A Mobile Calling

Leveraging mobile insights to inform the marketing mix
Contents

- The *Study* of Today’s Mobile Consumer
- Mobile Adoption & Impact
- Segmenting Mobile Consumer Types
- Retail Analysis – Understanding Bed Bath and Beyond’s Mobile Customer
Psychology

23 Million Americans suffer from....

FOMO

“Fear of Missing Out”
Nomophobia

[Noh-moh-foh-bee-uh]
Noun
The fear of being out of mobile phone contact. Mobile phone separation anxiety.

American Smartphone and Tablet Users spend almost an entire waking day on their mobile devices each week. (Average over 14.5 hours a week)
Smartphones are the most popular device for Social Networking Engagement.

65 Million believe their friendships wouldn’t be as close without their phone.

75 Million believe their phone connects them to their social world.

Sociology
Criminology

30 million Americans would rather have their keys stolen or lost than their smartphone.
Olfactology

48% of 23-30 years old would give up their own sense of smell if it meant they could keep their phone.
Thanatology

About 13% of smart phone users say they couldn’t live without their mobile phone.
14 Million Americans check their email over 26x per day on their smartphone.

15 Million Americans check Social Networks over 26x per day.

35 Million Americans text/pic/video message over 26x per day.
Kinesiology
Unprecedented Repetition + On the Go Lifestyle
= Need for convenience
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Mobile has quickly become pervasive

2007 – 1st gen iPhone released

2008 – Apple introduced App Store

2008 – 1st gen of Android phones released

2010 – 1st gen iPads & Samsung Galaxy Tabs released

Tablet penetration begins to grow & displace PC sales

Smartphone penetration begins to grow

Photo Source: NBC News & Pressly
Mobile traffic projected to surpass Desktop traffic in 2014
Changing everyday life

Air Travel

Movie & Event Ticketing

Shopping

News & Weather

Banking
Mobile Disruption by Category

- NEWS: 2.5x
- Weather: 2.3x
- Sports: 2.5x
- TV: 2.4x
- Health: 2.1x
- Tickets: 2.4x
Mobile Adoption by Category

18%  13%  13%  11%  7%
Mobile Segmentation

Understanding the types of mobile customers
Mobile Segmentation

- Mobile Professionals: 27.4%
- Mobirati: 14.8%
- Basic Planners: 13.4%
- Social Connectors: 21.3%
- Pragmatic Adopters: 23.0%
Device Engagement

- **Mobirati**: 9:50 on Mobile Phone, 7:10 on Tablet
- **Social Connectors**: 9:20 on Mobile Phone, 6:01 on Tablet
- **Pragmatic Adopters**: 4:31 on Mobile Phone, 5:45 on Tablet
- **Basic Planners**: 4:23 on Mobile Phone, 6:41 on Tablet
- **Mobile Professionals**: 9:35 on Mobile Phone, 8:07 on Tablet
Product Research

Social Connectors almost twice as likely to research online but half as likely to purchase online as Mobirati.
Showrooming

Mobirati are 68% more likely than the average smartphone user to “showroom”.

Mobile Apparel Purchasers

- Basic Planners: 14.0%
- Pragmatic Adopters: 15.5%
- Social Connectors: 20.2%
- Mobirati: 20.5%
- Mobile Professionals: 26.4%
App Usage

Social Connectors are 39% more likely to use the Shopkick App

Mobirati are 42% more likely to use the Tumblr App on their Smartphone
Email Behaviors

54% of Mobile Professionals are on their smartphone at Lunch. A peak time for email.

Social Connectors email peak on their smartphones is at 10am (55%).
Bed Bath & Beyond
Understanding the mobile customer
Majority are more advanced mobile users

Bed Bath & Beyond Smartphone Users

- Mobile Professionals: 21%
- Mobirati: 18%
- Social Connectors: 31%
- Pragmatic Adopters: 17%
- Basic Planners: 13%

Cell phones help them keep up with professional & personal life and has become all-in-one device for communication & information.

Communication is central in their lives; cell phones serve as the bridge to their social world.

Mobile generation that grew up with cell phones and can’t imagine life without them.
Younger & more affluent

61% are Married

Median Income = $90,558 vs. $59,152

70% are Employed vs. 47% are Employed

Median Age = 41 vs. 57.9
41% have children vs. 19%
Higher reach with all digital platforms

Platform Reach - Last 7 Days

- Mobile Phone
- Television
- PC/Laptop - Home
- Radio
- Magazines
- Newspapers
- PC/Laptop - Work
- Digital Tablet

Bed Bath & Beyond Smartphone Shopper
Bed Bath Beyond Non-Smartphone Shopper
Adults 18+

Simmons Connect, Fall 2012
<table>
<thead>
<tr>
<th>Medium</th>
<th>Smartphone Shopper</th>
<th>Non-Smartphone Shopper</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC at Work</td>
<td>11:59</td>
<td>13:50</td>
</tr>
<tr>
<td>Television</td>
<td>13:30</td>
<td>15:44</td>
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<tr>
<td>Mobile Phone</td>
<td>03:38</td>
<td>09:45</td>
</tr>
<tr>
<td>PC at Home</td>
<td>08:19</td>
<td>09:32</td>
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<tr>
<td>Tablet</td>
<td>06:15</td>
<td>07:17</td>
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<tr>
<td>Radio</td>
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<td>06:53</td>
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<tr>
<td>Newspapers</td>
<td>02:33</td>
<td>03:11</td>
</tr>
<tr>
<td>Magazines</td>
<td>02:25</td>
<td>02:27</td>
</tr>
</tbody>
</table>

Spends 2.7x more time on mobile phones

Average Time Spent – Last 7 Days

Bed Bath & Beyond Smartphone Shopper
Bed Bath & Beyond Non-Smartphone Shopper

Simmons Connect, Fall 2012
Enjoys multi-tasking

Very Often While Watching TV....

- 23% Visited websites on computer
- 19% Sent or received Email
- 18% Texting on mobile phone
- 14% Talking on mobile phone
- 11% Visited websites on mobile phone
Digital strategy rivals reach of TV

Shopped Bed Bath & Beyond – Last 3 Months

- 89% Combined PC Reach
- 7% Mobile Phone Incremental Reach
- 0.3% Tablet Incremental Reach
- 32.5 million
- +2.8 million
- +109 thousand
- 35.4 million
- 97% Total Reach
Smartphone user more active with social media

- 70% of Bed Bath & Beyond Smartphone Shoppers are Social Media Users vs. just 37% of Bed Bath & Beyond Non-Smartphone Shoppers
Spending significant time on social apps

Bed Bath & Beyond Smartphone Shoppers – while on their smartphones....

- 69% used the Facebook app in the last 7 days
  - 50% spent 30 minutes or more
  - 40% visited the Facebook website in the last 7 days
  - 26% spent less than 5 minutes on the website

- 12% used the app in last 7 days
  - 6% spent 30 min or more

- 9% used the app in last 7 days
  - 6% spent 30 min or more

- 9% used the app in last 7 days
  - 4% spent 30 min or more
Enjoys engaging with brands & companies on social media

### Attitudes About Social Media

<table>
<thead>
<tr>
<th>Statement</th>
<th>Bed Bath &amp; Beyond Smartphone Shopper</th>
<th>Bed Bath Beyond Non-Smartphone Shopper</th>
<th>Adults 18+</th>
</tr>
</thead>
<tbody>
<tr>
<td>I talk about things I see on social sharing/networking websites in face-to-face conversations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I pay attention to ratings and reviews posted online by other consumers</td>
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</tr>
<tr>
<td>I often click on links or items posted by other people on social sharing/networking websites</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>I often post or comment on social sharing/networking websites</td>
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</tr>
<tr>
<td>Social sharing/networking websites are a way for me to tell people about companies and products that I like</td>
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<td></td>
</tr>
<tr>
<td>I like to follow my favorite brands or companies on social sharing/networking websites</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to purchase products I see used or recommended by friends on social sharing/networking websites</td>
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<td></td>
</tr>
<tr>
<td>I sometimes post ratings or reviews online for other consumers to read</td>
<td></td>
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</tr>
<tr>
<td>I trust product information that I get from social sharing/networking websites more than other sources</td>
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<tr>
<td>I am more likely to purchase products I see advertised on a social sharing/networking website</td>
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</tbody>
</table>
Mobile is a channel...

But also so much more....

- The only one never out of arms reach
- The one with us even when engaged with other marketing touch points
- The only one with you while making virtually every purchase decision
- Our lifeline to friends and family
- Our immediate answer to a question

- No channel growing faster or with greater potential
Closing Thoughts

- Mobile has fundamentally changed the behavior of your customers. Who they are, how they live, behave, shop, communicate and feel.

- Not all smartphone owners are alike but live on a spectrum. Understand your customers to drive strategy and tactics.

- Unprecedented opportunity as a complimentary channel to every other touch point where you currently reach your customers.

- Requiring unique messaging, strategy and approach that especially can be leveraged with point of action portion of your message.
Questions?

Thank You!

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