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Mobile Technographics®: US Online Shoppers

by Julie A. Ask

for eBusiness & Channel Strategy Professionals



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Mobile Technographics®: US Online Shoppers

Choosing The Right Approach For Your Target Consumers

by **Julie A. Ask**

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EXECUTIVE SUMMARY

Consumers' spending on products and services via mobile devices, as well as their increasing reliance on them for product research, is intensifying the mobile imperative for retailers. Forrester recommends the POST methodology to eBusiness professionals developing mobile strategies and building out services. The first step is understanding the mobile behavior of your own customers. Forrester analyzes the combination of consumers' mobile behaviors to create a Mobile Technographics Profile that provides a comprehensive view of each segment's use of mobile phones. Doing so is essential, as consumer use of mobile phones will vary by shopping category. In this report, Forrester compares the mobile behavior of US online shoppers for consumer electronics, apparel, and home goods to illustrate these differences and how they have affected mobile service strategies across industries.

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Forrester used data from the North American Technographics® Benchmark Survey, Q2 2010 (US, Canada) for this report.

Related Research Documents

["European Mobile Technographics®: 2010"](#)
November 1, 2010

["US Mobile Technographics®: 2010"](#)
September 28, 2010

["The POST Method: A Systematic Approach To Mobile Strategy"](#)
April 9, 2009

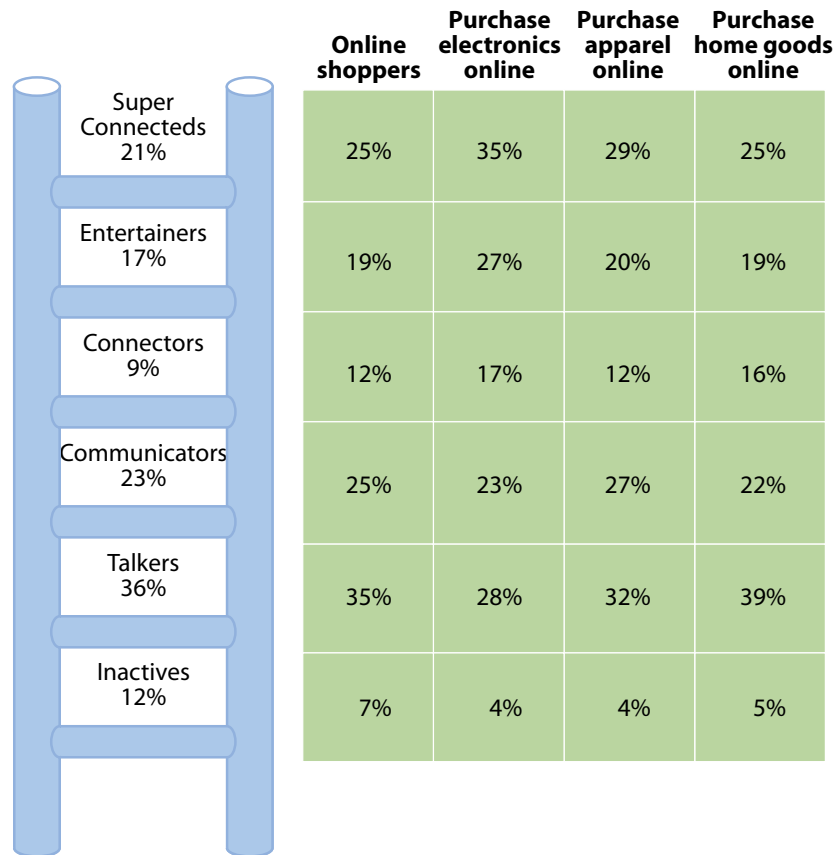
THE POST METHOD: A SYSTEMATIC APPROACH TO MOBILE STRATEGY

Forrester recommends the POST methodology to eBusiness professionals developing mobile strategies for their businesses.¹ POST stands for people, objectives, strategy, and technology.² Too often, eBusiness professionals rush to build an iPhone application or hire a vendor to mobilize their website without understanding the mobile behavior of their target audience or what services they want to offer as part of their mobile initiative. The POST methodology will help eBusiness professionals make decisions regarding applications versus web development, but these technology decisions should take place in the *final* stage of mobile strategy development, rather than in the first.

Analyzing mobile behaviors must go beyond simply knowing what percentage of consumers use SMS or the mobile Internet daily. These individual activities do not tell the entire story. For example, those who download and use the most applications are also the heaviest users of SMS. A more holistic approach that takes into account the combined activities delivers a more comprehensive and accurate view of mobile behavior. Forrester offers a methodology for creating this perspective called Mobile Technographics (see Figure 1).³ Forrester classifies US adults into one or more of the following categories:

- **Inactives.** Inactives do not own cell phones.
- **Talkers.** The mobile behavior of Talkers is almost exclusively limited to voice calls.
- **Communicators.** Besides voice, their primary use of cell phones is for messaging, such as SMS, MMS, email, or instant messaging (IM). They use at least two of these services regularly.
- **Connectors.** Connectors use their mobile phones at least 25% of the time for work. They are productivity-oriented.
- **Entertainers.** They play games, music, or video on their mobile phones at least weekly.
- **SuperConnecteds.** SuperConnecteds are the most sophisticated users of mobile phones. They access the Internet at least weekly from their phones and/or make regular use of multiple advanced services and applications.

Figure 1 Mobile Strategies Begin With An Understanding Of Your Target Audience



Base: US adults

Source: North American Technographics® Benchmark Survey, Q2 2010 (US, Canada)

Note: While Inactives, Talkers, and Communicators are distinct, Connectors, Entertainers, and SuperConnecteds may overlap.

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Source: Forrester Research, Inc.

INCREASING CONSUMER USAGE INTENSIFIES THE MOBILE IMPERATIVE FOR RETAILERS

Consumers are making purchases on their mobile phones. Three to five years ago, these purchases were limited mostly to digital goods, with consumers spending hundreds of millions of dollars on ring tones and games.⁴ Today, consumers are booking hotels and shopping for the holidays via their phones. eBay alone achieved \$2 billion in sales through the mobile channel in 2010.⁵ Online retailers that Forrester and Shop.org surveyed in the spring of 2010 expected 2% of their online revenues to be transacted via cell phones.⁶ As with online shoppers, the influence of mobile on consumer purchases, both via mobile phones and in store, will go well beyond pure purchases. Among other things, consumers will leverage phones for research, discounts, and customer service. Retailers need more than a mobile marketing presence; they need a mobile strategy plan to support consumers throughout their buying cycle — from discovery to post-sale support.⁷

The level of mobile sophistication of a defined audience — such as Starwood Gold members or Target shoppers — will guide what mobile services are appropriate and what percentage of an audience can be reached via, for example, an iPhone application or SMS alerts. Online shoppers are not yet necessarily mobile shoppers, but they are likely to migrate online activities to their mobile phones as they buy and become comfortable with more sophisticated mobile phones like smartphones. For eBusiness professionals, analyzing the mobile behavior of their online shoppers is a good starting point, as these shoppers are easier to survey and most likely to migrate to mobile. To illustrate how you can use Mobile Technographics as a first step in developing a mobile strategy, we looked at three groups of US online shoppers. We chose these three retail categories because they are the largest in terms of online spend yet are distinct.⁸ They are:

- **Online electronics shoppers.** This group includes those who have purchased consumer electronics online in the past three months; they represent 10% of US online shoppers. They are young — 50% are younger than 40 — and predominantly male (60%). Overall, 14% of consumer electronics purchases are made online.
- **Online apparel shoppers.** Online apparel shoppers have purchased clothing or accessories online in the past three months; they represent 34% of US online shoppers, making them one of the largest groups. They are relatively young — 46% are younger than 40 — and skew female (65%). Nine percent of all apparel, accessory, and footwear purchases are made online.
- **Online home goods shoppers.** Not surprisingly, given the complexity and potentially high prices of products in this category, only 5% of US online shoppers buy home goods online. Home goods include tools, hardware, garden supplies, and large appliances. Sixty-three percent of home goods buyers are male, and 52% are over the age of 40.

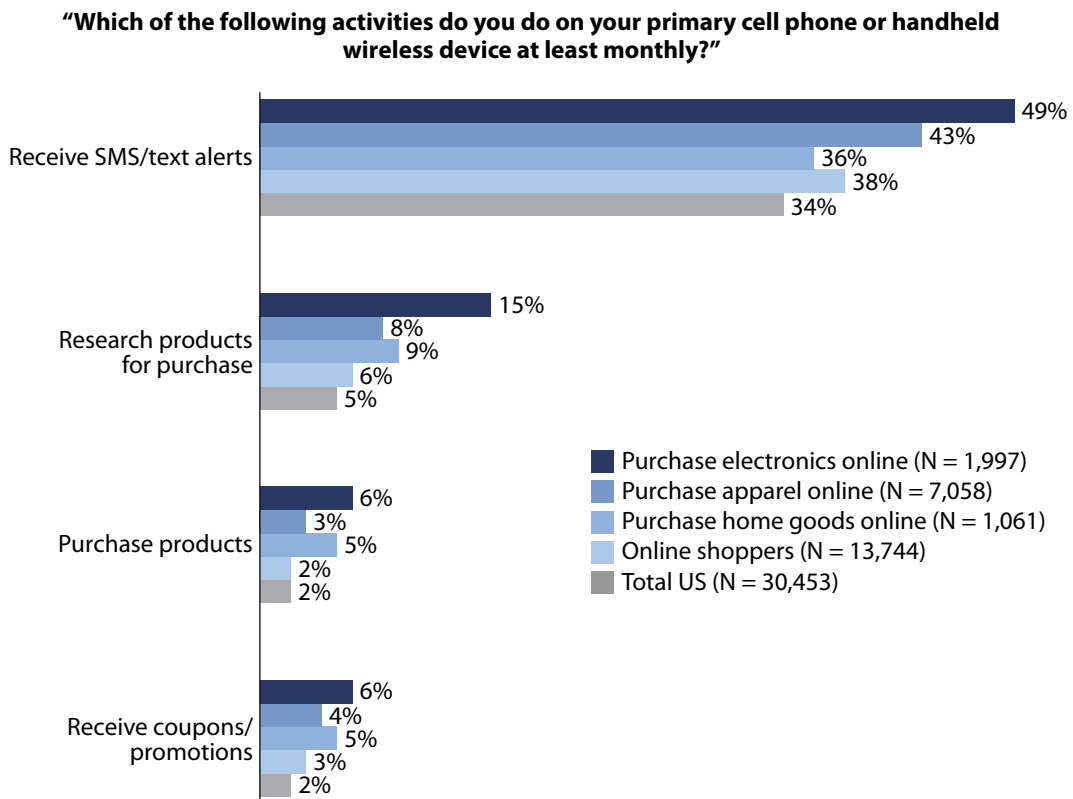
Online Electronics Shoppers Are The Most Mobile-Savvy

Those who shop for electronics online skew toward being male, young, and tech-savvy early adopters.⁹ As 35% of them fall into the SuperConnecteds category and 27% register as Entertainers, there are wide-reaching opportunities to engage this audience in the mobile environment; the potential benefits today include actual revenues, increased consumer loyalty and satisfaction, and brand lift from the consumer perception of technology leadership.¹⁰ Already, 15% of US online electronics shoppers research purchases on their mobile phones, and 6% make purchases on them compared with less than half that number for all US online shoppers (see Figure 2). Just because 9% of them use mobile shopping applications doesn't mean that they don't use the basics like SMS — 62% do so at least weekly.¹¹ SMS offers immediacy in notifying customers of deals while also extending reach well beyond the SuperConnecteds audience.

Best Buy is an excellent example of an innovative electronics merchant in the mobile environment; it has created mobile services that are appropriate for this mobile-savvy audience, which has high smartphone ownership. Best Buy offers a range of mobile services to enable its customers to

research and purchase products, whether they are doing so online or in the store. It offers both its own applications — with pricing, product information, and customer reviews — and leverages third parties such as shopkick to drive visits and in-store exploration. Best Buy’s website is optimized for mobile, and it also uses SMS to deliver daily deals and alerts. It promotes its mobile services online and in its circulars, using QR codes as one means of engaging customers (see Figure 3).

Figure 2 Consumers Use Cell Phones To Research Products And Make Purchases



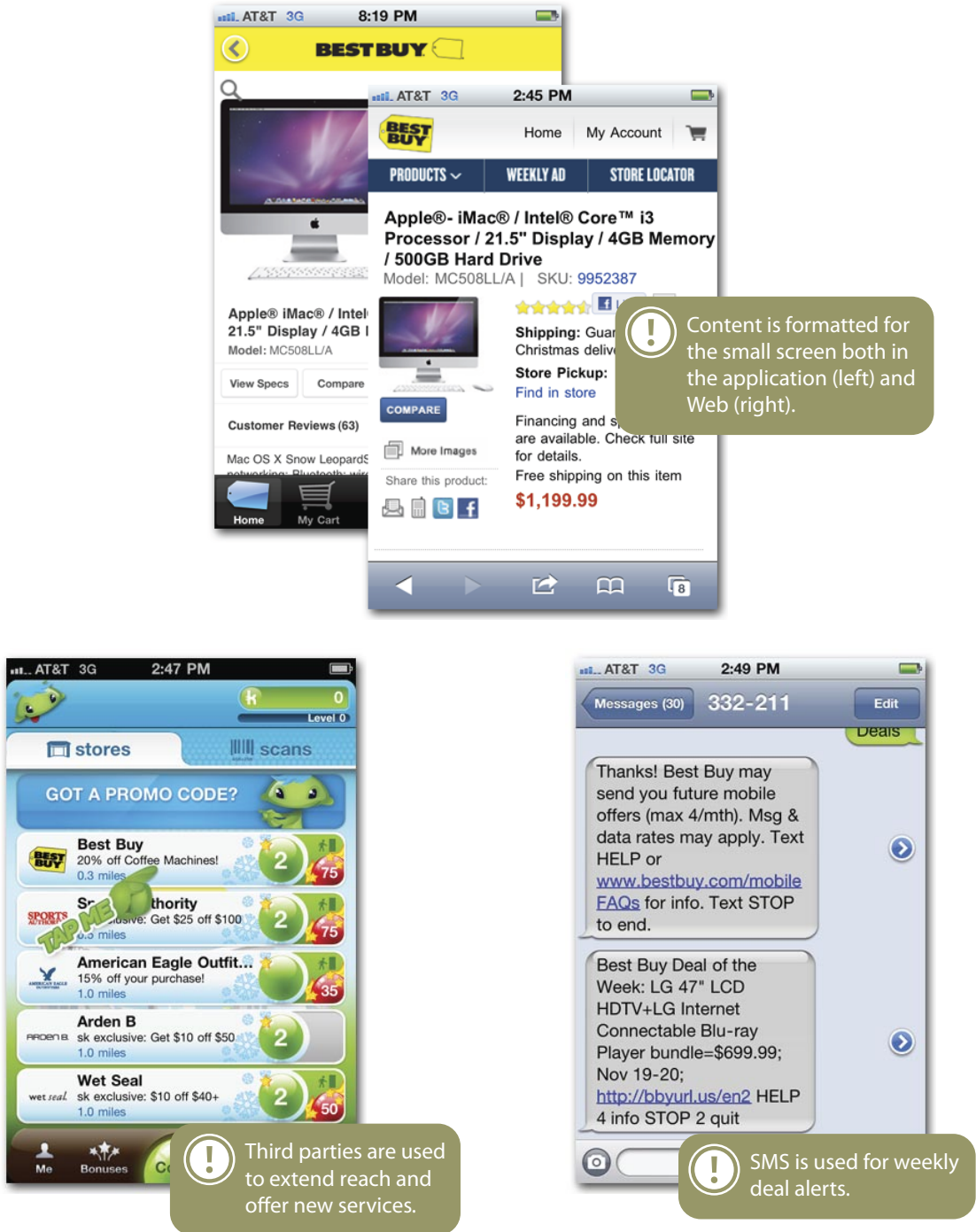
Base: US adults

Source: North American Technographics® Benchmark Survey, Q2 2010 (US, Canada)

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Source: Forrester Research, Inc.

Figure 3 Best Buy Has Both A Deep And Broad Mobile Offering To Engage Sophisticated Shoppers



Source: Best Buy iPhone application, shopkick iPhone application, and Best Buy SMS alert service

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Source: Forrester Research, Inc.

Online Apparel Shoppers Are Also Mobile-Savvy But Rely More On Messaging

Those shopping for apparel online are slightly more mobile-savvy than the average US online shopper but less so than the average online electronics shopper. Why? Online apparel shoppers own fewer smartphones than their tech-optimist electronics shopper peers: Only 24% of US online apparel shoppers have a smartphone compared with 29% of those shopping for electronics.¹² This group has the highest percentage of Communicators — those who rely heavily on messaging — among the three groups we analyzed; 27% fall into this category. They are more likely to be frequent users of SMS — 60% are at least weekly users — and the mobile Internet; 29% use it at least weekly.¹³

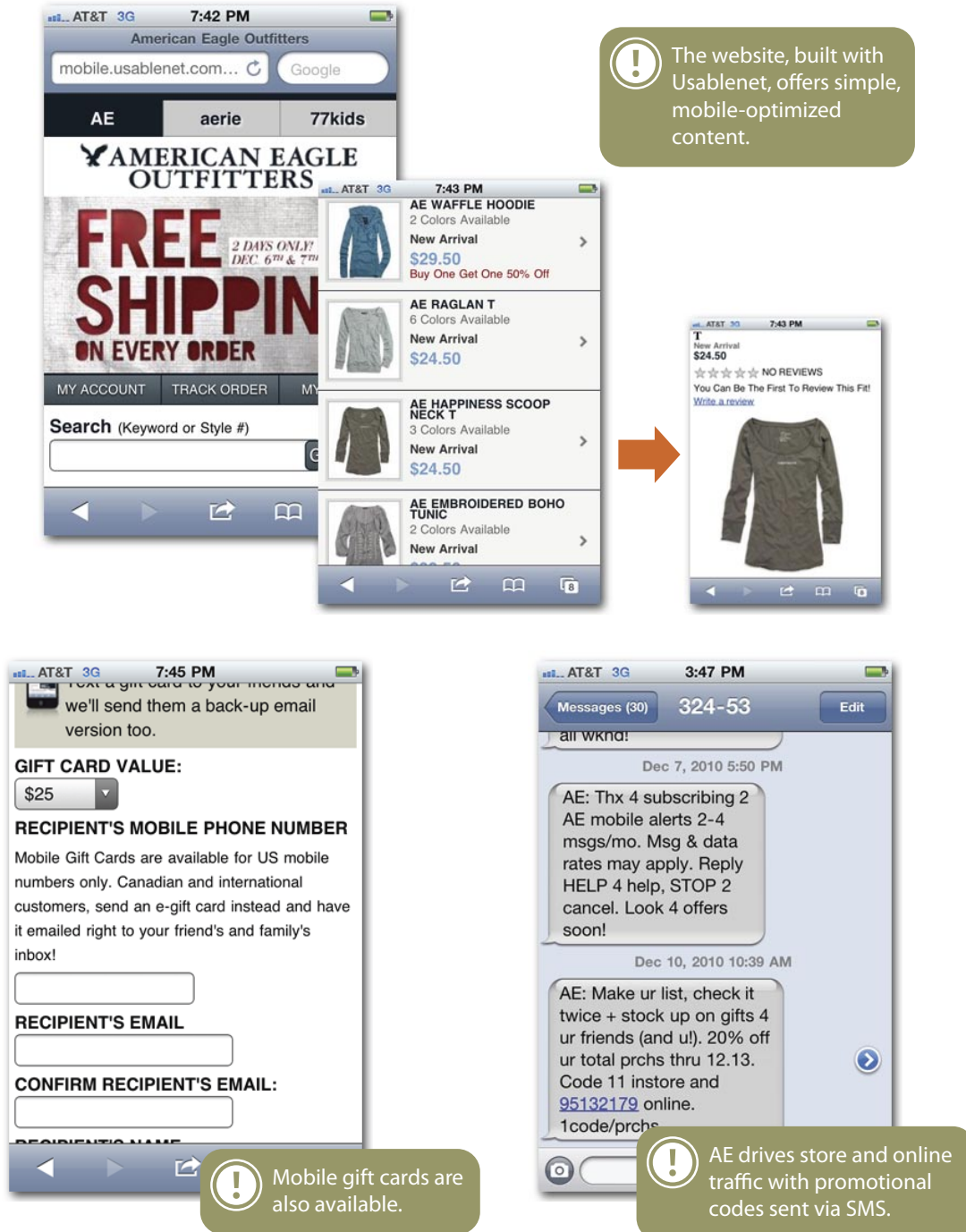
Given that only 5% of this group have downloaded and used a mobile shopping app, apparel retailers have appropriately focused more on the mobile Web and SMS promotional campaigns to drive store traffic.¹⁴ American Eagle is a good example. Its strategy focuses on the mobile Web and SMS. It worked with Usablenet to build a site that offers a product catalog, account services, and the ability to buy and send mobile gift cards and sign up for alerts (see Figure 4). It worked with e-Dialog to build a database of mobile subscribers who opted in for coupons and promotions, which was extremely successful.¹⁵ Given the Mobile Technographics Profile of the apparel audience and its younger skew, American Eagle's strategy looks to be an excellent fit with its target audience.

Online Home Goods Shoppers Are Among The Least Mobile-Savvy Online Shoppers

Those who buy some of their home furnishings online tend to be older, thereby diminishing their relative level of mobile sophistication.¹⁶ Some 44% of this group are Inactives, who don't own a mobile phone, or Talkers, who simply use voice services. However, 25% fall into the SuperConnecteds category. Despite only 20% of US online home goods shoppers owning a smartphone, they are on par with apparel shoppers when it comes to downloading shopping applications and using their mobile phones to conduct research and make purchases.¹⁷ However, they are less intense users of their phones; they use SMS and the mobile Internet less frequently than online shoppers in other categories.

Home goods is a broad category, covering everything from pillows to paint to furniture. The breadth of mobile services targeting these shoppers reflects the complexity of the category as well as the infrequency with which goods are purchased. The Home Depot is one example of a company that has well matched its mobile services to this category. It goes beyond commerce to include entertainment and utility in its application. The home-page navigation bar gives equal space to shopping, tools, and videos. As purchasing home goods is less frequent than for other categories, how-to videos and tools offer more reasons to use the application. The Home Depot complemented its application with a Digby mobile-optimized website; it leads with "Find Store" — one of the most frequently sought features on mobile retail websites and a likely use-case scenario for a complex category (see Figure 5).¹⁸

Figure 4 AE Uses SMS To Drive Store Traffic And Mobile Web For Commerce, Gift Cards, And More

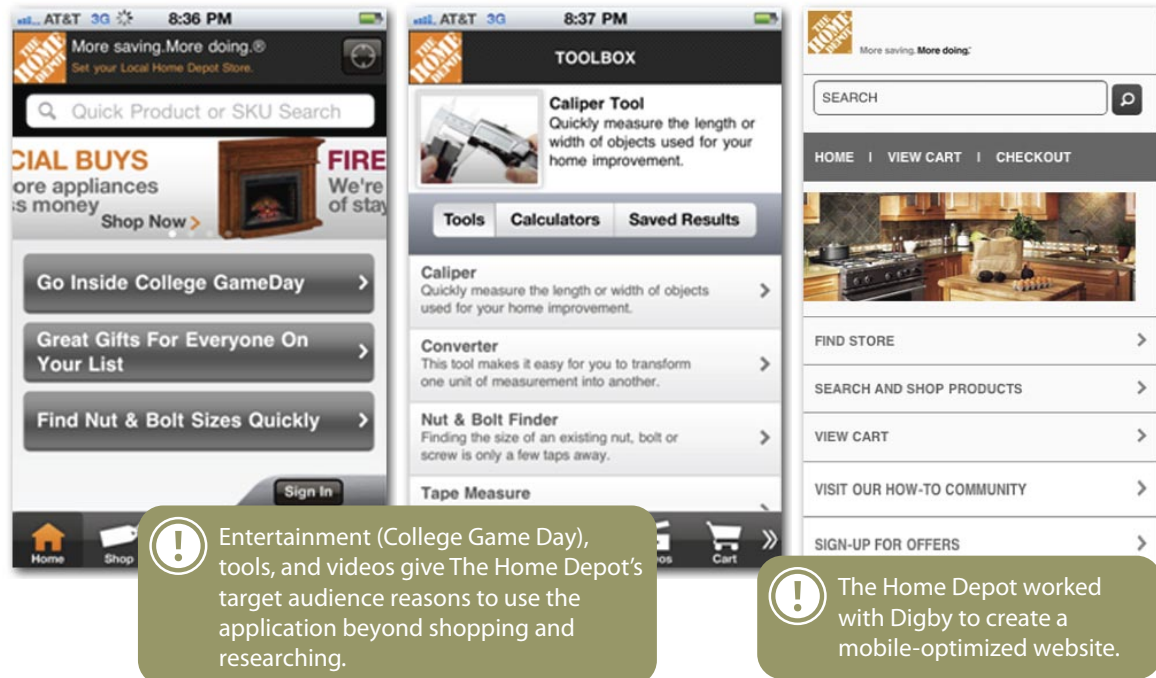


Source: American Eagle's mobile website and SMS alert services

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Source: Forrester Research, Inc.

Figure 5 The Home Depot's Tools And How-To Videos Offer Utility Beyond Shopping



Source: The Home Depot iPhone application and mobile site

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Source: Forrester Research, Inc.

UNDERSTAND THE BEHAVIOR OF YOUR AUDIENCE TODAY BUT ANTICIPATE EVOLUTION

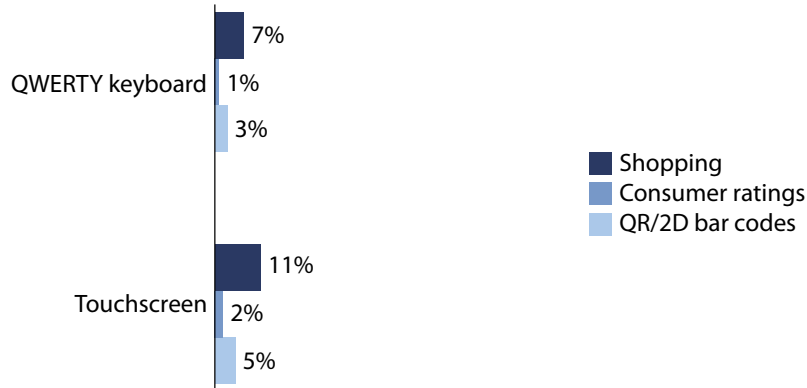
eBusiness professionals building mobile services must look forward when making decisions around platforms and technologies. Mobile behaviors and technology are evolving faster than ever. eBusiness professionals should be aware of the following key trends:

- **Smartphone adoption will continue to grow, fueling mobile commerce activity . . .** Adoption of smartphones has more than doubled in the past two years; with them come application downloads that offer consumers curated shopping experiences. Consumers with smartphones almost immediately become avid users of the mobile Internet and are much more likely to opt in for coupons, to research products, or to make purchases than those with other mobile devices. Consumers with touchscreen phones are most likely to research and purchase products (see Figure 6). Applications such as bar code scanners, for example, are experiencing tremendous growth, albeit from a small base, creating opportunities that were unattractive due to their limited user base only six months ago.¹⁹

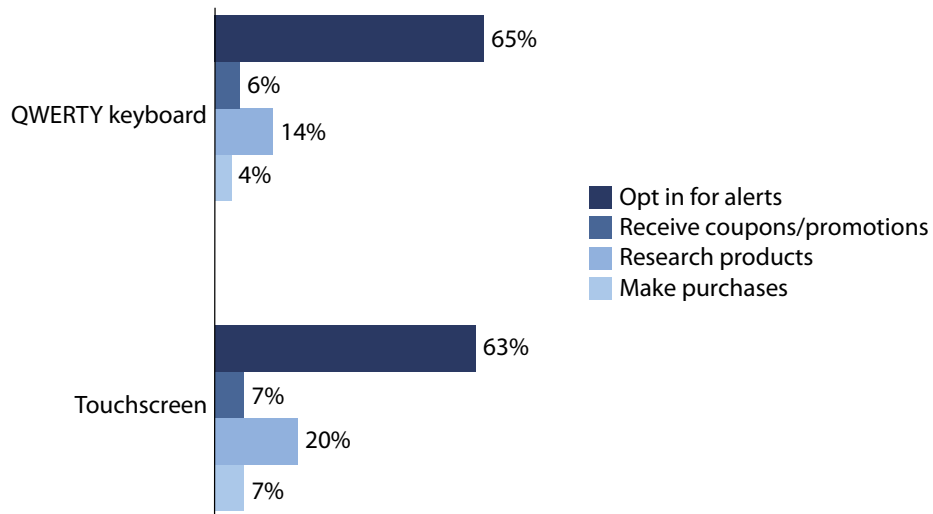
- **... but future smartphone owners will be less sophisticated than current smartphone owners.** Going forward, smartphone owners will be less sophisticated than their early-adopter counterparts, but they will look to their favorite brands for mobile experiences. Driving adoption of mobile services will require an ongoing commitment to marketing and education as well as recommendations from existing users. Retailers can't expect newcomers to sophisticated devices to have the same appetite for discovery as earlier adopters.
- **Mobile is no longer limited to phones.** For digital strategists outside the media industry, the device universe has primarily consisted of mobile phones and computers. With portable media players, eReaders, and now tablets in the mix, the connected device landscape has become more interesting and filled with more opportunities to engage with consumers — but also more complex. The number of mobile phones far outweighs the number of eReaders or tablets in the market today, but the retail sales reported on iPads so far have made retailers take notice. “Do we need an iPad application?” will be on the list of questions that eBusiness professionals ask themselves in 2011. The POST methodology also applies here.²⁰

Figure 6 Touchscreen Phone Owners Are The Most Active Users Of Mobile Commerce Applications

6-1 "Which of the following applications have you used on your cell phone at least once in the past three months?"



6-2 "Which of the following things do you do on your mobile phone at least monthly?"



Base: 5,187 US smartphone users
(multiple responses accepted)

Source: North American Technographics® Benchmark Survey, Q2 2010 (US, Canada)

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Source: Forrester Research, Inc.

RECOMMENDATIONS

START POST WITH A MOBILE TECHNOGRAPHICS ANALYSIS OF YOUR CUSTOMERS

The differences in the Mobile Technographics Profiles among these three groups of online shoppers illustrate the importance of analyzing the mobile behavior of your target audience — our recommended near-term focus for eBusiness professionals establishing a mobile strategy. Online electronics shoppers may be furiously reading reviews and comparing prices using 2D bar code scanners, but online home goods shoppers are more likely to browse catalogs and want to see colors or local availability. eBusiness professionals looking to start work on or refine a mobile strategy should:

- **Analyze the mobile behavior of each of your customer segments.** The “P” of POST is an analysis of the mobile behavior of your customers or target audience. You may decide to lump all of your customers into one group, such as “Customers of The Gap,” but a Mobile Technographics analysis of each of your customer segments — e.g., moms with children under the age of 5; boys ages 14 to 17 — will give you the insights you need to develop services for each segment. You may argue that you are going to build only one application and one mobile website, but the services and content may differ depending on the expected users of these services. Forrester recommends following the Mobile Technographics analysis with a deeper dive into handset ownership and engagement with activities like marketing or use of shopping services. Doing so will result in a set of mobile services most appropriate for your target audience.
- **Incorporate Mobile Technographics into your competitive benchmarking.** eBusiness professionals often benchmark the mobile services of their competitors within their industry to develop an understanding of consumer expectations as well as best practices for mobile services. A Mobile Technographics analysis of the mobile behavior of a competitor’s customers should be part of this process. Chanel has a different target audience than Abercrombie & Fitch. A benchmarking analysis of these two fashion retailers will show two different approaches. An understanding of the mobile behaviors of their target audiences will offer insight into *why* and will help eBusiness professionals make good decisions regarding which services or content to emulate.²¹

SUPPLEMENTAL MATERIAL

Methodology

For its North American Technographics Benchmark Survey, Q2 2010 (US, Canada), Forrester conducted a mail survey fielded in February and March 2010 of 42,792 US and Canadian households and individuals ages 18 and older. For results based on a randomly chosen sample of this size (N = 42,792), there is 95% confidence that the results have a statistical precision of plus or minus 0.5% of what they would be if the entire population of North American households and individuals ages 18 and older had been surveyed. Forrester weighted the US head of household data

by age, gender, household income, household size and composition, education level, region, and market size (combined statistical area). The weighting criteria for the US individual respondent data included all of the above with the addition of employment status. The survey sample size, when weighted, was 34,866 North American respondents at the household level and 42,785 North American respondents at the individual level. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in mail panels.) The sample was drawn from members of TNS's panel, and respondents were motivated by a sweepstakes drawing. The sample provided by TNS is not a random sample. While individuals may have been randomly sampled from TNS's panel for this particular survey, they have previously chosen to take part in the TNS panel.

ENDNOTES

- ¹ POST is an acronym that stands for people, objectives, strategy, and technology. In Forrester's experience, too many clients begin their mobile strategy discussions with phrases such as "Let's build an iPhone application" or "Let's offer SMS alerts." These are the wrong starting points because they are technology decisions. Professionals developing mobile strategies must first understand the mobile behaviors of their target audience, identify clear business objectives, and make strategic decisions about reach, offering, distribution, and investment before selecting technologies. See the April 9, 2009, "[The POST Method: A Systematic Approach To Developing A Mobile Strategy](#)" report.
- ² POST is a methodology that Forrester uses to help clients make technology decisions that support their business objectives and fit with the mobile skill set of their target audience. See the April 9, 2009, "[The POST Method: A Systematic Approach To Developing A Mobile Strategy](#)" report.
- ³ Mobile Technographics is an analysis of consumer mobile behavior. Populations are sorted into one of six categories depending on their mobile phone ownership and usage. While Inactives, Talkers, and Communicators are distinct, Connectors, Entertainers, and SuperConnecteds may overlap. See the September 28, 2010, "[US Mobile Technographics®: 2010](#)" report, see the October 6, 2010, "[Canada Mobile Technographics®: 2010](#)" report, and see the November 1, 2010, "[European Mobile Technographics®: 2010](#)" report.
- ⁴ In 2008, when Forrester last published a mobile media forecast, we forecast that mobile media revenues would top \$3.6 billion in 2010. See the November 21, 2008, "[US Mobile Media Forecast, 2008 To 2013](#)" report.
- ⁵ In 2009, eBay reported \$400 million in transactions via mobile devices. In 2010, it achieved \$2 billion in mobile revenues by year-end. Source: Dan Butcher, "eBay generates \$2B in mobile sales in 2010," *Mobile Commerce Daily*, January 7, 2011 (<http://www.mobilecommercedaily.com/2011/01/07/eBay-claims-mobile-sales-tripled-in-one-year>).
- ⁶ In March and April 2010, Forrester in conjunction with Shop.org carried out an executive survey of online retailers. On average, these retailers expected 2% of online sales to be transacted via the mobile channel. See the July 29, 2010, "[The State Of Retailing Online 2010: Marketing, Social Commerce, And Mobile](#)" report.

- ⁷ Mobile can support consumers throughout their purchase cycle — from what to buy to where to buy to post-purchase interaction and to repeat purchase. Enabling consumers with mobile services will deliver increased revenues, cost savings, and higher customer satisfaction once consumers adopt and use these services in higher numbers. See the January 11, 2010, “[The ROI Of Mobile](#)” report.
- ⁸ In 2009, the US online retail market reached \$155.2 billion and is expected to reach \$248.7 billion by 2014. Of all US consumer electronics sales, 14% were online. For apparel, accessories, and footwear, 9% of all sales were online. See the March 5, 2010, “[US Online Retail Forecast, 2009 To 2014](#)” report.
- ⁹ Source: North American Technographics Online Benchmark Survey, Q2 2010 (US).
- ¹⁰ Forrester has outlined all of the potential benefits of mobile. The three broad categories of services include increased revenue, lower costs, and the effects of increased convenience to consumers such as higher satisfaction and loyalty. See the January 11, 2010, “[The ROI Of Mobile](#)” report.
- ¹¹ Source: North American Technographics Online Benchmark Survey, Q2 2010 (US).
- ¹² Eighty-one percent of US online consumer electronics purchasers are tech optimists, while only 66% of US online apparel purchasers are. Source: North American Technographics Benchmark Survey, Q2 2010 (US, Canada).
- ¹³ Source: North American Technographics Online Benchmark Survey, Q2 2010 (US).
- ¹⁴ Source: North American Technographics Online Benchmark Survey, Q2 2010 (US).
- ¹⁵ American Eagle worked with M3 Mobile Marketing to build its customer database and push out coupons via SMS to customers who opted in for the service. Source: Giselle Tsurulnik, “American Eagle Outfitters takes second place: 2009 Mobile Retailer of the Year,” *Mobile Commerce Daily*, January 14, 2010 (<http://www.mobilecommercedaily.com/american-eagle-outfitters-takes-second-place-2009-mobile-retailer-of-the-year/>).
- ¹⁶ Among those buying home goods online, 44% are 50 or older compared with only 31% of those shopping for electronics online. Older consumers tend to be less sophisticated in their use of cell phones and make up a high percentage of Talkers and Inactives. See the September 28, 2010, “[US Mobile Technographics®: 2010](#)” report.
- ¹⁷ Source: North American Technographics Online Benchmark Survey, Q2 2010 (US).
- ¹⁸ According to Forrester’s North American Technographics Retail Online Survey, Q3 2010 (US), 16% of US online adults with mobile phones use their cell phones to locate a nearby store. This was second only to those who use it to check store hours (18%).
- ¹⁹ 3G Vision was one of several companies to announce a significant increase in bar code scans during the 2010 holiday season. Source: “Global Growth in Mobile Barcode Usage — Q4 / 2010,” 3G Vision press release, January 5, 2011 (<http://www.3gvision.com/pr18.html>).
- ²⁰ Forrester has written extensive research on tablets and more specifically the iPad. Forrester forecasts that the number of iPads in the US market will top 10 million in 2010. See the August 19, 2010, “[US Tablet Buyers Are Multi-PC Consumers](#)” report.
- ²¹ Forrester will shortly publish a report on mobile commerce solutions, titled “Location-Based Commerce: An Evolution In Mobile Shopping.”

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