

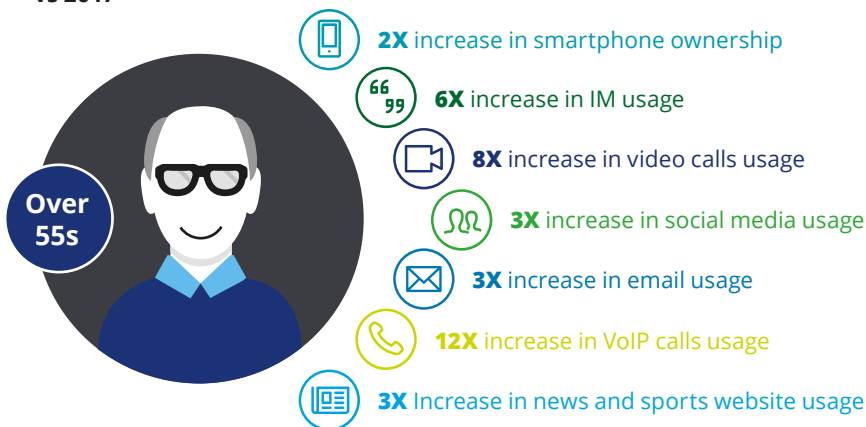
# Hi ho silver swiper

Smartphone adoption among 55-75 year olds has now reached 71 per cent, surpassing the penetration rate across all UK adults in 2014. The compound annual growth (CAGR) in smartphone adoption for this age group since 2012 is 19 per cent, the highest growth in smartphone ownership of any age group.

The 55-75 age group (currently 14 million UK residents) represents about a quarter of all smartphone owners in our survey, and is likely to grow in commercial importance over the coming years. This group is likely to become more smartphone literate, more numerous, and spend more on devices, airtime and mobile commerce. Over half of the UK's £11 trillion in wealth is owned by the baby boomer generation, currently aged 52-71,<sup>1</sup> and half of the group have not yet reached retirement age.

Over the last five years ownership of smartphones and smartphone-based applications usage levels among 55-75 year olds have changed markedly, as can be seen in Figure 1. While this is from a low base, it has now reached a significant level, as can be seen in Figure 2.

**Figure 1. Changes in smartphone ownership and usage among 55-75 year olds, 2012 vs 2017**



Weighted base (2012/2017): All phone owners aged 55-75 years (639/1,163)

Source: UK edition, Deloitte Global Mobile Consumer Survey, May-Jun 2012, May-Jun 2017

**Figure 2. Applications/services used on a weekly basis among 55-75 year olds, 2012 vs 2017**

Applications/services	2012	2017
Text messages (SMS)	80%	79%
Voice calls	76%	73%
MMS	13%	18%
Instant messages	6%	35%
Video calls	1%	8%
Voice over IP (VoIP) calls	1%	13%
Emails	15%	47%
Social networks	9%	31%
Read news	9%	28%
Navigation or maps	8%	10%

Note: The wording for 'MMS' was 'Picture or video messages (MMS)' in the 2012 edition. The wording for 'Read news' was: 'News and sport websites' in the 2012 edition.

Weighted base (2012/2017): All phone owners aged 55-75 years (639/1,163)

Source: UK edition, Deloitte Global Mobile Consumer Survey, May-Jun 2012, May-Jun 2017

Deloitte has defined a 'power user' 55-75 year old as a smartphone owner who looks at their device more than 25 times a day, or about 10,000 times a year. Power users represent about a sixth of all smartphone users in this age group. Power users look at their phone an average of 60 times a day (22,000 times per year), compared to an average of 40 daily glances across all UK adults. Seventy-one per cent of this sub-group checks their phones within 15 minutes of waking, compared to 56 per cent across all smartphone owners. Thirty-one per cent check their phone in the middle of the night; a little higher than the national average of 27 per cent.

Seventy per cent of power users use WhatsApp, a little higher than the average for all adults of 63 per cent. Usage of Facebook among power users is at 69 per cent, just under the national average for the 16-75 year olds of 70 per cent. Usage of newer social networks, such as Snapchat is markedly lower among 55-75 year old power users. Just over a quarter of all smartphone owners use Snapchat, but only 13 per cent of power users do.

Over the coming years, the number of 'super user' 55-75 year olds who look at their devices over 50 times a day should rise. This group's usage intensity, across certain behaviours, mirrors that of the youngest age groups, including those whose first phone was a smartphone.

On average super users check their phone 105 times per day, higher than the average of 97 among 16-17 year olds. Seventy-nine per cent of super users check their smartphones within a quarter of an hour of waking; among 18-24 year olds, the proportion is 74 per cent. A quarter of super users check their bank balance via their smartphone daily, but only 14 per cent of 16-24 year olds do so.

Current smartphone usage levels among both power and super users are minority behaviours for that age group but are likely to indicate future mainstream usage patterns for 55-75 year olds.

However, as of 2017, smartphone usage intensity levels across all 55-75 year olds are lower than the national average: a fifth check their phones within 15 minutes of waking; among all adults, the proportion is 56 per cent. About half have WhatsApp or Facebook; this compares to 63 per cent and 70 per cent for all adults. A third have made an online purchase with their phone, at any time; the proportion for all adults is 71 per cent.

The industry opportunity is to catalyse the conversion of 55-75 year olds into power and even super users. Currently five-sixths of this age group are not power users – but many could be. Operators need to consider channel to market and after-market support that is appropriate for this group. Smartphone vendors need to offer aspiration, accessible devices. Content vendors should consider how best to tap into this market.

### **Outlook: The next five years**

Deloitte expects the smartphone penetration and usage intensity among 55-75 year olds to rise steadily over the medium term. Growth in adoption and usage is likely to be driven by a variety of factors, including smartphone usage behaviours among those around them.

One driver will be generational pull – that is observing and replicating the behavioural patterns of children and in some cases grandchildren. In many cases 55-75 year olds will use smartphone-based applications to communicate with other members of their family.

Fifty-five to seventy-five year olds are also likely to experience a network impact from the growing numbers of friends and family of the same age using smartphone-based applications. Some will use smartphones more to keep pace with emerging behaviours; others will do so to keep in touch. There are also likely to be many existing habits and behaviours that users port to a smartphone. Calls will increasingly move from fixed phones to mobile; weather information may be more conveniently obtained via an app, rather than waiting for a broadcast forecast; listening to the radio may be more convenient and reliable via an app than via FM; it may be easier to use smartphone-based navigation than printing a route map out.

In some cases, increased usage may feel imposed on older users. For 55-65 year olds that remain in the labour force, a smartphone may already be a mandatory business tool. For consumers, a growing number of parking meters may encourage payment via mobile phone, for example with a smartphone app offering the greatest convenience. It may become increasingly difficult to order a taxi in cities without using an app. Access to hotels and new cars may, over the course of the next five years, become mobile optimised. Some shops may offer preferential rates for in-store payments via smartphone. Usage intensity might be stimulated by owning better handsets, whether new or handed down. As users spend more time with their smartphones, and depend more on them, they become more aware of their limitations, and more inclined to upgrade. The 55-75 age group's wealth may make them more likely to purchase a premium handset. As users come into possession of phones with larger screens, faster processors and quicker sensors, they may be encouraged to use their devices more.

The growth in mobile optimised content should encourage usage across all age groups. The creation of sites and apps with accessible fonts should increase usage among older age groups. The bottom line is that 55-75 year olds will become an increasingly important segment of the mobile industry; they are no longer a fringe group, whose smartphone usage remains confined to calls and text messages. The silver swiper may well become a major contributor to future growth.

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1. Baby boomers divided by property inflation effect, *Financial Times*, 20 June 2017: <https://www.ft.com/content/be550b40-54e5-11e7-9fed-c19e2700005f>

2. For more information, see Help Receiving TV and Radio, BBC, as accessed on 25 August 2017: [http://www.bbc.co.uk/reception/radio/fm\\_radio/](http://www.bbc.co.uk/reception/radio/fm_radio/)