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Facebook® probably won't change its name to "Facemobile" any time soon, but as of September 2011, Facebook® had over 350 million users accessing the site with their mobile phones out of a total community of 800 million (and still growing) who are registered with the social networking site. By 2012 or 2013, it may be better described as a mobile company with half of its users accessing the social media site with their smart phones and other such devices, according to a recent presentation by a Facebook® executive. More importantly to the company, people who engage with the social networking site via mobile devices are twice as active as people who only surf it on their computers.¹

Recent research by comScore, a firm that provides digital marketing intelligence, offers data to document the rapid migration of social networking activities from computers to mobile phones in the past few years. The company found that 72.2 million Americans accessed social networking sites or blogs on their mobile device in August 2011, as the audience size increased by 37% compared to a year ago.² The study similarly showed that more than half read a post from an organization, brand or event while on their mobile device. The research firm emphasized in its report that mobile users are not only engaging with their friends through social networking, but a majority are also interacting with brands in these social media environments, which creates opportunity for many types of innovative apps.

The research substantiated that social media is one of the most popular and fastest growing mobile activities, reaching nearly one third of all U.S. mobile users, especially for owners of smartphones. comScore's research found that three in five smartphone users accessed social media each month, which highlighted the importance of apps and the enhanced functionality of smartphones to social media usage on mobile devices.³

comScore's research also indicated that although more people accessed these sites via their mobile browser, the social networking app audience grew five times faster in the past year. While the overall mobile browsing social networking audience grew 24% to 42.3 million users in 2010, the mobile social networking app audience surged 126 percent to 38.5 million, according to comScore data.⁴

Speaking at the GigaOM Mobilize conference in late September, Facebook® mobile chief Erick Tseng stated that Facebook® plans on being a mobile company as much as it

¹ Boyd, E.B, "Why is Facebook® Pushing Mobile? Users Are 2 Times More Active Than Desktop-Only Users: CTO, Fast Company, Jan. 25, 2011.

² "comScore Highlights Growth Spurt in Mobile Social Media Audience." Mobilemarketingwatch.com, Oct. 21, 2011.

³ Ibid.

⁴ Ibid.

is a desktop company in the next two years. Tseng also highlighted why mobile is the next “goldmine” for the world’s largest social network: “If you take a look at our top line of growth, we’re getting to the point that the regions we’re getting into now are ones that don’t really use computers at all. The predominant ways people are connecting in regions such as India, Africa and Southeast Asia is through their mobile devices.”⁵ However, as technology writer Greg Kumparak noted, Facebook® already has a considerable mobile presence: Facebook® is the most popular app on nearly every smartphone platform, is deeply integrated into countless Android devices and 43% of its active user base of 800 million accesses the site by mobile regularly.⁶

To better serve these mobile users as well as enable access for new ones, Facebook® is utilizing the technology it acquired with the purchase of the Israel-based startup Snaptu. Snaptu helped Facebook® improve the mobile user’s experience because the software can serve up mobile web pages on cell phones in under a minute. The project, dubbed by the company as “Facebook® for every phone,” is now being used on at least 2,500 phones worldwide using just this one app.⁷

As for more advanced mobile devices — smartphones — there are many devices in which Facebook® isn’t just pre-loaded, but also embedded into the product’s operating system. Thus, developers can plug into Facebook®’s social networking capabilities without much effort.

While U.S. mobile expansion has been on everyone's list for many years, 2011 has continued to pave the way for a number of important marketing changes. Fueled by high smartphone adoption that continues to expand and an increasing percentage of mobile-only households, the U.S. is poised for enhanced mobile marketing and more sophisticated apps.

Facebook® no doubt wants to tap into the explosive growth of the smart phone and the app market as well. Recent Nielsen data shows that 30% of cell phones in U.S. are smartphones, but the smartphone segment is growing at the fastest clip. Globally, there are about 5.3 billion mobile subscribers,⁸ of which, 21% are smartphone subscribers, but this market is growing rapidly. Worldwide shipments of smartphones — Blackberry smartphones, Android, Apple’s iPhone, Nokia and Windows Phone 7 devices — continue to drive mobile phone revenues as sales of these devices increased 87.2% in 2010, according to analyst firm International Data Corp. (IDC).⁹ Also spurring great mobile phone usage is the widespread availability of unlimited data plans. In 2009, half a billion people accessed the mobile Internet and this number is forecast to rise to over 1 billion by 2015.¹⁰

5 Kumparak, Greg, “Facebook®’s Mobile Chief: Within 1-2 Years, We’re Going to be a Mobile Company, Sept. 27, 2011.

6 Ibid.

7 King, Rachel, “Facebook® becoming a ‘mobile company’ with app user growth,” ZDNet.com, Sept. 28, 2011.

8 mobiThinking, March 2011.

9 IDC Press Release, February 7, 2011: “Android Rises, Symbian 3 and Windows 7 Launch as Worldwide Smartphone Shipments Increase 87.2% Year Over Year,” according to IDC.

10 mobiThinking

In the U.S., eMarketer, a research firm that focuses on data, analysis and insights on digital marketing, media and commerce, calculated that the number of smartphone users reached 60.2 million by year-end 2010, almost double the number of users in 2009. This year eMarketer estimates that the number of smart phone users will reach 73.3 million by year end. This projected growth will mean smart phone owners will account for 23% of the mobile user population by year end.¹¹

For each smartphone sold, the rate of at which apps are downloaded climbs. Research conducted by Nielsen found app users have downloaded an average of 27 apps.¹² For 2011, the number of mobile phone applications downloads will grow by a staggering 222%, according to one estimate by market intelligence firm ABI Research. The firm predicts that a total of 29 billion apps will be downloaded in 2011, compared to 9 billion it reported a year ago.¹³

According to Nielsen, the most popular activity for mobile phone users was accessing e-mail, which consumed 38.5% of their time. However, social networking was the number-two category, an activity that expended up to 10.7% of mobile phone usage time.¹⁴

To be even more precise, Blue Fountain Media found that Americans spend one out of every six minutes online using a social network. While on the go, mobile phone users want to do more than just update their status; they also want to be able to adjust their social networking experience around their geographic location.¹⁵ Research firm SNL Kagan reported that location-centric social networks such as Foursquare and Gowalla experienced explosive growth in 2010, with the total user base nearly tripling during the year. With Facebook® now offering their Places Application, consumers will begin to expect and rely on mobile sites and apps to respond according to their geographic location.¹⁶

Within the apps worlds, there is intense competition between Apple's iOS platform and applications for the Android system. ABI's latest report stated that 44% of applications downloaded worldwide were on the Android platform in the second quarter of 2011, while Apple's share was 31% as Android's rate of growth surpassed Apple's.¹⁷

As part of its mobile phone strategy, Facebook® introduced a single sign-on in late 2010 to facilitate the use of the site via mobile phones. Single sign-on is a utility that enables mobile users to sign in to Facebook® once and then be automatically signed in to every app on their device that accepts Facebook® sign-ins.¹⁸

11 OrFao, Tyler, "8 Key Mobile Marketing Trends," HubSpotblog.com, July 19, 2011. <http://blog.hubspot.com/blog/tabid/6307/bid/20034/8-Key-Mobile-Marketing-Trends.aspx>

12 Cohen, Heidi, "7 Top Online Marketing Trends for 2011," ClickZ.com, Jan. 10, 2011.

13 Oryl, Michael, "App Downloads on Android Surpass iOS for Q2 2011," Mobileburn.com, Oct. 25, 2011.

14 Cohen, Heidi, "7 Top Online Marketing Trends for 2011," ClickZ.com, Jan. 10, 2011.

15 OrFao, Tyler, "8 Key Mobile Marketing Trends," HubSpotblog.com, July 19, 2011. <http://blog.hubspot.com/blog/tabid/6307/bid/20034/8-Key-Mobile-Marketing-Trends.aspx>

16 Ibid.

17 Ibid.

18 Boyd, E.B, "Why is Facebook® Pushing Mobile? Users Are 2 Times More Active Than Desktop-Only Users: CTO, Fast Company, Jan. 25, 2011.

For example, Flixster, a site (and app) that allows users to share movie reviews, had a 300% spike in sign-ups as a result of the feature, according to Facebook®. As more people access sites that utilize Facebook® sign-ins, the more valuable Facebook® becomes, the more attached other sites and apps become to Facebook®, and the more Facebook® solidifies its position as the social network to connect with.

To that end, one of the chief metrics Facebook® tracks is the amount of traffic the site sends to other companies, according to a *Fast Company* magazine interview with Facebook® CTO Bret Taylor. According to comScore, Facebook® was the fastest growing source of traffic for websites around the Internet last year. Facebook® examines that data carefully when measuring its potential influence as a platform and the potential value it provides to companies building on its platform, Taylor explained in the article.¹⁹

Overall, video content is the fastest growing segment of the social media market, according to search engine expert Michael Bonfills. While Facebook® and Twitter are expected to continue their expansion into world markets, the potential for niche social media venues remains high and the worldwide appetite for social media games and activities is expected to continue unabated in future years.²⁰

One example of mobile video content and interaction with Facebook® is a new service called Facetones™, a mobile app by Vringo, a provider of software platforms for mobile social and mobile video services. The app syncs a phone's contact list with friend's photos from social media websites and then plays a video slideshow when a user makes or receives a call from that friend. Initially, Facetones™ connects with Facebook®, providing a significantly enhanced social mobile experience. The new app reached over 100,000 downloads in the first 30 days of active marketing and has been launched through the Verizon VCAST app store in the United States, NTT DOCOMO in Japan, Telefonica in Europe and Latin American, as well as various other global partners in countries around the world.

Disclosure Statements: **Important Disclosures**

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¹⁹ Ibid.

²⁰ Bonfills, Michael, "Social Media Growth Around the World: Current Trends and Future Growth," Search Engine Watch.com, Feb. 16, 2011.