2020 Report:

Trends in the usage and purchase intentions of smartphones

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Content

Summary

The smartphone penetration has increased worldwide in the recent years. From 2012 to 2017, the user base increased from 1.04 to 2.09 billion, and it is forecasted to reach 3.8 billion users by 2021 (Statista, 2019)[1]. As more consumers are embracing mobile phones, manufacturers need to remain competitive to attract more consumers and convince existing users to upgrade their smartphones. Thus, it is important to understand the evolving consumer needs and preferences towards the usage of smartphones. In this report, results are presented from the survey, "Use, perception, and buying behavior of smartphones" which was administered by Coursera to online students from different parts of the world.

The main insights derived from this market research survey applied to online learners are:

- 90% of survey respondents, aged at least 18 years old, have a smartphone.
- At least 70% of users have Android as their operating system.
- 40% of participants use their phone every day to check emails and calendars every hour.
- 20% of participants use their phone for social media a few times a day and to play games.
- 50% of survey participants are willing to upgrade their phone if it's not working or to access new capabilities.
- When selecting a phone, price is very important and advertising is not important at all for 60% of participants.
- The operating system followed by the quality of the camera are the two main factors considered when buying a new phone for around 70% of respondents.
- Respondents aged from 36 to 55 years old have the highest willingness to pay for a phone whose price is 90% higher than the rest of the phones in the market.

[1] Statista (2019, September). Smartphone users worldwide 2016-2021. Retrieved from https://www.statista.com/statistics/330695/number-of-smartphone-users-worldwide/

Methodology

From March 5, 2017 to April 12, 2017, the survey "Use, perception, and buying behavior of smartphones" was administered by Coursera to online-students of the specialization in marketing research offered by UC Davis University of California.

The sample size included 1,317 respondents that were randomly selected from a pool of previous and current online students; thus the results are representative of the general population of online students taking this course.

The response rate was 34% and the completion rate was of 85%. The highest percentage of answers is attributed to the short length of the questionnaire: 5 demographic questions and 11 directly related to the smartphone.

The goal of this survey was to understand usage and purchasing preferences of smartphones. The results are presented for the total respondents, and for three age groups: young adults (ages 18-35 years), middle-aged adults (ages 36-55 years), and older adults (aged older than 55 years). We eliminated the youngest group (less than 18 years old) when analysing the smartphone usage because there weren't enough respondents in this category. This demographic segmentation provides useful insights about the diversity of preferences in smartphones within the online learners. Thus, manufacturers could use these insights for the design and marketing strategies.

Respondent demographic profile

Almost half (49%) of the respondents are young adults (18-34 years old), and 39% are middle-age ones (35 to 55 years old). This previous group is significantly more educated that the former one: 50% of middle-age adults have a post-graduate degree whereas 75% of the young adults possess at most a bachelor's degree.

FIGURE 1

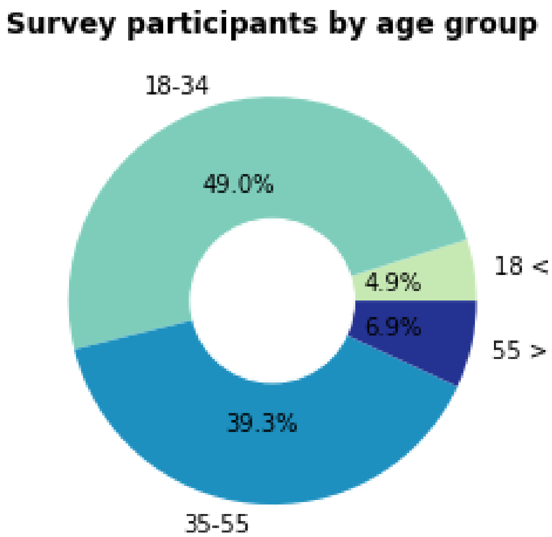
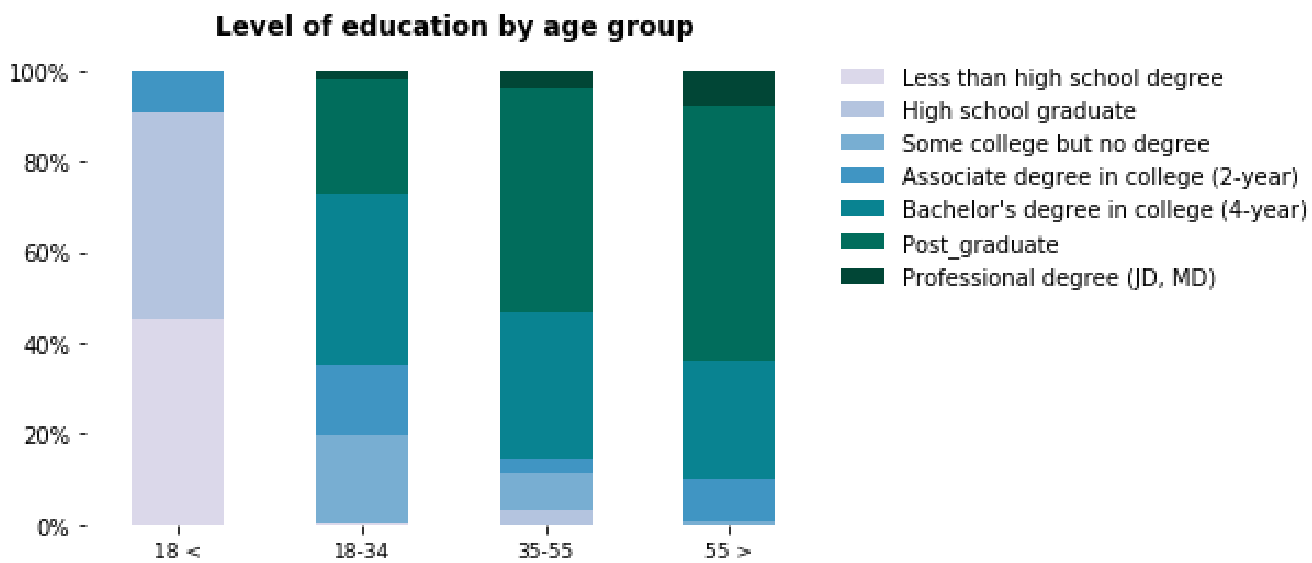
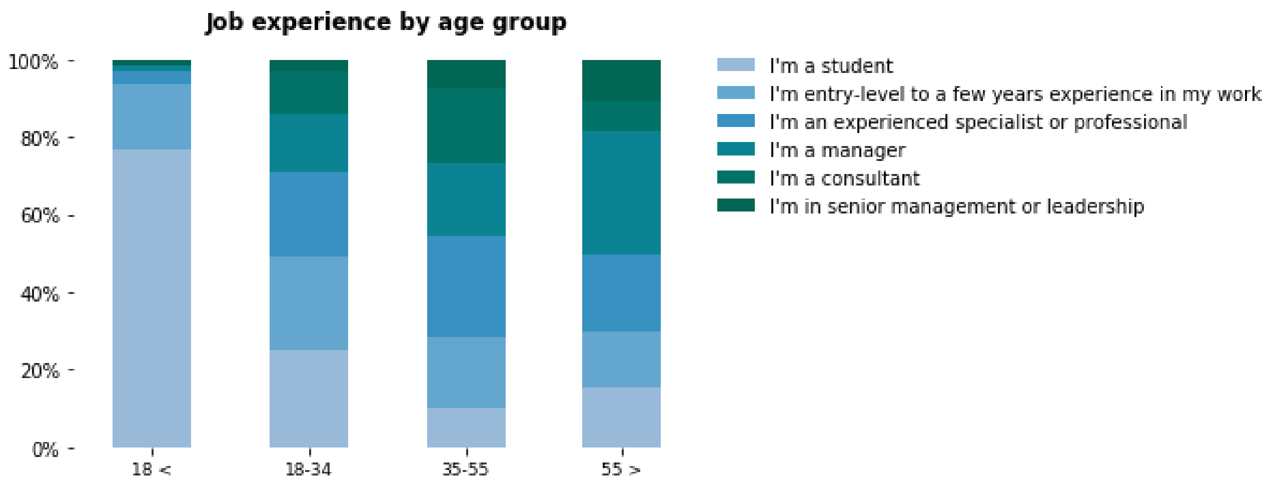


FIGURE 2



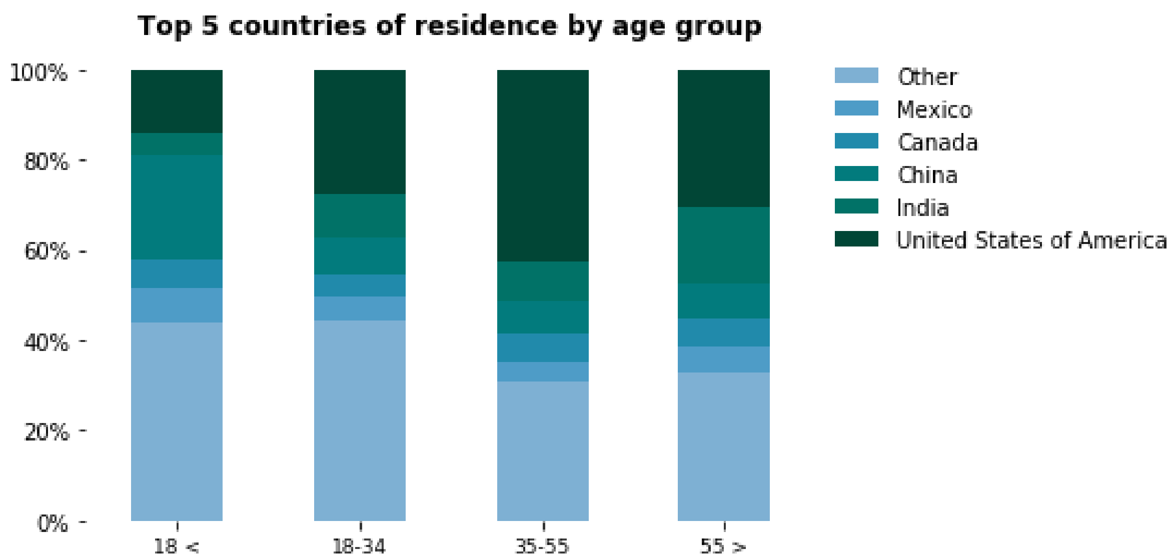
We also observe differences across age groups regarding their job experience. As expected, as age increases, the proportion of respondents with occupations requiring more years of experience increases too. For instance, 50% of young adults (18-34 years old) and 20% of respondents who are at least 35 years old are students or have an entry level job.

FIGURE 3



Online-students come from different parts of the world. However, the highest percentage lives in the USA: 30% of the participants aged 18-34 and over 55 years old and, 42% of the students aged from 35 to 55 years old. Surprisingly, almost a fifth of the youngest students (less than 18 years old) live in China whereas 15% live in the USA.

FIGURE 4



Smartphone usage

Except for the youngest students (less than 18 years old), a substantial majority of respondents (90%) are smartphone owners. The dominant operating system among them is Android with at least 70% . Middle aged adults (35-55 years old) have a slightly higher preference for the iOS system.

FIGURE 5

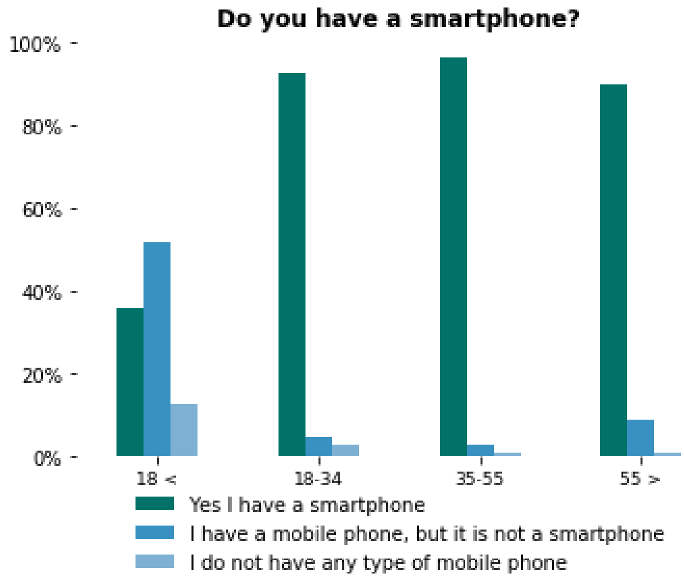
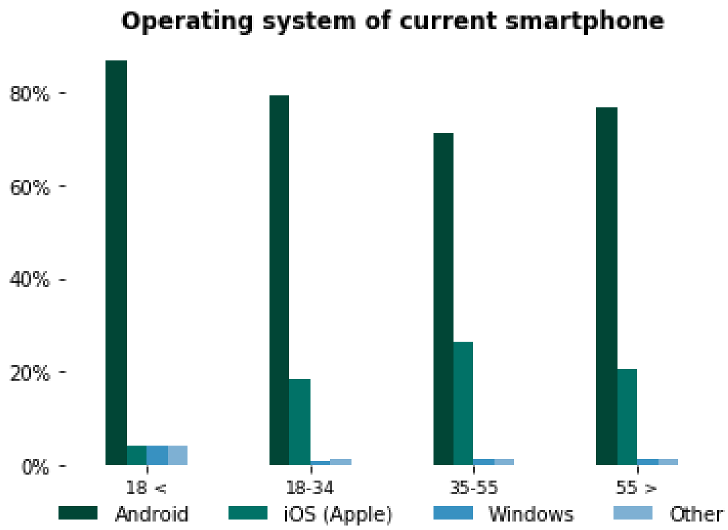


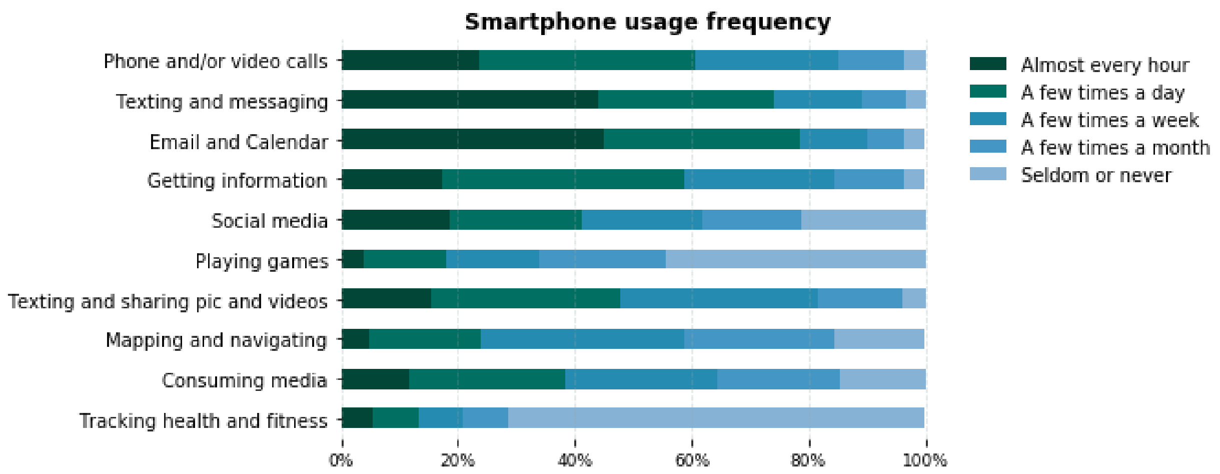
FIGURE 6



Regarding the usage of smartphones, around 40% of participants use their smartphone to communicate via texting and messaging almost every hour, and calling by phone or video a few times a day. Around 45% of respondents use their phone to write emails and check their calendar almost every hour. Only one fifth of participants use their phone for social media or to play games a few times a day.

FIGURE 7

7.1



7.2

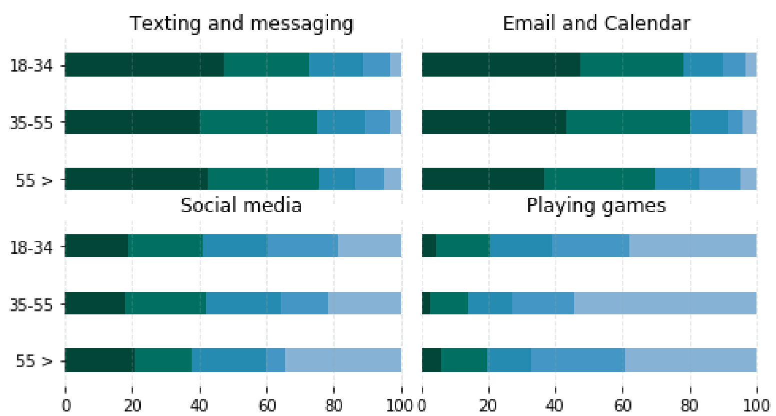
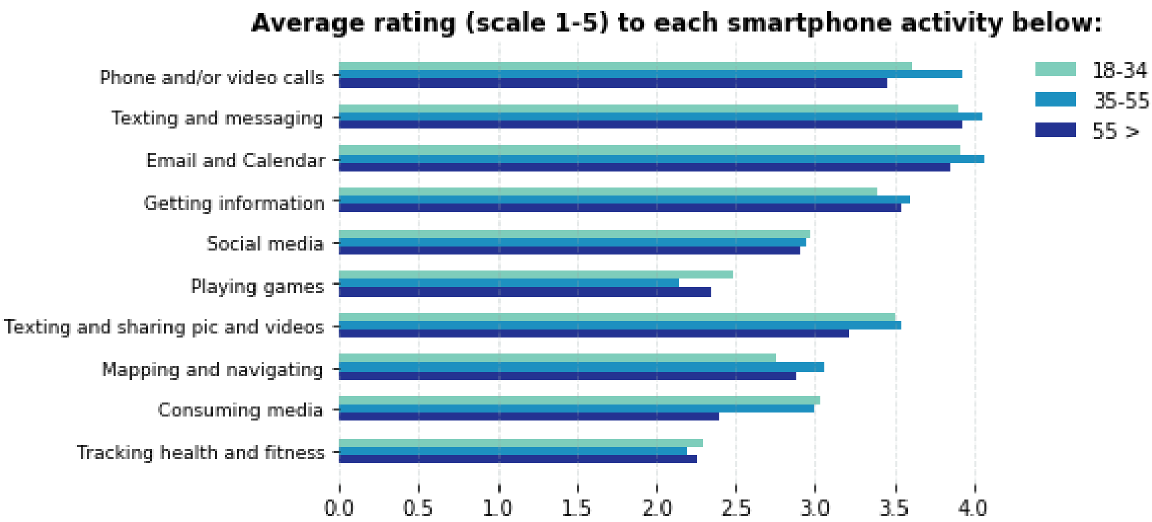


Figure 7.2 presents the usage of some activities by age groups. A slightly higher proportion of young adults (18-34 years old) use their phone every hour for texting and messaging in comparison to middle or older adults. People from 18 to 55 years old use their phone to email and check calendar more often than the oldest group. Moreover, almost 40% of the oldest group seldom or never use social media. However, this group and the youngest one play games in the same frequency.

Survey participants also evaluated in an ascending scale (1 to 5) the smartphone activities that appear in the figure 7.1. On average, constant communication functions (calls, texts and messages, emails and calendar) were better rated (3.5 points) than the rest of the applications. Within these activities, respondents from 35-55 years old gave a better rating than the other two groups. Since this group has also a slightly highest percentage of iOS users, this might suggest those functions are better in this operating system. Playing games and tracking health and fitness, which usage is not that frequent, received the worst scores (less than 2.5) across all the respondents.

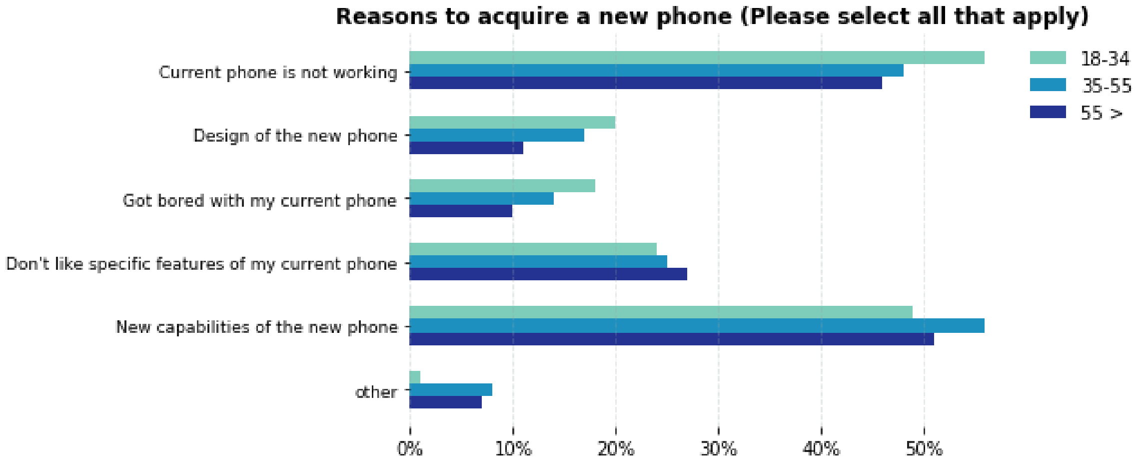
FIGURE 8



Intentions and preferences when buying a smartphone

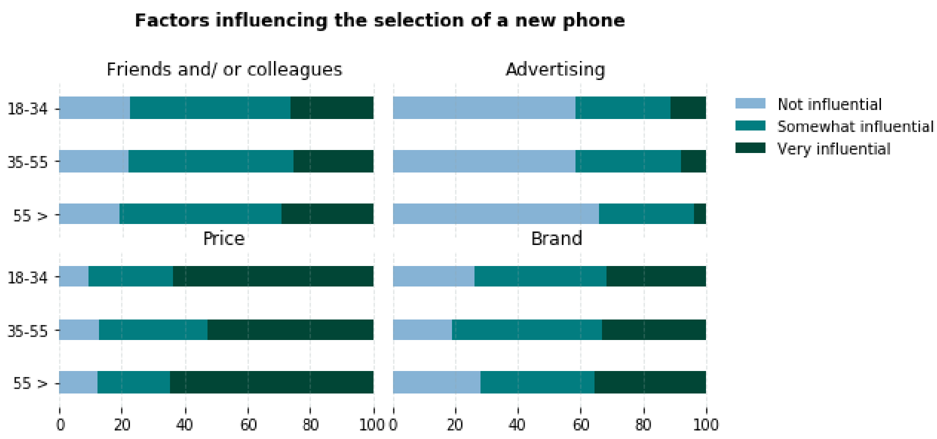
For almost half of the respondents, two main reasons, directly related to functionality, impact their decision to acquire a new phone: if it's not working and to access to new capabilities.

FIGURE 9



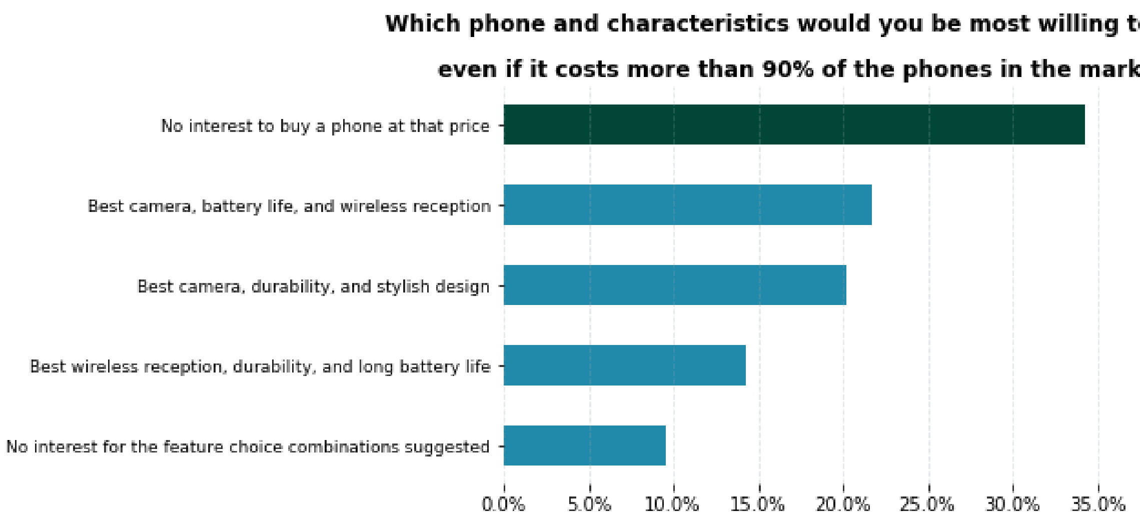
When analyzing the factors affecting the election of a new phone, price is very important for half of the middle-aged adults, and for 65% of young and older adults. For six out of ten respondents, advice from friends or colleagues is somewhat influential, whereas advertising is not influential at all. The impact of brand varies among groups: around 40% of young and middle-aged adults consider it somewhat influential in comparison to 35% of older adults.

FIGURE 10



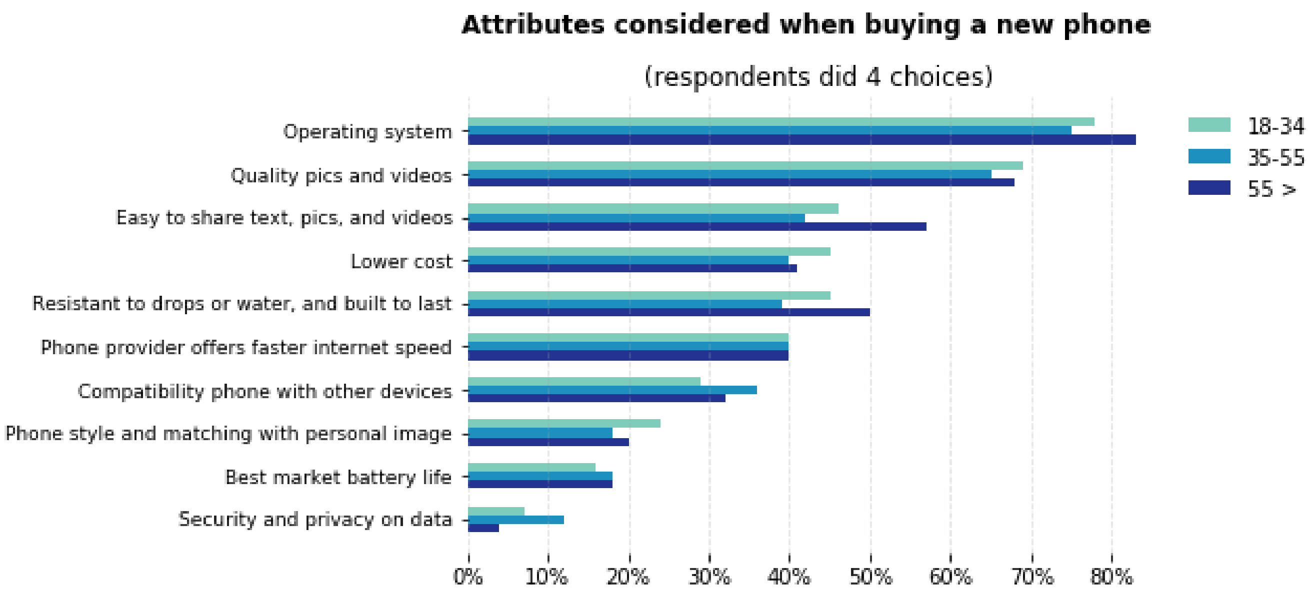
One third of participants are not willing to purchase a phone which is more expensive than 90% of the phones currently on the market. Four out of ten participants might be inclined to spend a high price if the phone has the best camera in combination with other attributes.

FIGURE 11



We asked the participants to select four out of ten characteristics that they might consider when purchasing a phone. The operating system followed by the quality of the camera were chosen by eight out of ten survey respondents. A high percentage of adults over 55 years old indicated that the ease of sharing content and durability were also important (60% and 50% respectively).

FIGURE 12



Respondents aged 35 to 55 years old have the highest willingness to pay for the attributes chosen in the previous figure. For instance, half of them might pay 421 USD whereas the other groups are willing to pay at least 40 dollars less. Moreover, the top 25% of respondents are inclined to pay 50 USD more than the other two groups. The higher price disposition for the middle aged-adults might be explained by a slightly higher percentage of them having a higher salary (e.g., consultants or senior management leaders).

FIGURE 13