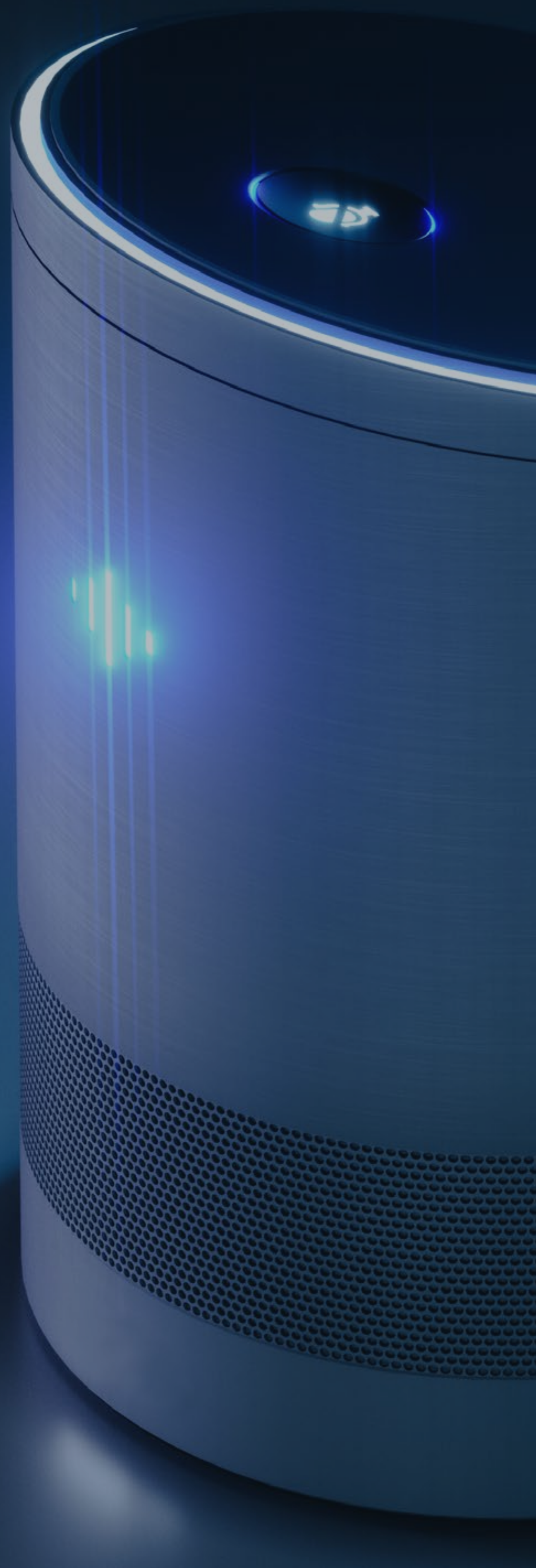
GLOBAL TRENDS *SPOTLIGHT*

TECHNOLOGY REPORT

Mobile, Interconnectivity, Voice



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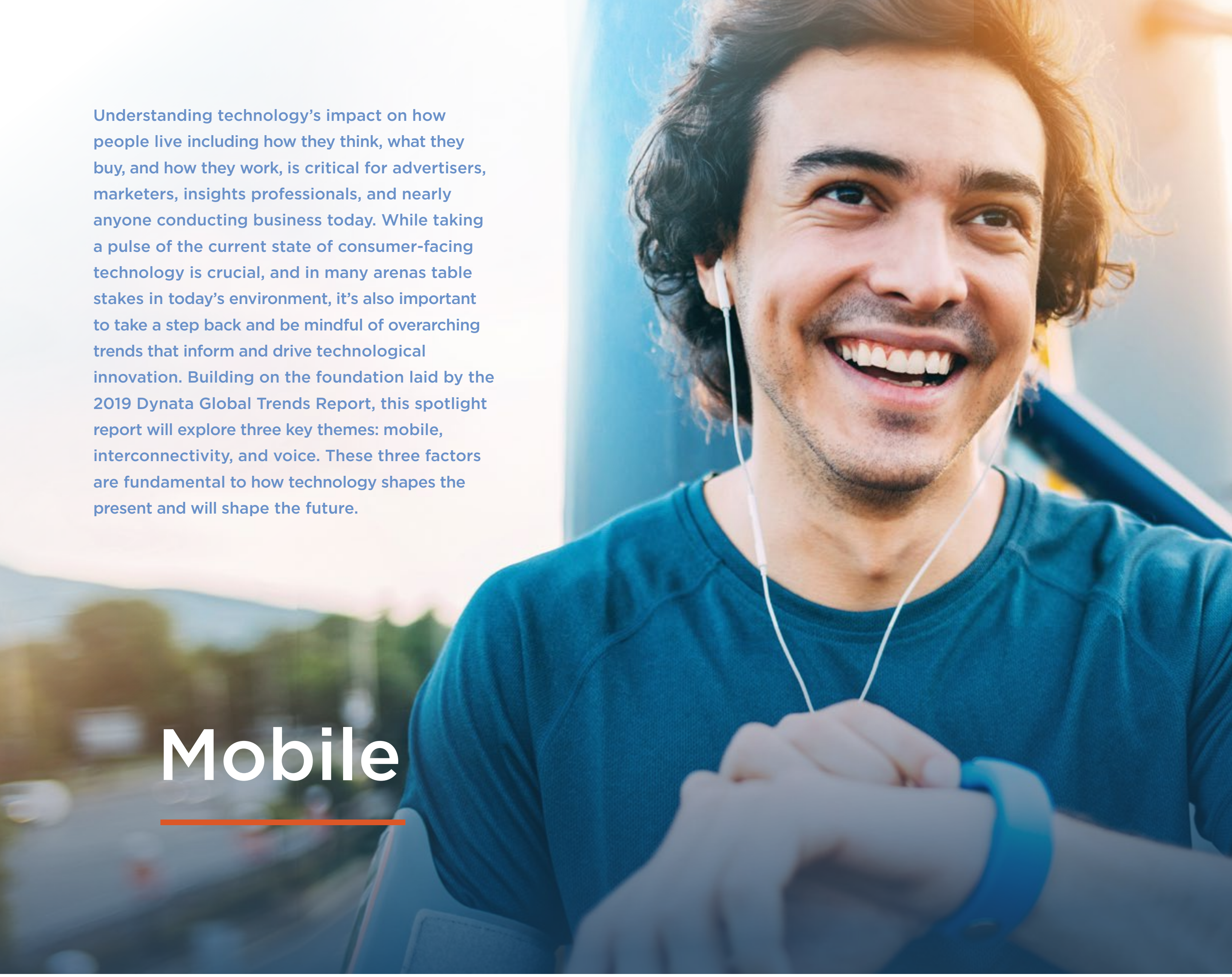


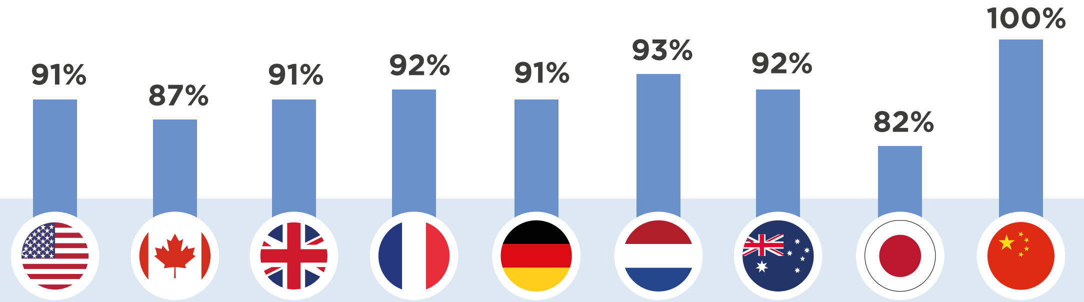
Understanding technology's impact on how people live including how they think, what they buy, and how they work, is critical for advertisers, marketers, insights professionals, and nearly anyone conducting business today. While taking a pulse of the current state of consumer-facing technology is crucial, and in many arenas table stakes in today's environment, it's also important to take a step back and be mindful of overarching trends that inform and drive technological innovation. Building on the foundation laid by the 2019 Dynata Global Trends Report, this spotlight report will explore three key themes: mobile, interconnectivity, and voice. These three factors are fundamental to how technology shapes the present and will shape the future.

Mobile

Mobile technology, integrally linked to and in many ways epitomized by smartphones, may feel like nothing new. Smartphone ownership and usage has continually grown, having reached incredibly high penetration levels among the youngest age cohorts across the countries we studied globally, with 98% of Millennials and 85% of Gen X'ers owning smartphones, while Boomers (82%) and those in the Silent Generation (71%) are not lagging too far behind. The ubiquity of smartphones has challenged brands to adapt while also creating myriad new opportunities to connect with current and prospective customers. While just a few years ago, paying lip service to "mobile-first" seemed to outweigh the action taken, today operating in a mobile-first capacity is quite often a mandate. All signs point to mobile further becoming a primary way of accessing the internet and engaging digital content. In the US, 58% of web visits now come from mobile devices[1] and time spent on mobile devices now exceeds time spent watching television.[2] In the US, Dynata observed 35% of survey traffic coming from smartphones in Q1 of 2019, 2% higher than the global average. However, as to be expected, younger cohorts are more reliant on smartphones to take surveys with 63% of US survey traffic amongst Millennials being on smartphones (vs. 52% globally). Whether it is shopping for products, banking, sharing photos, or taking surveys, people expect a mobile-optimized experience and companies who underwhelm in this regard will be left behind.

1. Perficient Digital, Mobile vs. Desktop Traffic, April 2019
2. eMarketer, November 2018

Smartphone Ownership



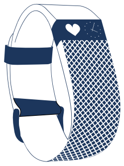
While the focus of this research has been on people's engagement with technology, it is worth considering how technological infrastructure, largely invisible to consumers, will increase the power and scope of mobile and connected devices even further. If you haven't come across the term 5G, you soon will, as it is being rolled out over the next several years in many countries across the globe. 5G means the fifth generation in wireless technology (we are currently on 4G), and brings with it the promise of vastly improved speed, increased data transmission capacity, and lower latency (or in other words, higher responsiveness). What this means for smartphones is that they will be able to handle data-heavy tasks with much more consistency and lower latency, greatly improving streaming video and providing a boon to AR/VR applications, perhaps bringing VR headsets more into the mainstream.

Another key aspect of 5G is that it can connect devices at a much larger scale. The focus of technology over the past three decades has been primarily on connecting people, but we are in the midst of a shift to a focus on connecting things, or devices. The Internet of Things (IoT), the world of internet-connected devices, will expand vastly over the coming years. Connected or smart devices will play an increasingly essential role in people's lives, all the while generating massive amounts of data that can be harnessed, with care, to inform business decisions.

Interconnectivity

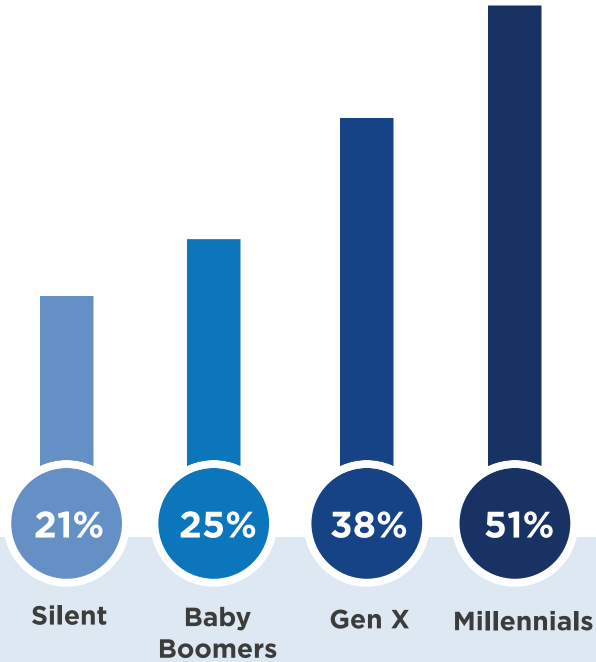
Looking at the IoT landscape today, aside from phones or computers, the most popular connected devices are wearable such as fitness trackers and smartwatches. Inherently convenient, they play into broader cultural trends toward using technology to monitor fitness/health and are becoming increasingly mainstream. Ownership of fitness trackers (e.g. Fitbit) is 13% globally. However, focusing only on quick adopters, ownership is more than double at 31%. Looking at Western Europe, the UK, France, Germany, and the Netherlands specifically, we see this trend play out among quick adopters, with ownership at 25%, 24%, 33%, and 31%, respectively, compared to just 13%, 11%, 17%, and 9% among those slower to adopt technology. We observe a similar pattern with smartwatches, where global ownership is 20%, however 34% of quick adopters own these devices.

Ownership of fitness trackers



13% Global

31% Quick Adopters



"Who are quick adopters?"

Quick adopters are those who are among the first to adopt new technology or adopt it rapidly.
As might be expected, younger people are more likely to embrace technology, with 51% of Millennials, 38% of Gen X, 25% of Baby Boomers, and 21% of the Silent Generation falling into this camp. As technology and tech-driven devices continue to improve and make their way into people's lives more quickly, it is key for brands in many arenas to keep an eye on quick adopters who will become early (and hopefully long-term) core users.

In North America, 31% of American and 22% of Canadian quick adopters own smartwatches compared to just 12% and 10% of slower adopters. At present, there is a significant overlap in capabilities among both of these types of device as smartwatches contain the same, if not more, tracking capabilities than standalone fitness trackers. If they come down in price, smartwatches may very well replace fitness trackers altogether.

Ownership of smartwatches

20% Global

31% Quick Adopters

Staying connected on the go is certainly one of the hallmarks of technology today and will continue to be in the future. But staying connected at home, through “smart home” or “connected home” devices is a trend that will make an indelible impact on how people live. Major electronics and technology companies are investing heavily in devices that monitor, control, and optimize one’s living space. Appliances, light switches, cameras/monitors, air purifiers, and climate control devices are among some of the most visible, while more fringe devices like smart blinds, couches, and toilets (yes, toilets) have also entered the fray. Across the countries we studied, both smart lighting and climate control (e.g. Nest thermostats) ownership is at 13% while connected door cameras/monitors are owned by 12%. Similar to portable connected devices, isolating quick adopters paints a different picture. 22% own smart lighting and climate control, respectively, and 20% own connected door cameras/monitors. Evaluating just Millennial quick adopters, usage of these devices is significantly more common (47% own smart climate control, 41% door monitors, and 44% lighting). As these devices – and others – integrate with one another, such as smartphones and smart speakers, we can expect significant investments in these products as well as increased usage.

Ownership of connected climate control

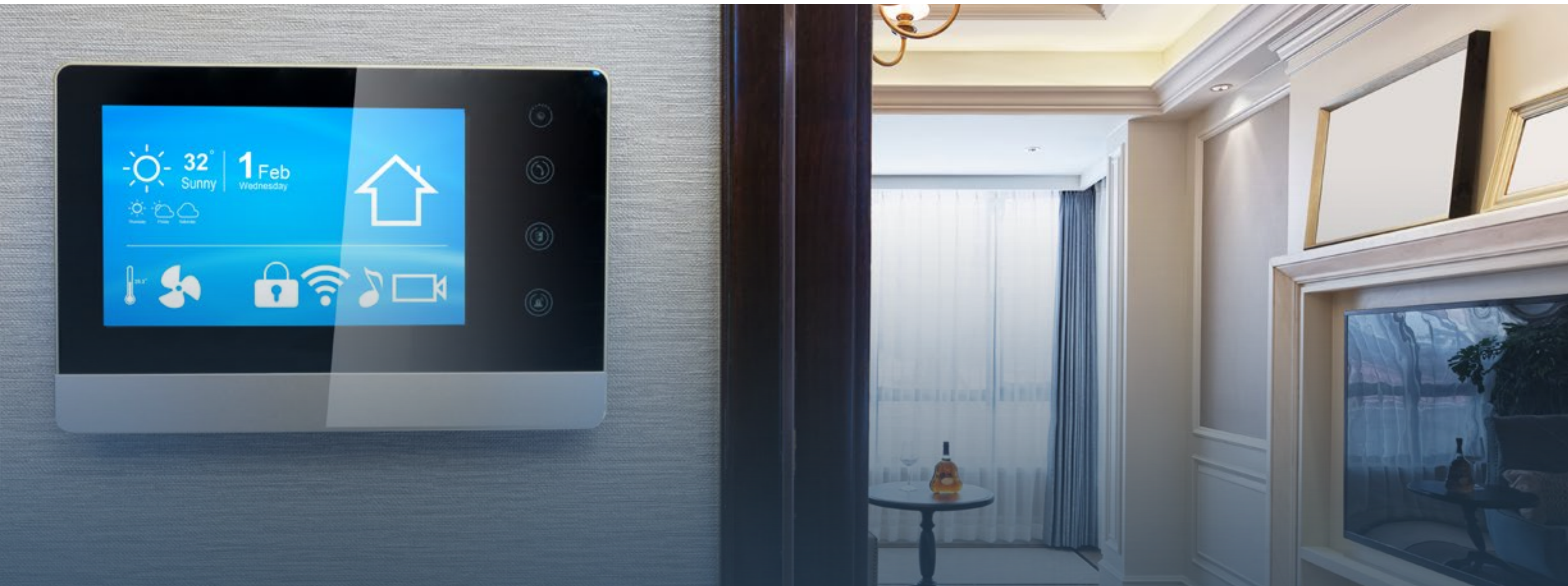
13% Global

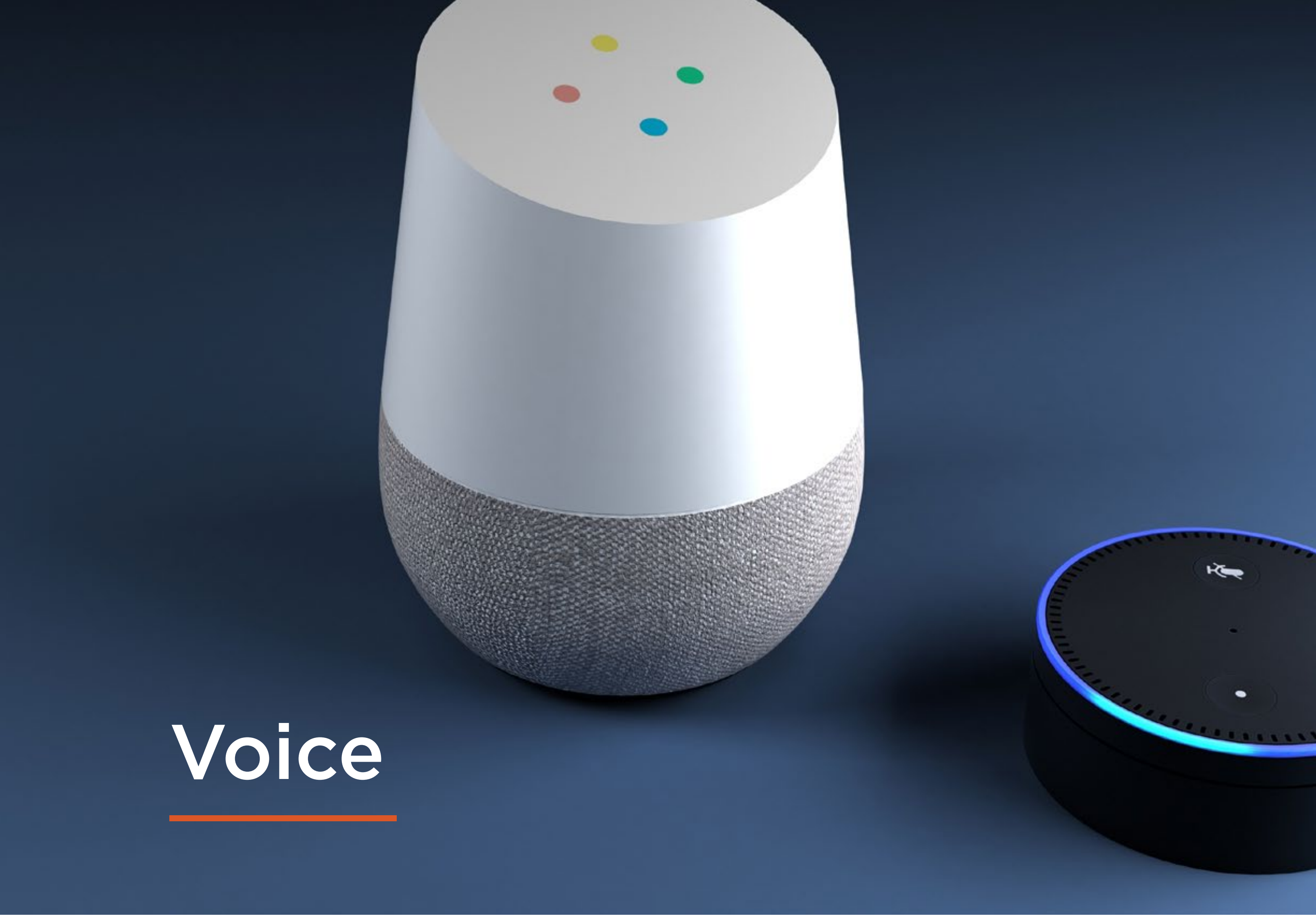
22% Quick Adopters

Ownership of connected door cameras/monitors

12% Global

20% Quick Adopters





Voice

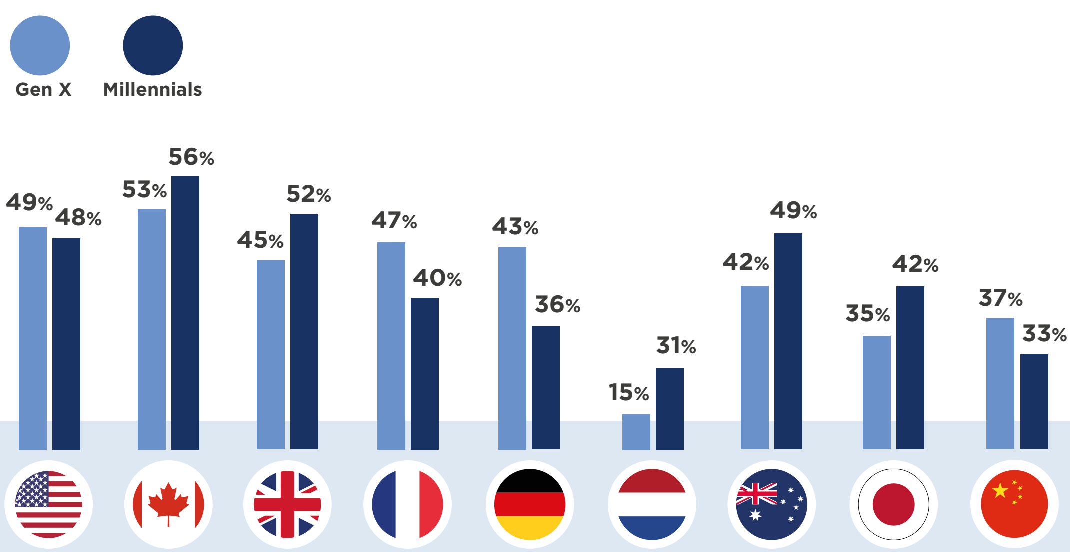
Perhaps the consumer-facing technology that will make the most significant impact in the next couple years on how people not only engage with technology, but live their daily lives, is voice. Think back nearly a decade ago to 2010, the year Apple released its first iPad, or back just a bit further to 2007 when the first iPhone was introduced. Touch screen digital devices existed before this point, but they were often clunky and the cool ones only seemed to exist in movies. One major impact of the first mainstream smartphones and tablets, along with the proliferation of competitive devices that followed, was changing the way people engaged with them physically.

Today, another shift in how people interact with technology is upon us as voice technology improves vastly and voice assistants become more commonplace. Voice assistants, such as those powered by major players like Amazon (Alexa), Google (OK Google), and Apple (Siri) are preinstalled on most smartphones and have made their way into homes via smart speakers and other connected devices. Of those who are aware of voice assistants on their phones, 18% use them regularly and 41% use them occasionally. Focusing on quick adopters, usage is more common, with 24% using them regularly and 46% using them occasionally.

When it comes to having voice assistants in the home via smart speakers or other devices, 21% globally claim ownership. However, we see much higher penetration among quick adopters, 34% of whom have these devices. The United States, where there has been significant investment in smart speakers, provides an interesting case. Ownership is 33%, while there is a significant gap between quick adopters (48%) and slower adopters (22%). As in-home voice assistants are still relatively new to the market and much of the hype has been around sales, it is interesting to look at their usage. In short, those who own them use them. 43% use them very often (47% among quick adopters) and 46% use them occasionally (also 46% among quick adopters). The Consumer Technology Association has reported that the most common use cases for these devices in the US include asking questions/searching the internet (63%), checking the weather (58%), and listening to music/radio/podcasts (50%).[3] What people can do with voice assistants continues to expand, evidenced by the fact that the number of Alexa skills doubled in 2018 to nearly 57,000 and is poised to eclipse 100,000 by the middle of 2019.[4]

Whether or not voice becomes the new touch, the primary means of interacting with digital devices, remains to be seen. However, many signs point in this direction. Engaging with people, whether that be for research purposes or directly as a brand, requires thinking about how to leverage voice technology. Meeting people where they are, which is increasingly talking to digital devices, may prove critical in staying ahead of (or at least not falling behind) the curve. As listening to the voice of the customer/consumer becomes increasingly important to organizations – and rightfully so – it is worth considering which touchpoints can, should, and will incorporate voice technology.

Use In-Home Voice Assistant Very Often



Base: In-home Voice Assistant Owners

3. CTA Voice Shopping Study, August 2018

4. Techcrunch, 2019; Bond Internet Trends, 2019

Parting Words

Trends around voice, interconnectivity, and mobile are essential for researchers and marketers to follow because they directly impact how to engage with people and more broadly, how people live their lives. While these trends are important, don't stop there. With the impact technology has today and the speed with which it shapes the world around us, which will only increase, it is well worth taking time to observe, analyze, and determine how technology can shape your business. Look at the big picture but also look directly at your customers. How is technology shaping how they live and engage with your company? Savvy companies stay ahead of these trends, anticipating customer needs rather than merely reacting to them a few steps too late. I encourage you to take time this month – and every month – to continue down this path. Go forth and be curious.

AUTHOR

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This report draws upon research conducted by Dynata across 9 countries: US, Canada, UK, France, Germany, the Netherlands, Australia, China, and Japan from November, 2018 – February, 2019. Online interviews were conducted amongst Dynata's proprietary panels and sample quotas were controlled to reflect the population on age, gender, and region. When global stats are reported here, they are an average across the countries studied. Country level data is also reported and identified accordingly. For additional data for individual countries as well as on other key topics, please refer to the **2019 Dynata Global Trends Report**.

About Dynata

Dynata is one of the world's leading providers of first-party data contributed by consumers and business professionals. With a reach that encompasses 60+ million people globally and an extensive library of individual profile attributes collected through surveys, Dynata is the cornerstone for precise, trustworthy quality data. The company has built innovative data services and solutions around its core first-party data offering to bring the voice of the customer to the entire marketing spectrum, from market research to marketing and advertising. Dynata serves nearly 6,000 market research agencies, media and advertising agencies, consulting and investment firms, and healthcare and corporate customers in North America, South America, Europe, and Asia-Pacific. For more information, go to www.dynata.com