



A Customer Relationship Marketing Agency

# View from the Mobile Inbox 2010

Actionable Information for Marketers from the Annual Consumer Email & Digital Media Study



# View from the Mobile Inbox 2010

## Introduction

The explosive growth in social media and mobile phone adoption is driving the growth of the digital marketing channel. The recently released *View from the Social Inbox* report from Merkle reviewed the adoption of social networking and provided insight into the implications for targeting consumers. This new report takes an in-depth look at the adoption and usage of mobile by demographic, using data from Merkle's eighth annual *View from the Inbox* study of email and related digital media. This online study was conducted during the fall of 2009 among 3,281 U.S. adults age 18+.

A plethora of statistics, factoids and data exist regarding mobile penetration and usage. The focus of the *View from the Inbox* research is the online consumer, so it examines emerging digital behaviors in the context of other online behaviors. Therefore, the penetration rates given in this report are based on online consumers, versus the entire U.S. population. This point of differentiation allows the *View from the Mobile Inbox* report to provide marketers guidance in crafting mobile marketing strategies that are integrated to their digital marketing approach.



### Highlights of the study:

- The largest difference in mobile behaviors across demographics is the percent who text. While 70% of those age 18-29 text, this percentage decreases steadily with age, down to just 11% for those age 65+.
- Mobile users younger than age 40 are more likely to access their personal email via their mobile device compared to older users, with the peak access and frequency rates for those in their 30s.
- Internet-enabled phone penetration is six percentage points higher for men, in that 53% have a mobile phone that can access the Internet. This behavior is potentially influenced by work – men are 3.3 times more likely than women to have an Internet-enabled phone for work purposes.
- Forty-four percent of those with an Internet-enabled phone check their personal email on their mobile. This group of mobile email checkers spends approximately 18% of their permission email time on a mobile phone, indicating the importance of sending email that renders correctly across multiple devices.
- Consumers with an Internet-enabled phone are one-third more likely to be active on top social networks. This natural affinity of mobile and social networking, both in demographics and ease of use, speaks to the importance of both elements within integrated digital strategy.

## Market Sizing

According to wireless association CTIA, 89% of the U.S. adult population owns mobile phones. Dubbed the “third screen” – after television and computer screens – mobile phones are tertiary only in terms of their

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relatively recent introduction. Mobile phone use has already surpassed the penetration of Internet (79% of U.S. adults according to Pew Research<sup>1</sup>), and is approaching that of television (98.9% of U.S. households according to Nielsen). Also demonstrating the ubiquitous nature of mobile phones is the fact that 20% of U.S. households now depend solely on wireless phones for their telephone service, according to CTIA.

## Texting Penetration

Approximately half of those online (49%) text using a mobile device. This overall penetration average masks some substantial differences between demographic segments, particularly for age, as seen in the upcoming Age section.

With regard to commercial applications of text messaging (SMS), 26% of those who text message have opted in to receive text messages from companies. These respondents receive text messages from an average of 3.2 companies monthly. Again, demographic differences cause these percentages to vary substantially. Age, ethnicity and even gender play significant roles.

Figure 1 • All respondents for bolded main categories; sub-categories based on texting and Internet-enabled mobile respondents.

<b>Mobile by the Numbers</b>	
<b>Text message on mobile phone:</b>	<b>49%</b>
Opted in to receive commercial messages on mobile	26%
Avg. number of companies sending mobile messages monthly	3.2
<b>Have an Internet-enabled mobile phone:</b>	<b>50%</b>
Access the web via mobile	56%
Check primary personal email account on mobile	44%
Percent of total time spent with permission email on mobile	9%
Primary purpose of mobile is for work (vs. personal use)	14%

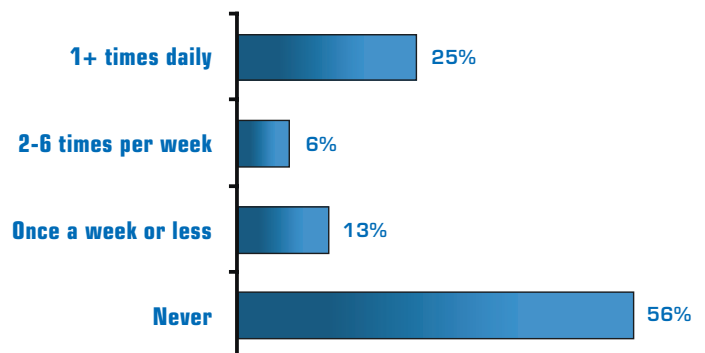
## Mobile Web Penetration

Half on those online have a mobile phone that can access the Internet. Of this population:

- Fourteen percent have a phone used primarily for work.
- Fifty-six percent access the web from their mobile phone.
  - Forty percent of those who access the web from their mobile phone do so at least once a day, with the remaining 60% accessing less frequently than daily.
- Forty-four percent check their primary, personal email account on their mobile at least occasionally, with a quarter checking one or more times per day (Fig. 2).
- Two-thirds use one or more of the “big three” social networking sites (Facebook, MySpace, Twitter) at least weekly, compared to 50% of those without an Internet-enabled mobile phone.

Figure 2 • Base: Respondents with an Internet-enabled mobile phone.

### Frequency of Checking Personal Email via Mobile



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## Personal Email & Mobile Use

Those who use a mobile device to check their personal email are more likely to be “hyper email checkers,” or those that check their email four or more times daily (Fig. 3). Some, but not all of this increase can be attributed to the younger age skew and related mobile email adoption (see Age section).

## Permission Email & Mobile

Approximately 5% of all self-reported time spent on permission email takes place using a mobile device across all subscribers. This number is corroborated by in-house email campaign data from Merkle and MailboxIQ from Pivotal Veracity. These data, which reveal which email client an email is viewed on, show that approximately 5% of the opened permission emails are viewed on a mobile device. However, this approach under-reports data from mobile devices that do not render images, which are necessary to track opens. This means that the actual number of commercial emails viewed on a mobile, on average, is likely upwards of 5%. The adoption of both checking email and web browsing via mobile phone is expected to increase in the coming years, as usability improves and mobile penetration increases.

Of those who check their personal email at least occasionally on their mobile phone, about 18% of self-reported time spent with permission email takes place on a mobile, while the remaining 82% is viewed on a computer (Fig. 4). This represents a year-over-year gain of approximately three percentage points, or a 16% increase.

## Demographic Differences

### Age

Age plays a significant role in mobile behavior, similar to its role in online social networking. While teens and twenty-somethings do not have the highest penetration of using an Internet-enabled phone – those in their thirties do – the younger group

Figure 3 • Base: All respondents by mobile email checking.

### Frequency of Checking Personal Email Account by Social Media Use (Yes/No)

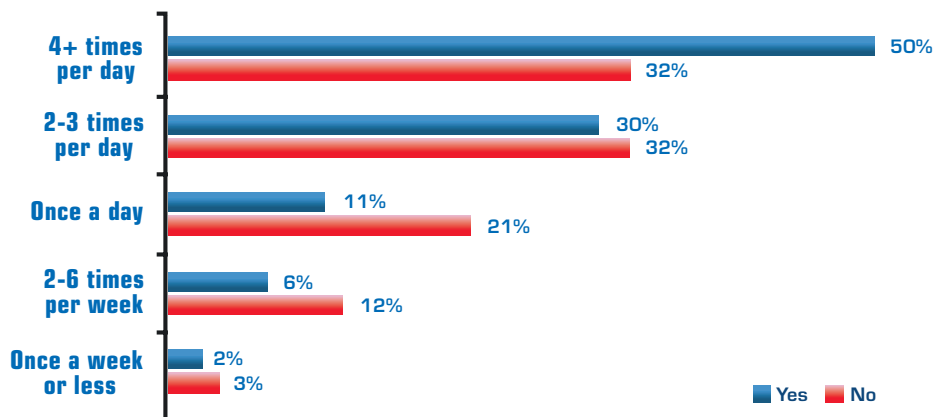
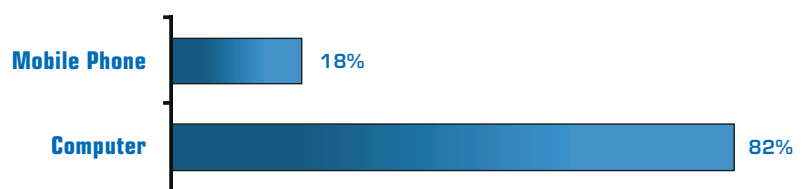


Figure 4 • Base: Permission email users who check personal email from a mobile phone.

### Percent of Time Spent with Permission Email by Device



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is substantially more likely to text using their mobile device (Fig. 5). This particular mobile behavior varies the most across demographics, with a staggering 59-point spread between penetration of texting in younger demographics (70%) compared to the 65+ crowd (11%). The correlation coefficient is quite strong between these two variables ( $r = -.41$ , with a perfect correlation being  $+/-1$ ), meaning that approximately 17% of texting use can be determined using age. For marketers who have, or can infer age demographics on their customer file, SMS messaging is a natural extension to the younger audiences who have adopted texting behaviors. Due to the penetration gains across demographics, it also bodes well as the foundation of mobile marketing strategy.

Figure 5 • Base: All respondents for bolded main categories; sub-categories based on texting and Internet-enabled mobile respondents.

<b>Mobile by the Numbers</b>	<b>All Respondents</b>	<b>By Age Category</b>				
		<b>18-29</b>	<b>30-39</b>	<b>40-49</b>	<b>50-64</b>	<b>65+</b>
<b>Text message on mobile phone:</b>	<b>49%</b>	<b>70%</b>	<b>63%</b>	<b>49%</b>	<b>30%</b>	<b>11%</b>
Opted in to receive commercial messages on mobile	26%	30%	30%	25%	15%	7%
Avg. number of companies sending mobile messages monthly	3.2	2.6	3.5	2.8	5.9	1.5
<b>Have an Internet-enabled mobile phone:</b>	<b>50%</b>	<b>53%</b>	<b>59%</b>	<b>53%</b>	<b>44%</b>	<b>30%</b>
Access the web via mobile	56%	61%	66%	55%	46%	37%
Check primary personal email account on mobile	44%	51%	57%	39%	30%	29%
Percent of total time spent with permission email on mobile	9%	11%	13%	6%	3%	3%
Primary purpose of mobile is for work (vs. personal use)	14%	6%	16%	17%	16%	15%

Younger users are more likely to check personal email on a mobile device and check their account frequently (Fig. 6), two elements that move in tandem with age.

## Gender

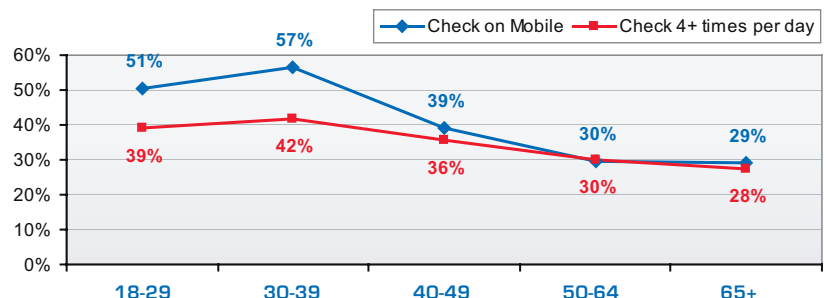
There are some surprisingly large differences in mobile behaviors between the genders. While women are slightly more likely to text, their male counterparts are more likely to have an Internet-enabled mobile phone. This behavior is potentially influenced by work – men are 3.3 times more likely than women to have an Internet-enabled phone for work purposes. This finding is consistent across all education levels, though the difference decreases with post-graduate education status, in which males’ Internet-enabled mobile usage for work is 2.2 times that of females.

## Ethnicity

Mobile differences by ethnicity, particularly for the African American segment, have large implications for multicultural marketers. African Americans are substantially more likely

Figure 6 • Mobile base: Respondents with an Internet-enabled mobile phone. Checking base: All respondents.

## Primary Personal Email Account Behaviors by Age



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to engage in all types of mobile behaviors profiled, from texting (19 percentage points higher compared to remaining ethnicities), opting in to commercial texts (gain of 13 points) and owning an Internet-enabled phone (20-point gain, Fig. 8). These statistics, combined with the current low number of companies sending them mobile messages, seem to indicate “perfect storm” conditions for tremendous growth in this area. Marketers wishing to take advantage of this optimal setting will need to not only move quickly, before saturation creeps in, but also provide utility in exchange for this prime spot.

## Nonprofit Sector

Donations made via a mobile phone are a natural fit with the dynamics of the channel. Approximately 80% of the charitable contributions in the U.S. are from individual donors, with one-quarter of these individual donations less than \$100 each<sup>2</sup>. Mobile giving expands the touch points for giving, and encourages additional donors by allowing micro-donations and simpler, spontaneous transactions.

While only a small percentage of texters say they are more likely to donate through their mobile phone, those who are skew younger compared to those who say they are not likely to donate using this method (Fig. 9 on next page). Of potentially greater importance to marketers, however, is the 16% of the texting audience who is unsure about this donation method. This group represents the largest opportunity to expand the pool of mobile donors.

Figure 7 • Base: All respondents for bolded main categories; sub-categories based on texting and Internet-enabled mobile respondents. Bolded and italicized figures indicate statistically significant differences between groups (95%, 90% confidence level respectively).

<b>Mobile by the Numbers</b>	<b>Male</b>	<b>Female</b>
<b>Text message on mobile phone:</b>	<b>46%</b>	<b>51%</b>
Opted in to receive commercial messages on mobile	26%	26%
Avg. number of companies sending mobile messages monthly	4.1	2.4
<b>Have an Internet-enabled mobile phone:</b>	<b>53%</b>	<b>47%</b>
Access the web via mobile	<b>62%</b>	<b>50%</b>
Check primary personal email account on mobile	<b>48%</b>	<b>40%</b>
Percent of total time spent with permission email on mobile	9%	8%
Primary purpose of mobile is for work (vs. personal use)	<b>20%</b>	<b>6%</b>

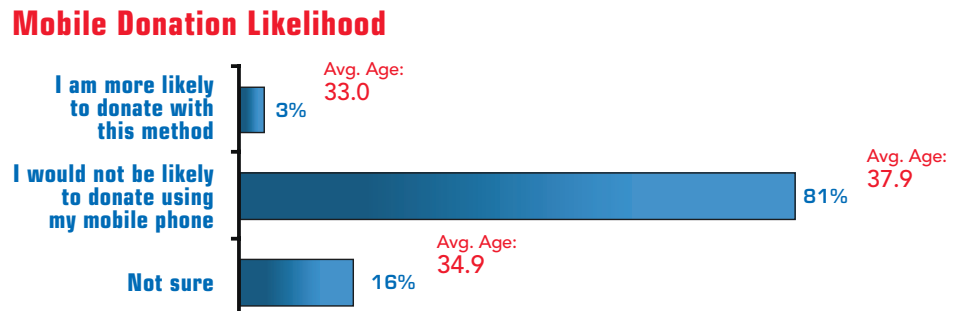
Figure 8 • Base: All respondents for bolded main categories; sub-categories based on texting and Internet-enabled mobile respondents. Bolded figures indicate statistically significant differences between ethnic populations compared to remaining population (95% confidence level).

<b>Mobile by the Numbers</b>	<b>Black/ African American</b>	<b>Hispanic</b>	<b>Asian</b>	<b>Other</b>
<b>Text message on mobile phone:</b>	<b>64%</b>	<b>60%</b>	<b>56%</b>	45%
Opted in to receive commercial messages on mobile	<b>36%</b>	26%	<b>35%</b>	23%
Avg. number of companies sending mobile messages monthly	<b>2.9</b>	<b>2.4</b>	<b>6.0</b>	3.0
<b>Have an Internet-enabled mobile phone:</b>	<b>67%</b>	<b>59%</b>	51%	47%
Access the web via mobile	<b>66%</b>	55%	58%	55%
Check primary personal email account on mobile	<b>53%</b>	47%	49%	42%
Percent of total time spent with permission email on mobile	<b>11%</b>	11%	12%	8%
Primary purpose of mobile is for work (vs. personal use)	<b>6%</b>	10%	17%	15%

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The split between those likely and not likely to donate via the mobile channel is apt to become more polarized in the future, as mobile giving campaigns become more commonplace (for instance, in the wake of the Haitian and Chilean earthquakes) and people become more familiar with giving via their mobile devices. Mobile donations provider mGive processed \$38 million in cell phone donations in the six weeks following the Haitian earthquake. This is significant considering that each Haiti text donation added \$10 to the sender's cell phone bill, indicating 3.8MM texts.

Figure 9 • Base: Respondents who use text messaging.



## Marketing Implications

Mobile relevance can be defined as utility and convenience, which fosters engagement. Consumers are becoming far more sophisticated in their mobile browsing behavior, which differs substantially from their online browsing. Given a limited amount of screen real estate and network speeds that are less than ideal in many cases, people want quick access to relevant content and are looking for a mobile experience that provides some form of utility.

- Mobile strategy should vary by demographic segment, particularly age, when available. The dramatic differences seen in younger consumers' mobile behaviors, including commercial text opt-ins, are striking and speak to this group's relative comfort level in this channel, contrasted with older consumers who are entering the space at a slower rate.
- While large differences exist in use by age, SMS (text messaging) is no longer the exclusive domain of younger demographics. Overall, 26% of those who use text messaging have opted in to receive mobile marketing communications via this method. Text messaging is being used to not only facilitate a permission-based dialogue with the consumer, but increasingly, to discover mobile websites and download content or applications. Toward that end, SMS should be a foundation for most mobile marketing programs.
- More attention needs to be given to developing WAP (Wireless Application Protocol) sites, as 56% of those with an Internet-enabled mobile phone are using it to access the web. Increasing numbers of consumers are searching for their favorite websites on their mobile devices and end up being presented with HTML websites (rather than a mobile-optimized site) that do not render well on the vast majority of handsets and discourage consumers from visiting again. For the marketers that have not yet created a mobile-optimized website, this should be a key priority in mobile strategy.
- Marketers need to pay more attention to email rendering, as 44% of consumers with Internet-enabled mobile phones check their personal email with their mobile devices. This goes hand-

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in-hand with the importance of developing WAP sites and landing pages, as many mobile users must click through to view optimally.

- Smartphone applications (iPhone, Blackberry, Android) may be an important part of marketers' mobile strategy, depending on the demographic segment targeted. However, with the increasing clutter in these app stores, it is important to be clear on whether the target matches the smartphone user demographic.

As marketers continue to experiment in the mobile space, understanding the dynamics of this growing medium is fundamental to an integrated, targeted strategy. Mobile strategy is decidedly different from interactive strategy, in much the same way as email campaigns are not digital direct mail campaigns. Ironically, marketers are asking many of the same questions about the mobile marketing environment that they asked about email in the preceding decade, such as *How many times per month should I be contacting my subscribers?* and *What types of messages should I be sending?* Marketers are rightfully concerned about breaching the customer/mobile marketing boundaries with unwanted messaging. Ultimately, the answers to these questions depend on the business, subscriber base and utility/benefit provided.

The challenge for marketers is to maintain branding and messaging cohesion across channels, optimize usability and play to each channel's strengths – all while managing overall contact frequency.

## About Merkle

Merkle is one of the nation's largest and fastest growing customer relationship marketing agencies. For more than 20 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. By combining a complete range of marketing, technical, analytical, and creative disciplines, Merkle works with clients to design, execute, and evaluate Integrated Customer Marketing™ programs. With more than 1,000 employees, the privately held corporation is headquartered near Baltimore in Columbia, Maryland with additional offices in Boston, Chicago, Denver, Little Rock, Minneapolis, New York, Philadelphia, Seattle, and Hagerstown, Md.

For more information, contact Merkle at 1-877-9-Merkle or visit [www.merkleinc.com](http://www.merkleinc.com).

### Endnotes:

<sup>1</sup>Source: Pew Internet & American Life Project 2009 "Home Broadband Adoption 2009" report, June, 2009.

<sup>2</sup>Source: Giving USA Foundation, 2009.