

Hi,

Welcome to the December edition of the Open Mobile Media newsletter!

With the 2011 events behind us, December is always a time for reflection and research for me – I try to take a step back and look at how the market's evolving – and what's likely to change in 2012.

The key question for me is this: **What are the next major battlegrounds in mobile?**

This has been a moving target since we began exploring mobile and Internet convergence in 2008, and the centre of gravity of these converging industries continues to shift as we enter 2012.

I'd really like to get your input – so this month I'm asking you to put your thinking caps on and share with me what's going to be most important to you in the coming 12-18 months. I'll be sure to share the results of the feedback with everyone!

Here's my list, as a 'starter for ten':

- **Commerce**
- **Race to build ecosystems – content, software and devices**
- **Smartphone, tablet and patent wars**
- **Mobile and social worlds collide**
- **Wallet wars**
- **Big data and identity management**
- **Future of TV**
- **Enterprise apps and tablets**

What do you think? Let me know what you have to add – or, if you've the time and the inclination - take a deeper dive into any of these categories by clicking on the links above, or scrolling down.

- **Commerce – enabling the next generation of ecommerce and retail on mobile / multi-devices**

2012 will be the age of Mobile Commerce, and it's the headline theme of the 2012 London summit.

The titans of tech – Amazon, Google, eBay, even Facebook – are gearing up for a major battle to define who will be the key enabler in this space. This is not just about payments, but about a whole range of commercial enablers from payments through search, advertising, social, location based services and deals.

And whilst the major forces battle it out for market dominance, pretty much every other part of the ecosystem is affected:

- Consumers, now familiar with purchasing apps and virtual goods are extending their mobile transactions to real world purchases.
- In the last 12 months, major retailers (physical and online), enterprises and brands have begun to embrace mobile – for sales, and CRM. In addition to generating revenue, commerce completes the loop on mobile advertising and search, and can bring valuable transaction data into the cycle of customer relationship management.
- Meanwhile, independent app publishers with commerce-based models are emerging – promising a new emergent category of profitable apps.
- And major media companies, from book and magazine publishing through to TV and film are looking at ways to commerce-enable their content and generate new revenues across smartphones, tablets and beyond.

Watch this space. It's going to be the dominant force in mobile for the next 12-24 months and there are many market gaps opening for innovators.

If you have any insights to share on this topic let me know - we'll be covering it in depth at the Open Mobile Summit London (May 29-31) and San Francisco (Nov 7-9) 2012. I'm especially looking for innovative retailers, brands and app publishers that have a commerce play, or are developing one.

Plus we're building an 'mCommerce' zone as the feature of this year's London 2012 exhibition – featuring mobile payments providers, Point of Sale and NFC, mobile commerce platforms, and other tools and technologies to enable brands, retailers, media companies, app publishers and more unlock the value in mobile commerce.

- **Ecosystems – cloud media, apps, services**

The war to break Apple's dominance (or at least get a piece of the action) as the leading mobile app / content / device ecosystem continues.

What we used to call the OS wars has really become the ecosystem wars. Google's tremendous success in Android market penetration has demonstrated that the owning the OS alone is not enough to guarantee success in this marketplace - as publishers' growing frustration with Android fragmentation, and the lack of viable app discovery and monetization tools demonstrates.

Amazon is making powerful headway, with its own android-based app store, the new Fire device, and developing cloud-based media offering - and shows little sign of easing up the competitive pressure in 2012.

Samsung meanwhile has made huge strides in market share against Apple and Nokia, and is investing heavily in building its own content and entertainment offerings, as well as engaging third party app developers, to complete its own ecosystem.

The race to deliver cloud-based content and media sits within this battle as all the major manufacturers look to deliver engaging experiences across multiple devices – from smartphones to tablets and soon, connected TVs.

Operators continue to explore their potential role in these ecosystems with the latest bet being as a trusted provider for cloud services and / or identity management, as well as plays to enable various niche vertical ecosystems in mobile health, connected car, mobile wallet, smart grid and more.

Meanwhile in 2011 key publishers made the shift to develop in html5, as a strategic counter to Apple's dominance of the mobile content business model, and we expect many more will follow in 2012, changing the balance of power and enabling a new era of experimentation in new business models and marketing for mobile apps and content.

- **Smartphone, tablet and patent wars**

A related, but simpler battle continues for market share in smartphone manufacturing and sales, in both developing and developed markets. And as this battle becomes bloodier, a new war over patents has emerged stealing many of the headlines in 2011 and bringing a new dimension to the strategies of the major players.

The handset manufacturing market has been the most volatile of all over the last 4 years. The speed of the slide of some of the major players has been astonishing – but so too has been their ability to turnaround – first Motorola...and now possibly Nokia?

The big questions for 2012 are: Can Nokia translate industry acclaim for the Lumia phones into market share, can RIM affect a turnaround, what will Motorola look like after the Google acquisition, how will Microsoft fare in the OS race overall, and what does the future hold for Sony as an independent device manufacturer divested of Ericsson?

- **Mobile / Social**

SoLoMo (Social Local Mobile) is not only the most important app category right now and the key area of VC

investment...

It's also a great expression of the other headline battles being waged by the titans of tech – this time Apple, Google, Facebook, Amazon – and perhaps with the dawn of social commerce, eBay – as social and mobile worlds collide.

In 2011, Apple announced deep integration of Twitter, Google launched Google Plus and Facebook's mobile strategy came into clearer view as the company builds its own platform for mobile development using html5.

Meanwhile the rest of the social world gets wise the mobile opportunity – and vice versa – promising many smaller skirmishes as the battle plays out.

These worlds are on a collision course – success in mobile will be contingent on having a social play and vice versa.

- **Wallet Wars: The battle for mobile payments at the point of sale**

The race to deliver mobile payments, particularly for real world goods at the point of sale, is on.

It's a strange war, because success requires co-operation – between different players across operators, banks, retailers, card payment systems – but each individual player naturally wants to dominate, or at least secure a key piece of the revenue opportunity.

Right now there are lots of different, competing visions for how this market will evolve. Ones to watch include Google Wallet (rumoured to be launching in the UK in 2012), Square, eBay's PayPal, Visa, Mastercard, the operator consortium ISIS in the US, and numerous national consortium's of operators and banks across Europe.

- **Big Data and Identity Management**

Data – from location, social activity, behavioural data and so forth – will drive the next generation of highly personalised Internet experiences.

There's a key role here to collect, manage, manipulate and analyse data in order to enable this and it's happening on a whole new scale of magnitude than ever before.

Who will play this role – the social networks, the Internet and commerce giants – or even perhaps wireless operators - and the business models, packages and service offerings that they'll deliver to the broader market they server – is another major question mark.

Related is the issue of identity management – and the opportunity for one or more trusted service providers of some sort to aggregate access to social networks, payment systems, location data in order to simplify the consumer proposition – and what that might mean for the industry.

- **Future of TV – and cloud media (connected TV)**

Connected TVs are coming and eventually, they'll be game changing. How and when is less certain.

But there's a battleground forming there – between Apple, Google and Samsung and others in the Connected TV space – but beyond that, in the battle for control of the digital living room (from TVs to cable and set top boxes, gaming consoles and access) and ultimately, in the future of TV.

Convergence in the home is increasing with the race to connect everything , and with tablets now bridging the gap between the lean back and lean forward experiences delivered by TVs and PCs / smartphones, it's becoming more and more complex.

Broadcasters and TV / film studios will be watching carefully how these battles play out – as they evolve and

develop their own app, social media, tablet, licensing strategies – and even their core business models - in order to successfully navigate this disruption and leverage their position in the new era.

- **Enterprise apps and tablets**

There's a new battle brewing in enterprise software and mobility.

The bring your own device (BYOD) era is here and CIOs and IT directors in enterprises know about it. Some of the more forward looking ones are starting to look at how to leverage this – and with it the app and tablet revolution.

It's happening slower than you might expect, and it's a bit further off than some of these very immediate consumer market developments but it's going to be game changing.

Meanwhile, watch the early movers in the independent app development community – developing enterprise productivity apps – and we'll continue to identify the early movers amongst enterprise CIOs to share their experiences hopes and fears with you at the 2012 events.

Thanks and happy holidays!

Let me know what you think of my list. Tell me what's keeping you up at night! Tell me what of this is old news (we've an aversion to the stuff), or if you've anything to add.

And, if you can think of great examples of companies that are powering forwards in any of these areas – from the independents through the giants – across content / media companies, operators, app publishers, retailers, brands and beyond – do let me know

For now, have a very Merry Christmas – and I wish you the very best of success for your business ventures in 2012!

Robin

Robin Batt
Managing Director
Open Mobile Media Ltd
+44 (0) 7968 006635
+44 (0) 207 096 0102

Join us in London 2012!
The Open Mobile Summit May 29-31st
<http://www.openmobilesummit.com>