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**A Report on a Survey of New Zealanders' Use of Smartphones
and other Mobile Communication Devices 2015**





Preface

First introduced in the 1980's, the mobile phone has evolved rapidly in terms of its physical appearance and technical specifications. Unlike today's smartphones, the first-generation mobile phone (or "brick") was very cumbersome, very expensive and not very popular.

Today, mobile phones are used to talk, text, play games, take photos, watch television, play music, shop, exchange emails, do banking, monitor fitness levels, wake you up in the mornings, connect you to social media, Skype someone on the other side of the world, give you GPS instructions so you don't get lost... the uses are virtually endless. Reflecting this, demand for the latest smartphones is higher than ever.

With predicted global sales of 1.4 billion smartphones in 2015, smartphone penetration is expected to increase from a base of 1.8 billion in 2014 to 2.2 billion in 2015. Further, Deloitte predicts that of the 1.4 billion smartphones sold in 2015, 1 billion will be purchased as upgrades, a volume unparalleled among consumer electronics devices and greater in units (and revenue) than the PC, television, tablet and games console sectors combined.¹

"The smartphone is the most personal of consumer electronics devices: the most constant companion, the most personal of choices, the most customised and reflective of the owners, the least likely to be shared with other users and the most frequently looked at."

Source: Deloitte; Technology, Media and Telecommunications Predictions, 2014.

¹ Technology, Media & Telecommunications Predictions 2014, Deloitte.



Introduction

Research New Zealand first conducted the Survey of New Zealanders' Use of Smartphones and other Mobile Communication Devices in 2013, and focused on the ownership and use of laptops, tablets, PC's smartphones and other mobile phones (feature phones). This survey was repeated in 2014 and in 2015 to keep abreast of the pace of change and to continue monitoring emerging trends. This report focuses on the results of the 2015 survey.

Key findings and trends

There are **four** key findings and trends:

1. Almost three-quarters (72 percent) of all adult New Zealanders now own or have access to a laptop or notebook for their private use (up from 66 percent in 2013). Also making a significant impact on the device market are tablets and iPads (51 percent, up from 29 percent in 2013).

However, at 70 percent penetration (up from 48 percent in 2013), **smartphones** are fast becoming the nation's most popular device. This is a **46 percent increase in three years**.

2. Reflecting the lifecycle of the market, approximately two-thirds of all adult New Zealanders now own or have access to **three or more devices** (64 percent).
3. With this in mind, a clear preference is emerging in favour of smartphones, with 59 percent of those with a smartphone and at least one other device, **preferring their smartphone**. This appears to be at the expense of laptops and notebooks.
4. In fact, with the exception of smartphones, the **daily use of all other devices is trending downwards**.



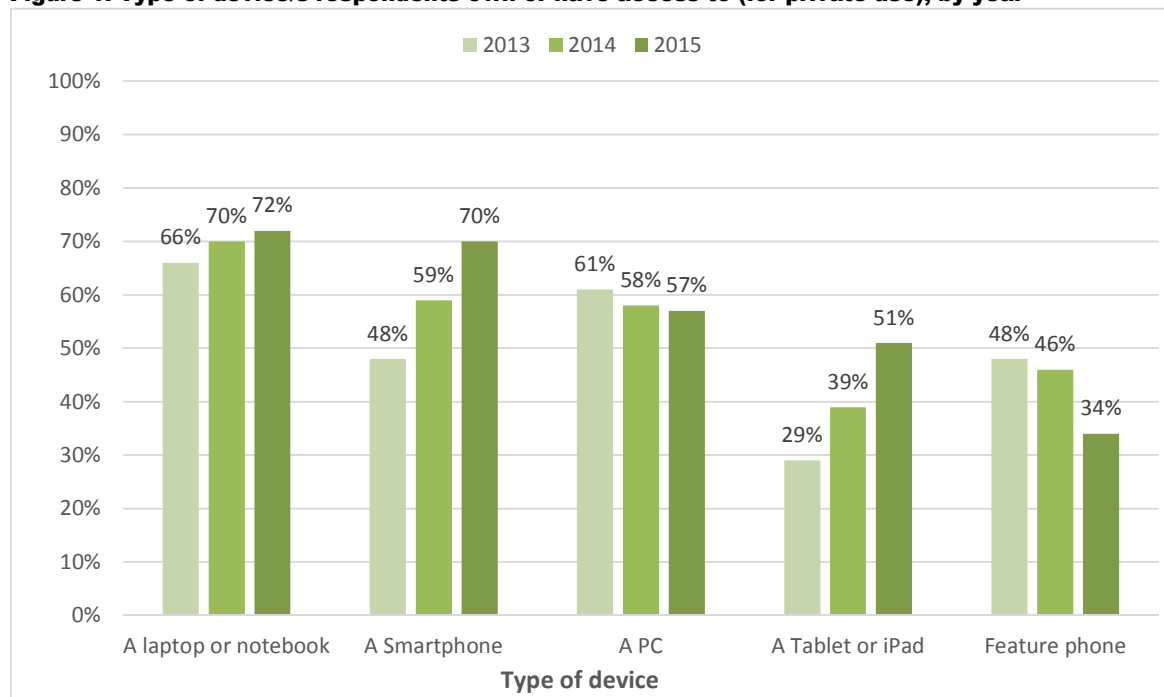
Detailed findings

Almost three of every four New Zealanders have a laptop/notebook and/or a smartphone

As illustrated in Figure 1 below, almost three-quarters of respondents reported owning or having access to a smartphone (70 percent) and/or a laptop/notebook (72 percent). Over one-half of all respondents also had access to a PC (57 percent), and/or a tablet or iPad (51 percent) and one-third had a feature phone (34 percent).

- ◆ Smartphone ownership/access has increased sharply since 2013 (from 48 percent in 2013 to 70 percent in 2015), as has tablet/iPad ownership/access (from 29 percent in 2013 to 51 percent in 2015), while laptop/notebook ownership/access has continued to rise steadily (from 66 percent in 2013 to 72 percent in 2015).
- ◆ The proportion of New Zealanders owning or having access to feature phones has decreased significantly since 2013 (from 48 percent in 2013 to 34 percent in 2015), while the proportion of those who own or have access to a PC has not changed (61 percent in 2013 and 57 percent in 2015).

Figure 1: Type of device/s respondents own or have access to (for private use), by year

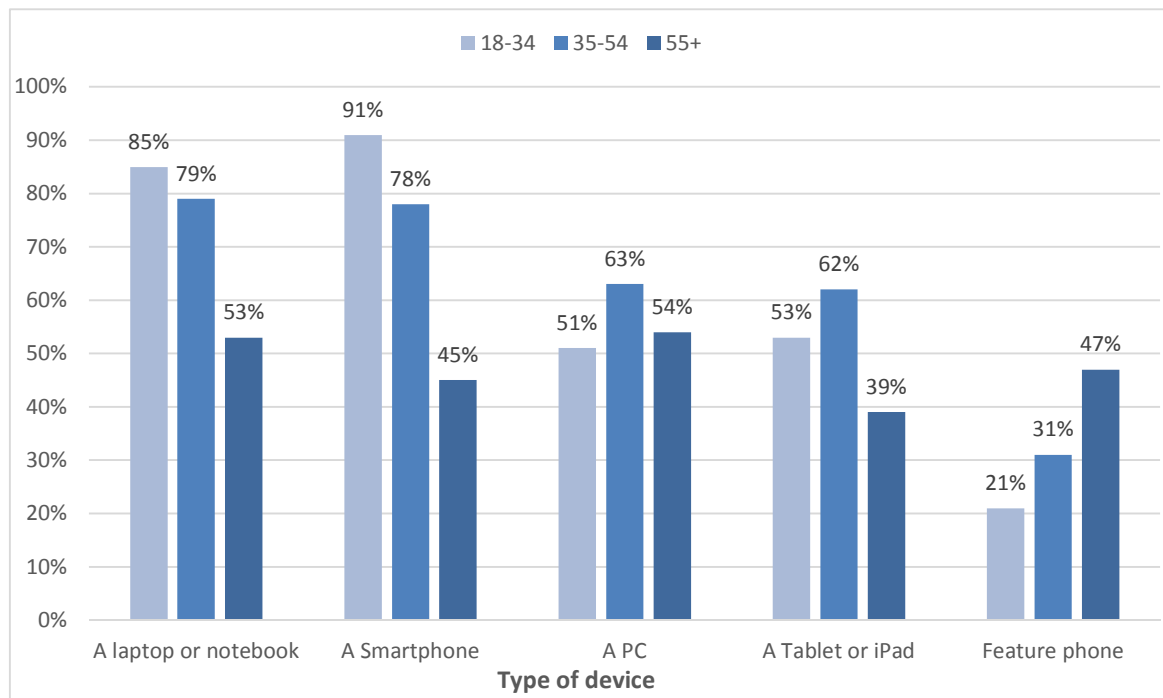




Ownership of mobile communication devices varies significantly by age (Figure 2).

- ◆ Smartphone and laptop ownership was particularly high amongst 18-34 year olds (91 percent and 85 percent respectively), although more than three-quarters of those aged 35-54 years also owned or had access to these devices.
- ◆ While one-half of all adults aged 55 and over also owned or had access to a laptop, less than half of them (45 percent) had a smartphone.
- ◆ Reflecting the opposite pattern to smartphones, feature phones were more commonly owned by those aged 55 and over (47 percent, compared with 21 percent of those aged 18-34).

Figure 2: Type of device/s respondents own or have access to for private use, by age

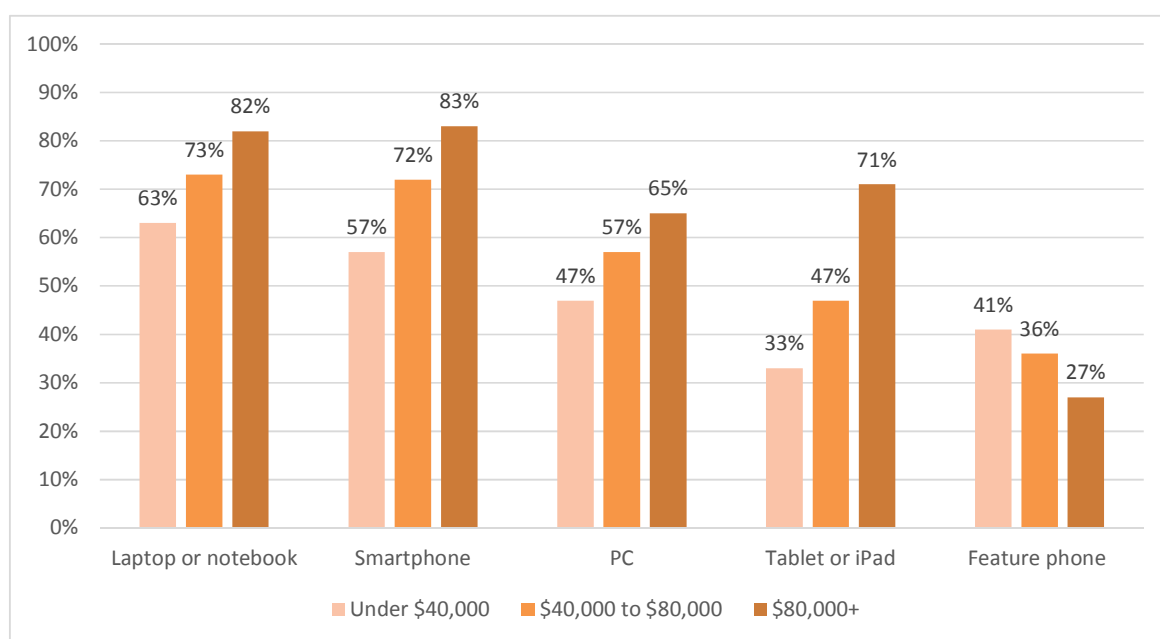




There were also trends in relation to income (Figure 3), with some of these related to age. The higher the income, the more likely someone is to own or have access to a smartphone, laptop or notebook, PC or a tablet or iPad. The difference is most pronounced for Tablet or iPad owners (71 percent of those with an income greater than \$80,000 per year owned or had access to an iPad, compared with 33 percent of those with an annual income of less than \$40,000 per year).

In contrast, those with lower incomes are more likely to own or have access to a feature phone (41 percent of those earning less than \$40,000 per year, compared with 27 percent of those earning more than \$80,000 per year).

Figure 3: Type of device/s respondents own or have access to for private use, by income





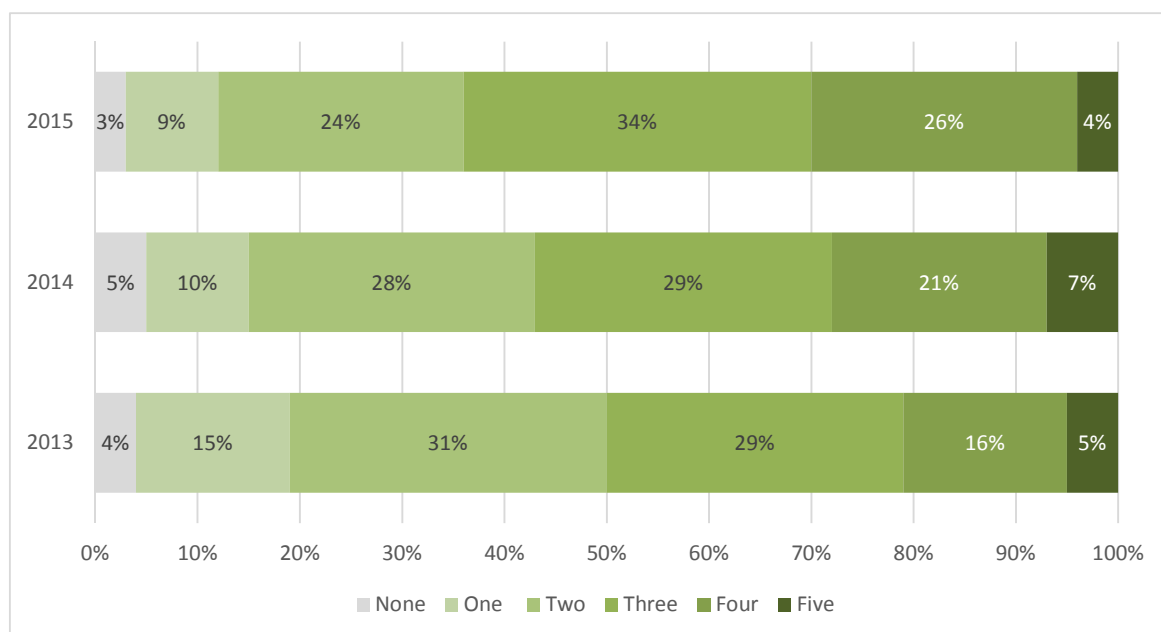
Two-thirds of New Zealanders own or have access to three or more devices

In terms of the number of devices people are using, almost all respondents reported owning or having access to at least one of the listed devices for private use (97 percent). In fact, 64 percent reported owning or having access to three or more types of devices.

As illustrated in Figure 4 below, the number of devices people own or have access to, has increased over time (while 50 percent had at least three devices in 2013, this increased to 57 percent in 2014 and is now at 64 percent).

- ◆ 75 percent of smartphone users also have at least one other device. This device was most likely to be a laptop or notebook (84 percent), followed by a tablet or iPad (63 percent) and a PC (60 percent).
- ◆ 56 percent of tablet or iPad users also have at least one other device. This device was most likely to be a smartphone (85 percent), followed closely by a laptop or notebook (83 percent).

Figure 4: Total number of devices respondents have access to, by year





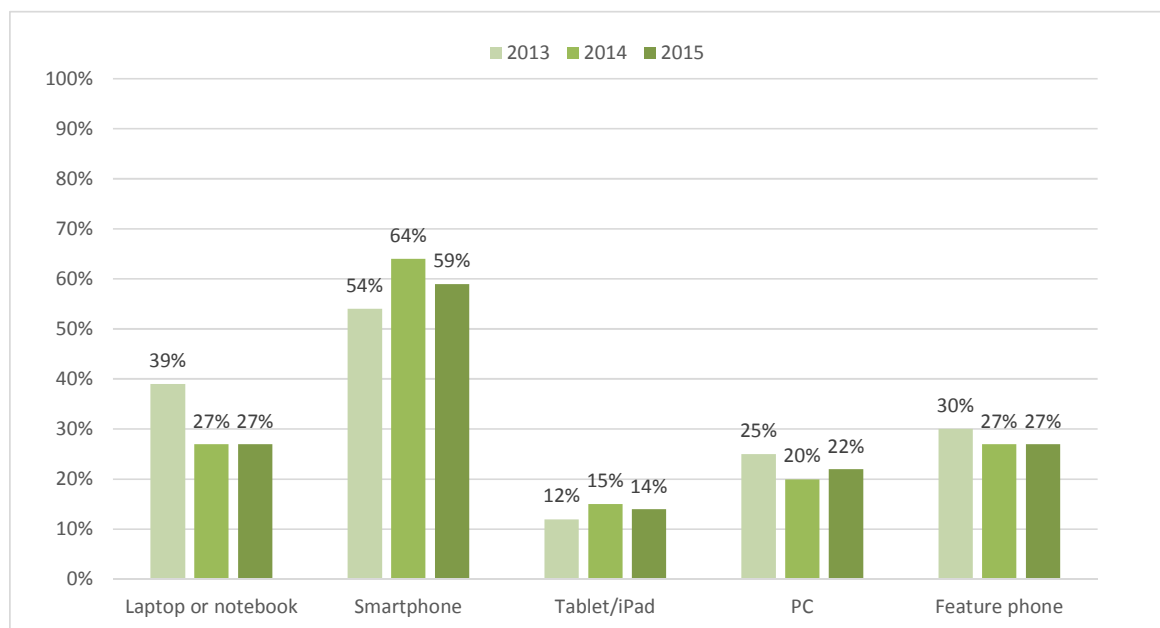
One-in-two smartphone users prefer their smartphone over any other device

Respondents who reported owning or having access to two or more devices for their own personal use were asked to identify which device they would choose if they could only have one.

Figure 5 below shows that, if they had to make a choice, 59 percent of those who owned or had access to a smartphone and at least one other device would prefer their smartphone over their other device(s).

The only significant difference in this regard over time, is the extent to which respondents identified their laptop or notebook as their most preferred device (which has dropped significantly since 2013 from 39 percent to 27 percent).

Figure 5: Most preferred device by year



Note, results for each device are based on those who own or have access to that particular device, plus at least one other.



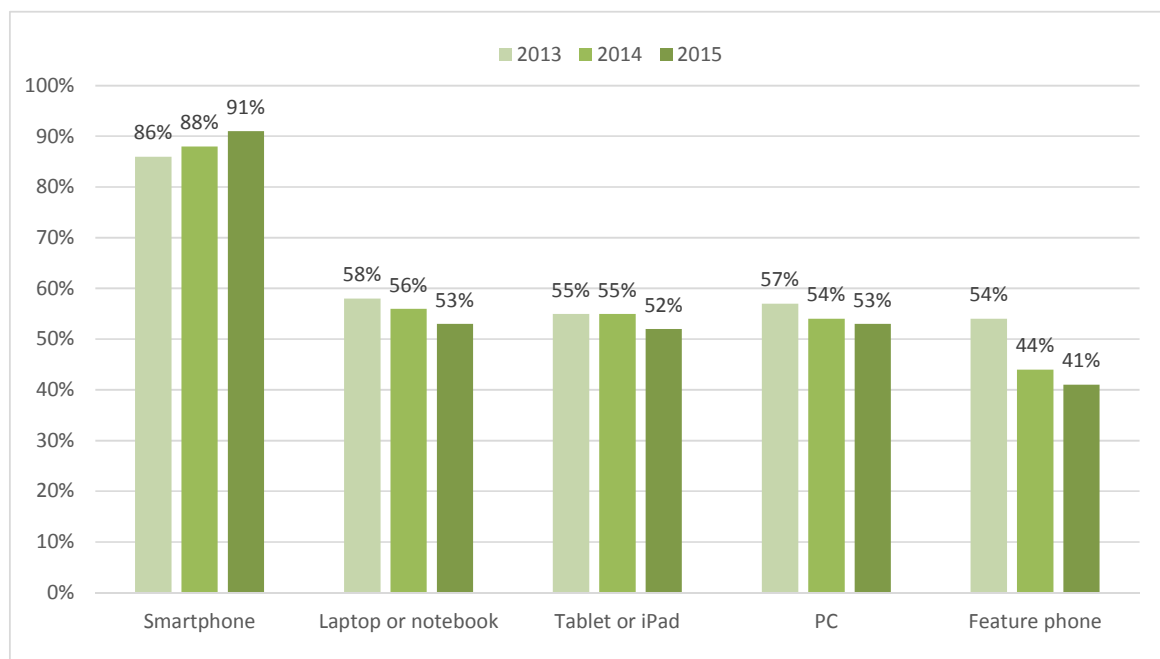
Smartphones are now an ‘everyday device’

Of all the devices, the smartphone was the most frequently used, with 91 percent of smartphone users reporting that they use their smartphone **every day** (Figure 6). In comparison, 41 percent of those with a feature phone reported daily use of their phone, while approximately one-half of those with a laptop (53 percent), PC (53 percent) and/or tablet or iPad (52 percent) reported using each respective device on a daily basis.

- ◆ Frequency of use with regard to smartphones, was equally high amongst the young and the middle-aged (94 percent of those aged 18 to 34 and 94 percent of those aged 35 to 54 reported daily use of their smartphone, compared with 79 percent of those aged 55 plus).

With the exception of smartphone use, the use of each of the other devices appears to be trending downwards over time, although the differences are not (yet) statistically significant.

Figure 6: Percentage of respondents who use each device every day, by year



Note, results for each device are based on those who own or have access to that particular device.



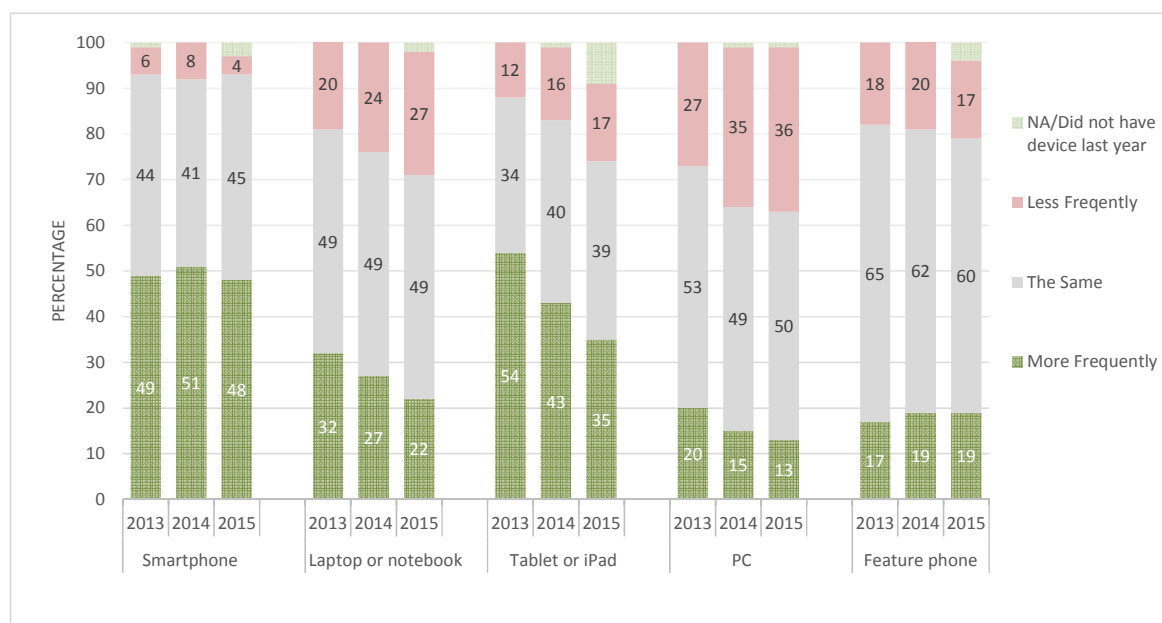
One-in-two smartphone owners say they are using their smartphone more frequently than they did the year before

To better understand how patterns of use are changing (if at all) over time, respondents were asked whether they are using each of their device/s, more frequently, less frequently, or about the same as they did last year.

As has been the case for the past three years, one-half of all smartphone users (48 percent), reported using their smartphone more frequently now than they did the year before (Figure 7). As the majority of smartphone users are using their phone every day, this means that they are using their phone more frequently **during** each day.

In contrast, increasing numbers are reporting that they are using their other devices **less** frequently. For example, 36 percent are using their PC less frequently, 27 percent are using their laptop less frequently and 17 percent are using their tablet or iPad less frequently than they were the year before.

Figure 7: Frequency of device use compared with previous year by year



Note, results for each device are based on those who own or have access to that particular device.



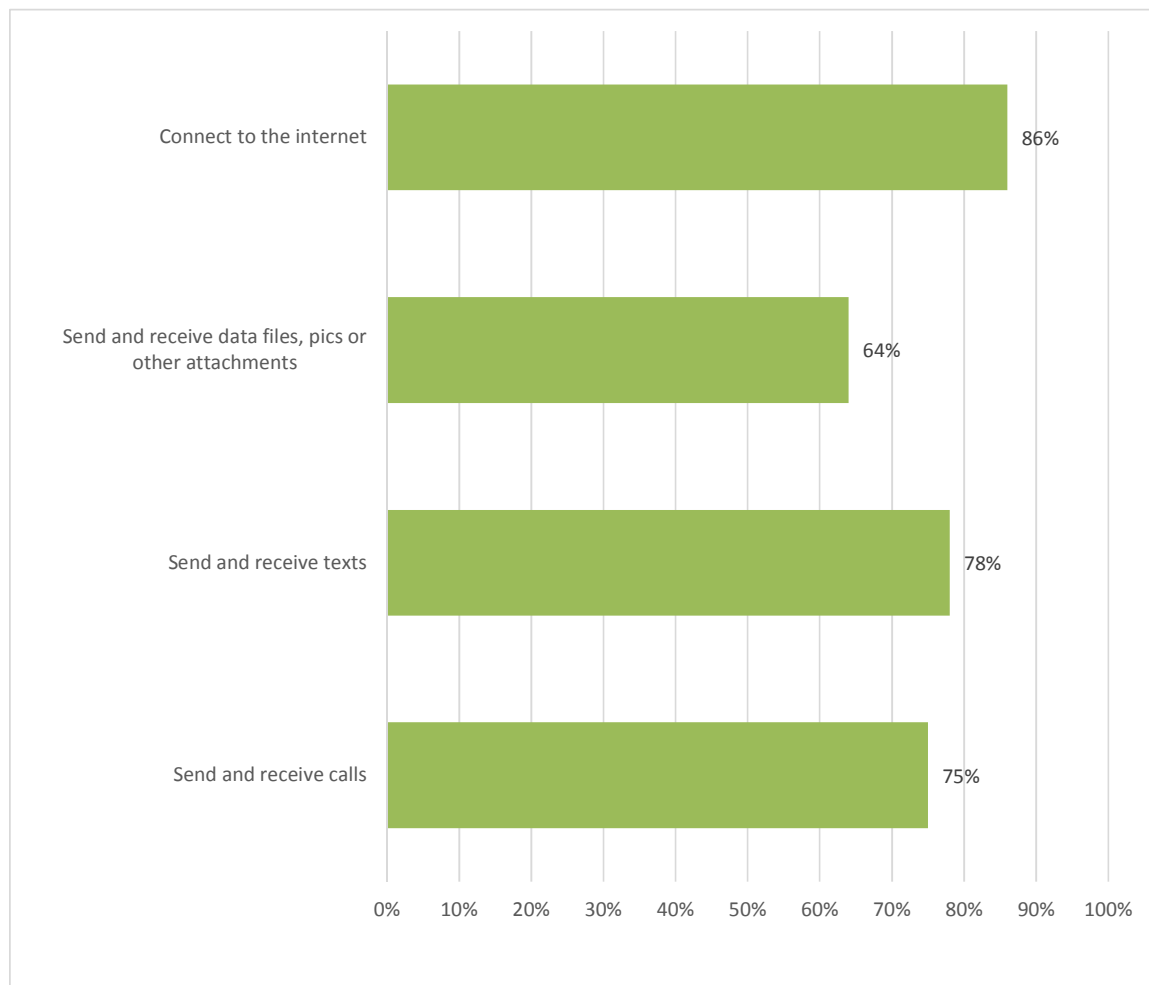
The large majority of smartphone users are using their phone more frequently to connect to the internet

As mentioned previously, 48 percent of smartphone users reported that they are now using their smartphone more frequently than they did the year before. To better understand what that additional use consists of, these respondents were read a list of activities and asked to identify which specific types of activities they are now doing more often.

As illustrated in Figure 8 below, 86 percent of those who are using their smartphone more often, are specifically using it more often to connect to the internet, while two-thirds (64 percent) reported sending and receiving more data files, pics or other attachments.

In addition, approximately three-quarters reported that they are using their smart phone more often to send and receive text messages (78 percent), and as mobile call plans become more competitive and affordable, a similar proportion (75 percent) say they are now using their phones more often to actually talk to one another!

Figure 8: Activities undertaken on smartphones more frequently than the year before



Note, results are based on those whose own or have access to a smartphone.



Smartphones are mostly being used to look for reference material, social networking and banking

Respondents were also asked to identify what they use their most preferred device for.²

As illustrated in Figure 9 overleaf, those who identified their smartphone as their preferred device most commonly reported using their device to look for reference information (86 percent), to access social media sites (78 percent) and to do their online banking (76 percent).

When compared to the way in which respondents use their laptops (which was the next most favoured device that had internet capabilities), there are some clear differences. For example, smartphone users were more likely to use their smartphone to:

- ◆ Access social networking sites (78 percent, compared with 68 percent who access social media through their laptop)
- ◆ Download or listen to music (62 percent, compared with 48 percent)
- ◆ Download or play games (48 percent, compared with 29 percent).

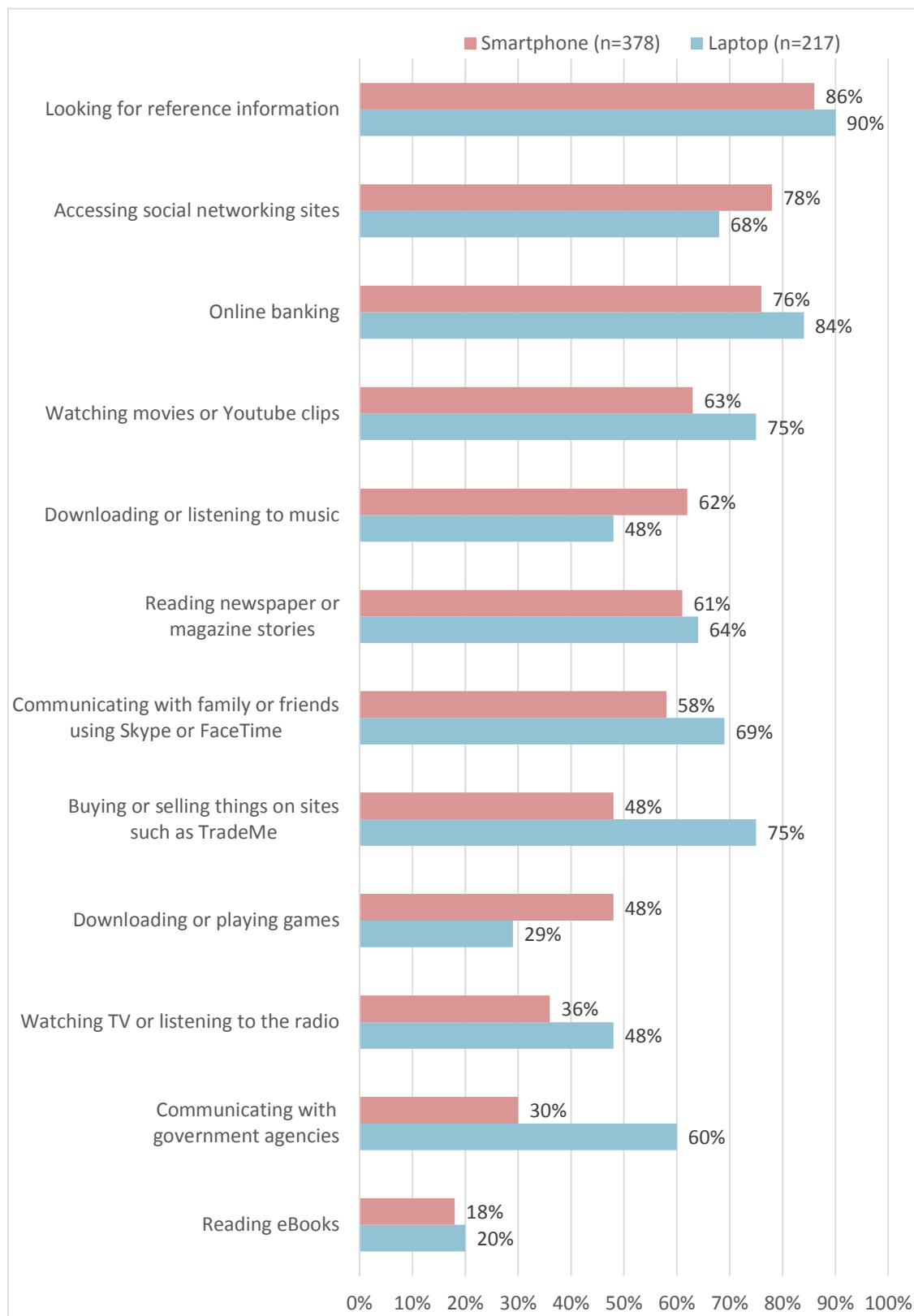
In contrast, smartphone users were significantly less likely than those who prefer their laptops to use their device to:

- ◆ Buy or sell things on sites such as TradeMe (48 percent, compared with 75 percent of laptop users)
- ◆ Watch TV or listen to the radio (36 percent, compared with 48 percent)
- ◆ Communicate with government agencies (30 percent, compared with 60 percent).

² Note that respondents who reported owning or having access to only one device were also asked this question. This is on the basis that this device was their most preferred device.



Figure 9: Types of activities performed on smartphone vs. laptop



Note, results are based on those whose preferred device was either a smartphone or a laptop.



Almost all smartphone and tablet users use apps for key functions

Respondents whose most preferred device was either a smartphone or tablet were asked to identify which types of apps they use on their device.³

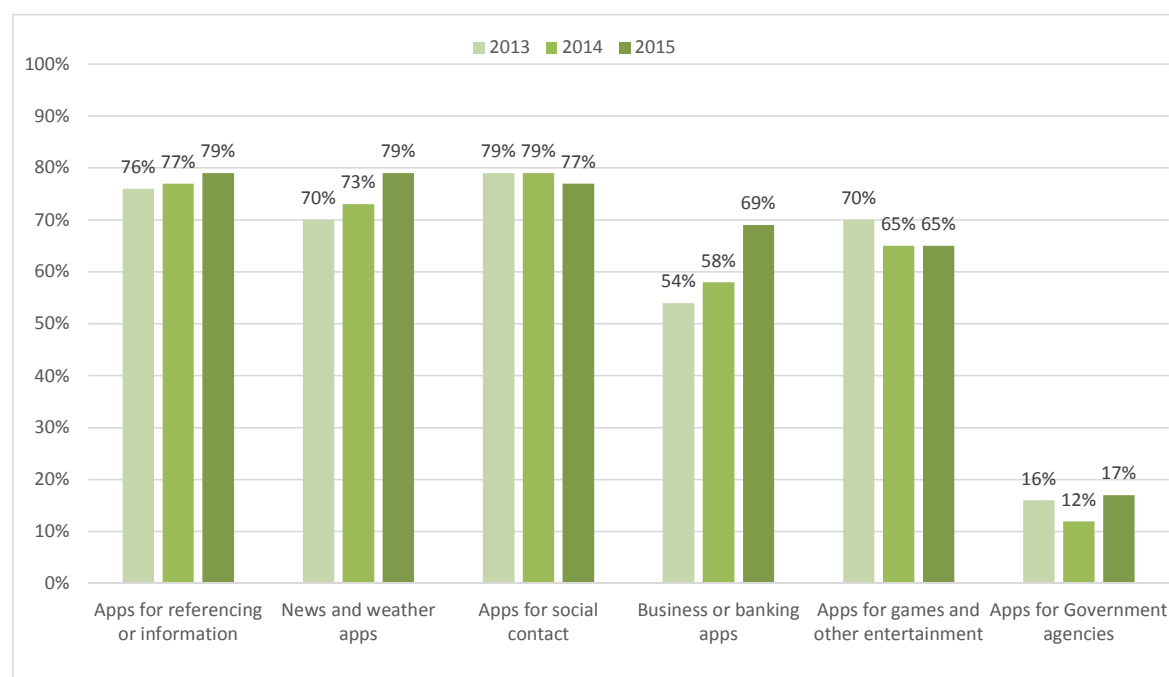
Figure 10 below shows at least three-quarters use their smartphone or tablet to access apps for: referencing or information (79 percent), news and weather (79 percent), and/or social contact (77 percent).

Approximately two-thirds use apps for business or banking (69 percent), or games and other entertainment (65 percent), while comparatively few use Government agency apps (17 percent).

- ◆ The use of apps for news and weather has become more popular over time (79 percent, up from 70 percent in 2013), as has the use of business or banking apps (69 percent, up from 54 percent in 2013).

Only three percent reported that they do not use any apps on their smartphone or tablet.

Figure 10: Apps respondents use on their smartphone and/or tablet by year



Note, results are based on those whose preferred device was either a smartphone or a tablet.

³ Note that respondents who reported owning or having access to only a tablet or Smartphone were also asked this question. This is on the basis that this device was their most preferred device.



The use of apps also differs by age, with those in the younger age group more likely to report using the following types of apps in particular:

- ◆ Social media apps (87 percent of those aged 18 to 34 years, compared with 75 percent of those aged 34 to 54 years and 58 percent of those aged 55 years and over).
- ◆ Business and banking apps (81 percent of 18 to 34 year olds, compared with 67 percent of 35 to 54 year olds and 47 percent of those aged 55 years and over).
- ◆ News and weather apps (81 percent of 18 to 34 year olds and 81 percent of those aged 35-54 years compared with 70 percent of those aged 55 and over).
- ◆ Apps for games and other entertainment (74 percent of 18 to 34 year olds and 66 percent of those aged 35-54 years compared with 42 percent of those aged 55 and over).



Appendix A: Survey methodology

This report presents the results to the third Research New Zealand Mobile Communication Device Use Survey. Completed in February and April 2015, results are compared with the two previous measures conducted in 2014 and 2013.

In January and February 2013, Research New Zealand conducted a survey of the general public to establish a baseline measure of electronic device ownership and use amongst New Zealanders. The baseline involved a telephone survey of n=1,003 respondents aged 18 years or older.

Between January and February 2014, the baseline survey was repeated. Again, a nationally representative sample of n=1,001 New Zealanders, 18 years of age or older, was interviewed by telephone.

In February and April this year, this survey was repeated. For this survey, a nationally representative sample of n=1,075 New Zealanders, 18 years of age or older, was interviewed.

As with the two earlier surveys, the data has been weighted to ensure that the results are truly representative of the New Zealand population. The weighting parameters were sourced from Statistics New Zealand and are based on the 2013 Census of Population and Dwellings.

Results based on the (weighted) total sample are subject to a maximum margin of error of +/- 3.3 percent (at the 95 percent confidence level)⁴. This means, for example, that if 50 percent of respondents owned a smartphone, we could be 95 percent sure of getting the same result, plus or minus 3.3 percent, had we interviewed everyone in the population. Higher margins of error apply in the case of sub-samples.

⁴ The margin of error is slightly higher than the conventional margin of error calculation as it takes into account the fact that the data has been weighted.