THE BOOM IN MOBILE USAGE IS TRANSFORMING THE CORPORATE WORLD

The trend is clear and irreversible: the mobile phone will become, or already is, the main device for accessing the Internet, especially social media platforms. This means companies have to find out how users use their mobile phones and social media channels and thus seize new business opportunities and adjust their strategies for maintaining their customer relationships.

MOBILE INTERNET

Mobile access to the Internet and social media is growing year by year. There are many reasons for this: On the one hand, market acceptance of smart phones is increasing and attractive unlimited data plans are being offered to mobile media users. On the other, many Web site and social media channel operators have realized that they have to adapt their Internet presence to mobile device usage or should launch apps to satisfy the requirements of mobile users. The statistics about mobile Internet use leave no room for doubt. Compared to the previous year the number of mobile Internet users in 2010 has risen considerably both in the US as well as the EU5 zone countries (Germany, France, Great Britain, Italy and Spain). In 2010 there were already 109 million subscribers in the US accessing mobile services on the Internet, accounting for 46.7 per cent of all subscribers in that market. In Europe 41.1 percent of all mobile service subscribers were accessing the Web in 2010 compared to only 35.3 percent the previous year.

WHAT CONTENT ARE THEY CONSUMING?

Analysis carried out by the market research firm ComScore show the consumption behavior of mobile surfers in precise detail: Social media stand right at the top of the mobile Internet user's "menu." In 2010, 42 million people used social media such as Facebook with their mobile devices in the EU5 countries. That is a 75 per cent increase from the previous year. Growing participation in social media via mobile devices is primarily due to Facebook which reached 85 per cent of social media users in Europe. It's an unstoppable trend: In both the US and the EU5 countries the number of users

increased by more than 120 percent in comparison to the previous year. YouTube and Twitter also registered huge rates of increase in second and third place. For many people mobile surfing has evolved from an occasional pastime or even an exciting novelty to an essential part of their lives which they have come to rely on each day at home, at work or when they are on the go. According to data from Cocomore AG and SocialMedia-Blog.de around 52.7 million Germans over-14s access the Internet.

WHO IS GROWING THE FASTEST VIA MOBILE:

Mobile content category growth across the EU5 region

Q4 average in 2010 compared to the Q4 average in 2009 / Dec. 09 - Dec. 10

Auction Sites	+86%
Shopping Guides	+82%
General Reference	+80%
Online Retail	+79%
Women's Magazine Content	+76%
Social Networking	+75%
Television Guides	+71%
Men's Magazine Content	+71%
Real Estate Listings	+70%
Classifieds	+70%

Source: comScore MobiLens

That comprises 75 per cent of the population. More and more people do their shopping on the Web; in 2010, 38 million people completed purchases online. Eighty-three percent of the population used search engines to learn about products. Around 76 per cent of German Internet users are registered social network users. Among 14 to 29 year-olds it's even 96 per cent. There is at least one smartphone in every fourth German household, explaining the significant jump in mobile Internet use in Germany. All in all, 22 per cent of Germans – or over 15 million people – have access to the mobile Internet. The favorite pastime of around 50 per cent of mobile surfers is using social media, among which Facebook enjoys the highest popularity. In 2010 Facebook grew by about 138 per cent in Germany and also posted an increase of about 40 per cent this year with a total of 20 million users.

Due to the dramatic increase in mobile Internet use worldwide and in Europe in particular, mobile coverage has increased with astonishing speed. More than five billion mobile service subscribers worldwide calls for continuous ongoing development and improvement of mobile phone technology, the creation of new services, making innovative social applications to mobile users and the introduction of new billing models. The world is experiencing a social media boom as more and more people seek new ways to stay in touch with their colleagues, friends and family. The use of social media by means of cell phones and smartphones is climbing even more rapidly than fixed Internet growth.

These developments and rates of growth clearly show that the mobile world offers endless opportunities to companies. Through the use of mobile devices, maintaining contact and exchanging information with people can be done anytime and anywhere. Customers are turning to this mode of communication to a greater and greater degree to voice opinions about a product or service online and to recommend it or advise others not to buy it. People trust what other customers say more than what the suppliers themselves say. Mobile localization services for social media in business life will become very important and will be effectively used in advertising in the future. Because only if you know exactly who the customer is and where they are right at that moment can you provide just the right offers. Turning customers into fans and brand ambassadors is becoming increasingly important for companies in order to attract the attention of customers via social media, to keep up with public opinion in order to better match services or products to customers' requirements and to build up a lively community.

A perfect example of it is Nestlé Italy's viral campaign to market the Italian chocolate assortment "Baci Perugina" (also sold under the name "Perugia kisses"), that was developed by the Italian creative agency Bitmama. For this campaign, which was launched on St. Valentine's Day, Nestlé Italy utilized social media channels such as Facebook and YouTube to actively communicate a love story and to capture the interest of the public and get them involved. The story line: The shy Giovanni falls in love with a pretty neighbor called Gaia. Gaia promised to kiss Giovanni if 50,000 people supported him in his scheme. Nestlé Italy took up the (staged) love story with their brand Baci Perugina and helped Giovanni to achieve his goal. Thanks to intensive communication between the brand and their consumers over 150,000 visitors viewed Baci Perugina's Web site in just ten days and more than 26,000 visitors watched campaign news on YouTube. Of course, Giovanni got his 50,000 messages and a kiss from Gaia – and the Bitmama campaign won the Golden Lion at the Cannes International Advertising Festival in the "Mixed Media" category.

BETWEEN CULTURAL TRANSFORMATION AND LOSS OF CONTROL

Developments related to social media and the mobile revolution pose a wide range of challenges to companies. First of all, they must consider their active and strategic participation in social media as well as giving thought to the consequences of social media activities for existing social media customer relationship management systems. And the challenge must be met not only by specialist but also by IT departments as well. In addition, companies must address the mobile revolution by making their Web sites accessible to mobile users or offer them innovative applications. For many companies, dealing with social media means a transformation in corporate culture. There's considerable fear of relinquishing control. An additional factor is that the net is organized democratically; something that contradicts companies' hierarchical organizational structure. Other companies completely refuse to use social media.

This is precisely the attitude that indicates a total loss of control however. Because people exchange views on these platforms and discuss the company and make purchasing decisions which can define the success and failure of the company itself. It makes more sense to approach social media proactively. It's important to define the aims and target groups that you would like to reach with social media and to implement a suitable social media strategy before entering the Net. Assessment of the goals to be attained should not be forgotten.

CRM SYSTEMS FOR CHECKING

In order to do justice to social media and changed customer expectations, IT departments have to rethink their customer relationship management systems. As studies prove, IT departments still invest comparatively little in social media. Marketing departments are frequently pressing ahead with and using social media platforms that are located outside of the company's internal IT in order to create a dialog with their customers. All the information that is there is not fed back into the in-company CRM system and processed so that a 360° view of the customers that was formerly bought at a high price is becoming increasingly patchy. To a greater and greater degree, IT departments are losing control over CRM system quality. At the same time a company's ability to innovate nowadays is strongly dependent on the IT department being at the forefront.

Given the mobile revolution now underway, companies face the challenge of adapting their Web sites to mobile use or developing suitable applications. Because today's smartphones are equipped with web browsers which bear a strong resemblance to the browsers of their non-mobile brothers, firms face the decision of pursuing the development of a native app or a mobile web app. While a native app is merely what most people know as an "app," a mobile web app is the equivalent of a Web site optimized for mobile access. Which one is the best solution is currently the subject of heated debate. But there isn't a simple, clear answer. Both alternatives have countless advantages and disadvantages that have to be considered at preliminary stages. Generally, aspects which speak in favor of a native app are their unique user interface and access to device hardware. With mobile web apps companies are independent of sales policies and the licensing procedures of app store operators. There are also advantages related to the life cycle of mobile web apps. In comparison to the high number of native apps that companies would need to cover all current mobile device platforms it is a big advantage in terms of time and costs to only develop, run and further develop a single mobile web app. Finally, the decision really comes down to what company objectives should be achieved using an app.

A good example of how an enterprise promotes its own mobile revolution can once again be seen in Italy: the Internet portal Libero.it, Italy's seventh ranked Web site in terms of hits, just one place behind Google.it. A few years ago, Libero.it carried out market research and recognized trends in the mobile use of the Web. After analyzing the use of its own Web site Libero.it stated, however, that about 70 per cent of all mobile access to the site took place by iPhone. Users of other mobile devices

apparently avoided the Web site because its contents couldn't be properly visualized on those devices. A solution needed to be found quickly which allowed anybody to have mobile access to the Web site regardless of the device used. Thanks to the Gaia Reply solution four versions of the same Web site were created (for smartphones, touch smartphones, cell phones with a mid-sized display and cell phones with a small display), so that the Libero.it Internet platform can be optimally accessed on any type of mobile device. In the meantime, Libero.it offers all Web site operators or bloggers optimization services for all types of mobile devices.

The message of this example should be obvious: Companies should have detailed knowledge of the trends regarding how consumers use their mobile devices. Only in this way can they seize new business opportunities or adapt their customer service strategies in order to keep one step ahead of the competition.

The authors

Josef Mago is Chairman of the Board of Reply Deutschland AG.

Giovanni Ambrogio is Managing Director of Live Reply GmbH, a subsidiary of Reply Germany.

Live Reply offers consulting, development and system integration for telecommunication and media companies. The company supports its customers in the development of strategies and the implementation of new business models in the value-added services and BSS fields. The inclusion in the network of the European IT service provider Reply opens up access to the knowledge of over 3,000 IT experts. In 2010, the Reply network of companies had a turnover of approx. 384 million euros in the main offices in Italy, Germany and the United Kingdom. For further information, visit www.reply.de.

Live Reply GmbH
www.reply.de