



The Rise of Mobile Social Networking and What It Can Mean for Brands

February 2011

*Combining mobile and social enables marketers to reach consumers
in new ways and new contexts – and calls for a new approach.*

Overview

Accessing social networks via a mobile device is rapidly becoming the norm in the UK and beyond. A recent UK survey showed that 45% of time spent on the mobile Internet is on Facebook (*GSMA Mobile Media Metrics 2010*). This sharp upswing is challenging existing online players to add new mobile functionality even as new players enter the space.

As consumer adoption increases and mobile-specific features such as check-ins are rolled out, mobile social networking presents significant marketing opportunities for brands seeking to engage an audience in contexts and environments previously not possible. This POV looks at the rapid evolution of mobile social networking and provides insights into the implications for brands.

Evaluation

A new dimension in social networking poised for continued rapid growth.

- Not surprisingly, mobile social skews towards smartphone users, so as smartphone penetration continues to grow, mobile social will rise right along with it. Smartphones are projected to make up 70% of the European market by 2012 – *Gartner 2010*.
- Mobile social networking is highest among younger users; fully 52% of 18-24 year olds Social network or blog at least once a month according to *ComScore 2010*. The phenomenon is spreading to older users as they engage more fully in social networking and become more comfortable with smartphones: *Kantar 2010* showed a 52% increase in over 50's using social networks via their mobile over the previous year.
- As mobile data speeds pick up, handsets improve and social networks continue to improve their mobile offerings, usage is bound to increase further.

Given the trend lines, brands must to bear in mind that mobile will drive the future of social networking. Savvy brands will take advantage of this new opportunity and devise fresh strategies to deliver relevant messages and tools tailored specifically for this channel.

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Existing social networks mobilize

For existing social networks to keep their relevance for consumers and brands, and to continue to grow, they have to be mobile. Most social networks, such as Groupon, Flirtomatic and LinkedIn, have integrated mobile features into their offering, but Facebook has the most mature strategy.

Quick Facts about Facebook Mobile:

1. CTO Bret Taylor states that mobile... *"is the company's top priority in 2011."*
2. Acquired Rel8tion, a hyperlocal mobile advertising start up.
3. Developed applications and mobile sites for mass market handsets as well as smartphones, struck deals with numerous global operators to ensure that consumers are not charged for data used when accessing Facebook.
4. Evolved their offerings (such as the recent launch of Facebook Deals) to augment the experience on mobile.
5. Working with handset manufacturer INQ to integrate their network deeper into the operating systems so that, for example, Facebook becomes the address book from which consumers IM, SMS or email.
6. Approximately 25% of Facebook users access the social network via mobile.

Existing social networks will have some level of protection due to consumers' loyalty to their network. However, with so many new entrants in the space, there is more choice for consumers which, in the long term, could be a threat to existing players. Those who are not prepared for what the future will bring will be left behind.

New contenders from major players

Recent news stories indicate Apple may be making a move into mobile social networking with a new "Find My Friends" service that would allow consumers to find friends from the home screen of their mobile devices. The company also plans for "Photo Streaming" to allow consumers to share pictures easily with other iPhone users. Google already has a presence in this space with Google Latitude and is rumored to be launching a new product called "Google Me" that will no doubt have mobile elements.

Both Apple and Google, of course, have mobile operating systems, giving them the platforms and tools needed to gain subscribers with compelling offerings. The challenge for these providers is that a social network becomes more interesting with mass, so services limited to a single operating system could prove to be a hurdle.

Hard work now, rewards to come

Although this year will see continued growth in the mobile social networking space it does not necessarily mean that mobile advertising revenue in this area will follow. Social networks will have to work hard to monetize their mobile traffic.

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The challenges faced:

- Mobile advertising and social marketing are still seen as new and do not command a share of media budgets proportional to their impact.
- New players will struggle to find the resource to market their services to agencies and brands at the same level of leading digital players.
- Existing players will need to find ways to integrate advertising into the mobile offering appropriately while avoiding disrupting the user experience.

Existing players have the advantage of existing revenue and brand relationships to support these demands along with the infrastructure to sell the inventory.

Mobile social campaigns will initially be high effort/low reward as new and existing players work out how best to monetize this space. Nonetheless, many brands have begun experimenting in the space to stay ahead of competition, build experience, and develop rich consumer data to be ready once the market matures.

Leveraging the “check-in”

Location awareness is of course a key feature of mobile and new entrants such as FourSquare and Gowalla. These services are built around the “check-in” feature which allows consumers to broadcast their location to everyone on their social network. The check-in is a great vehicle for brand exposure as it uses consumers, acting as trusted friends, to broadcast their association with a brand in a geo-context to their network.

These new mobile social networks have received significant attention due to a loyal user base, VC investment and high-profile brand campaigns. But scale is an issue. How many people check in and how often do they do it?

FourSquare has just announced that they have hit 6 million users globally who apparently check in on average once a week (*Mashable estimates June 2010*). This does not yet equate to mass adoption.

Top 5 brands on FourSquare

Brand	Followers
MTV	118,370
Bravo	114,202
History Ch.	101,352
Zagat	97,883
VH1	76,494

Source: FourSquare Blog (Jan 2010)

To help drive mass adoption, Facebook Deals is providing incentives for user to check in. A critical success factor will be providing deals of sufficient value to incentivize consumers to check in regularly. The success of Groupon on mobile suggests that this feature would be of interest to consumers. This provides a mobile social platform for brands to enable them to drive consumers to retail and also to promote their brand via consumer’s social network.

Mobile social networking – real world examples

- **Jet Blue:** Customers earned rewards when they checked in at airports. Registered users received 25 TrueBlue points every time they checked in to an official JetBlue airport location on Facebook Places.
- **Jimmy Choo:** Organized a real-time treasure hunt around London via Foursquare, Twitter and Facebook. In the promotion, a pair of Jimmy Choo trainers checked in at fashionable

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locations and sent real-time updates about their whereabouts via Facebook and Twitter. The trainers only remained at the venue for a few minutes – the consumers who reached the venue in time to catch the trainers won a pair in the style and size of their choosing.

- **Pepsi:** Sponsored FourSquare's home page in the name of charity. Every check-in resulted in Pepsi's making a donation to CampInteractive, an organization that helps empower inner-city youth through technology skills and mentoring.
- **Gap:** Gap was a Facebook Deals launch partner in the US. The company gave away 10,000 pairs of jeans to the first 10,000 people who checked into stores – once those were gone consumers who checked in were given 40% off one item. Lines formed outside the stores before they opened and the jeans were all claimed within a matter of hours.
- **McDonalds:** McDonalds randomly awarded one hundred \$5 and \$10 gift cards to consumers who checked in at McDonalds using FourSquare. The campaign increased footfall by 33%.

Conclusion

Mobile social networking is set to get bigger and better as digital giants and nimble new startups compete in the space to bring better and more innovative solutions to consumers.

The opportunity for brands is huge. They will have access to a wide range of data about consumers, can potentially reach them when they are in store about to make a purchase and can turn the consumer into an advocate through tapping into their social network.

However, brands must not fall into the old pitfall of moving the same creative and messaging from one channel onto another. When developing mobile social network campaigns, brands need to recognize the difference between the mindset of people accessing their social network via their mobile vs. their PC and frame their offerings accordingly.

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