

# FJORD™

## LEARNING FROM THE DIGITAL JUGGLERS: NEW TRENDS IN SMARTPHONE ADOPTION AND USAGE PATTERNS

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## SUMMARY

This Fjord report is based on research carried out both formally and informally over recent months by Fjord in Los Angeles, California.

Our focus was on understanding the smartphone usage of lower income customers, and to examine the emerging trends within this demographic group.

Fjord believes this growing demographic group provides a rich source of insight and inspiration when it comes to designing services and interfaces within which technology is used to genuinely support a 'smarter' lifestyle. The innovation and flexibility this group showed in their use of technology led us to think of them as 'Digital Jugglers': those for whom a reduced sense of security around their employment, housing, and financial needs has seen them quickly use and adapt digital services in new ways, in order to cope.

In particular, the mobile device has been pivotal in providing the Digital Jugglers with more powerful tools with which to navigate the stresses of modern living, offering new ways for users to deal with the challenge of short-term and part-time employment arrangements, just to take one prominent example.

We also discovered that many of the services that have seen companies rush towards monetisation – games and music, for example – were far less significant in the usage patterns of this demographic group. Not surprisingly, they were more inclined to view their smartphone as an essential tool for managing the complexity of daily working life, rather than as a leisure-focused lifestyle accessory.

*Fjord presents this snapshot of the Digital Jugglers as an insight into the way emerging digital services need to be designed, and as a compelling example of how interfaces and tools will always be modified and adapted by enterprising users, taking on new relations and meanings as they develop.*

*Companies and organisations that can grasp this essential element of modern digital service design will be able to serve their customers more effectively into the future.*



## CONTEXT

### SMARTPHONES AND THE LOWER INCOME USER

Of course, adoption of ‘smart’ mobile gadgetry, including tablets, netbooks and smartphones, is growing very rapidly.

But our research sheds light on a sometimes startling and very often neglected trend: an increase in affordability and adoption of smartphones that is leading to new and changing patterns of use for these devices.

**Designers of services, and the businesses and organisations that depend on them, will need to understand developments within this demographic group as it grows at a fast pace.**

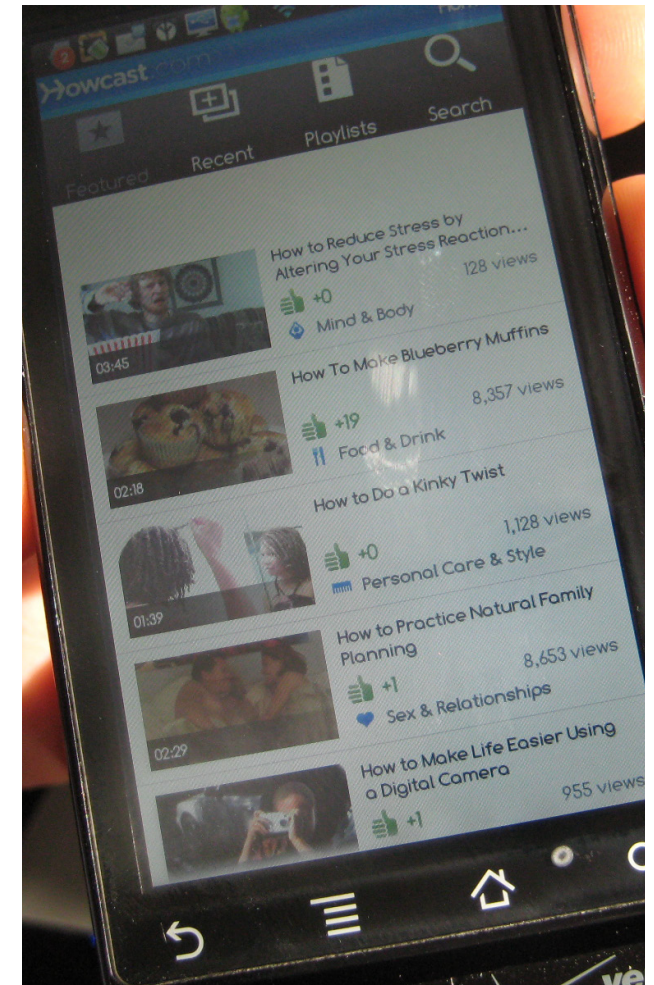
Services that cater to this group will also need to take account of the ‘mash-up’ innovation and creativity that users from this demographic group bring to smartphone use, and to adopt the flexibility that they have invented out of necessity.

### LOWER INCOME USERS LATCH ON TO IPHONE

In a series of surveys ending in August 2010, ComScore found that iPhone purchases grew fastest among people with annual household incomes between US\$25,000 and \$50,000. The growth rate in this group was 48 percent, compared with just 16 percent among people with incomes above \$100,000.<sup>1</sup>

The Digital Jugglers therefore offer a double lesson for designers of digital services. Firstly, to succeed we must build services that allow for this creativity and flexibility in the first place; and secondly, companies can, in turn, adopt ideas from the unpredictable and often unexpected use patterns that emerge from the Digital Jugglers. We can incorporate their approach into a loop, understanding our products within a fuller context.

Put simply, the Digital Jugglers represent the fastest-growing group of smartphone users. Their impactful usage of devices and services deserve a closer examination from any organisation that takes interaction design seriously.



## FJORD'S RESEARCH

Our research focused on lower income customers, and in particular those that are restricted to no-contract options requiring little credit history.

Sections of this demographic naturally aspire to the latest and greatest in new technology, and recent developments in the market have led to a fast growing selection of powerful smartphones becoming available across pay-as-you-go tariffs. These plans have become increasingly affordable and in the last two years many of our user group had transitioned to internet-connected phones boasting unlimited data plans.

Seeking a diverse representation of gender, race and social class, we conducted interviews across Los Angeles – with smartphone users ranging from teachers in Hacienda Heights, health workers in South Gate, carpenters and lighting technicians in Glendale, and actors struggling to find work in Hollywood.

What united the people we spoke with was almost always the nature of their short-term or no-contract employment, often meaning they worked across several jobs simultaneously, for many bosses or employment agencies. This (sometimes chaotic) mix of work and life – impossible to imagine before the adoption of the mobile phone – was the key characteristic we found when examining the attitudes of Digital Jugglers. Short-term arrangements were made for everything from accommodation to family meetings.

**We found plenty of evidence that this lack of permanent secure occupation forces the Digital Jugglers to maintain what is in effect a 'no-contract' lifestyle – importing the methods and means of dealing with their working arrangements into the way they dealt with other aspects of their daily lives as well.**

*A recent Nielsen survey showed that nearly a third of US mobile users owned smartphones by the end of 2010.<sup>2</sup>*

## A DIFFERENT KIND OF DIGITAL DEPENDENCY

Though our interviewees ranged from roommates to single parents and spanned ethnic origin, the Digital Jugglers shared an initially optimistic view about their smartphones.

They spoke of ‘responding to pertinent people’ and ‘taking advantage of opportunities’, while their technology choices placed much importance on ‘keeping on top of things’. The overriding impression from many of these interviewees was that affordable smartphones and unlimited data plans had allowed them to act smarter – and, importantly, to feel smarter.

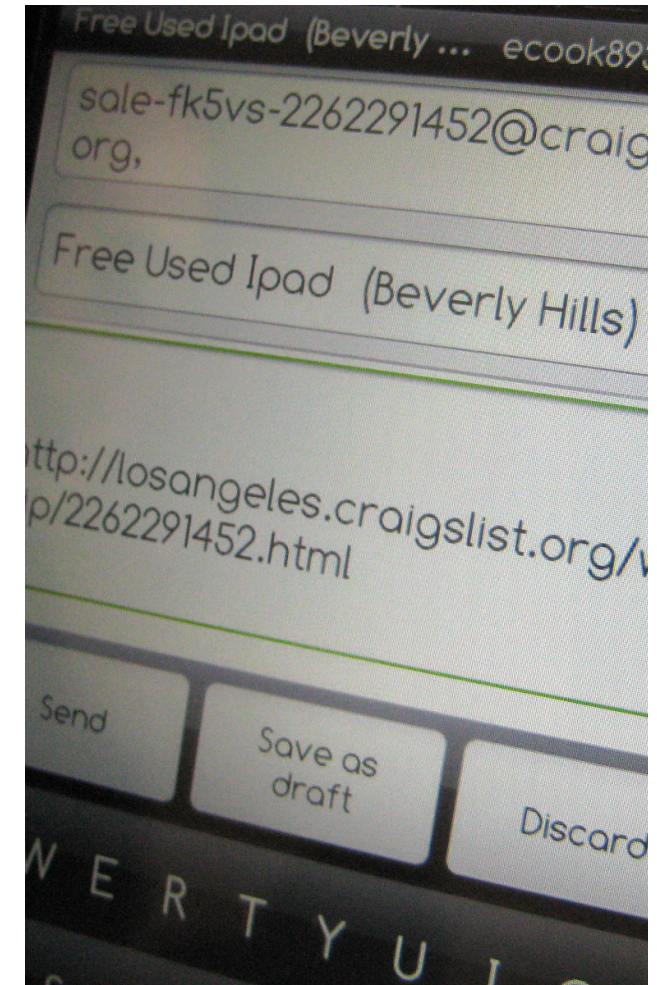
Much has been said about the attitudes of the early adopters of new technology – devotees of iPhones or BlackBerrys feeling overwhelmed by over-reliance on technology. But for the upper income brackets, these devices are now more likely to be seen as simply the tools of their trade, easily affordable and often even provided by an employer. What juggling they do is largely an extension of their office lives.

*“I use the cutting edge of technology to save time and be smart.”*

Smartphone user, L.A.

**Talking to a very different demographic, we discovered that this group used internet services to actively manage their multiple roles and keep on top of work opportunities. Some were looking for new employment every few days, lending an urgency to their use of digital services that we would not always associate with even a so-called BlackBerry ‘power user’.**

**For the Digital Jugglers, we saw what looked like a very different, and perhaps more genuine, type of dependency on technology.**





## CREATIVE USE OF FREE SERVICES

**While constrained to a budget, we found lower income users looking for innovative and flexible ways to take advantage of affordable technology, hunting for cheap or free services that allow them to keep connected.**

However, as technology and services change at an ever-increasing rate, these users experienced a level of anxiety. They also seemed to become disillusioned with the new offerings from traditional product and service providers, with a sense that they are not advertised, nor designed for them.

In a city like LA, these users noticed coverage, store location and advertising presence would vary greatly between local areas – showing them who those companies want to attract. It's often not them.

**So Digital Jugglers are even more likely to follow personal recommendations of friends and family, teaching each other how to use features and sharing updates on new services. It is this sharing of knowledge that seems to actually make them feel most 'smart', and to develop a sense of being in the know rather than simply owning the newest and most desirable new handset or tablet.**

***"To be productive, I really do want the phone to do everything it's supposed to."***

Smartphone user, L.A.



## MASH-UP SOLUTIONS TO OLD PROBLEMS

**Before arriving in LA, our expectations were that lower income users would focus their smartphone usage around entertainment, social media and gaming.**

Instead, what we found was a far greater emphasis on organisation, local news feeds to provide updates on cost-saving or employment opportunities, communication tools to manage various employers, online banking and hacks to save money on international calls or roaming.

*“Opportunities for work come through this, and I depend on it... It’s in the network’s interest for me to answer calls – it could be a potential new boss, so I’ll have money to pay my next bill!”*

Smartphone user, L.A.



The Digital Jugglers, in fact, were more likely to be very busy finding work and doing it, using their smartphone devices to aid them in this demanding, ongoing task. They also took advantage of networks in ways the creators of the services might not have envisioned.

**Their ‘mash-up’ solutions were more sophisticated and complex than expected – interesting for a group for whom smartphones are increasingly the first or only computer in the household.**

When the reality of these ‘no-contract’ lives is understood, it’s perhaps obvious that there would be less time for entertainment, social media and gaming than the time-poor, cash-rich corporate users, or the young and affluent early adopters, that we may often picture in our minds as the typical smartphone user.



## NEW UTILITIES?

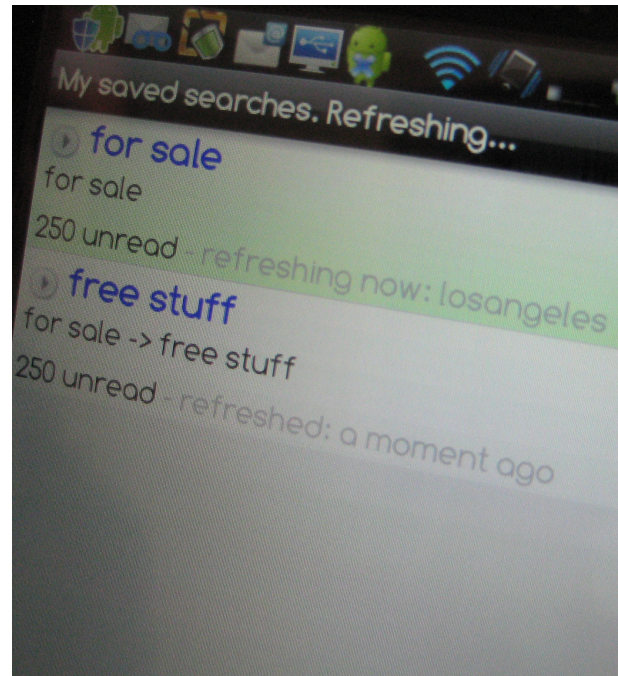
**As technology becomes even more widespread, even faster, even ‘smarter’, our expectations of what it can do for us grow ever higher.**

This mean that many conversations with our interviewees began optimistically, with users proud to have mastered and turned to their advantage the ‘smart’ world.

But many went on to acknowledge that it was not easy. The financial crisis had increased competition for work, and many were resigned to the technology and tools in the battle to find work.

*“We live in a world which expects to reach us in any way: phone, text, email, even Facebook – at any time. And we’re supposed to be able to respond. Otherwise we miss out on work, on rent, on food. So this thing... (holds phone)... it becomes a human right.”*

Smartphone user, L.A.



**This expectation and dependency had people considering the blurred line between ‘want’ and ‘need’.**

**It became important for many of our interviewees to reflect on whether digital products and services were becoming a utility that needed to be made available to everyone in order to create ‘level playing field’, or whether the advantages gained by using them were up to the individual to acquire.**

*“You are expected to respond. It feels like companies take advantage of that... the next craze in mobile could be equality”*

Google Voice user, L.A.

## A REAL-WORLD EXAMPLE

Visiting a couple in Inglewood, we found they had to supplement part-time incomes by managing their apartment block. This meant responding to enquiries 24 hours a day from potential occupants, and to emergency calls from fellow residents.

The calls, however, arrive at a landline in the apartment block basement. In order to fulfill this role, these Digital Jugglers had set up a Google Voice account and explained their daily system of synchronizing the account to divert and transfer calls to fit their individual schedules as they went about their other jobs.

As they described how the calls bounced between their personal computers and smartphones through the course of a typical day, the complex juggling became humorous, and they laughed at how technology had allowed them to do the impossible: their landlord had no idea that neither had ever spent a day in the basement. None of this would have been possible without the recent extension of smartphone adoption and affordable data tariffs.

However, a serious tone returned when they recalled the single incident when an error with their account, internet or phone coverage, meant they missed an entire day of calls. Threatened with losing the

contract to management the building and the income that brought, this was – in their eyes – the last time they could afford to drop the ball.



## CONCLUSION

Our research pointed at three emerging trends, strongly supported by the view and opinions of the interviewees we met in L.A.

These were:

**Mass adoption of smartphones across social divides.**

**Expansion in the use of free apps and services, with alternative revenue models emerging.**

**Innovative combinations of services, often used for critical needs such as employment and housing, rather than leisure or gaming.**

## WHAT THIS MEANS FOR BUSINESSES AND ORGANISATIONS

Looking into the future for service design, Fjord anticipates changing business models for service design as we learn from, and adapt to, new types of usage pattern.

**Effective service design will increasingly take inspiration from mash-up solutions created by users.**

This could inform new, combined monetization methods. An example could be free apps supported by advertising, working in combination with the specific payment methods prominent in this demographic group, such as micro-payment and pre-pay, family plans or group discount. We might also see the emergence of a 'value' sub-brand sector as we see in other industries.

**Companies creating services for this market will also have to take into account educational factors – this demographic tends to have a different type of technology awareness, language skills and ways of learning.**

When the smartphone represents their first experience with a computer or the internet, certain factors will become grow in importance as desktop-style PC conventions will be less relevant.

**Additionally, this group tends to be based very locally, with fewer transport options. In general, the interaction touchpoints that these users come into contact with, and that they trust, will need to be taken into account. Services would benefit from taking more advantage of strong local presences.**



## CONCLUSION

And traditional ‘default’ services that stem from business use (e.g. calendar, schedule, reminders, communication etc) can now be seen to broaden into more sophisticated applications. They will emerge as more personal, local and informal.

By learning from the needs of this group, hybrid services appear to make sense for serving a mass audience – mixing some of the offerings targeting the higher income customers with some of the technology and ideas that are currently being aimed at and inspired by users in emerging markets.

**Fjord studied the technology choices and preference of the Digital Jugglers and found our preconceptions were constructively challenged.**

**We believe this demographic group will continue to offer real insight into how digital services need to be designed, and shows us how unexpected connections between users and services can react back on the world of service design, influencing the decisions that providers of digital products will need to take if they are to capture and retain the loyalty of the broadest sections of users – not just the richest.**

## REFERENCES

1. [www.itworld.com/personal-tech/57039/low-income-users-latch-iphone](http://www.itworld.com/personal-tech/57039/low-income-users-latch-iphone)
2. [thecellphonejunkie.com/2011/02/02/us-smartphone-adoption-rate-nearing-13-android-rim-ios-evenly-spread](http://thecellphonejunkie.com/2011/02/02/us-smartphone-adoption-rate-nearing-13-android-rim-ios-evenly-spread)

## ABOUT FJORD

Fjord works with visionary clients to design world-class digital services, solve problems and find opportunities through holistic service design thinking.

Areas of expertise clients can draw on when working with Fjord include user insight and understanding, cross platform User Experience and business design & planning.

Fjord has worked on flagship projects providing strategic direction and design for major brands including: BBC, Telefonica, Nokia, Thomson Reuters, BBVA, Foursquare, MySpace and Yahoo!

Fjord has offices in London, New York, Berlin, Madrid, Helsinki, and Stockholm.

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