About This Series

The business of news continues to change at an astonishingly rapid pace. Like our local news partners, CNN must stay ahead of evolving consumer preferences, new delivery channels and shifts in business models and technology.

The following series, *News in a Mobile World*, is designed to provide our local news partners with thought-starters, ideas and perspectives on the mobile news landscape. Some news organizations are mobile ninjas; others have just begun to dip their toes in the water. Regardless, our hope is that this series proves useful in providing thought-provoking questions and best practices to help raise all of our games in the mobile news world.

This document, *Why Mobile Matters*, is the first in the four part series, providing an overview of mobile news consumption, trends, habits and devices.
1/ Mobile Usage Trends
Mobile is at the center of CNN’s future.

KC Estenson
SVP & GM, CNN Digital
More Phones than People

The number of cell phone subscribers in the US is now greater than the entire US population.

Population: 316 million

# of cell phones: 326.4 million

Source: International Telecommunications Union, United Nations; CTIA
Did You Know...

- 94% of consumers look for local information on their smartphone.
- 86% of mobile internet users are using their devices while watching TV.
- 44% of email is now opened on a mobile device.
- 2 billion apps are downloaded per week.
- 24% of total website traffic comes from mobile devices.
- 75% of Americans bring their phones to the bathroom.

Source: Business2Community, July 2013; MobileFuture.org, March 2013; Google/Ipsos, 2012; Email Analytics, June 2013; Walker Sands, June 2013
How We Spend Our Day

On any digital device
- 5hr:16m

Watching TV
- 4hr:31m

Using mobile devices
- 2hr:21m

On desktop computers
- 2hr:19m

Listening to the radio
- 1hr:26m

Eating or drinking
- 1hr:25m

Doing housework
- 1hr:04m

Social networking
- 40m

Reading print media
- 32m

Exercising
- 23m

Sources: Average time spent per day on select activities by US Adults, Bureau of Labor Statistics, December 2012; eMarketer; July 2013
## Exclusively Mobile

Top sites have double digit mobile-only audience.

<table>
<thead>
<tr>
<th>% users who visit exclusively through mobile</th>
<th>% users who visit exclusively through mobile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pandora.com</td>
<td>61%</td>
</tr>
<tr>
<td>The Weather Channel</td>
<td>30%</td>
</tr>
<tr>
<td>Apple Inc.</td>
<td>23%</td>
</tr>
<tr>
<td>Wal-mart</td>
<td>21%</td>
</tr>
<tr>
<td>Amazon</td>
<td>20%</td>
</tr>
<tr>
<td>Facebook.com</td>
<td>19%</td>
</tr>
<tr>
<td>eBay</td>
<td>19%</td>
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<tr>
<td>Turner Digital</td>
<td>18%</td>
</tr>
<tr>
<td>CBS Interactive</td>
<td>17%</td>
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<tr>
<td>Wikimedia</td>
<td>17%</td>
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<tr>
<td>AOL</td>
<td>16%</td>
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<tr>
<td>Ask Network</td>
<td>15%</td>
</tr>
<tr>
<td>Glam Media</td>
<td>14%</td>
</tr>
<tr>
<td>Google Sites</td>
<td>13%</td>
</tr>
<tr>
<td>Viacom Digital</td>
<td>11%</td>
</tr>
<tr>
<td>Yahoo! Sites</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Source: comScore, March 2013*
What are we doing on Mobile?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Time Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>23%</td>
</tr>
<tr>
<td>Social networking</td>
<td>14.9%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>13%</td>
</tr>
<tr>
<td>Shopping</td>
<td>10.8%</td>
</tr>
<tr>
<td>Travel reservations</td>
<td>9.3%</td>
</tr>
<tr>
<td>Finance</td>
<td>8.2%</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>13%</td>
</tr>
<tr>
<td>News and Media</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: eMarketer; Time Spent on Mobile Internet by US Mobile Internet Users, by Activity, Q1, July 2013
Mobile Sales Outpacing PC

Tablet and smart phone sales have overtaken PC sales and are projected to continue at a steep incline.

Source: Gartner, IDC, Strategy Analytics, Company filings, BI Intelligence estimates
Smartphones
Smartphone Penetration

According to Nielsen, 62% of mobile subscribers in the U.S. owned a smartphone as of May 2013.

Top U.S. Smartphone Operating Systems by Market Share

Source: The Nielsen Company, Q2 2013
Who Owns a Smartphone

- **Men:** 55%
- **Women:** 52%
- **Age 16-24:** 66%
- **Age 25-34:** 73%
- **Age 35-44:** 64%
- **Age 45-64:** 45%
- **White:** 58%
- **African American:** 71%
- **Hispanic:** 72%
- **Asian American:** 76%

Source: The Nielsen Company, Q2 2013
How We Use Them

- Text Messaging/SMS: 86%
- Web Browsing: 82%
- Email: 75%
- Social Networking: 63%
- Applications: 62%
- Location-Based Services/GPS: 48%
- Mobile Banking: 38%
- Streaming Online Music: 38%
- Shopping: 30%
- Video/Mobile TV: 28%
- Instant Messaging: 28%
- Barcode or QR Scanning: 24%

Source: Nielsen, March 2013
Email Mostly Mobile

Email is now read on mobile more than any other platform.

Open Rates by Platform

Source: Return Path, December 2012
The “Mobile-Mostly” Crowd

31% of cell phone users who access the internet use their phone as their primary means of going online.

Size of U.S. Adult Population that Goes Online Mostly on Cell Phone

31% of cell internet users

17% of all cell owners

Source: Pew Research Center's Internet & American Life Project, April 2012
Tablets
Tablet Ownership Grows
Tablet ownership has been on a steep incline since 2012.

Percentage of Americans Who Own A Tablet

Source: Pew Internet & American Life Project, May 2013
Market Share
Android and Apple also dominate the tablet marketplace.

Top Tablet Operating Systems Worldwide by Market Share, 2013 Q1

Source: IDC Worldwide Tablet Tracker, May 2013
Who Owns a Tablet

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
<th>Age 18-24</th>
<th>Age 25-34</th>
<th>Age 35-44</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>32%</td>
<td>35%</td>
<td>33%</td>
<td>37%</td>
<td>49%</td>
</tr>
<tr>
<td>Women</td>
<td></td>
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<tr>
<td>Age 18-24</td>
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<td>Age 25-34</td>
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<td>Age 35-44</td>
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<tr>
<td>Age 45-54</td>
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<tr>
<td>Age 55-64</td>
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<tr>
<td>White</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>African American</td>
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<tr>
<td>Hispanic</td>
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</tr>
</tbody>
</table>

Source: Pew Internet & American Life Project, May 2013
How We Use Tablets

- 1 in 4 viewers pay to watch video
- 3 in 5 read books on their tablet
- 55% of tablet owners have a high household income ($75K+)
- 1 in 4 smartphone owners use a tablet
- 2 in 3 access social networks
- 1 in 3 access social networks almost daily
- 39% purchase physical goods on their tablet

Top purchase categories:
1. clothing/accessories
2. books
3. tickets

Source: comScore, June 2012
Bright Spot for News

Content Accessed Through Mobile Devices

Where People Get News

Online/mobile news has risen sharply at the expense of TV, radio and newspapers.

Where People Got News Yesterday

- Got online mobile news
- Watched News on TV
- Read a Newspaper
- Listened to Radio News

News Snacking
Readers on mobile like to check the news more often and more quickly.

More than ONCE A DAY with a mobile device

- Smartphone owners: 75%
- Tablet owners: 70%
- +10% increase in tablet usage in one year

More than ONCE A WEEK on other devices

- TV: 74%
- Radio: 55%
- Newspapers: 38%
- Paper Magazines: 18%

Source: Mobiles Republic, June 2013
Mobile News Usage

Getting the news is a leading activity on mobile devices.

...of smartphone owners...

64%

...of tablet owners get news on their device.

62%

Mobile at Home

Many “mobile” news consumers are actually using their devices while at home.

Where mobile news users tend to get news during the week

<table>
<thead>
<tr>
<th>Device</th>
<th>At home</th>
<th>At work</th>
<th>Commuting or in transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone</td>
<td>58%</td>
<td>29%</td>
<td>9%</td>
</tr>
<tr>
<td>Tablet</td>
<td>85%</td>
<td>11%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Tablets = More News

Almost 1/3 of people who acquire tablets find themselves reading more news from more sources.

Since getting their tablet, news users say they...

- 31% Spend more time with news
- 31% Turn to new sources for news
- 43% Are adding to the news they consume

Among tablet news users who read longer articles...

- 78% Read more than one in-depth article during a sitting
- 72% Read in-depth articles they were not initially looking for

## Local News on Mobile

Weather, news, traffic and sports show the highest interest.

<table>
<thead>
<tr>
<th>Category</th>
<th>Large City</th>
<th>Suburb</th>
<th>Small Town/ City</th>
<th>Rural Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weather</td>
<td>63</td>
<td>66</td>
<td>60</td>
<td>61</td>
</tr>
<tr>
<td>Restaurants/Businesses</td>
<td>60</td>
<td>63</td>
<td>51</td>
<td>42</td>
</tr>
<tr>
<td>Community News/Info</td>
<td>49</td>
<td>45</td>
<td>44</td>
<td>38</td>
</tr>
<tr>
<td>Traffic or Transportation</td>
<td>40</td>
<td>34</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Sports</td>
<td>37</td>
<td>39</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Coupons</td>
<td>25</td>
<td>37</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Alerts</td>
<td>24</td>
<td>23</td>
<td>21</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Pew Research Center's Internet & American Life Project, 2011 (most recent data available)
Multi-Screening
When We Use Our Devices

Device preferences throughout the day
Most weekend tablet usage occurs between 8pm and 9pm

Share of device page traffic on a typical workday

Sources: comScore, January 2013, UK
How We Spend Our Time

Average time spent per interaction (minutes)

- Tablet: 30 minutes
- PC/Laptop: 39 minutes
- Smartphone: 17 minutes
- Television: 43 minutes

Sources: Sterling Brands, Ipsos, August 2012
Multiscreening is Common

- 77% of the time we’re using a TELEVISION, we’re using another device
  - 49% with a smartphone
  - 34% with a PC/laptop

- 75% of the time we’re using a TABLET, we’re using another device
  - 35% with a smartphone
  - 44% with a television

- 57% of the time we’re using a SMARTPHONE, we’re using another device
  - 28% with a PC/laptop
  - 29% with a television

Sources: Sterling Brands, Ipsos, August 2012
What Motivates Us
Each device fulfills a different need.

**PC/Laptop**
- Context:
  - Office or home use
  - Productive, task-oriented
  - Requires lots of time & focus
  - Serious, research intensive, attitude
- Motivation:
  - Finding information: 40%
  - Keep up to date: 29%

**Smartphone**
- Context:
  - On-the-go as well as at home
  - Communicate and connect
  - Short bursts of time
  - Need info quickly and immediately
- Motivation:
  - Communication: 54%
  - Entertainment: 33%

**Tablet**
- Context:
  - Primarily used at home
  - Entertainment and browsing
  - Unbound sense of time
  - Relaxed and leisurely approach
- Motivation:
  - Entertainment: 63%
  - Communication: 32%

Sources: Sterling Brands, Ipsos, August 2012
## Always Multi-tasking

While watching TV, we’re using our tablets to check email, play games, social network and search.

<table>
<thead>
<tr>
<th>While we are...</th>
<th>Checking Email</th>
<th>Listening to Music</th>
<th>Playing Games</th>
<th>Social Networking</th>
<th>Searching</th>
<th>Checking Weather</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watching TV</td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
</tr>
<tr>
<td>Eating/Drinking</td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
</tr>
<tr>
<td>Cooking</td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
</tr>
<tr>
<td>Waiting Somewhere</td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
</tr>
<tr>
<td>Getting Dressed</td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
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<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
</tr>
<tr>
<td>Talking with Others</td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
<td><img src="image" alt="Circle" /></td>
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<td><img src="image" alt="Circle" /></td>
</tr>
</tbody>
</table>

Source: Google, January 2012
At CNN Digital

Spikes vary by time of day.

Morning
Mobile Phones. Users wake up and check in.

Lunch
Mobile phones. Users take a break from work and check social media.

Evenings
Tablets. Users are in entertainment mode with tablet as primary or secondary device.

Late Night
Mobile Phones. Users check one last time before bed.
Recommendation

Tailor Your Content to Daypart Behavior.

Morning
Give quick facts, short updates, harder news.

Evenings
Increase the amount of video and long-form content you offer.

Lunch
Focus on bite-sized news, lifestyle, entertainment and tech.

Late Night
Summarize events of the day. Preview what’s ahead tomorrow.
Summary
A Few Takeaways

• We spend a significant amount of our day on mobile - certainly more than we exercise or do housework!

• Local content on mobile is a huge opportunity, with 94% of users seeking local information on their smartphones.

• News is one of the largest categories of content accessed on mobile, but this growth is at the expense of traditional TV, radio and newspaper viewership.

• With mobile, multi-screening and multi-tasking is common, but each device fulfills a different need, so news providers must program accordingly.
A Few Takeaways

• News consumption is changing:
  • The “mobile-mostly” crowd is growing, and will likely be key to growth in future news viewership
  • Many “mobile” users actually use their devices at home
  • “News snacking” means users check for news more often and more quickly
  • More tablets = more news

• Each of these trends will have editorial implications for mobile.

• These editorial considerations will be discussed in more depth in Part 3 of this series.
What’s Next?

Part 2 of the *News in the Mobile World* series will focus the business decisions that a mobile news provider must make. Topics include whether to build a mobile web versus a native app experience, best practices in responsive design, and other key challenges and takeaways in running a mobile news business.

Part 3 of the *News in the Mobile World* series will address the editorial considerations when programming news for mobile consumption. Topics include video trends and best practices, social media and local news programming and other keys to success when designing content for mobile experiences.

Part 4 of the *News in the Mobile World* series will discuss monetizing mobile. Most executives recognize the potential of mobile, but many still struggle with making money from it. In this part of the series, advertising trends and best practices, as well as paid content strategies, will be addressed.