

Mobile: it starts with the consumer



By [Dr KF Lai](#)

26 May 2011

The world is in the midst of another major technology cycle, the fifth of the last 50 years. The '50s and '60s were the mainframe era, the '70s were the mini-computer era and the '80s and '90s were the era of the desktop and Internet.

The current cycle is the era of the mobile Internet and, according to Morgan Stanley's Mary Meeker (aka The Queen of the Net), in the next five years "more users will connect to the Internet over mobile devices than desktop PCs."

The rapid rise of mobile Internet use will be a boon to consumers and some companies will win big while many will wonder what just happened.

Quite a different picture

Despite the unpredictable and often sluggish general economic growth seen during 2010, we have seen quite a different picture when it comes to mobile advertising and marketing. The BuzzCity mobile advertising network grew by more than 90% in 2010 than it did all of 2009. South Africa's traffic grew by 26% - more than 880 million banners were delivered in Q4 2010. SA continued four quarters of double digit growth and completed 2010 with 66% overall growth compared to 2009.

End-user demand for online content is fuelling this with Opera recently reporting that October was a record month for global mobile data traffic and Gartner forecasting earlier in the year that, by 2013, mobile phones will be the most common device to access the Internet.

So who is the mobile Internet consumer?

According to our latest [Mobile Lifestyle Survey](#), the mobile Internet user is predominantly male, and likely to be between 18 and 45 years old. He/she is probably an adult facing a number of crucial life milestones, from changing jobs, to buying a home, car or starting a family.

Split between fixed and mobile Internet

What is interesting to note is that Internet usage is split between the fixed Internet and the mobile Internet, with over half of the audience having either sporadic access or no access at all to the fixed Internet, making the mobile Internet a valuable channel to reach a unique user-base.

Other interesting trends we gathered from the survey:

1. Users have higher expectations of the medium, and are more sophisticated.

Compared to 2008, more users have transacted online, with only 18% claiming never to have made a mobile transaction. They also have higher expectations of the medium, and are eager to take up new products and services.

2. Users have a higher propensity to make ecommerce transactions.

The level of trust and openness to transacting online has grown, and users are ready and willing to make the transactions.

3. There is still a significant and increasing demand for online content.

Global demand for content has increased, and has not been matched by companies taking up the opportunity to provide valuable, engaging and entertaining content to users. This includes digital content such as mp3s, videos, ringtones, games and applications, as well as product information on goods and services.

4. There is still a great demand for services too.

The demand for content is matched by a demand for everyday mobile services (payment of parking fees and restaurant bills, buying groceries, and so on), with 45% asking for more integrated ecommerce solutions, over and above pure financial services.

5. The mobile phone is the new king of the gaming market.

In 2008, the press was abuzz about the array of games consoles flooding the market. Today, users are far less inclined to purchase consoles, or games-specific hardware, as the volume and variety of free and paid games and applications, and the ever-improving hardware and capability of phone handsets create immersive, personal game-play. Only 8% of respondents expressed interest in buying a games console.

From the evidence shown above, it is apparent that huge opportunities lie with the mobile consumer. **SA** remains one of the hottest markets in mobile, with consistent advertiser demand from a maturing ad industry that is delivering new consumer brands to mobile each month. Relative undersupply of locally relevant content is a great opportunity for publishers. Carriers in particular are facing a great opportunity to earn revenue on their content.

There are many steps which business can take in response to mobile consumer demands such as:

1. Refining basic mobile financial services and promoting them effectively.

Many services in the market suffer from poor consumer education, as indicated by our recent user survey, which demonstrated that mobile users are mostly unaware of the mobile financial services available to them.

2. Better mobile content

Free and freemium applications and games need to take centre stage, particularly on operator portals, as this boosts their earnings from data charges. These applications also offer brands and entertainment companies the opportunity to generate immersive experiences, which creates loyalty and extends the life of an ad campaign.

3. Localisation of content

Having the mobile Internet available in local languages will cater to more niche communities and draw increased usage. Stats from our games platform have proven the benefits of including local characters, themes, presentation and language in the success of a game, with partners using this approach to great effect in China, India and Thailand.

A good sign is that the banking, travel and hospitality sectors do seem to be catering to mobile consumer demand with services such as 'mobile check-ins' and having mobile campaigns to promote specials. Bank-led mobile virtual network operator (MVNOs), such as First National Bank (FNB), will sign on more merchant partners as more retail players take up mobile strategies [*or mobile operators will [get their own banking licences](#) - managing ed*].

Knowing whom your mobile consumers are and what they want allows your messaging to become laser-focused. This will not only enable you to sell your products or services more effectively but will also help you maximise your marketing spend and create deeper customer engagement and loyalty.

ABOUT DR KF LAI

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