

# 1

## USE OF THE INTERNET

### **1.1 Time Spent Using Digital and Traditional Media**

According to eMarketer ([www.emarketer.com](http://www.emarketer.com)), average daily time spent by adults using digital media, and for comparison traditional media, has been as follows (hours:minutes):

	2010	2011	2012	2013	2014
• TV:	4:28	4:37	4:44	4:39	4:39
• Tablet:	0:21	1:38	1:59	2:22	2:43
• Online:	3:04	3:14	3:03	2:49	2:39
• Smartphone*:	0:40	1:02	1:34	2:02	2:14
• Radio:	1:43	1:42	1:39	1:33	1:27
• Magazines**:	0:32	0:32	0:31	0:30	0:29
• Newspapers**:	0:43	0:40	0:37	0:33	0:28

\* Non-voice \*\* Print only

The time adults spend using digital media surpassed the time spent watching TV in 2013.

According to Nielsen ([www.nielsen.com](http://www.nielsen.com)), average monthly time adults, by age, spent using media in 2014 was as follows (hours:minutes):

	18-24	25-34	35-49	50-64	65+
• Traditional TV:	96:53	117:20	138:27	180:56	211:55
• Time-shifted TV:	8:43	15:19	17:08	17:33	14:28
• DVD/Blu-Ray:	4:09	6:25	4:58	4:21	2:39
• Game console:	16:17	11:17	4:24	1:27	0:28
• Multimedia device:	2:27	2:41	1:57	1:04	0:53
• Internet on a computer:	31:43	35:36	39:21	32:53	22:26
• Video on Internet:	17:01	15:02	12:06	8:32	3:45
• App/Web on smartphone:	50:51	50:28	46:53	34:05	25:54
• Video on smartphone:	2:48	1:56	1:29	1:03	1:41
• AM/FM radio:	50:53	54:33	64:05	69:25	61:33

### **1.2 Adult Use Of The Internet**

According to the Internet & American Life Project by Pew Research Center ([www.pewinternet.org](http://www.pewinternet.org)), Internet usage among adults has been as follows:

- 2000: 52%
- 2005: 68%
- 2010: 76%
- 2015: 84%

Usage in 2015, by demographic, was as follows (percentage of Internet users):

#### **Age**

- 18-to-29: 96%
- 30-to-49: 93%
- 50-to-64: 81%
- 65 and older: 58%

#### **Education**

- College graduate: 95%
- Some college: 90%
- High school graduate: 76%
- High school non-graduate: 66%

#### **Income**

- \$75,000 and higher: 97%
- \$50,000 to \$74,999: 95%
- \$30,000 to \$49,999: 85%
- Less than \$30,000: 74%

#### **Race/Ethnicity**

- Asian (English speaking): 97%
- White: 85%
- Hispanic: 81%
- African-American: 78%

#### **Community**

- Suburban: 85%
- Urban: 85%
- Rural: 78%

### **1.3 Youth And Teen Internet Access**

According to a survey for the Family Online Safety Institute ([www.fosi.org](http://www.fosi.org)) by Hart Research Associates ([www.hartresearch.com](http://www.hartresearch.com)), Internet accessible platforms among youth ages 6-to-17 are as follows:

	Personally Own	In Household
• Video game console:	76%	93%
• Desktop or laptop computer:	52%	99%
• Mobile phone/smartphone:	51%	88%

- Tablet computer or iPad: 51% 81%
- MP3 player or iPod with Wi-Fi capability: 50% 70%

#### **1.4 Online Activities**

According to the Center for the Digital Future ([www.digitalcenter.org](http://www.digitalcenter.org)) at the University of Southern California, 86% of Americans accessed the Internet in 2014, with an average of 20.4 hours per week spent online.

According to the Center, the following percentages of Internet users engaged in these online activities weekly:

- Email: 96%
- Internet surfing without a specific destination: 71%
- Looking for news online: 60%
- Finding product information: 43%
- Conducting online banking or other financial services: 38%
- Instant messaging: 37%
- Playing online games: 35%
- Searching for humorous content: 25%

#### **1.5 Usage By Platform**

According to comScore ([www.comscore.com](http://www.comscore.com)), time spent online with various types of content is distributed by platform as follows:

	<b>Computer</b>	<b>Smartphone</b>	<b>Tablet</b>
• Automotive:	76%	16%	8%
• Business/finance:	68%	29%	3%
• Entertainment:	50%	39%	11%
• Food:	56%	28%	16%
• Games:	18%	48%	34%
• Health:	54%	40%	6%
• Lifestyles:	50%	32%	18%
• News/information:	62%	31%	7%
• Radio:	8%	77%	15%
• Retail:	49%	35%	16%
• Social media:	33%	58%	9%
• Sports:	62%	31%	7%
• Technology:	20%	64%	16%
• TV:	68%	12%	20%
• Weather:	36%	55%	9%
• Total:	49%	39%	12%

## **1.6 Broadband Access**

According to *Broadband Internet Access & Services In The Home 2014*, published by Leichtman Research Group ([www.leichtmanresearch.com](http://www.leichtmanresearch.com)), 84% of households have Internet access at home; 79% have broadband access.

The study reported that 59% have Internet service at home and on a smartphone; 63% of adults connected at home access the Internet on a smartphone. Twenty-four percent (24%) of people who are not online at home access the Internet via smartphone.

Leichtman Research Group reported 88.51 million households with broadband access as of April 2015, distributed by provider as follows:

### **Cable Providers**

- Comcast: 22.37 million
- Time Warner Cable: 12.58 million
- Charter: 5.21 million
- Cablevision: 2.77 million
- Suddenlink: 1.18 million
- Mediacom: 1.04 million
- WOW (WideOpenWest): 722,000
- Cable ONE: 497,000
- Other: 6.60 million

### **Telephone Providers**

- AT&T: 16.10 million
- Verizon: 9.25 million
- CenturyLink: 6.12 million
- Frontier: 2.36 million
- Windstream: 1.13 million
- FairPoint: 318,000
- Cincinnati Bell: 272,000

## **1.7 Broadband Spending**

*Entertainment & Media Outlook 2014-2018*, by PricewaterhouseCoopers (PwC, [www.pwc.com](http://www.pwc.com)), assessed consumer spending for Internet access in 2014 as follows:

- Mobile access: \$ 59 billion
- Broadband: \$ 54 billion
- Total: \$113 billion

PwC forecasts total spending to increase to \$174 billion by 2018.

Including both consumer and corporate spending, the total Internet access market was \$223.5 billion in 2014, according to MarketLine ([www.marketline.com](http://www.marketline.com)). Average annual growth between 2010 and 2014 was 16.8%.

## **1.8 Desktop Browser Marketshare**

According to Net Applications ([www.netapplications.com](http://www.netapplications.com)), U.S. desktop browser marketshare in April 2015 was as follows:

- Internet Explorer: 55.83%
- Chrome: 25.68%
- Firefox: 11.70%
- Safari: 5.12%
- Opera: 1.19%
- Other: 0.48%

StatCounter ([www.statcounter.com](http://www.statcounter.com)) assessed share of browser usage via desktop computer, tablets, and consoles as follows:

- Chrome: 38.15%
- Internet Explorer: 25.02%
- Safari: 16.53%
- Firefox: 16.09%
- Other: 1.28%

Net Applications and StatCounter assessments differ significantly because of different methodologies. The primary difference is that Net Applications measures daily unique users, while StatCounter measures total traffic.

## **1.9 Internet User Global Census**

The number of global Internet users has been as follows (sources: NetCraft [[www.netcraft.com](http://www.netcraft.com)] and Internet Live Stats [[www.internetlivestats.com](http://www.internetlivestats.com)]):

- 1993: 14,161,570
- 1994: 25,454,590
- 1995: 44,838,900
- 1996: 77,433,860
- 1997: 120,758,310
- 1998: 188,023,930
- 1999: 280,866,670
- 2000: 413,425,190
- 2001: 500,609,240
- 2002: 662,663,600
- 2003: 778,555,680
- 2004: 910,060,180
- 2005: 1,027,580,990
- 2006: 1,160,335,280
- 2007: 1,373,327,790
- 2008: 1,571,601,630
- 2009: 1,766,206,240

- 2010: 2,045,865,660
- 2011: 2,282,955,130
- 2012: 2,518,453,530
- 2013: 2,756,198,420
- 2014: 2,925,249,355

## 50

### TOP APPS

#### **50.1 Most Popular Apps**

Ranked by reach, the top smartphone apps (iOS and Android platforms) among adults in March 2015 were as follows:

- Facebook: 69.5%
- YouTube: 55.9%
- Google Play: 51.5%
- Google Search: 50.6%
- Facebook Messenger: 49.8%
- Google Maps: 46.6%
- Pandora Radio: 43.2%
- Gmail: 41.6%
- Instagram: 33.8%
- Apple Maps: 24.8%
- iTunes Radio/iCloud: 23.9%
- Twitter: 23.6%
- Amazon Mobile: 23.1%
- Pinterest: 20.3%
- Google+: 19.3%

Ranked by average monthly unique visitors, the most popular mobile apps in 2014 were as follows (source: comScore [[www.comscore.com](http://www.comscore.com)]):

- Facebook: 115.4 million
- YouTube: 83.4 million
- Google Play: 72.2 million
- Google Search: 70.2 million
- Pandora Radio: 69.0 million
- Google Maps: 64.5 million
- Gmail: 60.3 million
- Instagram: 46.6 million
- Apple Maps: 42.1 million
- Yahoo Stocks: 42.1 million
- iTunes Radio/iCloud: 40.5 million
- Facebook Messenger: 39.2 million
- Yahoo Weather Widget: 36.1 million
- Twitter: 34.7 million

- The Weather Channel: 30.0 million
- Google+: 28.8 million
- Netflix: 27.6 million
- Snapchat: 26.5 million
- Amazon Mobile: 26.5 million
- Pinterest: 24.6 million
- eBay: 22.2 million
- Skype: 18.8 million
- Shazam: 18.4 million
- Yahoo Mail: 17.6 million
- Kik Messenger: 17.2 million

The most popular apps by age demographic in 2014, ranked by share of mobile app time spent, were as follows (source: comScore):

#### **Age 18-to-24**

- Facebook: 14.8%
- Pandora Radio: 9.1%
- Instagram: 6.6%
- YouTube: 5.2%
- Snapchat: 3.9%
- Twitter: 2.9%
- Kik Messenger: 2.5%
- Facebook Messenger: 2.4%
- Netflix: 2.3%
- Ifunny: 1.9%

#### **Age 25-to-34**

- Facebook: 18.5%
- Pandora Radio: 7.5%
- YouTube: 3.6%
- Instagram: 2.7%
- Netflix: 2.6%
- Facebook Messenger: 2.5%
- Skype: 1.6%
- Gmail: 1.3%
- Pinterest: 1.2%
- Google Maps: 1.2%

#### **Age 35-to-54**

- Facebook: 18.4%
- Pandora Radio: 4.1%
- Facebook Messenger: 3.6%
- YouTube: 2.5%
- Netflix: 1.5%



- Viggle: 1.4%
- Instagram: 1.2%
- Gmail: 1.2%
- Candy Crush Saga: 1.2%
- Pinterest: 1.1%

### **Age 55 and Older**

- Facebook: 16.3%
- Facebook Messenger: 4.0%
- Pandora Radio: 2.5%
- YouTube: 1.6%
- Yahoo Mail: 1.5%
- Skype: 1.3%
- Words With Friends: 1.1%
- Solitaire by Mobilityware: 1.1%
- Google Maps: 1.0%
- Pinterest: 0.9%

## **50.2 Most Downloaded Apps**

The most downloaded apps in May 2015 were as follows (source: AppAnnie):

### **Android (Google Play)**

#### **Free Apps**

1. Messenger (Facebook)
2. Facebook
3. Pandora® Radio
4. MARVEL Future Fight
5. Instagram
6. Dubsmash
7. Snapchat
8. Criminal Case
9. Super-Bright LED Flashlight
10. MORTAL KOMBAT X
11. Spotify Music
12. Clean Master
13. WhatsApp Messenger
14. Netflix
15. Crossy Road
16. Amazon Shopping
17. Kik
18. Juice Jam
19. Candy Crush Soda Saga
20. DU Speed Booster/Cache Cleaner

### **Paid Apps**

1. Minecraft - Pocket Edition
2. Monument Valley
3. Terraria.
4. Star Wars™: Kotor
5. LIMBO
6. Bloons TD 5
7. The Firm
8. Geometry Dash
9. Angry Birds Star Wars II
10. Goat Simulator
11. Five Nights at Freddy's
12. Scribblenauts Remix
13. The Game Of Life
14. Five Nights at Freddy's 2
15. The Room Two
16. Five Nights at Freddy's 3
17. Dude Perfect
18. CounterSpy™
19. True Skate
20. Ultimate Guitar Tabs & Chords

### **Top Grossing**

1. Clash of Clans
2. Game of War - Fire Age
3. Candy Crush Soda Saga
4. Candy Crush Saga
5. Boom Beach
6. Clash of Kings
7. Slotomania - Free Slots Games
8. Summoners War
9. Hay Day
10. Marvel Contest of Champions
11. Farm Heroes Saga
12. Big Fish Casino - Free Slots
13. Pandora® Radio
14. Wizard of Oz Slots Free Casino
15. Hearthstone Heroes of Warcraft
16. Cookie Jam
17. Castle Clash
18. Slots - House of Fun! Play Now
19. myVEGAS Slots Free Casino
20. Hit it Rich! Free Casino Slots

## **iOS (Apple Store)**

### **Free Apps**

1. Facebook Messenger
2. Facebook
3. Instagram
4. YouTube
5. Snapchat
6. Pandora Radio
7. Dubsmash
8. WhatsApp Messenger
9. Google Maps
10. iMovie
11. Pages
12. Spotify Music
13. Numbers
14. Keynote
15. iTunes U
16. GarageBand
17. Gmail
18. Kik
19. Pinterest
20. Twitter

### **Paid Apps**

1. Monument Valley
2. Lifeline...
3. Minecraft – Pocket Edition
4. Fit Men Cook - Healthy Recipes
5. Dark Sky
6. Heads Up!
7. Grand Theft Auto: San Andreas
8. Plague Inc.
9. Facetune
10. Goat Simulator
11. 7 Minute Workout Challenge
12. NOAA Radar Pro
13. Swype
14. NBA 2K15
15. Afterlight
16. Geometry Dash
17. Trivia Crack
18. Coolors

19. Workflow
20. Goat Simulator GoatZ

### **Top Grossing**

1. Clash of Clans
2. HBO NOW
3. Game of War - Fire Age
4. Pandora Radio
5. Spotify Music
6. Candy Crush Saga
7. Candy Crush Soda Saga
8. Boom Beach
9. Big Fish Casino
10. Marvel Contest of Champions
11. DoubleDown Casino
12. Match™
13. Slotomania
14. Hay Day
15. Zoosk
16. Farm Heroes Saga
17. Beats Music
18. 8 Ball Pool™
19. Hulu Plus
20. LinkedIn

### **50.3 Market Resources**

App Annie, 23 Geary Street, Suite 800, San Francisco, CA 94108. (415) 638-6840.  
([www.appannie.com](http://www.appannie.com))

comScore, 11950 Democracy Drive, Suite 600, Reston, VA 20190. (703) 438-2000.  
([www.comscore.com](http://www.comscore.com))

## MOBILE PAYMENTS

### **51.1 Market Assessment**

Proximity mobile payments are growing in popularity in the U.S., although the growth has been somewhat less than forecast. eMarketer ([www.emarketer.com](http://www.emarketer.com)), for instance, projected mobile transactions at \$7.5 billion in early 2014, but at year-end revised its estimate to \$3.5 billion for the year.

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**“New payment apps are trying to replace your physical wallet with a seamless, Internet-connected experience known as the mobile wallet. But these technologies – from giants like PayPal, Google, and Chase as well as upstarts like Venmo and Square – are still in their early stages, and as they vie for attention and users, many consumers are failing to see the point, according to a report by the Federal Reserve.”**

*The New York Times*

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A recent Harris Poll ([www.harrisinteractive.com](http://www.harrisinteractive.com)) found that while 66% of adults believe smartphone payments will eventually replace payment card transactions, only 32% believe this will happen in less than five years. Similarly, though 61% believe smartphone payments will eventually replace cash for the majority of purchases, only 26% think this will happen in less than five years.

eMarketer forecasts mobile payments as follows:

- 2015: \$ 8.9 billion
- 2016: \$ 27.5 billion
- 2017: \$ 64.0 billion
- 2018: \$118.0 billion

Other forecasts vary. Javelin Strategy & Research ([www.javelinstrategy.com](http://www.javelinstrategy.com)) projects mobile payments at \$7.3 billion in 2015 and \$34.8 billion in 2018. *Business Insider* ([www.businessinsider.com](http://www.businessinsider.com)) forecasts U.S. proximity mobile payments at \$15.4 billion in 2015 and \$189.0 billion in 2018.

## **51.2 Use Of Mobile Payments**

In a February 2015 survey conducted by Ipsos ([www.ipsos.com](http://www.ipsos.com)) for PayPal ([www.paypal.com](http://www.paypal.com)), U.S. smartphone and tablet owners said they had used their device for payment-related activities as follows:

- Accessed loyalty card or coupons on their device: 16%
- Used an app to make an in-store purchase: 10%
- Tapped to pay with near-field communication (NFC) technology: 5%

When asked in the Ipsos survey about the benefits of using mobile payment, responses were as follows (percentage of respondents):

- Convenient way to pay: 36%
- Fast way to pay: 24%
- Do not need to carry/pull out physical wallet: 19%
- Can instantly receive confirmation of payment: 16%
- Easier than paying by cash or card: 17%
- Innovative way to pay: 16%
- Can be reminded of the option to apply offers/discounts/coupons: 16%
- Can keep track of digital receipts for returns and exchanges: 16%
- Can pay without sharing my financial details with the merchant: 14%
- Simplifies the payment process: 14%
- Can get the same loyalty benefits digitally as I do in-store: 9%
- Can store and choose from a wide range of payment options: 8%
- Safe way to pay: 7%

## **51.3 Key Players**

Google Wallet, Apple Pay, and CurrentC dominate the previously fragmented mobile payment marketplace.

A survey by Thomson Reuters ([www.thomsonreuters.com](http://www.thomsonreuters.com)) reported smartphone apps that U.S. Internet users currently used or intended to use as follows:

- Google Wallet: 47%
- Apple Pay: 30%
- Other apps: 23%
- Unsure or none: 18%

Softcard (a partnership of Verizon, AT&T and T-Mobile), formerly the third largest mobile app, sold its technology to Google in February 2015.

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**“Consolidation in the mobile space may help make it easier for consumers and retailers alike to converge on the same service providers and platforms, a key ingredient toward mass adoption.”**

eMarketer, 3/6/15

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Apple Pay, a mobile payment and digital wallet service by Apple Inc., launched in October 2014 and has risen rapidly in popularity.

CurrentC ([www.currentc.com](http://www.currentc.com)), a mobile payment system created in 2012 by a consortium of U.S. retail companies, uses QR codes displayed on a cashier’s screen that is scanned to initiate and verify a transaction. The system is designed to automatically apply discounts, use loyalty programs, and charge purchases to a variety of payment methods (i.e., checking accounts, store gift cards and select store debit and credit cards) without passing sensitive financial data to the merchant.

#### **51.4 Market Barriers**

A survey by Walker Sands Communications ([www.walkersands.com](http://www.walkersands.com)) asked adults who were not using mobile payments the reasons for their hesitancy.

Responses were as follows (percentage of respondents):

- Security concerns: 57%
- Privacy concerns: 48%
- They are not accepted in enough locations: 26%
- Convenience of current payment services: 25%
- Retailers are unprepared for the technology: 23%

A study by Wakefield Research ([www.wakefieldresearch.com](http://www.wakefieldresearch.com)) found that 53% of people who have use mobile payment apps felt it was important for more stores to install devices that enabled consumers to pay with their smartphones. Younger shoppers, especially, hoped that retailers would be more receptive to mobile pay options; 64% of respondents below the age of 40 felt retailers should install more devices to allow these kinds of payments.

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**“Customers already using mobile wallets love them. Their gripe is that not all stores are equipped with the right technology to accept mobile payments.”**

eMarketer, 1/30/15

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