

It's good to talk: How global consumers use their mobile phones



This is the fifth of five articles derived from McKinsey's iConsumer survey, an annual survey that tracks changing consumer behavior for different digital experiences.

Death and taxes are but two of life's certainties: The need to communicate is a third. That has not changed, but the means of doing so certainly have.

Consider: In Korea in 2007, there were only 500,000 smartphones (and 21 million basic ones). By early 2011, the ratio had totally flipped—and then some. There are now 77 million smartphones and just 2.3 million basic ones. And of those Koreans who don't have a smartphone, two-thirds said they intend to buy one shortly (including more than half of low-income people).

What's the lure? Koreans are overwhelmingly tech-friendly, and they appreciate that mobile devices enable them to take tech everywhere. Asked why they wanted a smartphone, sizable percentages named playing video games (40%), streaming (45%), accessing the Internet (46%), paying for transactions (53%), finding local businesses (56%) and social networking (58%) as ways they planned to use their new toy. For Koreans, then, the smartphone is becoming the go-to device for many activities, displacing the PC and landlines.

Not just in Korea, but in every country McKinsey surveyed, smartphones are finding, and expanding, their place. While the details differ, the broad outlines are similar. For example, the landline is losing its clout everywhere. Some 44% of Americans, for example, say they are willing to cancel their landlines, as well as a quarter of British, Germans and Spaniards (but only 19% of Japanese).

Another common effect is the cannibalization of the PC. As people get more comfortable with their smartphones, they use their PCs less – not for extensive searches but increasingly for short and simple ones.

And the same thing is happening with game consoles. Almost a third of Americans and Koreans, and a quarter of Spaniards, say they are playing less on their consoles because it is easier to learn on their phones; half of Spaniards (but only 6% of Japanese and a quarter of Americans and Germans) say it is more fun. Games account for a significant percentage of active apps in every country; the implication, then, is that mobile

phones could well be poised for growth as gaming platforms.

Finally, there is one great—and entirely unsurprising—universal truth on display: Everyone likes a freebie. More than two-thirds of downloaded apps are free, and when it comes to payment, respondents everywhere strongly prefer onetime fees over subscriptions. Koreans are the only people to people popularity and reviews ahead of price when it comes to deciding what to download. One interesting difference: European consumers are apt to rely on their friends to find apps to download; Americans and Asians are more likely to go to app stores.

<http://csi.mckinsey.com>