EXPLORING THE SOCIO-ECONOMIC LOGIC OF MOBILE SEARCH

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Introduction

The adoption of any technological application is dependant on:

- Technological maturity
- Economic feasibility
- Consumer acceptance

We conclude that technology is not the (major) barrier for the deployment of the mobile search applications (Prospects of Mobile Search)

The critical question one must ask, therefore, is whether there is a socio-economic logic for mobile search

Economic feasibility

Availability and affordability of mobile broadband connections is the main enabler of mobile search

The use of mobile search is directly related to the deployment of smartphones and their operation in 3G networks

Source: Prospects of Mobile Search

Economic feasibility: smartphones

Smartphone growth to continue strong in 2010

CELL PHONES / VOIP June 01, 2010 8:30 AM

Euro Operators Push Cheap Android-based Smartphones

Cheap smartphones could shake up summit told

Smartphone Growth To Defy Economic Downturn

Despite a dip in the overall cell phone market caused by the staggerin

Smartphones get cheaper for mass appeal

Published on Tue, May 18, 2010 at 08:35 | Updated at Wed, May 19, 2010 at 14:29 | Source : Reuters

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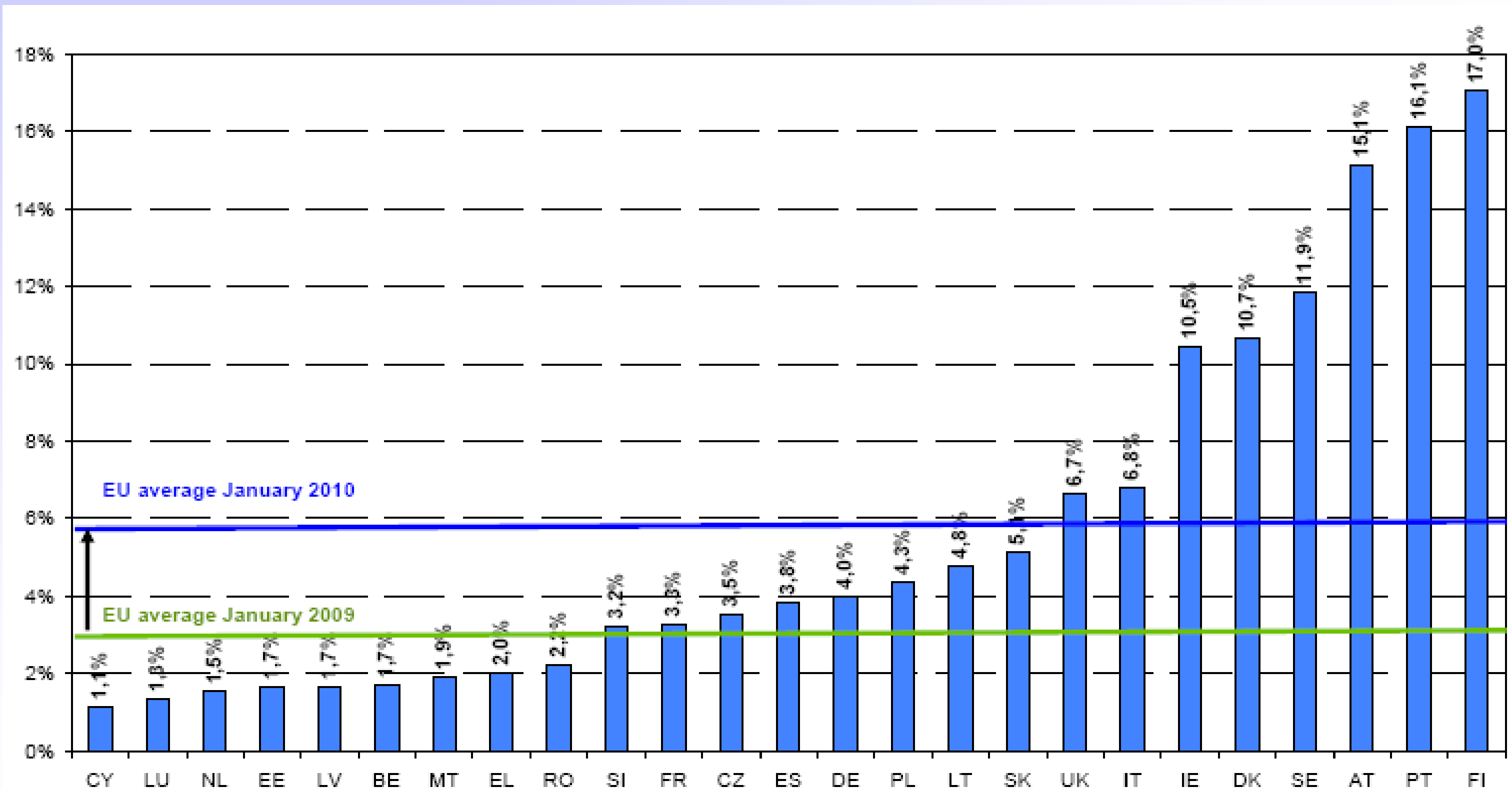
A new wave of cheap smartphones could soon do for the mobile industry what years of hype and inv pricey 3G systems failed to accomplish -- combining must-have chic with affordable prices for dat

Economic feasibility: EU context (I)

Mobile broadband penetration rate (dedicated cards – January 2010)



Source: European Commission

Economic feasibility: EU context (II)

Revenues in the EU electronic communications sector (2009)

	Growth rate	Share in telecom service revenues
Fixed voice telephony and Internet access and services	-2.5%	36%
fixed voice telephony	*-6.3%*	*24%*
internet access and services	*5.6%*	*12%*
Mobile voice telephony and mobile data services	0.6%	47%
mobile voice telephony	*-1.8%*	*36%*
mobile data services	*9.3%*	*11%*
Business data services	0.6%	7%
Pay TV	11.7%	10%
Total Telecom Services (Carrier Services)	0%	100%

Source: EITO

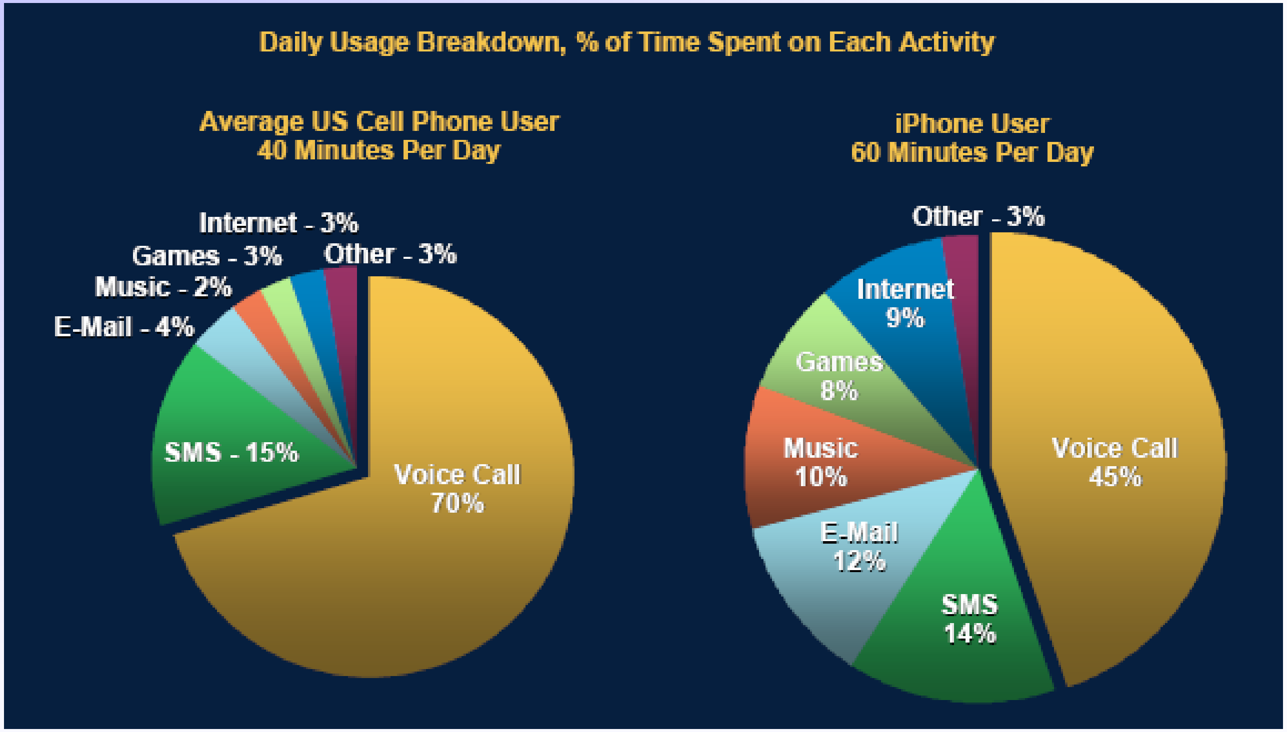
Consumer acceptance

Interestingly, we detect a gap between the diffusion (potential usage) and the adoption (actual usage) of mobile internet services: many people already have internet-enabled devices, but they do not use them as such

We argue in this report that, in time, this gap will vanish

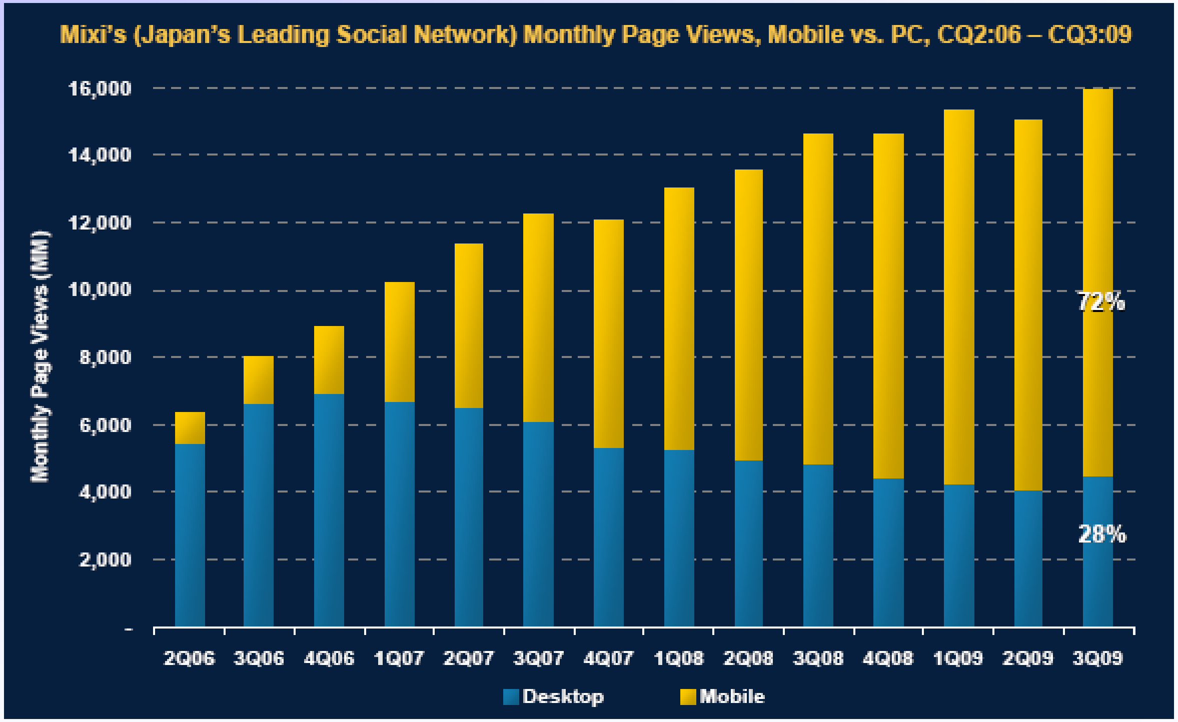
Source: Prospects of Mobile Search

Consumer acceptance: smartphones revolution



Source: Morgan Stanley

Consumer acceptance: Japan astonishing case



Source: Morgan Stanley

Conclusion

The mobile Internet investment cycle, we believe, will resemble the pattern of the desktop Internet*…*

from infrastructure to platforms and then applications, services, and content (where we are today), followed by retail and commerce. We expect the same outsized share of incremental profits to go to companies that drive innovation and attain scale

Source: Morgan Stanley, 2009 (The Mobile Internet Report)

Apply that principle to mobile search !

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