

If We Build it, Will They Come?

Findings from TAUTTM
(Tablet Adoption and Usage Tracking)

October 6, 2010

Dr. Phil Hendrix, immr/GigaOm Pro



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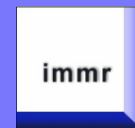
Acknowledgements



Paradigm Sample

- ❖ Innovative global sample company
- ❖ Specializing in mobile, hard-to-reach audiences
- ❖ Offer MobilePulse™ (real-time data collection capability)
- ❖ Sima Vasa, CEO/Steve Dodge, VP

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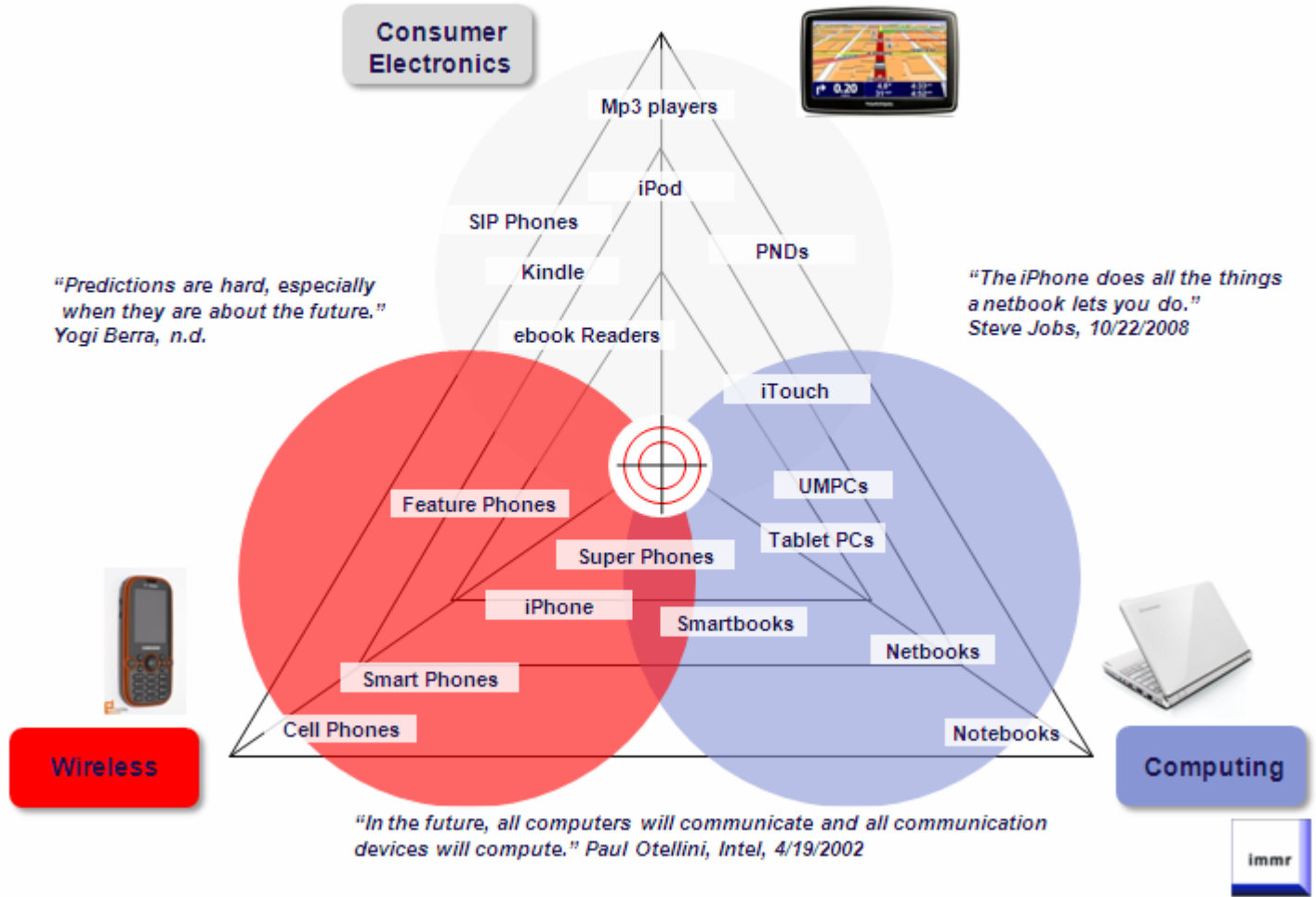


Agenda

- ❖ What Drives Adoption of New Mobile Devices?
- ❖ immr's TAUT™ Research Program
(Tablet Adoption and Usage Tracking)
- ❖ Selected Findings – TAUT Research Oct. 2010
- ❖ Implications for OEMs, Operators, Developers
- ❖ Forthcoming TAUT Research – Q4

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Mobile Internet Devices – Blending, Converging, Competing

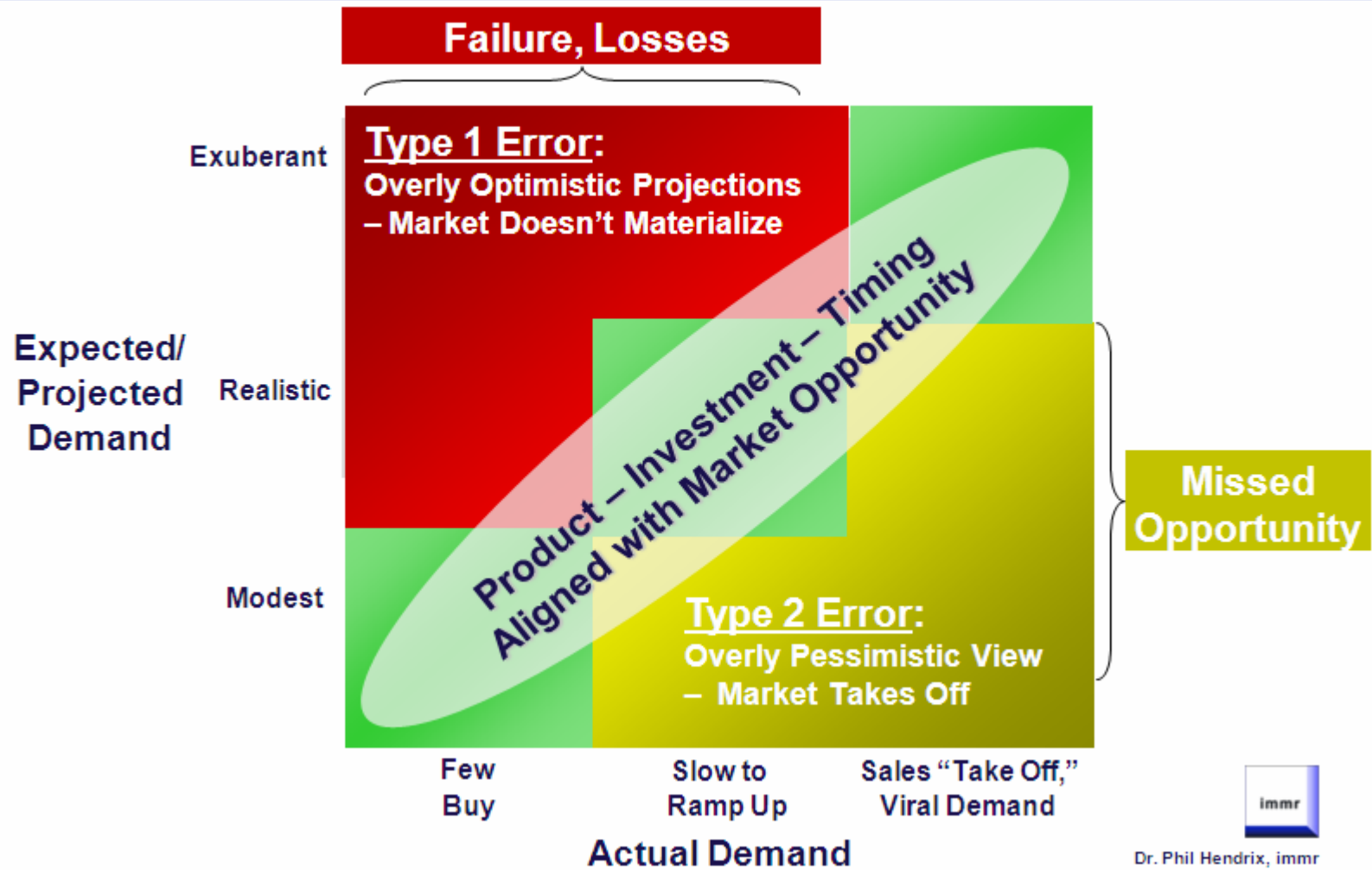


Sources: Adapted from In-Stat/Texas Instruments Presentation, Mobile Internet Devices – Market Overview

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Getting the Product Right – at the Right Time – is Challenging



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Keys to Success for Innovative New Mobile Devices

- Drive development of apps optimized for device
- App store(s) for devices
- Make social media part of the DNA
- Create compelling advertising/branding
- Optimize for one or more apps for which device uniquely well-suited



Create excitement for new products



- Instant on
- Embedded 3G, Wi-fi
- Affordable 3G
- Flexible pricing (subscription, use)
- Cloud-based service (cross-platform)
- Mitigate data restrictions

Make new products indispensable



- Cross-platform interoperability (smartphone – PCs)
- Care for security, privacy
- Bundle key services (photo sharing, etc.)
- Connect to "Connected homes," vehicles
- Promote peripherals, ancillary services
- Create a retail experience
- Embrace emerging platforms (LBS; AR; etc.)

Grow the category



Minimize cannibalization



- Price
- Performance
- Portability
- Precise targeting
- Optimized for use cases
- Clear differentiation, positioning

Trigger a "virtuous cycle," avoid the vicious cycle



- ☒ Commodity pricing
- ☒ Feature creep
- ☒ Overlapping subcategories
- ☒ Confusing end-users
- ☒ Under/over-shooting on performance
- ☒ Avoid "buyer remorse"



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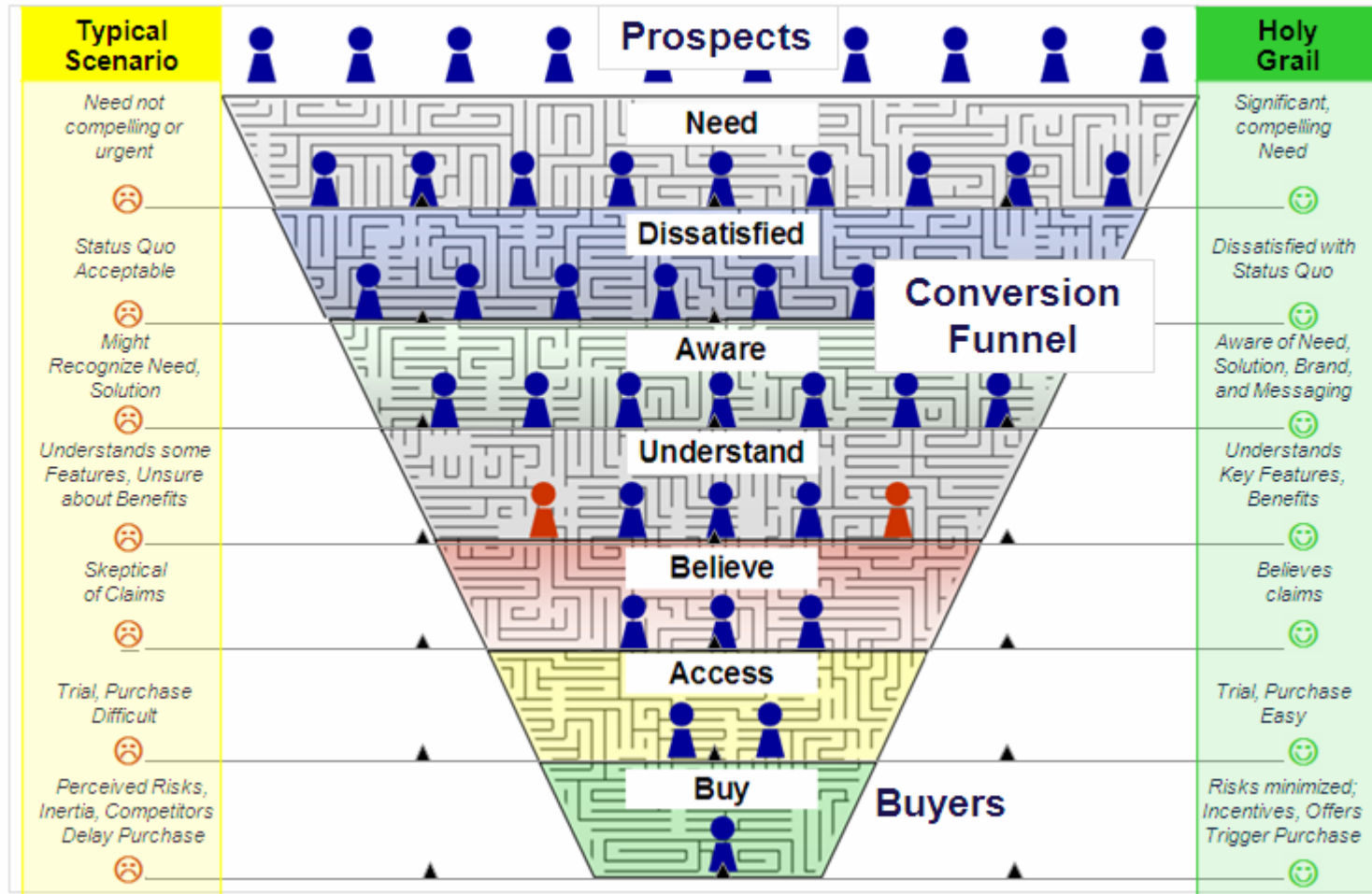


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Adoption Model for New-to-Market Products



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TAUT Research Program

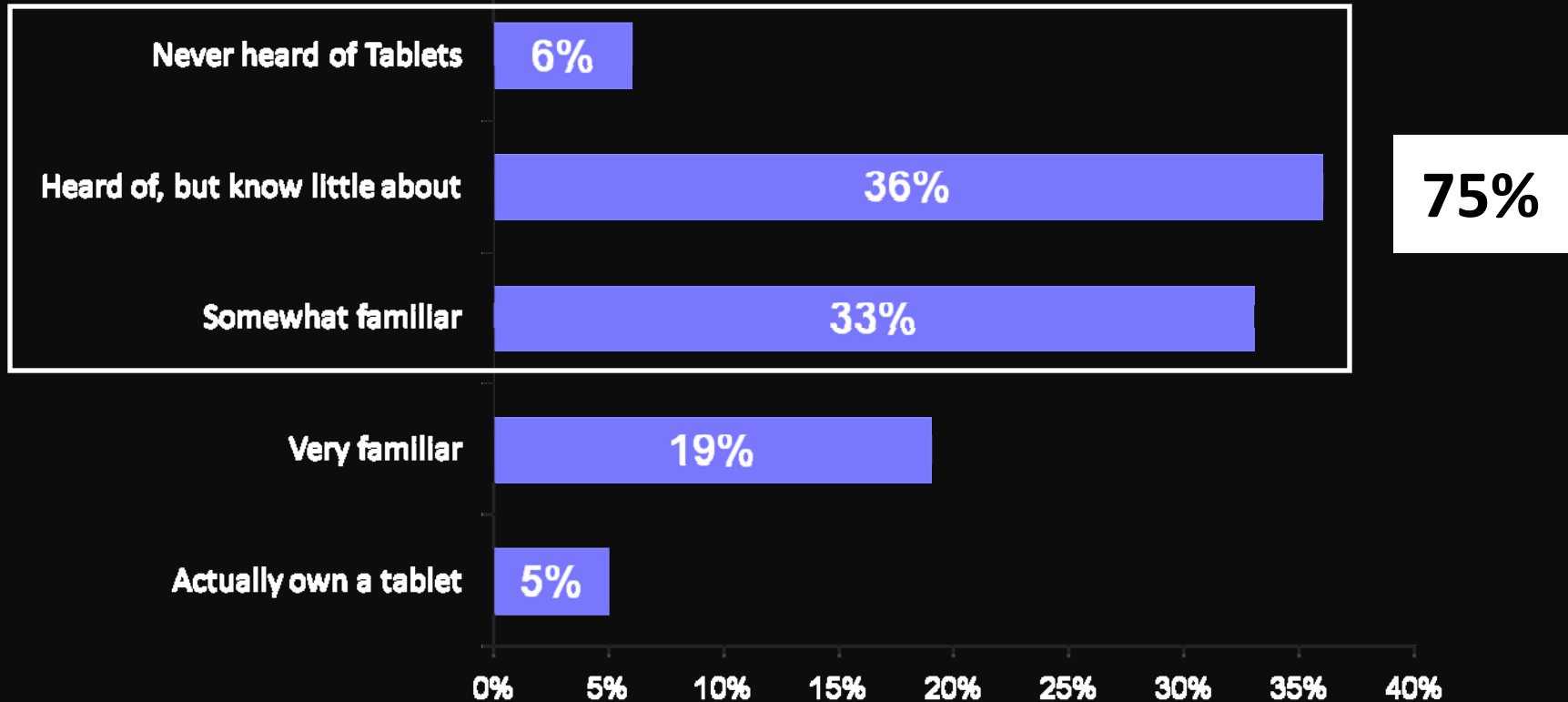
- ❖ Monthly Survey – Online (15 minutes)
- ❖ Stratified Random Sample of Mobile Users (n=400)
- ❖ Smart Phone and Feature Phone Users

TAUT Measures		
➤ Device Profile	➤ Device Usage	➤ User Profile
Tablets		
➤ Awareness	➤ Exposure	➤ Benefit Appeal
➤ Expected Uses	➤ Purchase Intent	➤ Time Frame
➤ Feature Preference	➤ Brand Preference	➤ Price Elasticity

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■ Most Consumers Unfamiliar with Tablets

Awareness of Tablets



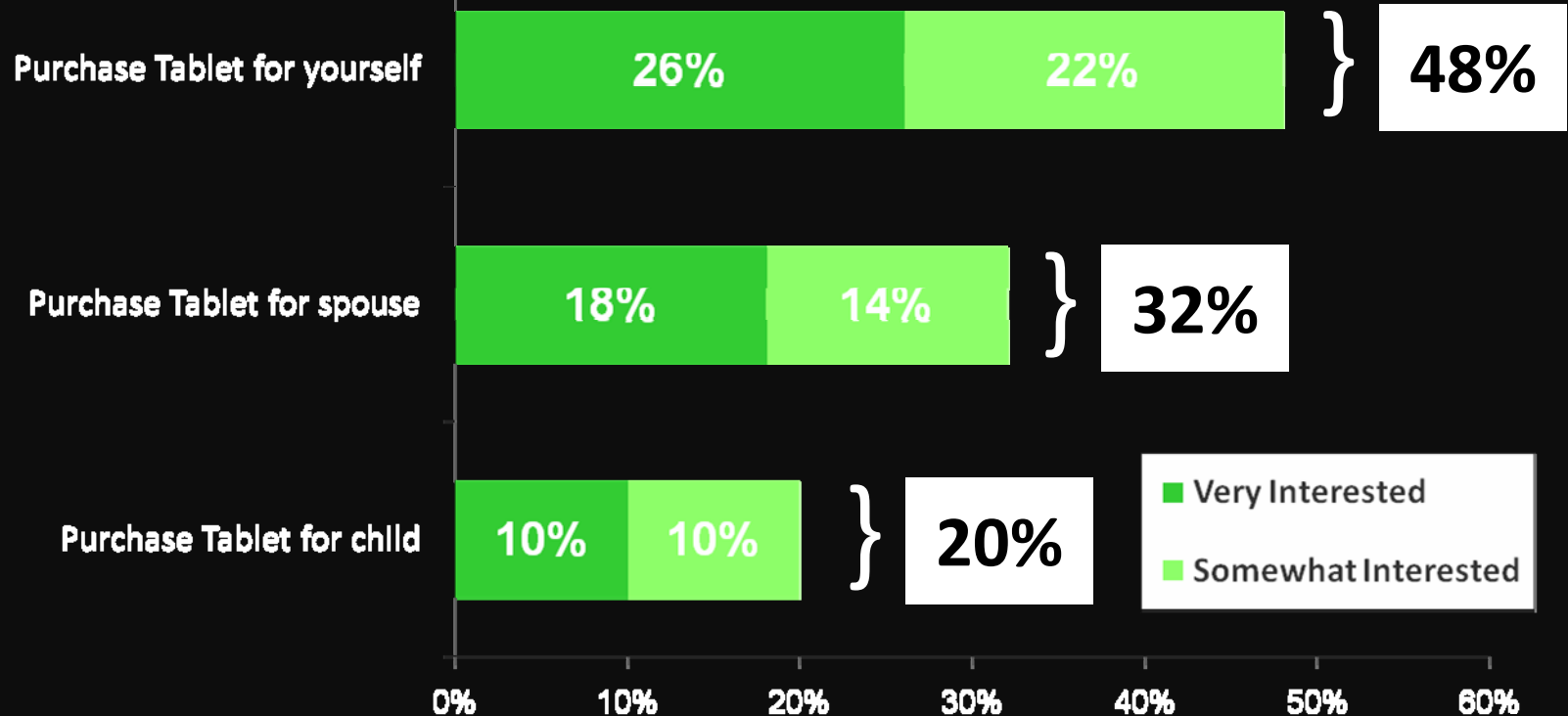
Q: How familiar are you with Tablets?

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Over Half Interested in Purchasing a Tablet

Interest in Purchasing a Tablet



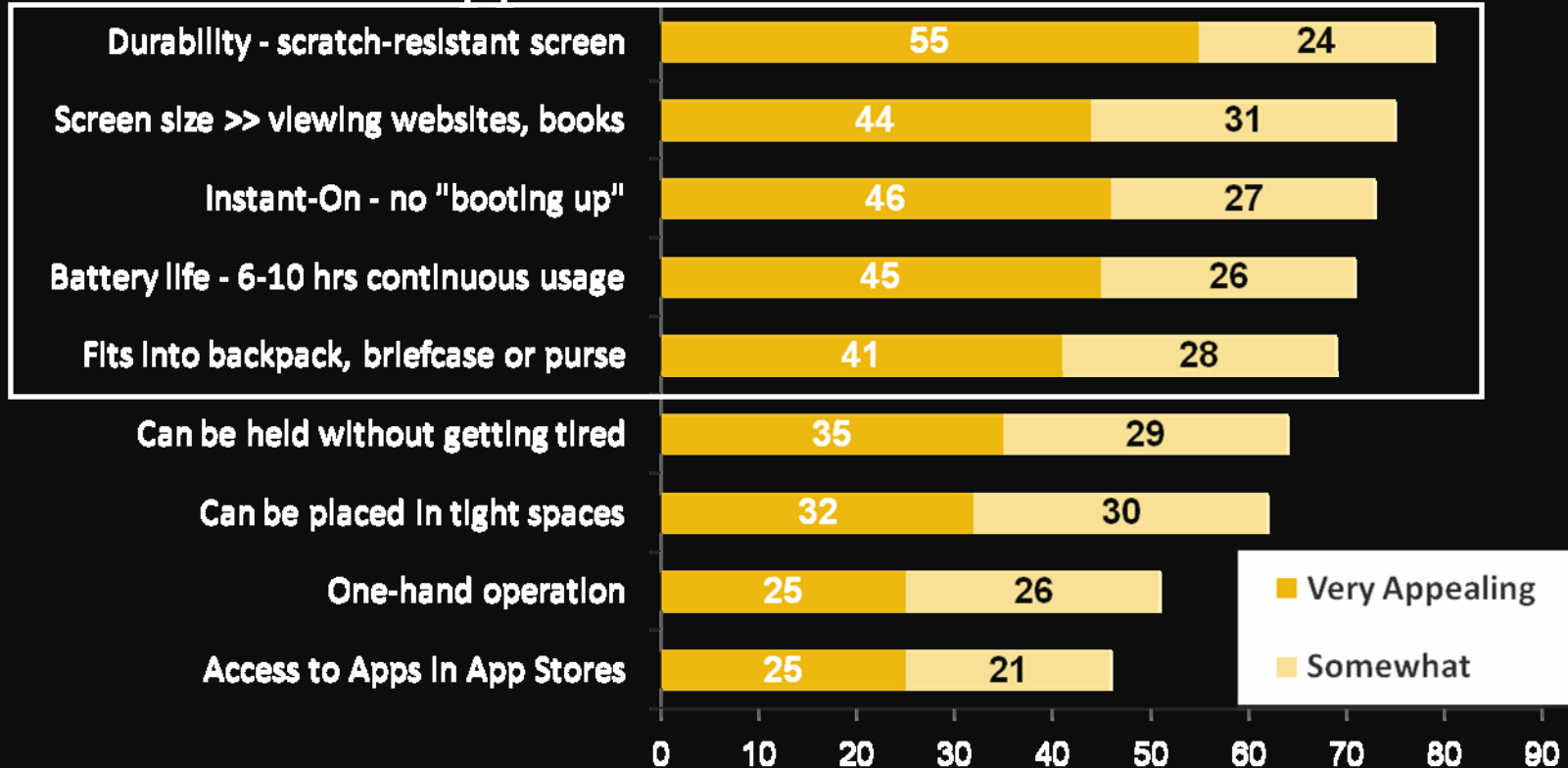
Q: Overall, how interested are you in purchasing a Tablet for yourself? For your Spouse? For your child(ren)?

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■ Tablet Benefits Have Wide Appeal

Appeal of Tablet Benefits



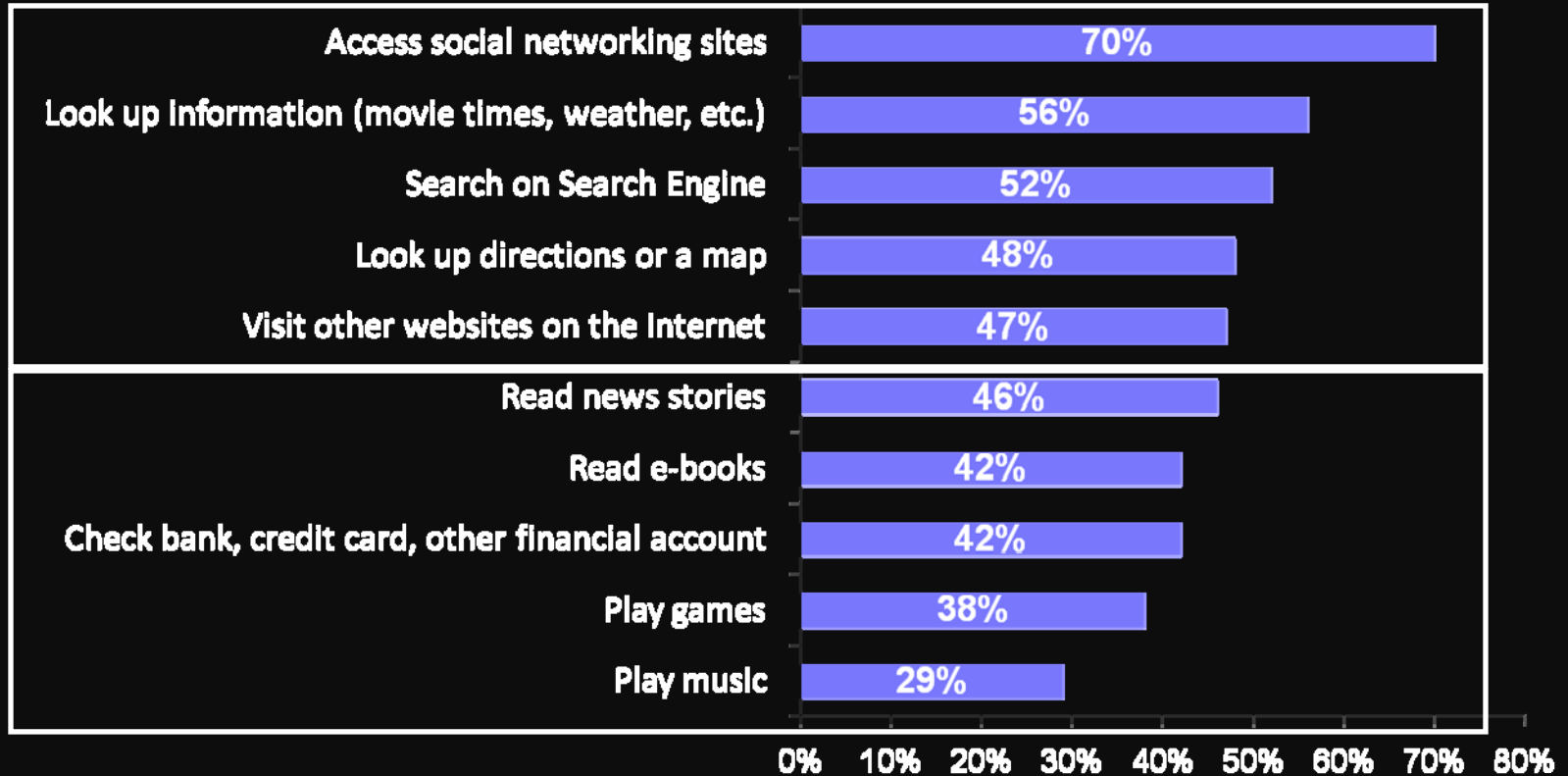
Q: Compared to mobile phones and laptop PCs, Tablets offer a number of potential benefits. Rate the appeal to you personally of each benefit using a 1-5 scale ("Not Very Appealing" to "Very Appealing")

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■ Top Anticipated Uses of Tablets

Percentage Rating Activity as “1 of top 5” Tablet Uses



Q: Think about the places, times and situations in which you might use a Tablet. From the list below, select and rank order the top 5 activities for which you would be most likely to use the Tablet.

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Price Thresholds for Tablets

Prices Consumers Expect, Willing to Pay for Tablets



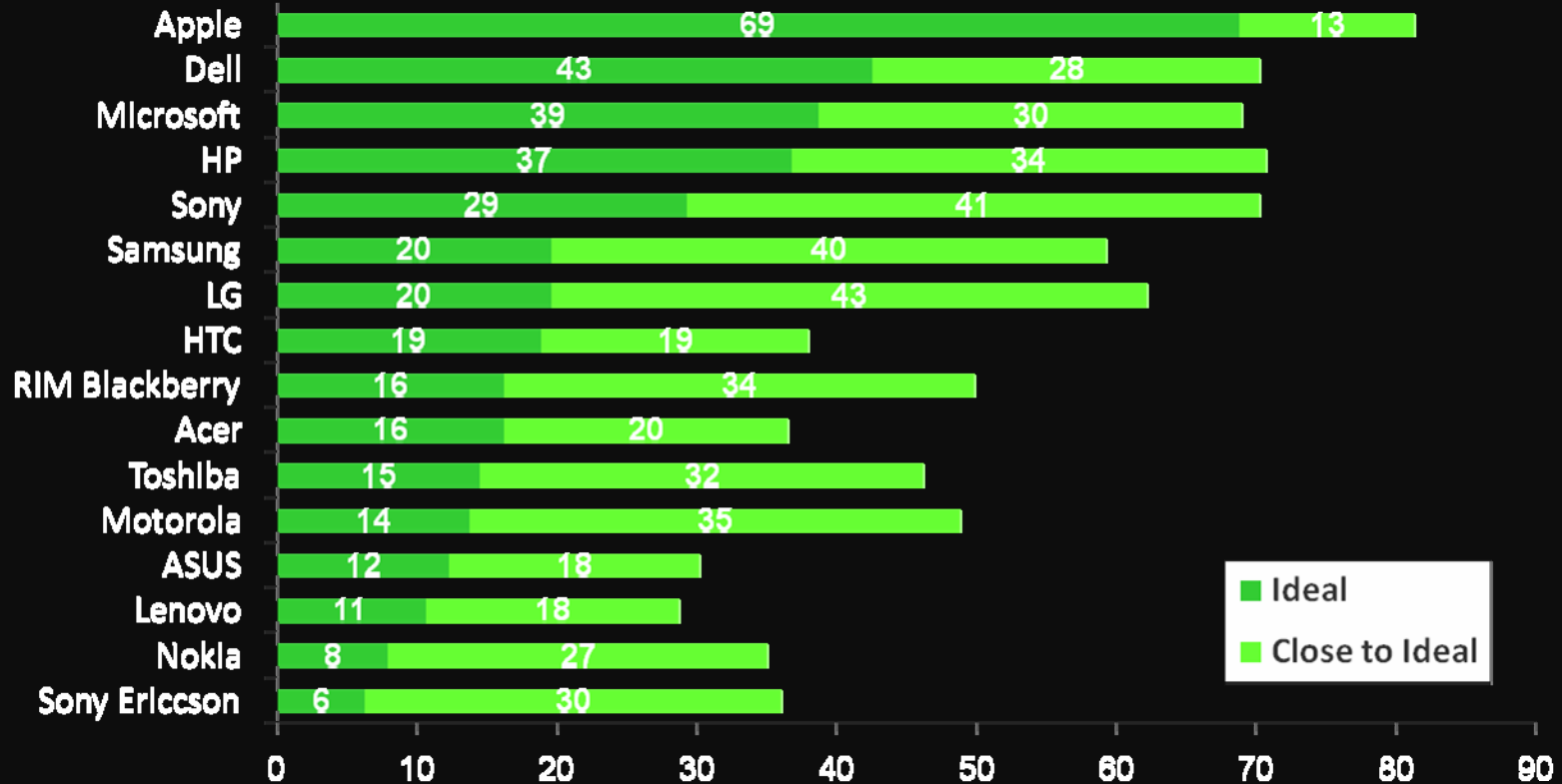
Q: At what price would you consider a Tablet ... a) to be so inexpensive that you would question its quality and believability? b) to be such a good value that you would definitely buy it? c) start getting expensive, but would still be worth considering? d) so expensive that you would NOT even consider buying it?.

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Preferred Brands for Tablets

Rate Brands for Tablets



Q: Suppose you were shopping for a Tablet. Of the brands listed below, identify your ideal brand(s) for a Tablet - the one(s) you most prefer; other brands that are close to your ideal, but not quite as preferred.

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Other Findings

- ❖ Consumers' Preferences for Tablet Form Factors, Features and Connectivity (3G vs. Wi-Fi)
- ❖ Propensity to Purchase with/without MNO Contract
- ❖ Operating System (OS) Preferences
- ❖ Where Consumers Are Apt to Buy
- ❖ Time Frame for Purchasing
- ❖ Market Opportunities \ominus Features x Price x Brand

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■ Features Examined in TAUT Choice Modeling

Feature	Feature Levels			
1 Keyboard	On-screen keyboard	Physical keyboard		
2 Screen Size	5"	7"	10"	
3 Screen Type	Capacitive	Resistive		
4 Screen Resolution	800 x 480	1024 x 768	1280 x 720	
5 CPU (speed)	600MHz	1Ghz	1.66Ghz	
6 RAM (MB)	256MB	512MB	1GB	
7 Storage Type	Hard Disk Drive	Flash		
8 Storage Size	2GB	4GB	16GB	32GB
9 MicroSD Slot - Capacity	None	4GB	16GB	32GB
10 USB Slots	None	One		
10 Connectivity	Wi-fi	3G + Wi-fi		
11 Webcam (megapixel)	None	1.3Mp		
12 Camera (for photos)	None	3.2Mp	5.0Mp	8.0Mp
13 GPS	Not included	Included	Yes	
14 Adobe Flash Support	Not included	Included		
15 Battery Life (hrs. - video playback)	4 hrs.	6 hrs.	8 hrs.	10 hrs.
16 Can be used as a Phone	Not available	Phone ready		
17 USB Slots	None	One		

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■ Illustrative Tablet Offers Examined

Tablet Study - Illustrative Choice Set - 1 of M		Tablet Study - Illustrative Choice Set – M of M	
Features	Model	Features	Model
1 Connectivity	3G + Wi-fi	Connectivity	Wi-fi
2 Brand/Operating System	Samsung/Android	Operating System	HP/ webOS
3 Keyboard	Virtual On-screen	Keyboard	Physical
4 CPU (speed)	1.66Ghz	CPU (speed)	1Ghz
5 RAM	1GB	RAM	512MB
6 Storage Type	Flash	Storage Type	HDD
7 Storage Size	4GB	Storage Size	4GB
8 MicroSD Slot - Capacity	2GB	MicroSD Slot - Capacity	4GB
9 Screen Size	7"	Screen Size	10"
10 Screen Type	Capacitive	Screen Type	Capacitive
11 Screen Resolution	1280 x 720	Screen Resolution	1024 x 768
12 Webcam	Yes	Webcam	None
13 Camera (for photos)	None	Camera (for photos)	None
14 GPS	No	GPS	None
15 Adobe Flash Support	No	Adobe Flash Support	None
16 Battery Life	6 hrs.	Battery Life	6 hrs.
17 Can Be Used as a Phone	No	Can Be Used as a Phone	No
18 USB Slots	One	USB Slots	One
19 Price (without contract)	\$475	Price (without contract)	\$475
20 Price (with contract)	\$150	Price (with contract)	\$150

Likelihood of Purchasing:	
1 Definitely Would Not	<input type="radio"/>
2 Highly Unlikely	<input type="radio"/>
3 Probably Would Not	<input type="radio"/>
4 50/50	<input type="radio"/>
5 Probably Would	<input type="radio"/>
6 Highly Likely	<input type="radio"/>
7 Definitely Would	<input type="radio"/>

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Thank You!

For More Information

Dr. Phil Hendrix

phil.hendrix@immr.org

www.immr.org

Twitter: phil_hendrix

Slideshare: pehendrix

+1 (770) 612-1488



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