smartphones. The way audiences consume media is drastically changing and so too must marketing strategies. Identifying the synergies that exist between the touch points – traditional PC Internet, mobile media (via app and browser), tablets, etc. – and understanding how consumers use these devices to fulfill different needs and convenience levels will be critically important. No technology exists in isolation; this is true now more than ever before. The

proliferation of mobile devices including more sophisticated smartphones, iPads and tablets is likely to get more interesting in 2011 and beyond, as more and more people carry multiple devices. On one hand, opportunities to reach consumers with digital media and advertising continue to grow which represents a large and growing opportunity for mobile, but as the number of devices owned by a given consumer continues to increase, the opportunity to reach them on any given device becomes more fragmented. This indicates that cross platform planning will grow in importance (TV, web, mobile) but that planning across devices within the mobile space itself will become more complex.

**Mobile Marketing/Advertising:** While still in its infancy, mobile advertising will become an increasingly important component of the mobile landscape in 2011. The growing number of mobile media users and the rise in daily usage opens a large opportunity for advertisers. As more and more eyeballs expand their consumption habits to include on-the-go content, the industry is continuing to seek ways to monetize this channel via mobile advertising. There are many layers to mobile marketing, from banner advertising to in-app ads, as well as targeted or location-based services, such as SMS or push notifications. But in order to establish the mobile channel as a legitimate advertising medium, all parties require access to transparent measurement of the mobile ecosystem.

Not surprisingly, accurately measuring this new audience has proven extremely challenging as many of the tried and tested approaches used to measure the PC Internet are not viable or must be adapted to particularities of a complex ecosystem. Those who might have thought that the mobile world would grow simpler over time have been wrong – it's only become more complicated. But understanding how to meet these measurement challenges will become increasingly important, not just to measure "mobile" but also to measure a digital world that is trending away from the open and homogenous technologies of the Internet and toward a plethora of tailored, often closed devices connecting over proprietary networks and closed content distribution systems.

**M-Commerce:** One can expect to see continued growth in the use of mobile devices to obtain real-time price and product information in support of an intended in-store buying decision and the likelihood that the information obtained will drive some of that buying activity to actually occur online. In essence, it is very possible that the use of mobile devices could accelerate the shift of consumer spending from offline to online. As such, multi-channel retailers need to carefully assess the buying activity of their in-store customers and devise strategies to ensure that they maintain their loyalty if these customers shift some of their buying requirements from offline to online as a result of the use of mobile devices.

Although in its infancy in the U.S. and European markets, mobile wallet capabilities, using mobile phones in place of debit or credit cards for in-person purchases, are beginning to come onto the scene. For instance in early 2011, Starbucks announced that customers in thousands of locations can now pay for items with their phones via an application that can be scanned across a reader at check out. Expect more announcements such as this to occur in the next year as brands begin to offer this type of mobile payment option. As we have seen in Japan, one of the most mature mobile wallet markets, nearly 10 percent of its mobile population uses this capability across a variety of transaction locations; perhaps offering a glimpse into the future potential of mobile wallet payments in the U.S. and Europe.

During the past year, technology improvements, device innovations and growing mobile media consumption have laid the foundation for the development of a strong mobile ecosystem. The challenge for marketers and brands will be how to successfully navigate through one of the most complex and rapidly evolving mediums the world has ever seen. The next year should be one of the most exciting in mobile history. Every marketer **and consumer** should be looking forward to a year of new milestones marked by the increasing ubiquity of mobile in our digital lives.

**For more insights on the mobile landscape, visit the comScore Data Mine:**



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