CUSTOMISE AND CREATE

The phone and the role that the mobile handset plays today is very different from that of three, two or even one year ago. The user is playing a much more important role, demanding 'Just make it do what I need it to do', says **Aldo Liguori**, Head of Communications at **SonyEricsson**

CONTENT FOR MOBILE

We are promoting our smartphones as the most entertaining phones, meaning that in our world the user is interested in using it not just as a communications tool but also in the entertainment sphere – for music, as a navigation device, connecting with your Facebook fans, reading up on the latest news. It very much depends on the interest of the user, normally we see a user downloading 6 to 9 different applications. And then it depends how you live your day – maybe news is your content first thing in the morning, throughout the day it could be more email, voice and text, and later on in the afternoon when you wish to find where your friends are, which pub, which restaurant, then you use your phone for that purpose.

Often it depends on the time of day or even if it is weekday or weekend. New applications which are constantly being developed have a place because people are looking at refreshing. Probably the core four, five types of content will remain the same.

CONTENT TRENDS

One type of content is "Me and the phone" – the opportunity of doing something with your phone, like playing a chess game, where the signal to make calls or deal with emails is not strong enough.

The other content is more about "Me and how I fit in with my group of friends", it's more of a sharing or "linking up with others" type of content. These are the two extremes which will play a bigger role.

FREE VERSUS PAID CONTENT

We believe content should come from a number of sources, including of course application developers directly. Choice for the user should include having content downloadable free of charge and using it free of charge, as well as applications which cost. I think it depends on the content.

There already is the type of model which the broadcasters introduced years ago, and users are used to that – your basic package which is the minimum, and then it goes from there depending for example on whether I'd like to see not only all of the UEFA matches but also the Italian league or the Spanish league.

Obviously watching content on a large screen in the privacy of our home is one thing, viewing content on a considerably smaller screen, a handheld handset is something slightly different. But I am comfortable to have that content in my hand on a smaller screen because it helps my commute be more pleasant.

I think that broadcasters are starting - the way that publications are starting - to capitalise on the mobile handset opportunity and in some cases modify the content to fit this device.

DIALOGUE WITH PARTNERS

I'm not familiar with any ongoing dialogue with broadcasters, we could in some markets have that dialogue. First and foremost our direction is to be the closest friend and partner of the operator out there, be it O2, T-Mobile, Vodafone, AT&T, or Docomo. Working with the operator customers is our strategy in all of our markets. The second area of our partnership strategy is with companies such as Facebook, Foursquare, Google. These are important partners where we share a common understanding of either reutilising the operating system [SonyEricsson smartphone strategy is built on Google's Android platform as well as Microsoft's Windows Mobile], and how can we leverage each other's contents, what are the commonalities.

EVOLUTION

What has changed significantly is that instead of a user thinking of a phone in terms of features, features, features, the phone is now a tool which you and I customise. So the whole design of the phone has shifted, larger size screen and touch screen technology - you have the choice of a virtual keyboard on the screen or a model with a keyboard that slides from underneath the screen.

The other aspect is all about compatibility, my phone and your phone looking at some common applications. And the best way that we can share, the phone does not necessarily have to come from the same manufacturer but certainly from the same platform or open source. A big change is to go from proprietary to open source.

USER BEHAVIOUR

We have a very comprehensive and well established programme of trend research. Our team is based in a number of locations around the world. Concurrent to that, we share our philosophy for the future in terms of technologies which we believe will become important in the next 12 to 18 months with operators. So we have this ongoing dialogue to ensure that our thinking is in line with their thinking which is in line with the end user.

PUBLISH TO MOBILE

At the end of 2010 Nokia released a list of 92 developers who have each seen one million downloads or more of their mobile applications. There is a huge opportunity for content providers, says **Gerard Grech**, Head of Content for Media and Games at **Nokia**, as constantly increasing download figures demonstrate the huge appetite from users

CONTENT FOR MOBILE

We are talking specifically about Ovi store which is growing at a tremendous rate. We are now at 3.5m downloads a day [December 2010] and every week these figures increase. Over 70% of our downloads are games and apps, and games continue to be our No 1 content for paid downloads. When it comes to free downloads, it's very much apps that are spearheading that category. In the area of games, evergreen games like sudoku, chess and Tetris always perform consistently regardless of country and device, whereas on the apps side news and information tend to perform very well across multiple territories.

In some territories more than others either because the catalogue is more substantial in one country or it could be that broadband penetration isn't as high and therefore they are using their mobile phone to access breaking news and information, and also weather.

Another area that is doing relatively well is utility, tools and productivity type applications, and also things like our Tesco Groceries apps, everyday brands that people rely on as part of their mobile lifestyle. And finally, entertainment performs consistently across multiple devices and countries.

There is a big drive from our perspective to make sure that we have the best locally relevant content as possible. On average, when the content description and metadata is translated into the local language, we see an over 20% increase in conversion.

CONTENT TRENDS

One area that is gaining popularity is 'kids and family' - one example is the educational quiz game Capital Cities. And utility type brands or digital lifestyle brands are increasingly popular as brands go mobile. Every active Ovi store user is averaging 8.5 downloads per month, so clearly there is an appetite for the content we are providing. Every second visit right now is actually generating a search, so people are looking for stuff as well as browsing for stuff to download and consume.

FREE VERSUS PAID CONTENT

It comes back to the question: What is motivating a publisher to create an app in the first place? Some application developers are looking for recognition, others are looking for creating a local audience, or a global audience, others are looking to make money directly, and others are trying to add value to their current consumer base by providing their service on mobile. Either way it is always value creation.

We're offering operator billing to 100 operators in 30 countries which means that we are able to widen the billing mechanism for our consumers as well as our publishers. The user has the option of whether to pay by credit card or via operator billing, and what we find is that people choose operator billing because it is seamless and intuitive as a payment mechanism. From Nokia World we announced the new fixed revenue share which roughly breaks down to 60/40 with the developer getting 60% of the revenue and the operator taking the remaining 40%.

DIALOGUE WITH PARTNERS

Ovi store is a global distribution mechanism for our publishers and it is a self-service platform. We encourage publishers to use the platform to see what is resonating well with the consumers in different markets, and to change the price point of their content and find the sweet spot between demand and revenue generated. No one can really say what's the best price point for a piece of content, unless it has been tested and tried with consumers. We have a publishing tool called Ovi app wizard that very much decreases the barriers to entry for publishers and allows anyone with a blog or newspaper to publish an application to Ovi store.

EVOLUTION

We'll see the importance of connected apps rather than single purpose apps. What I mean by that is applications that make use of a number of services to create even more value to the consumer. Take the example of Nokia's Gig Finder that leverages Ovi maps – it tells you which bands are on at your local venue and it also tells you how to get there. Another good example of connected experiences is Shazam where you are able to tag the music and then you are able to buy it from the Nokia music store.

USER BEHAVIOUR

We do a lot of analysis in real time in terms of seeing what consumers are preferring to download, what kind of star rating they are giving the content. There are cultural points to take into account when developing applications – the Card & Casino app for example does not tend to do as well in India. We actively share consumption behaviour by device and country with publishers so that they can make their own informed decisions.

SMARTPHONE DEMOCRATISATION

With the slogan 'quietly brilliant' **HTC** is one of the fastest-growing companies in the mobile sector. **Phil Blair** who as Product Director HTC EMEA is taking products from an engineering stage through to launch, says that in 2011 over 60% of the mobile market will be smartphones – even your mum will have one

www.htc.com

CONTENT FOR MOBILE

From the usage perspective, user generated content is probably No1. It's over 50% of content consumed on a daily basis. After that, navigation and location based experiences are very important. And after that I would put news and sport as the genres that the average smartphone user is consuming daily.

If you look at usage patterns and adoption of smartphones, social networking is one of the biggest drivers in terms of mobile usage. Photos, movies, posts, comments, everything that you see on the social networking sites is taken to mobile.

We are seeing much more demand for very specific experiences around the content that people want, whether it's social networking or weather, news or sport. Very specific and dedicated widgets that give end users the information that they want in a compelling way. An example is our Weather Widget which delivers weather updates in a rich and graphical way.

CONTENT TRENDS

As screen display sizes get larger, there are some really interesting developments happening around e-books, newspapers, magazines. In particular magazines have a very rich story to tell on a mobile with a large high resolution display where you have an interactive experience with links through to other content. That's something you'll see more of. And movies, you can't ignore.

FREE VERSUS PAID CONTENT

It is a big challenge to persuade end users that there is a cost and a value associated with content. It really depends on the category of content, the business model, and how easy or difficult it is to monetise that content. From a music and movie perspective, there's a relatively strong push to move to subscription based models, so for example for a specific fee per month I have got unlimited music wherever I am. For the newer type of content, magazines, certainly with the tier one titles, you'll see publishing houses trying to monetise specific applications in a standalone way. For example if you are an OK magazine reader there would be an OK magazine- specific app.

Persuading somebody to pay a premium for content just because it is on the mobile is very challenging. You have to offer something that is different and where it is crystal clear what it is and what value it adds. If I am an Economist reader and I want the magazine on my tablet and my smartphone potentially I am prepared to pay for that. It's much simpler to develop business models around very clear and specific content rather than a much broader offering where you attempt to monetise an iPlayer type service.

DIALOGUE WITH PARTNERS

We talk with a lot of content providers and are sharing our experience and our view in terms of what we think our customers are looking for. Our discussion is more about enabling them to bring their offerings to our customers, less about saying 'You need to put more of this type of content or more of that type of content'. Our markets and end users decide what they want.

EVOLUTION

End users want compelling experiences that are optimised for their phone and thought through end to end. So we are less focused on individual features. Let me give you an example – we have done a lot of work to integrate the most popular social networking communities onto our device so that they are a seamless part of the day-to-day experience for the consumer. That's the opportunity and the expectation from the market.

Every person now knows what a smartphone is - they don't necessarily know what the platform can or can't do but they have high expectations in terms of experience. They turn that kind of phone on and a new world is opened up and delivered to them without them having to think about what is it they can or can't do on that device.

A democratisation of smartphones is happening. If you take the UK for example, the forecasts are for 2011 that 60% plus of the entire market will be smartphones which is a fundamental shift in the market. A lot of that 60% is not going to be the multiple device user – one phone for business, one phone for other uses - but also my mum and your mum and people who previously had fairly basic feature phones.

USER BEHAVIOUR

We invest pretty significantly in terms of user experience. Two things are the drivers. One is genuine innovation – we are a product driven organisation, pushing the boundaries of technology. We also do a lot of customer observation, trying to understand what people do in their day to day life. The smartphone with the conference calling experience that we launched some time ago was based on what our Chief Innovation Officer had observed and experienced himself: if I have a conference call in my diary, I just want to touch the screen and it dials in, and not only does it dial in, it also cues up the access code.