

Straight Talking - Finding MeMo (Memorable Mobile applications)

By Rob Bamforth, Principal Analyst, Quocirca Ltd

"Mobile application stores – should they be controlled by handset manufacturers?" This question was circulated among members of the Mobile Data Association (MDA) group on linkedin last month, and it was clear from the responses and other recent announcements from across the industry, that this is a key battleground for the many different players in the mobile ecosystem. As well as the handset vendors such as Palm, BlackBerry or Nokia and software platform vendors like Microsoft, these also include mobile operators who have devices tailored or tuned to their specifications and networks, and a number of independent portals who offer applications across all networks and devices.

For hardware vendors providing a shop window for products running on their platform has been a successful ploy in the IT industry. In the 1990s Sun Microsystems produced a catalog – "Catalyst" - of the third party applications that ran on its workstation platform. This was a success with the sales force due to its "thud factor" – printed on paper it peaked at over 4cm thick with thousands of applications. Applications were broken into categories and grouped under a few dozen vertical market segments. It was only for window shopping, however, and relied on traditional channels for sales, as you could not actually buy these applications from Sun.

Round the clock online connectivity and digital product download means the internet and now the mobile application markets enjoy distinct advantages when it comes to converting viewings into sales. No manufactured CDs to shrink wrap, stock or deliver and they provide immediate billing, either directly or through an electronic storefront provider.

While online stores for software sales even to mobile devices are nothing new – some date back to the original Palm Pilot in the 1990s – but, the opportunity to over-the-air download directly to the target mobile device is relatively recent. Widespread access to sufficiently fast mobile networks has helped, but a bigger boost

has come from affordable flatter rate data tariffs. What started with plinky-plonky ringtones and simple Java games broadened into rich media content – music and video – and more interesting applications.

With this increased sophistication of mobile applications and the platforms they run on comes a number of challenges beyond the cost or time of download.

Different device types, operating systems and characteristics make it difficult for developers to hit the entire addressable market without a lot of effort porting from one platform to another. The "write once, run anywhere" mantra of Java in reality only addresses part of this problem on mobile devices, and despite any number of attempts to standardise or consolidate, the number of different platforms is if anything growing. Combined with varied networks and operator specific criteria, this becomes a headache all through the product lifecycle from design and development to testing and deployment. Handset manufactures can of course play a positive role in making this easier for developers, but all too often the temptation is to remain proprietary.

Until the launch of Apple's iPhone, the monetising of mobile applications was either controlled by the carriers, or direct to consumers through independent portals. Earlier mobile content such as ringtones managed to attract a perhaps unjustified higher price, partly because it has been harder and more expensive for those outside the operators to cost-effectively bill for small amounts. Operators have for the most part been in total control of the billing relationship with subscribers but it is this screw that Apple managed to turn – a first for handset providers.

While Apple has undoubtedly successfully translated the 'buy a tune or video clip' model of iTunes into the mobile application domain, unfortunately for application developers the returns are also at a similar price point to music tracks - sub one dollar, euro or pound – making

Comment Article

the development of more sophisticated applications a difficult proposition to position.

The result has turned the mobile application market into a numbers game as everyone strives for volume. Application stores are popping up from other handset and mobile platform operating system vendors and operators as each clambers to follow Apple's lead to encourage as many developers and applications as possible. The problem is, as anyone visiting the Apple App Store quickly realises – how do you find anything, in particular, how do you find anything really good?

Deep marketing budgets may help, but only the established wealthy players and not the innovative upstarts who might offer something really special. Of course there are recommendation engines, Web2.0 voting and following the wisdom of the masses, but doesn't that ultimately mean the bland leading the bland and the loss of the long tail of variety? On its own, yes, and one impact is that sophisticated, valuable and expensive to develop applications will be avoided – both by potential purchasers, but also by developers who will see more benefit in developing 'iTat' instead of powerful or more involved applications.

Any restriction of mobile application choice through developer apathy would be bad news for consumers and especially business users, but ultimately bad for mobile developers, the platform providers and operators. Some more discrimination and discernment is required and this is where value can be added by the application stores. Some could be mass market mobile supermarkets with bundled special offers and deals, packaged by the aggregator or carrier, others could focus on market sectors and offer knowledge and advice like any specialist shopkeeper. There is also the opportunity for handset companies to check and validate or run developer programmes in the same way that the major IT platform companies have done in the past.

So who really is best placed to benefit from mobile applications growth?

Handset and open platform suppliers have the most to gain from swelling the ranks of developers on their platform by adding unique or special features, but the application developer financial return depends on volume, margin and cost so they will focus on size of major opportunity, not a longer tail of also rans. It's all to play for, but for someone to be successful they have to grow the developer community and opportunity – Sun's 'Catalyst' was aptly named.

Comment Article

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, O2, T-Mobile, HP, Xerox, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

Details of Quocirca's work and the services it offers can be found at
<http://www.quocirca.com>