



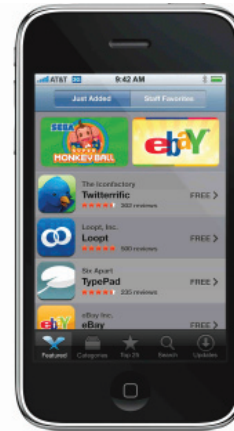
Social Impact

Mobility 1999-2010

The mobile phone has come a long way since Dr Martin Cooper of Motorola demonstrated the world's first cellular portable phone in 1973. Since then, it has made a significant impact on every day life with research from the International Telecommunication Union (ITU) - the leading United Nations agency for information and communication technology issues - indicating that access to mobile networks is now available to more than 90% of the global population, an estimated 5.3 billion people.

ITU figures reveal that mobile phone penetration in developing countries is around 68%. However, this number is more than doubled in Austria which has a mobile telephony penetration rate of approximately 140%. More than 90% of the population aged 15+ use a mobile phone. The number of mobile broadband users is also high. Austria's traditionally low pricing levels has contributed to the significant take up of mobile phones and has impacted on fixed line telephones. Just 50% of Austrian households have fixed line access.

Austria's leading mobile communication provider A1 commissioned GfK to conduct a Social Impact survey to help it gain a better insight into the impact



of these changes and to help it adapt to the new realities of how Austrians were using smartphones.

The Social Impact study revealed some interesting findings, most notably on the perception and usage of mobile phones. The survey, which stretches back eleven years, highlighted earlier results that people saw the mobile phone as a status symbol, rather than a functional, Swiss army knife-style device, able to perform many tasks.

In the latest study, perceptions were found to have changed with people once again viewing the mobile phone as a status symbol. This could be linked to the rise in the number of sophisticated smartphones in the market. Austria has a smartphone penetration of 32%, which is relatively high, but, given the level of interest among young men for the devices, there is still big potential for growth.

For many Austrians, the mobile phone is seen as a basic necessity and something that more than half of users could not do without. Surveys reveal that after money, the mobile phone is the most important thing that people take with them when leaving the house. Around 85% of the population say mobile phones help them to organize their family and social life.



The importance of mobile telephony has matched that of face-to-face communication, while the mobile phone handset itself is something that is constantly watched by one third of the population virtually all of the time (e.g. people typically place their phones on the table in restaurants or cafés.) Since 1999, the number of SMS users in Austria has risen from 55% to 88%. In the 15-29 age group, on average, 38 text messages are sent per week, mainly for gossip.

Aside from being a tool for social interaction, safety is a key consideration for many young people and the elderly, many of whom see it as an investment, as it allows them to call for help when needed. With the rise of smartphones like the BlackBerry, Adroid and iPhone, mobile software applications (more popularly known as 'apps') have become a hot topic. Mainstream mobile phone usage in Austria is primarily about e-mailing, mobile internet and social networks, rather than high-end business applications.

From its humble beginnings nearly forty years ago, nowadays, the mobile phone is not just a phone, but a sleeker, more powerful, multifunctional tool that has life-changing implications for personal as well as business life, not only for Austrians, but around the world.



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