

# Do I need a mobile strategy?



A white paper from Mobestar



Copyright © 2009 VP Technologies Ltd. All Rights Reserved.

No part of this document is to be used, copied, reproduced in whole or in part, stored in a retrieval system, or transmitted in any form or by any means without the express written permission of Mobestar.

Mobestar is the trading name of VP Technologies Ltd.

Other product and brand names may be trademarks or registered trademarks of their respective owners.

## Do I need a mobile strategy?

### *The mobile internet comes of age*

For years, accessing the internet via mobile devices has provided users with an alternative to home or office based PC access. If organisations “get it right,” the mobile channel is capable of generating significant revenue streams. Unfortunately, maximising the mobile opportunity has fallen short of expectation:

- Poor user experiences
- Punitive data charges
- Unreliable network connection
- Slow connection speeds
- Constantly evolving range of handsets

It’s little wonder mobile users have been reluctant to use their mobile devices for anything other than phone calls or text messaging.

Over the past 18 months, however, network operators have directed focus from voice to data revenues in response to market demands and the financial need to drive volume. The result is an industry-wide improvement in performance and pricing:

- Fixed-price data-packs
- Increasing access to 3G (and faster) data connections
- Growth of Smartphone penetration
- PDA/Netbook popularity

As a direct consequence, end users are now more comfortable using their mobile phone to access internet-based services – iPhone users notoriously do little else. iPhone sales alone have placed Apple as the second largest Smartphone vendor in the world.<sup>1</sup> Despite the Credit Crunch, over 40 million G3 Smartphone devices had been sold worldwide at the end of 2008. Blackberry manufacturer, Research in Motion, was pushed into third place behind Nokia and Apple, but still posted sales growth of over 80%. Whilst the recession may be hurting large parts of the global economy, the mobile market is growing – at speed.

As well as the burgeoning business use of Smartphones, there is also a new generation of young adults (‘Generation Y’) that has grown up with mobiles, and fully expects to use them for a whole range of lifestyle activities – taking photographs, listening to music, gaming and internet access – as well as constantly communicating.

The opportunity to derive real value from mobile devices has arrived and it is not only possible to make mobile happen, it is becoming mandatory for most businesses that wish to remain competitive.

---

<sup>1</sup> Source: <http://www.v3.co.uk/vnunet/news/2230073/iphone-sales-give-apple-2nd>

## ***The evolution of browsers, Smartphones and PDAs***

Until the advent of Smartphones, mobile handsets provided a poor internet browsing experience. They were limited by physical screen size and their inability to display content-rich web pages designed for PCs. Put simply, mobile browsers were very crude.

Today, the market boasts a multitude of PDAs and Smartphones featuring intuitive touch-screen interfaces, full 'Qwerty' keyboards and many other innovative features. There are already 'de-facto' standards in the mobile landscape across platforms such as Apple's iPhone, RIM's Blackberry range, Google's Android and Windows Mobile.

Collectively, these advances encourage more reliance on mobile devices and increases in the use of mobile services. Nielsen 2008 research figures<sup>2</sup> reveal that the U.S. and the U.K. are leaders in mobile internet penetration. 15.6% of mobile subscribers in the U.S. and 12.9% percent of subscribers in the U.K. actively use the mobile internet. That's over 40 million mobile internet users in the U.S. alone where mobile consumers spend \$350bn each year on connectivity, devices, and content.

## ***A new channel***

Innovative brands will not be slow to benefit by providing customers and prospective customers with a rich and compelling alternative channel. Uniquely, the mobile channel travels with the device-holder wherever they go. Products and services remain available to customers 24 x 7 x 365 – and now x 360°, whenever they are away from their home or work.

## **What will an effective mobile strategy do for my business?**

### ***Business drivers***

When defining a mobile strategy, consider "What is the business seeking to achieve?" Drivers for launching mobile services will typically fall into one or more of the following categories:

#### **1. New customer acquisition**

The mobile channel provides an ideal way to promote new services and products to win new customers. For example, targeting the Y Generation (16 - 24 year olds) via their mobiles can be a highly effective way of reaching an audience that may be more difficult to capture via traditional channels.

#### **2. Increase customer satisfaction and loyalty**

The mobile channel provides an easier, cheaper, more efficient and/or faster means to contact or be contacted by prospects and customers. Improving the customer experience engenders greater brand loyalty.

#### **3. Generate new revenue streams**

The mobile channel generates new revenue streams from existing customers. As well as attracting new customers, existing customers can be offered new, mobile-specific, services (e.g. mobile alerts and notifications). Mobile services may be provided free as a value added offering/differentiator, others may be

---

<sup>2</sup> <http://www.nielsenmobile.com/documents/CriticalMass.pdf>

charged as “premium” mobile services to increase the average revenue generated per customer (ARPU).

### ***Should I build or buy?***

In common with many other technology decisions, the key to delivery is whether to develop a mobile solution in-house (using internal IT resources) or find a technology partner that has existing products and proven domain expertise. Many IT departments favour the "DIY" approach. For most organisations, however, internal IT departments are short of resources and over burdened with existing projects. The likelihood of achieving any short-term results is therefore slim. Delivering mobile services is a specialised field and expertise is scarce. It is unlikely that internal IT departments will have the requisite skills and the learning curve to acquire them is steep. Most organisations choose instead to find a suitable partner to implement mobile services.

### ***What should I look for in a mobile partner?***

This can be a daunting task given the large number of potential partners to choose from. It is essential to find a partner that can fully understand your specific objectives and provide you with a solution that not only works today, but that can grow as your requirements change. Mobile handsets change and mobile platforms change. Your partner should be best placed to respond to market developments and your changing mobile services offering. We suggest that your checklist includes the following:-

- A modular, scalable solution – from the simple to the highly sophisticated
- A feature rich, flexible, white labelled solution
- A platform designed for fast integration with your existing on-line system(s)
- Flexible billing options (e.g. subscription or event-based/Pay-As-You-Go)
- Automatic device management and mobile browser optimisation
- Native Smartphone applications (e.g. iPhone, Windows Mobile, Android, Symbian Series 60)
- A shared risk/revenue business model
- Rapid global rollout capability

### ***Launching and promoting your mobile service***

Creating and launching a mobile service for customers is not an end. It’s a beginning. They still need to use it and use it repeatedly. A mobile service offers one chance of capturing each user. If the user experience is poor, the prospective customer (and their future referrals) are lost forever. Successful brands may be good at selling services through the internet, but fail with mobile because a different set of rules need to be applied. The following guidelines should accelerate adoption of your mobile service:

- Keep it simple – Do not attempt to replicate every function from your website on the mobile. Select the critical functionality that is important to your customers and make sure they can use it with the minimum of key strokes
- Make the mobile offering visible to customers – It's no good just adding a footnote on your website. Push the message with a variety of coordinated marketing initiatives such as email marketing, SMS marketing, location-based and/or Bluetooth campaigns
- Spread the word – Every satisfied user will be worth ten new customers. Ensure that early adopters tell their friends and incentivize them accordingly
- Make billing easy and flexible – If the service is chargeable, ensure that payment is simple and comes in different flavours e.g. subscription and Pay-As-You-Go (PAYG)

## Summary

There is a great deal of hyperbole about the ease with which you can “mobilise” your brand. A large number of emerging suppliers may provide a tactical, partial solution. Technology and commercial issues, however, are harder to manage the more fragmented they become. Your chosen supplier should provide you with a complete solution and the requisite support to ensure that your initiative is successful.

- The user experience is paramount to the success of your project so ensure it is a good one:
  - Best response time
  - Ensure minimum key strokes
  - Do not clutter the screen
- Use the mobile for what it is good at – messaging and bite-size content
- If synchronisation with the web is necessary make sure it is tightly coupled
- Small steps in the early stages until initial objectives have been achieved
- Establish success criteria early to enable measurement of success
- Specify Return on Investment early

## Our credentials

Mobestar has been delivering mobile strategies and building mobile capabilities since 2004. We make mobile happen. This document is intended to provide a practical guide for any organisation that is considering their mobile strategy – further resources and assistance can be found at [www.mobestar.com](http://www.mobestar.com) or by emailing [enquiry@mobestar.com](mailto:enquiry@mobestar.com).