Description: Studying the usage of smartphones in detail allows us to validate commonly held assumptions about usage with solid data – it also yields insights into the drivers of usage change. Panellists used their smartphone for an average of 195 minutes per day in 2013 – around twice the amount that they used it in 2011.

This report analyses the smartphone usage of consumers in France, Germany, the UK and the USA in 3Q and 4Q 2013. The analysis is based on data provided by Nielsen, using an app developed by Arbitron Mobile.

This event-level data allows us to produce in-depth analysis of information including foreground app usage ('face time'), data traffic (cellular and Wi-Fi), location (home, away and travelling), as well as voice and SMS usage.

This report presents the collected ‘headline’ findings from that research. Specifically, it presents information about:

- the adoption of different smartphone models and the impact of this on how the devices are used
- how LTE affects mobile data usage, the way that consumers use Wi-Fi, and the interaction of Wi-Fi and cellular data
- the use of IP communications services and their relationship with traditional voice and messaging services
- usage and adoption trends for digital economy apps with a particular focus on three categories: mobile commerce, mobile financial services and mobile health.

Who needs to read this report:
- Strategy, finance and marketing executives, and directors and managers within mobile operators who are developing business cases related to mass-market smartphone use.
- Vendors and software developers, involved in developing and integrating IP voice and messaging solutions, mobile apps and digital economy services, who wish to improve their understanding of the demographics of service take-up.
- Industry experts and observers who need real-world data that shows changes in consumer smartphone usage in granular detail.

Key questions answered in this report:
- What is driving mobile data use and what role do apps and device specifications have to play in that?
- How significant is the substitution effect of IP messaging and VoIP services on traditional voice and messaging?
- How is the relationship between consumers and smartphones evolving with respect to the digital economy?
- What is the relationship between smartphone app usage and device specifications such as screen sizes?
6. Executive summary
7. Consumers are changing the way that they engage with smartphones and screen size is significantly driving this change
8. Online video accounts for most of handset data use and both LTE and higher-specification devices will encourage greater use
9. Full service substitution of legacy services remains rare despite high penetration levels of IP communications apps
10. The adoption of digital economy apps has increased rapidly, reaching a level similar to that of the popular multimedia apps
11. Recommendations
12. Recommendations
13. The relationship between device specifications and app usage
14. Communication continues to be an important part of smartphone usage, but its role is diminishing to be replaced by digital economy services
15. Screen size affects app usage – large phones are used about twice as much as small phones
16. The relationship between the size of the device and the amount of cellular and Wi-Fi data that it generates is strong and clear
17. Mobile gaming is a key driver for increasing app usage on high-end smartphones
18. Mobile data usage: the role of 3G, LTE and Wi-Fi
19. Online video accounts for most handset data use, but gaming and messaging have relatively low data rates despite high usage
20. LTE users used their devices for 63% longer per day than average and generated 2.7 times as much cellular data traffic as non-LTE users
21. Handset traffic is, and will remain, predominantly carried over Wi-Fi
22. The vast majority of smartphone Wi-Fi traffic was generated in the home
23. Analysis of communication app usage and substitution
24. IP messaging services are growing rapidly – they have achieved mass adoption in Germany, and the UK is set to follow
25. WhatsApp and the 'social messaging' apps are rivalling Facebook in terms of user engagement
26. Full service substitution of legacy services remains rare despite high penetration levels of IP communications apps
27. Mobile operators are not equally affected by communication app adoption
28. The digital economy, commerce and mobile banking
29. The adoption of digital economy apps has increased quickly in the past 2 years, reaching a level similar to that of the popular multimedia apps
30. The barriers to entry into the app development market are lower than previously, which is driving local mobile commerce app development
31. The adoption of mobile banking apps has risen from 8% of our panel to 44% in 2 years, thanks to a strong industry push
32. Methodology and panel information

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