

White Paper:

How to Expand into Mobile: A Guide to Creating Your Mobile Strategy



Introduction

Your company wants to expand into the world of mobile phones and develop a strategy. Where should you start and what is possible?

There is more to mobile than just mobile applications.

Mobile applications are a popular option companies choose to pursue when executing a mobile strategy and establishing a mobile presence. However, you will also want to take into account SMS (short message service) campaigns, mobile websites, and mobile advertisements.

Mobile is changing fast. It's hard to stay up to date with the latest opportunities.

The mobile landscape experiences big changes every few months. Operating systems are updated, new phones are released, and technologies are improved. These changes affect your capabilities on mobile and it is important to factor them into your strategy.

Our Promise

To help you through the process, this white paper will:

- Review the different mobile channels.
- Analyze the available business models by mobile channel
- Explain the mobile capabilities by platform
- Explain the current distribution and marketing opportunities in mobile.

In the end, you will be on your way to developing your mobile strategy and be aware of the areas you need to spend more time discussing.

Some Overarching Notes about Mobile

Some business models better lend themselves to certain mobile channels than others.

Once you establish what your company seeks to achieve from its mobile strategy, you can match the business model with the most suitable mobile channel. If you want to generate revenue via a subscription or fees, mobile applications may be the best fit. If you want to keep your customers updated with company information and products, a mobile website which utilizes push notifications may give you the brand awareness you want.

Make sure your mobile channel lets you leverage the right distribution and marketing opportunities.

Increase the effectiveness of your mobile campaign launch by integrating it with your other marketing campaigns on other mediums.

Remember when you market any new app that iPhone applications can only be downloaded via the Apple App Store whereas Android and BlackBerry applications can be downloaded via their manufacturer application stores, third-party application stores, and the mobile browser.

While developing a mobile strategy, you should take into account different aspects of mobile.

One of the beautiful things about a mobile application is that it cuts through the arbitrary barriers and filters people create in their lives. You get past the email inbox, the millions of other websites the user could visit, and the hundreds of other ads fighting for the user's attention. Be sure to make the most of the opportunity.

Keeping Your Users

The key to a successful mobile application is to keep your users engaged. As with every other service or product, you need to keep it fresh in people's minds. If you don't provide users with a reason to keep coming back to your application, they will delete it. And, once they delete your application, users will rarely re-download it, even if it's updated.

Mobile Channels & Their Business Models

There are four main mobile channels:

- Mobile applications (iPhone, iPad, Android, BlackBerry)
- SMS campaign (text messages)
- Mobile advertisements (banner ads, iAd, billboard ads integrated with mobile)
- Mobile websites (html5)

Mobile applications – are software programs written for smartphone devices.

These devices are more advanced and more expensive than regular mobile phones. Developers must almost entirely rewrite the software for each mobile device.

The most popular mobile application platforms are the iPhone, Android, and BlackBerry. Apple has also launched the iPad which uses the same operating system as the iPhone. Mobile applications must be downloaded to the device and installed.

You can use mobile applications to:

- **Increase brand perception:** For example, provide complimentary content or service to users, as the Charmin iPhone application does. The SitorSquat iPhone application sponsored by Charmin lets users find and rate public bathrooms.
- **Drive leads or sales:** Provide users access to company products or services. For example, the Starbucks' iPhone application helps users find a nearby location and the Marriott application allows users to access hotel services and rewards programs.



- **Monetize and distribute your existing content or service through mobile:** Use mobile as another medium for distribution to sell your product or service (i.e. the WSJ iPad application, the Amazon e-commerce mobile application to buy products, Facebook or Twitter applications to increase usage and ability to sell ads). You can generate revenue via a one-time fee, "in-app" purchases, or subscription fees.

SMS campaigns – use text messages to communicate with people on their mobile phones.

These messages can be sent to any mobile device regardless of whether or not it is a smartphone. Messages are limited to 160 characters in length.

You can use SMS campaigns to:

- **Increase brand perception and engagement:** For example, allow people to interact with the Jumbotron in Times Square by texting from their cell phones to your server. Or, allow people to interact with a television ad or show by texting from their cell phone.
- **Drive leads:** For example, distribute coupons or promotions to people through an SMS campaign

Mobile advertisements – can manifest themselves in many different ways.

There are banner ads which exist on websites and within mobile applications. Apple has its own advertising platform called iAd and Google has its own called AdMob. There is also a great deal of third-party mobile advertising platforms.

You can use mobile ads to:

- **Increase brand perception and engagement:** Attract users' attention with targeted mobile ads to drive leads or sales or expand your social media presence.
- **Drive leads or sales:** Some in-app mobile ad services, like Apple's iAd, will let users submit their info or make a purchase through the mobile ad.
- **Expand your social media presence:** Let users "like" your Facebook page or "follow" you on Twitter.

Mobile websites – are websites which are designed for smartphone devices.

HTML5 mobile websites can be written once and optimized for the different devices. The website can also be stored on the device so people can view the website when they do not have a network connection.

You can use mobile website to:

- **Increase brand perception and engagement:** For example, let users go to your mobile website to read more information about the company and learn about the company's products or services.
- **Drive leads or sales:** For example, users can submit contact information or find information about where to purchase a product. Or, let users purchase a product through the mobile website

The Features of Mobile Platforms, Channels, & Web Applications

Mobile platforms and channels offer a number of features which companies can use to tailor their offerings to users. This chart shows which features are available on each mobile channel.

	Mobile Ads	Mobile Apps	SMS	Mobile Web
Operational Offline	No	Yes	No	Yes, most of the time
Location-Triangulation	Yes	Yes	No	Almost
Location- GPS	Yes	Yes	No	No
Push	Yes	Yes	Yes	No
Security	Yes	Most of the time	Yes	Yes
User Interface	Wide-range	Smooth and fun	No	Less interactive
Device agnostic	Yes	No	Yes	Yes
Graphics	Rare	Yes	No	Clumsy
Social Networks	Rare	Yes	No	Yes
Cross platform	Yes	No	Yes	Yes
Access device hardware	No, just location	Yes	No	No, just location
Analytics	Limited	Yes	No	Limited



Devices Capabilities Available to Third-Party Developers

The mobile application industry is constantly changing. New competitors are entering the market and existing players are improving their existing products. This chart gives an overview of the device capabilities across the major mobile platforms available for use by third-party application developers.

	iPhone	iPad	Android	BlackBerry
Push	Yes	Yes	Some devices	Yes
Location-Triangulation	Yes	Yes	Yes	Yes
Location-GPS	Yes	Some devices	Yes	Yes
Accelerometer	Yes	Yes	Most devices	Some devices
Compass	Yes	Some devices	Most devices	No
Web browser	Yes	Yes	Yes	Not very good
Background Processing	Not fully	No	Yes	Yes
Bluetooth	Yes	Yes	Yes	Yes
Push Email	Yes	Yes	No	No
Camera	Yes	No	Yes	Some devices
Video Camera	Yes	No	Yes	Some devices
Flash Support	No	No	Yes	Yes
Out of app Pop-Ups	Yes, controlled	Yes, controlled	Yes, custom is an option	Yes, custom is an option
Widgets	No	No	Yes	Some devices
Custom Indicator	No	No	Yes	Yes
OpenGL 3D Graphics	Yes	Yes	Yes	Some devices
Voice Search	No	No	Yes	No

Native Applications vs. Web Applications

Companies have had more than fifteen years to master marketing on the Internet. They've succeeded in learning how to market to laptop and desktop users with "native applications". Mobile phones offer a new way for users to interact with companies and companies are beginning to learn how. This chart compares how each issue behaves on native applications versus smartphone applications.

	Native Apps	Web Apps
Internet access	Not required.	Required, except for rare apps with offline capability.
Installation & Updates	Must be deployed or downloaded.	Hit refresh.
User interface	Native apps are responsive and functional.	Browsers can be clunky, but new advancements in JavaScript like jQuery Mobile are catching up fast.
Device compatibility	Platform-dependent, hardware-dependent.	Platform-agnostic, content can be reformatted with CSS to suit any device.
Animation & Graphics	Fast and responsive.	Web apps are getting closer, but will probably always lag.
Streaming media	Few problems with audio and video. Flash works, but only if the device supports it.	Flash works where supported. Browser-based audio and video are getting there, but still beset by compatibility headaches. Give it a year or two.
Fonts	Tight control over typefaces, layout.	Almost on par, thanks to advancements in web standards. Give it six months.
Is my content searchable?	Not on the web.	By default.

	Native Apps	Web Apps
Sharable/Tweetable?	Only if you build it in	Web links are shared freely. Social APIs and widgets allow easy one-click posting
Discussion and collaboration	Only if you build it, and it's more difficult if data is disparate	Discussion is easy, all data is stored on a server
Access to hardware sensors	Yes, all of them: camera, gyroscope, microphone, compass, accelerometer, GPS	Access through the browser is limited, though geolocation is common
Development	Specific tools required for some platforms (like Apple's). You have to build a new app for each target platform	Write once, publish once, view it anywhere. Multiple tools and libraries to choose from
Can I sell it?	Charge whatever you want. Most app distributors take a slice, up to 30%	Advertising is tolerated, subscriptions and paywalls less so. No distribution costs beyond server fees
Distribution	Most app stores require approval. And you gotta wait	No such hassle
Outside access to your content	No, the reader must download your app	Yep, just click a link
Advertising	Control over design (though limited in iAds) and rate	More choices for design, plus access to web analytics. Rates vary widely

Distribution

You can build the best application in the world, but if users cannot find it they won't be able to use it. Each platform provides different opportunities to distribute your applications to users. This section assesses the distribution advantages and disadvantages of each platform.

- **iPhone:** iPhone and iPad distribution is restricted to the Apple App Store. This can be a good thing and a bad thing. It gives iPhone users a central location to find applications. So, if Apple likes your app or if it is well ranked, you will have exponential growth.

On the other hand, it limits your distribution to just the App Store. Users cannot download the app from your website. All your marketing materials should link to the application's listing in the App Store.

Users can make purchases easily and make purchases from within an application. Apple takes a 30% commission.

- **Android:** The Android Market is preloaded into the device and is the main resource for users to download apps. There is no online store so all browsing of apps must be done on the device. Users can download apps from a third-party application store or website. Third-party app stores are increasing their competition with the Android Market.
- **BlackBerry:** The App World is just starting to be preloaded onto all BlackBerry devices. Users can view the applications online. Application usage is lower among BlackBerry users and competition is less on the App World to get good reviews and placement. RIM (Research in Motion), the makers of BlackBerry, takes a 30% commission.

Users can also download apps from third-party app stores or other websites.

Third-Party App Stores

Third-party application stores provide an additional distribution channel beyond the carrier and manufacturer application stores. Third-party application stores are available for Android and BlackBerry applications. These stores offer different marketing opportunities to promote your application within their network such as standard banner ad campaigns and also PPD (pay-per-download) campaigns.

Browser Downloads

Android and BlackBerry allow you to download applications through your mobile browser. This allows you to let users download your application directly from your website.

Carrier/Manufacturer Distribution

All of the smartphones have their own manufacturer application stores like the Apple App Store, Google Marketplace, and BlackBerry App World. The carriers are also rolling out their own application stores like Verizon Wireless. All of these application stores have their own submission guidelines and requirements. The Apple App Store is the only place where iPhone, iPod, and iPad users can download their apps.

Questions to Consider:

Here are some distribution questions to ask yourself:

- How can I incorporate the application into my other marketing channels?
- How much can I depend upon generic and viral growth?
- Can I accelerate this growth by leveraging social networks? (Hint: In every type of application, you are providing some sort of value and content to users. Let them share this with their friends!)
- What platform(s) should we look at? What aligns best with our user base?

Conclusion

The world of the mobile market now is what the Internet was 15 years ago. Companies ignore it at their own risk.

Be sure to thoroughly consider how your company might leverage the mobile marketplace. Use this white paper to outline what your mobile objectives might be and what mobile platform, devices, and channels will help you reach them.

Your customers have a smartphones in their purses and pockets and your company could have a presence on them.

Quarterly Update

Mobile is evolving at a blistering rate. Every few months there are substantial developments which come to market. Your mobile strategy will need to be updated and revised as the industry expands.

Here are a few items which will be released or improved in the next quarter and will be included in our next issue:

- Android Tablets: Competition for the iPad
- Windows Mobile 7: Microsoft's New Mobile Platform
- Palm's Expansion under Hewlett Packard
- Growth of HTML 5 mobile websites



About Applico

Applico provides innovative software solutions with a primary focus on mobility. The company has operations in Greenwich, CT and Manhattan.

Applico is a mobile agency which designs and develops custom mobile solutions for brands and agencies. Based in NYC, Applico has experience creating mobile applications and mobile websites across all the major platforms (such as the iPhone, iPad, Android, Blackberry, and HTML 5).

About the Founder and President

Alex Moazed works with digital, creative and interactive agencies as well as marketing, technology and Fortune 500 companies to develop award-winning mobile phone applications as the President and CEO of Applico. These companies have relied on Alex for his experience with acquisitions and licensing throughout the mobile phone industry and have seen his work by Fortune, CNN, and Entrepreneur. At Applico, Alex is in charge of management and strategic direction. He is a graduate of Babson College.

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