KEEP TAKING THE TABLETS
UNDERSTANDING TABLET ADOPTION, USAGE AND ITS IMPLICATIONS

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1. Introduction

To some, the iPad is the light at the end of the digital tunnel for publishers, freeing the digital versions of publications to be as truly portable and accessible as their print version and more readable than mobile. Critically it is a platform on which media owners believe content will be easier to monetise

Some publishers like News International have dived straight in with apps for existing brands and an alleged 30mUSD invested in Rupert Murdoch's pet project 'The Daily'. Others like The Guardian have adopted a 'wait and see' approach. However data on how people are *actually* using their iPads and tablets has remained relatively scarce until this year.

So what is a Tablet? A big smart phone, a replacement for the PC or something completely different altogether?

This paper examines some early feedback on usage of iPads and tablets and the consumers reaction to them. This provides insight into where the market is headed and the implications for media owners and advertises.

Critically both data sources are fresh – one because the fieldwork was conducted in August and September 2011 the other because it is using passive data continuously. We can compare and contrast claimed and actual behaviour. The two primary sources are:

1) **The Kantar Worldpanel UK Comtech Study**. This was an online study of 12,612 UK Worldpanel respondents, 1004 of whom own tablets. Critically in an extremely rapid moving market, the fieldwork was conducted between 22 August and 5 September so the findings are right up to date. It repeated a study conducted a year earlier on the same panel which is useful in terms of calibrating intended purchase against subsequent behaviour. Fieldwork is ongoing in other countries but this paper will focus on the UK findings. Henceforth this will be referred to as the 'Comtech study'. The data covers both iPads and tablets generically

2) **TNS Gallup Industry internet tracking study in Finland**. Conducted in Finland by TNS in conjunction with CEM4Mobile, the existing industry mobile audience study has been expanded to measure iPads on an ongoing basis. This service tracks online usage using a site-centric, browser-based method. Effectively 'code' is placed in tablet (and smartphone) apps prior to download which allows the tracking of usage of an ongoing basis, combined with internet server data isolating mobile and tablet usage. Effectively this is census based, so is not 'sample' research as such and as a result respondent demographics are not known, but it does provide very granular analysis and works well as a 'real world' counter point to the claimed usage data from the UK Comtech study. This study is run as an ongoing part of the wider Internet measurement in Finland by TNS Gallup using technology provided by Cem4Mobile, previously known as QAIMS. This will be referred to as the 'Finnish data'. The data here focuses exclusively on iPads.

This paper is organised thematically and will draw primarily from these two sources as well as other early evidence to examine the following questions:

- What kind of device is a tablet exactly? (how do we categorise it?)
- What will prevail, tablets generically or iPads specifically?
- What are the likely adoption rates going forward?
- What are people using them for, how long do they spend
- What are the implication for media owners and publishers in particular?

2. What kind of device are we talking about here?

Critical to understanding where iPads & tablets fit into the media ecosystem is to develop an understanding of how tablets 'fit' between a smartphone on one hand and a PC/laptop (or connected TV) on the other hand.

It would appear that opinion is still divided on whether an iPad is simply a big smartphone and consequently part of the mobile ecosystem or whether it is actually the *future* of the PC itself. Views on this are somewhat clouded by the way the device came

into being. Because the iPad led the way this has conditioned early thinking. Apple portable devices are very much currently positioned as satellite devices to the PC, with the need to 'sync' content and decide which content to put on the iPod/iPhone/iPad. The PC/Mac remains very much the hub and currently an iPad cannot 'replace' a PC in the most literal sense as – eventually – it has to use a PC/Mac as its home. However tablets using android or windows are more obviously stand alone devices and it is anticipated that the imminent new IOS version will allow Apple devices to sync independently with the cloud as opposed to just each other which would raise the possibility of iPad as a solus device.

However, for the iPad specifically to fully replace the PC/Mac in mass numbers, arguably a change in Apple ethos will be needed, specifically with regard to the 'control of means of distribution' which is so attractive to publishers but may inhibit those seeing the internet as a 'free' medium, and also with regard to Apple's attitude to flash and USB connectivity.
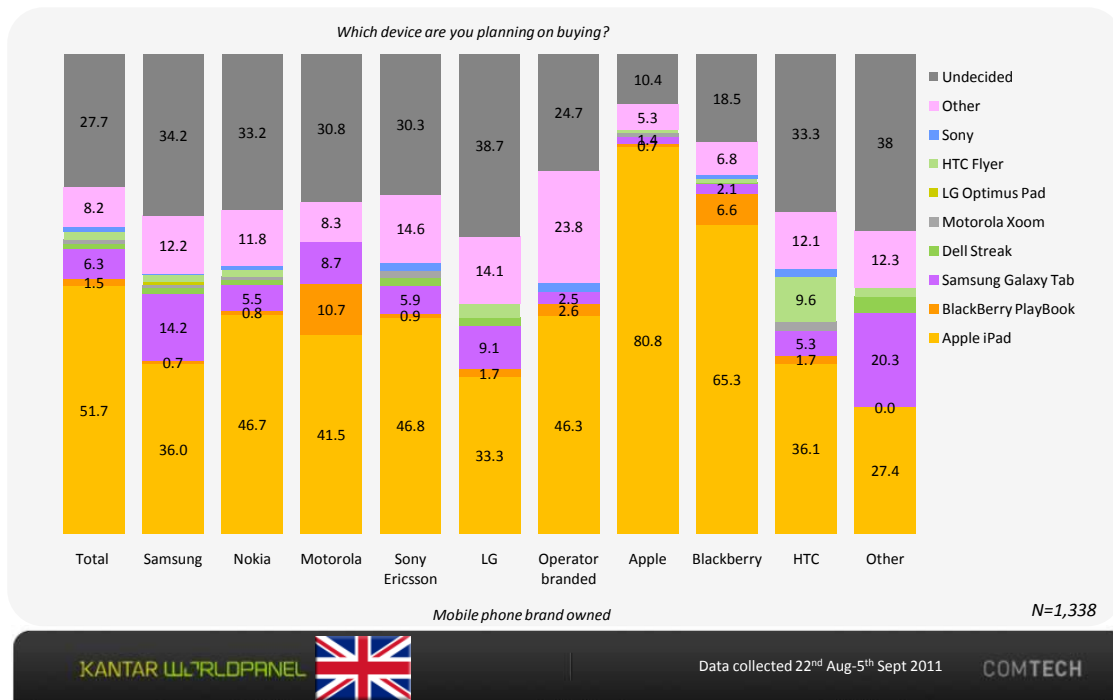
Nonetheless though it would appear that,18 months on, despite predictions of android eventual supremacy, the iPad rules the roost and this seems likely to continue. At the World Audiences Summit, on 15 June in New York, Doctor Jeffrey Cole from the 'Centre For The Digital Future' at USC Annenberg School, gave a keynote speech. He reported on the ongoing tracking conducted by the Centre on digital adoption in the US, something they have been tracking for over a decade. His view on the findings for iPads vs tablets was emphatic.

"...we think it's going to be the iPad. The only thing that has beaten the iPad is the iPad 2. All these other competitors had a year and the only thing that beat it was Apple beating itself and it's almost as if the goalpost had moved before the other teams even took the field……" (1)

Is he right? Well obviously time will tell, but findings from the UK Comtech study would appear to vindicate Dr. Cole's prediction. IPad dominates claimed potential purchase to an alarming degree.

Link Between Mobilephone Owned and Tablet Intend To Buy

Consumers who own BlackBerry Smartphones are the most likely to want to buy a PlayBook-6.8%. However, Apple, HTC and Samsung owners currently show a greater loyalty to brand when considering which Tablet to purchase.

Which device are you planning on buying?

Segment	Total	Samsung	Nokia	Motorola	Sony Ericsson	LG	Operator branded	Apple	Blackberry	HTC	Other
Undecided	27.7	34.2	33.2	30.8	30.3	38.7	24.7	10.4	18.5	33.3	38
Other	8.2	12.2	11.8	8.3	14.6	14.1	23.8	5.3	6.8	12.1	12.3
Sony								1.4	2.1		
Samsung Galaxy Tab	6.3		5.5	8.7	5.9	9.1	2.5	0.7		9.6	20.3
BlackBerry PlayBook	1.5	14.2	0.8	10.7	0.9	1.7	2.6		6.6	5.3	0.0
(intermediate)		0.7								1.7	
Apple iPad	51.7	36.0	46.7	41.5	46.8	33.3	46.3	80.8	65.3	36.1	27.4

Mobile phone brand owned

N=1,338

KANTAR WORLDPANEL   Data collected 22nd Aug-5th Sept 2011   COMTECH

What is interesting is that whilst 'Applistas' remain, unsurprisingly, loyal in their likely purchase of a tablet, other mobile brand users are less so and to a degree it would appear that the choice outside Apple is driven more by the

operating system (i..e. Android) than the hardware – i.e. people are loyal to Android but less so to the likes of HTC and Samsung. Arguably it's more of a case of Apple/ non-Apple than of individual brands.

Overall Comtech data showed that 3.17m in the UK own a tablet and that number is predicted to more than double in the next 12 months to 6.78m. 73% of current tablet owners have an iPad, with that proportion unlikely to change amongst those considering purchase. Little evidence then of an Android 'surge' – at least in the UK - and indeed if HP's experience is anything to go by, Jeffrey Cole's belief that the only real challenge to the iPad has been the iPad2 would appear to be borne out:

European stores slash prices for defunct HP tablet
European retailers slashed prices for Hewlett-Packard's TouchPad computers on Monday and Tuesday after just seven weeks on the shelves, in the wake of the US company's announcement that it would kill off the tablet. In Britain, online stores including Carphone Warehouse, Dixons and John Lewis were offering the basic 16 gigabyte model for £89 ($146) on Tuesday, down from about £349.
Reuters 23 Aug 2011

3. Is the iPad the new 'second screen'?

Returning to Doctor Jeffrey Cole and USC Annenberg, perhaps more controversially, as he indeed admitted, he predicts that the iPad will become the new second screen for media, replacing the PC/Mac for the majority:

" I am now convinced ultimately it (the iPad) replaces the second screen. We believe that only 4 to 6% of people who own PCs need PCs – computer-assisted designers, heavy-duty number crunchers, big writers – most of us don't. ... I don't know a single person who bought an iPad who didn't look at their laptop and say, 'can I get rid of it?' Some did, some said I can't yet, but most of the limitations on the iPad come not from the device but come from the stubbornness of Steve Jobs – things like the refusal to embrace flash or to put a USB port or those things. If Jobs could get past his stubbornness you could actually make it a device that almost everybody could replace but not everybody. We still think 6 to 8%, but once you get used to a tablet, going to a system where it takes four minutes to boot, where one, now let's be charitable, one out of every 30 times you get the blue screen of death, becomes intolerable and, of course, on a tablet if you turn it off, forgetting to do something, you go back and two seconds later, you're in it.

And so, we really believe that the PC is going away, tablets are the best thing that I think have ever happened to newspapers and magazines." (1)

We will return to that point about newspapers and magazines later, but clearly the tablet is more than just a new mobile screen but the potential replacement for the PCs. Whilst the PC will not 'go away' overnight, this transition would be fantastic news for the publishing industry if so, given its 'fit' with newspapers and magazines, both aesthetically and in terms of monetisation opportunities. However, the latter also assumes that the Apple business model prevails and tablets remain more 'controllable' than PCs.
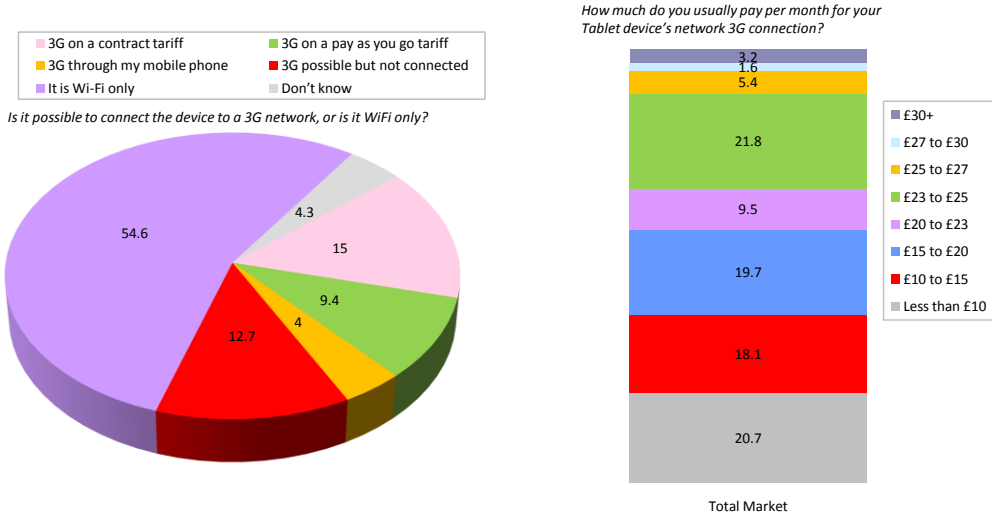
4. Connectivity: WiFi, 3G or both?

A final nail in the coffin of the idea that a tablet is just a big 'mobile phone' comes when we examine how people are actually using them to go online.

According to the UK Comtech study the majority of tablets are being purchased without 3G comtech – 54.6% of the 1004 iPad users having wifi only versions.

Connection Type and Monthly Spend on 3G Contract
Wi-Fi only tablets are the most popular model type, with only 15% of consumers connected to a 3G contract tariff.

Legend:
- 3G on a contract tariff
- 3G on a pay as you go tariff
- 3G through my mobile phone
- 3G possible but not connected
- It is Wi-Fi only
- Don't know

Is it possible to connect the device to a 3G network, or is it WiFi only?

Pie chart values:
- 54.6
- 4.3
- 15
- 9.4
- 4
- 12.7

How much do you usually pay per month for your Tablet device's network 3G connection?

Stacked bar values (Total Market):
- 3.2
- 1.6
- 5.4
- 21.8
- 9.5
- 19.7
- 18.1
- 20.7

Legend:
- £30+
- £27 to £30
- £25 to £27
- £23 to £25
- £20 to £23
- £15 to £20
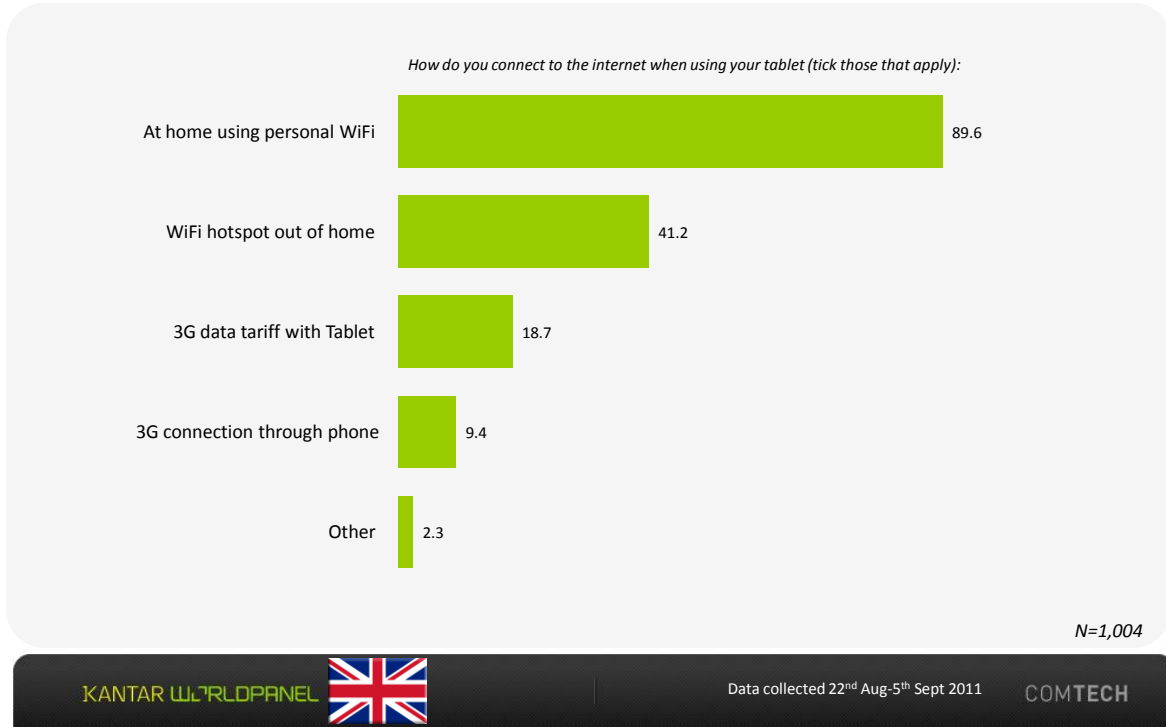- £10 to £15
- Less than £10

Total Market

N=1,004

KANTAR WORLDPANEL   Data collected 22nd Aug-5th Sept 2011   COMTECH

Further evidence that the tablet is a potential replacement for the PC is that a growing proportion are buying them for family as opposed to personal use, 38.5% of purchases being for family use, 51.3% as a personal device. And family purchases are even less likely to have 3G connectivity (39%).

If we move beyond device capability to actual use we see that wifi access dominates over 3G, with even wifi hotspots more widely used than 3G. Clearly this places the tablet firmly in the orbit of the PC/Mac as opposed to the mobile phone.

How Tablets Owners Connect to the Internet

90% of consumers connect to the internet with their Tablets using home Wi-Fi, though a surprising 41% have used an out of home WiFi hotspot. Just under 10% of consumers have used mobilephone tethering to connect to the internet on their Tablet.

How do you connect to the internet when using your tablet (tick those that apply):

At home using personal WiFi	89.6
WiFi hotspot out of home	41.2
3G data tariff with Tablet	18.7
3G connection through phone	9.4
Other	2.3

N=1,004

KANTAR WORLDPANEL   Data collected 22nd Aug-5th Sept 2011   COMTECH

This claimed behaviour is borne out if we switch countries and surveys to the Finnish TNS tracker which tracks actual use, we see not only does wifi dominate over 3G but the gap is widening in recent months and 3G access from iPads in Finland is actually declining!

CEM4Mobile

Access points used by iPad users

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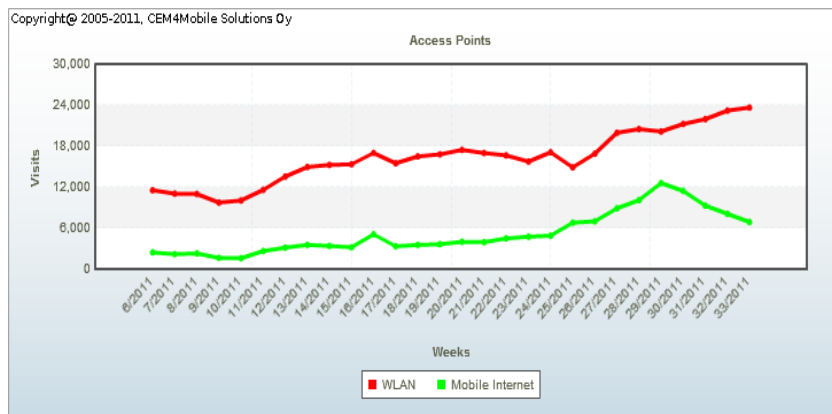
So it would appear that in terms of the 'technology' side of things, the tablet market is dominated by the iPad - which arguably is to the benefit of publishers - and seems likely to remain so, and is very much an adjunct of the PC/mac market as opposed to the mobile telephone market, with wifi the primary access mechanism.
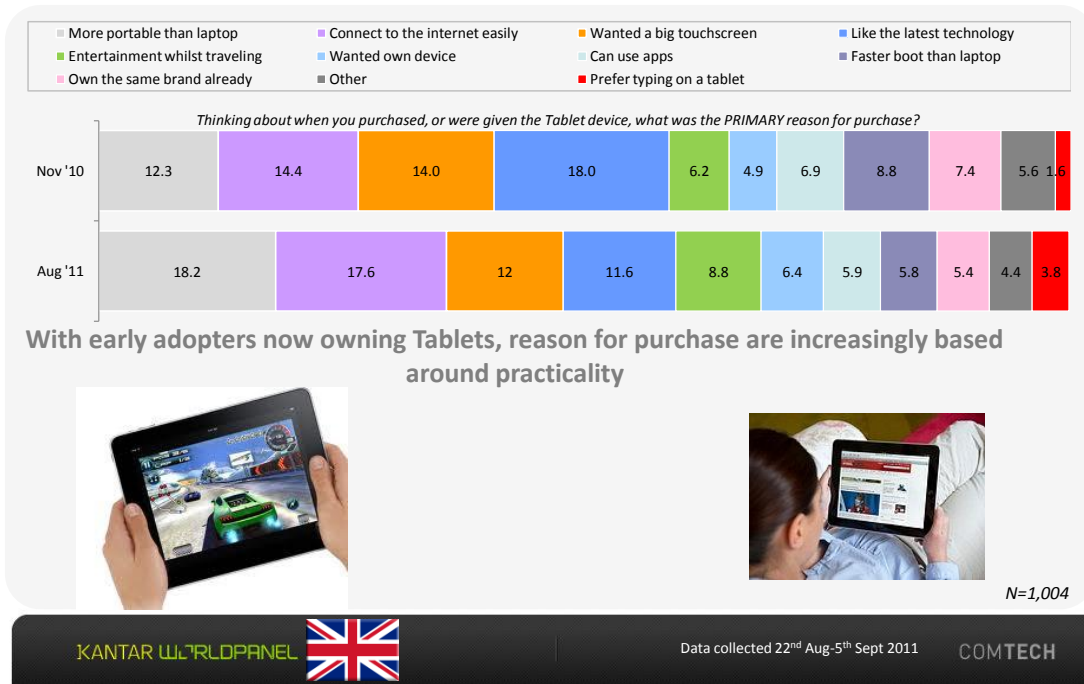
5. What are people using iPads & tablets for?

It would seem that the iPad has more of a leisure/entertainment bias in its usage compared to PCs or smartphones. This is at the heart of Cole's prediction that most (but not all) domestic PCs will be replaced eventually, as it assumes most domestic use is not primarily work (photos, video, communications social media etc). Their ubiquity at conferences in recent months may challenge even that assumption!

The UK Comtech survey asked people what their original motivation had been for taking a tablet:

Reason For Tablet Purchase

Reasons for Tablet purchase have moved away from early adopters simply wanting the latest technology, to more practical reasons such as portability, easy access to the internet. As Smartphones proliferate there are an increasing number of people who prefer typing on touchscreens to physical keyboards.
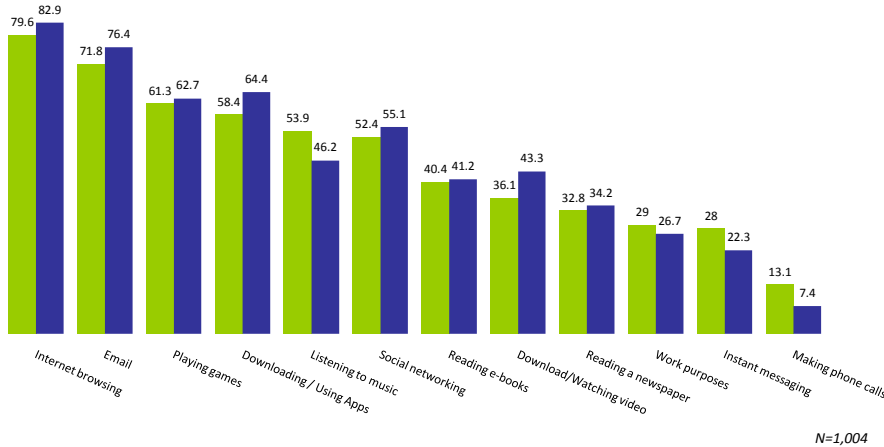
Legend			
■ More portable than laptop	■ Connect to the internet easily	■ Wanted a big touchscreen	■ Like the latest technology
■ Entertainment whilst traveling	■ Wanted own device	■ Can use apps	■ Faster boot than laptop
■ Own the same brand already	■ Other	■ Prefer typing on a tablet	

Thinking about when you purchased, or were given the Tablet device, what was the PRIMARY reason for purchase?

	More portable than laptop	Connect to the internet easily	Wanted a big touchscreen	Like the latest technology	Entertainment whilst traveling	Wanted own device	Can use apps	Faster boot than laptop	Own the same brand already	Other	Prefer typing on a tablet
Nov '10	12.3	14.4	14.0	18.0	6.2	4.9	6.9	8.8	7.4	5.6	1.6
Aug '11	18.2	17.6	12	11.6	8.8	6.4	5.9	5.8	5.4	4.4	3.8

With early adopters now owning Tablets, reason for purchase are increasingly based around practicality

N=1,004

KANTAR WORLDPANEL Data collected 22nd Aug-5th Sept 2011 COMTECH

Clearly the emphasis is more on portability, the touchscreen experience and the ease of accessing the internet compare to a regular PC. So it's more about the experience than it is about the 'power' of the device – entertainment on the move and the ability to use Apps are divers but work use is not cited as a significant reason. Anecdotally however, once people start to use a tablet they start to wonder whether they could start to use it for some aspects of work as the enjoyable experience contrasts strongly with using work PCs. Currently, only 3% said it had been bought as a device for work only, with a further 7.2% saying work and personal use. To return to an earlier theme, work usage is more skewed towards 3G connectivity (perhaps as the user's company pays for it!).

So what are people using tablets for? No surprises in the Comtech data, but it is heartening for the print industry that around a third claim to use their tablet for reading newspapers and that proportion has grown year-on-year – note however video viewing is growing more quickly. The only categories to fall year-on-year are listening to music – perhaps realising a smaller device is more suited - and making phone calls (echoing an earlier theme).

How Tablet is Used

83% of owners browse the internet on their Tablets, with email , playing games and downloading/using apps also key functions. Watching video is a key growth area for Tablets vs. Nov '10

Thinking about how you use your Tablet device, please tick all the ways in which you use your device

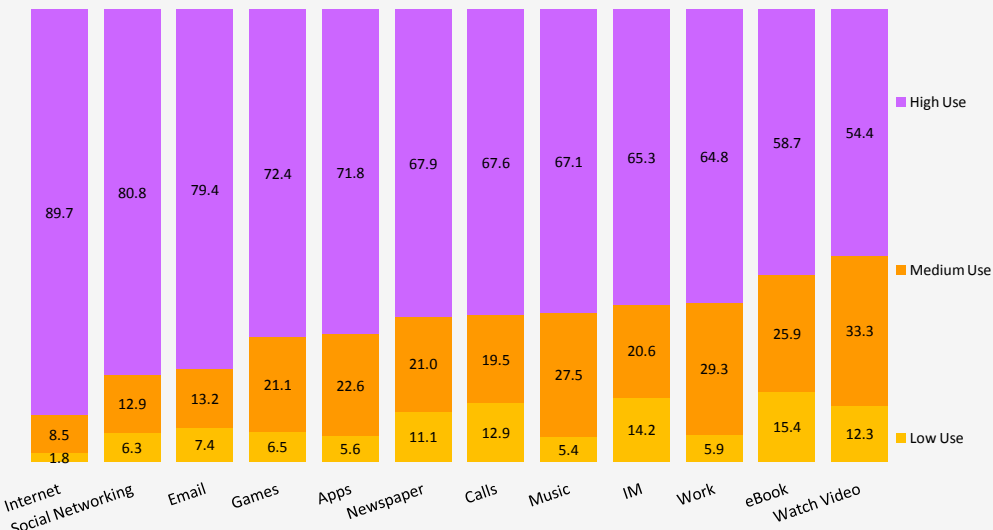| Category	Green	Blue
Internet browsing	79.6	82.9
Email	71.8	76.4
Playing games	61.3	62.7
Downloading / Using Apps	58.4	64.4
Listening to music	53.9	46.2
Social networking	52.4	55.1
Reading e-books	40.4	41.2
Download/Watching video	36.1	43.3
Reading a newspaper	32.8	34.2
Work purposes	29	26.7
Instant messaging	28	22.3
Making phone calls	13.1	7.4

N=1,004

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The Comtech survey then asked tablet users to band their use of the tablet for these categories into high, medium and low. Internet and social media dominate frequency of use, but it is significant that those using the device to read newspapers do so more frequently (67.9% high use) than those using it for video. Some have speculated that text may suffer in attraction compared to video, but as with the PC it would appear that demand for the written word endures.

Frequency of Usage Activity

Internet browsing, Social networking, Email & Games are the functions used most regularly on Tablets

How frequently you use the following areas? (1-5 scale)

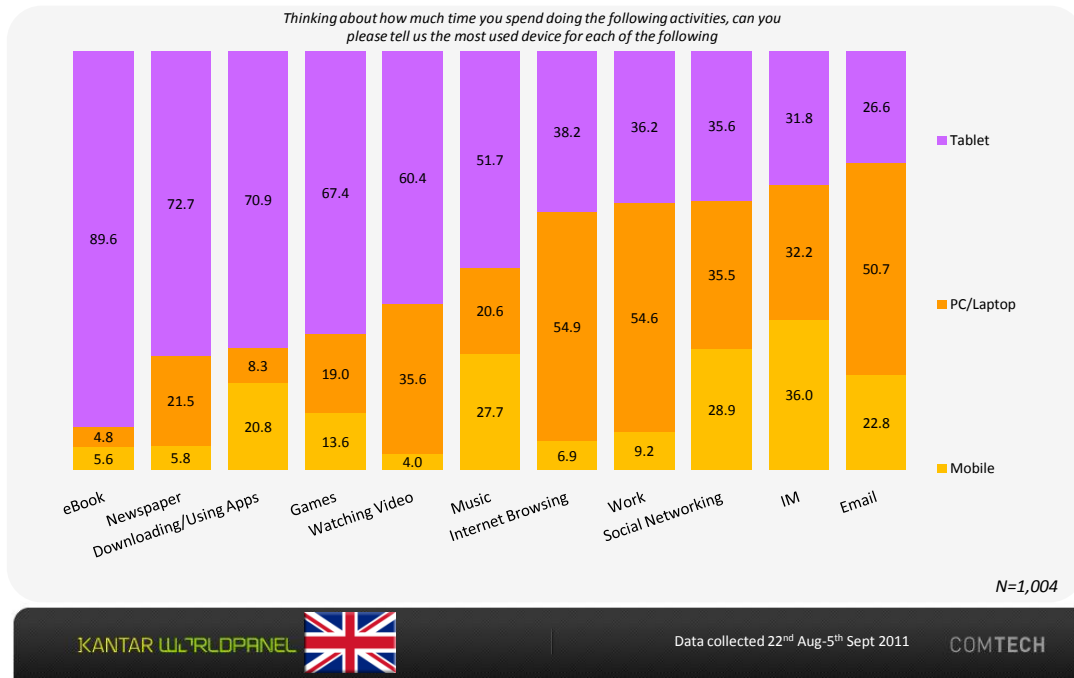|	Internet	Social Networking	Email	Games	Apps	Newspaper	Calls	Music	IM	Work	eBook	Watch Video
High Use	89.7	80.8	79.4	72.4	71.8	67.9	67.6	67.1	65.3	64.8	58.7	54.4
Medium Use	8.5	12.9	13.2	21.1	22.6	21.0	19.5	27.5	20.6	29.3	25.9	33.3
Low Use	1.8	6.3	7.4	6.5	5.6	11.1	12.9	5.4	14.2	5.9	15.4	12.3

N=1,004

KANTAR WORLDPANEL   Data collected 22nd Aug-5th Sept 2011   COMTECH

If anything, this would appear to be even more the case for the tablet. Comtech asked users to indicate which of the three devices available (PC, tablet, Smartphone) they used most for each activity. The results here are fascinating as they do reveal a text-based skew.

Most Used Device by Activity

Consumers are keen to use Tablet devices for reading eBook s/newspapers, playing games and watching video. PC/Laptops are still used more for internet browsing, work purposes and emailing. Consumers prefer mobilephones for Instant messaging, whilst social networking is divided almost equally between the 3 types of device

Thinking about how much time you spend doing the following activities, can you please tell us the most used device for each of the following

Activity	Tablet	PC/Laptop	Mobile
eBook	89.6	4.8	5.6
Newspaper	72.7	21.5	5.8
Downloading/Using Apps	70.9	8.3	20.8
Games	67.4	19.0	13.6
Watching Video	60.4	35.6	4.0
Music	51.7	20.6	27.7
Internet Browsing	38.2	54.9	6.9
Work	36.2	54.6	9.2
Social Networking	35.6	35.5	28.9
IM	31.8	32.2	36.0
Email	26.6	50.7	22.8

N=1,004

KANTAR WORLDPANEL — Data collected 22nd Aug-5th Sept 2011 — COMTECH

Tablets are overwhelmingly seen as the *preferred* device for eBooks and newspaper readership. Whilst browsing and social media take up a significant amount of tablet time that is less to do with their 'fit' with the device than perhaps the overall prevalence of those activities. It would appear that the tablet is a device that has a better 'fit' with the publishing industry than did either the PC or the mobile phone.

Why is this? Clearly it is because the tablet offers the 'best of both worlds' appeal for the publishing industry – the portability and ease of access of the smartphone with the more eye-friendly screen size and graphic capabilities of a PC. Although the author has not seen any concrete evidence, a suspicion remains that page orientation may also be a driver. Magazines, newspapers and books are 'portrait' media that had to adapt to a landscape PC screen but are again liberated by the tablet to return to their natural orientation, with the user being able to pick their orientation.

6. Patterns of usage

At the ARF AM5.0 Conference in June 2010, Stella Beaumont of The Guardian (4) commented in a session on new media that early feedback indicated that the iPad specifically tended to be used less frequently than a smartphone but for greater session durations. In other words people were enjoying more extended, immersive experiences with their iPad than a smartphone and this would have implications for media owners seeking to build experiences rather than just short exposures to 'news nuggets on the go'. Has this early intelligence been borne out? Well certainly if we look at location of use in the UK Comtech survey, although is a portable device, domestic access predominates, with 85.3% ever using in their living room and 65.1% in their bedrooms – definitely endorsing Stella's idea of a more immersive, relaxation/leisure-based experience. Usage outside the home is widespread though, with commuting/travelling the most common out of home situation. However it would appear to be a device so far that complements work rather than facilitates it.

What implications does that have for usage patterns? Let us turn to the Finnish TNS Survey. Here we can look at internet page views via iPad across the day. It would seem that Finnish iPad usage is consistent throughout the day, but sees peaks around the morning commute and mid to late evening (9-11pm).
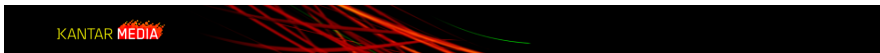
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iPad Usage times
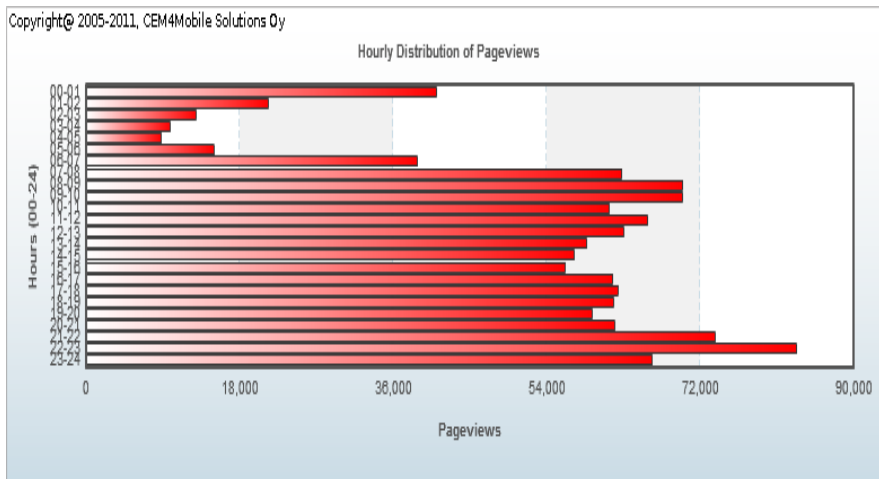
This latter peak has significant implication for TV broadcasters. Much work has been done in the last two years looking at the Laptop and smartphone as complementary devices for TV viewing. It can be argued that the tablet has the potential to have an even more profound relationship with TV viewing, and may well actually benefit TV as a medium. This can be in the obvious way of providing an additional screen on which TV content can be accessed, but also in terms of building a link with the 'main screen' – the connected TV to enhance the live TV viewing experience. The author believes that the tablet as a replacement for the traditional TV remote could prove transformative, both in terms of the tablet replacing the EPG as the primary search device for content that is previewed and punched through to the mains screen, but also to enhance the viewing experience via Apps combining social media, skype and interactivity to allow virtual co-viewing experiences. This may make certain genres more likely to be viewed live as 'events'. A number of companies are anticipating this eventuality such a GetGlue, Miso and TVGenius.

In terms of day of week, we see interesting indications. Whilst Sunday is the day least likely to see a Finnish iPad being used (data shows wifi access to remote sites), those using them on that day are spending far longer per session, which means that in terms of sheer volume of usage, as opposed to reach it actually tops the list. Again this shows the iPad's potential as a leisure device

CEM4Mobile

Weekday view on iPad WLAN usage

Day of Week	APN Type	Pageviews	Visits	Unique Users	Bounce Rate	tAvg. Visits Lengh
Friday	WLAN	115919	6101	2305	35.11	570.5
Saturday	WLAN	124053	6659	2446	36.6	564.27
Sunday	WLAN	139627	5231	2187	22.58	846.47
Monday	WLAN	107182	5996	2227	36.66	565.05
Tuesday	WLAN	101270	5708	2200	37.26	539.01
Wednesday	WLAN	104360	5866	2224	35.97	543.2
Thursday	WLAN	110416	5859	2229	35.84	570.52

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It would also appear that Application users (at least those participating in the survey by embedding CEM4Mobile code), are fairly loyal judging by the usage data split by returning users:

CEM4Mobile

User status for iPad application users:

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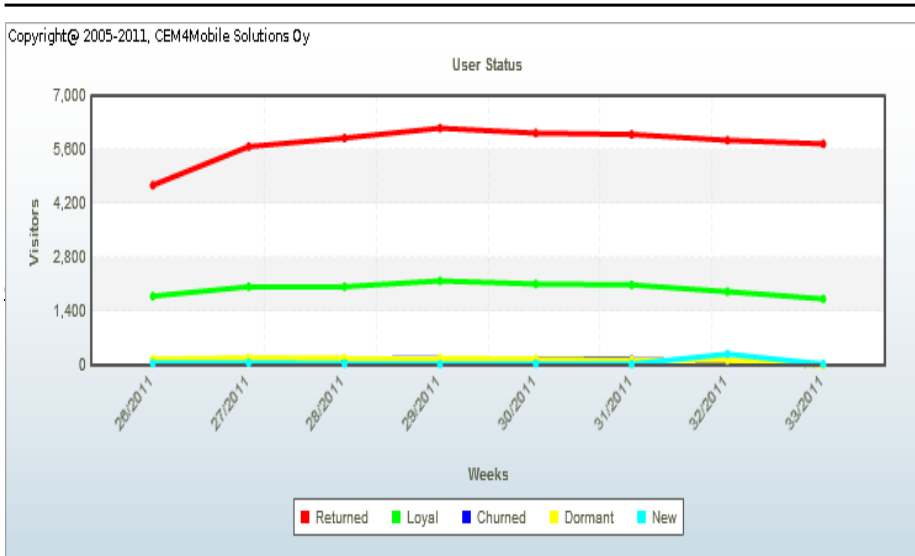
7. And finally….

If we tie these results together and mix in the author's own perspective, I would argue that:

- The iPad has the potential to be a genuinely transformative device for the media industry.
- For many it may well replace the PV or Mac as the second screen in the home for media.
- Whilst there is a lot of talk about the iPad ceding the market to Android devices there is little evidence of this in current and indeed planned purchases.
- WiFi is the connectivity of choice, at least in the two surveys here.
- Regardless of whether it replaces or complements the domestic PC, clearly early adopters are enjoying the experience and contrasting it with the drawbacks of even laptops let alone PCs.
- A tablet is seen as clearly superior to PC or Smartphone as a device on which to consume books or newspapers.
- For video opportunities may exist more around the tablet as a device to enhance and encourage TV viewing as well as being a second screen

8. Sources

1. Transcript of Jeffrey Cole keynote address World Audiences Summit, 15 June 2011 NYC (www.worldaudiencessummit.com)
2. Kantar Worldpanel Comtech Survey Sept 2011. Online survey of 12,612 UK respondents, fieldwork 22 Aug-5 Sept 2011-09-18 (www. Kantarworldpanel.com)
3. TNS Gallup Finland Internet tracking study. Anonymous data gathered by site centric and App coding by CEM4Mobile (www. Cem4mobile.com)
4. Panel session at ARF AMS 5.0 June 2010, comments by Stella Beaumont of Guardian UK
5. Reuters