

# Cascada Mobile

White Paper:  
The Challenges of Driving Applications Into the Mobile Market  
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# White Paper: The Challenges of Driving Applications Into the Mobile Market

By creating software applications that work across multiple platforms, content providers can ensure their titles reach the largest user base possible – a key factor in maximizing market penetration and driving both growth and revenue. As a result, every content and brand owner in tune with the evolving computing landscape is pondering how to tap into the mobile phone and wireless handheld device arena - arguably the largest and fastest growing computer hardware market in the world. Some pundits have pegged the current mobile application market at US\$3.8 billion, with growth forecasted at double digits annually. It is simply a market that cannot be ignored.

While the market opportunity is significant, there are enormous hurdles to overcome. Unfortunately, those creating applications aimed at the mobile market don't always take these obstacles into consideration, says Alex Slawsby, IDC's analyst for smart handheld devices. "Developers have to be aware that unlike a PC environment with everyone running on Win2000 or XP, which is somewhat easily translatable, if you have different device types, different battery lives, different performance characteristics, it's a radically different paradigm for development," he told the media earlier this year.

## **Differentiation Drives Fragmentation**

Since each phone is unique – with different keyboards, screen properties, operating systems and phone functions – each application has to be modified to work with each device. Considering that there are hundreds of different device models available in the market, overcoming this hurdle is difficult, time consuming and costly. It can cost upwards of \$50,000 to create versions of applications for specific phones, as well as months of tweaking code to make them work effectively.

While the porting of content across multiple devices, mobile operator networks and languages is a necessity post development, there are also important business decisions that must be factored in at the outset. For example, determining which mobile phones are the most popular, and which new handset features consumers will be willing to use if incorporated into the content.

As complicated, time consuming and expensive as the design and development issues are, the reality is that they represent just one half of the overall challenge of mobile application creation and deployment. The other battle is creating market awareness. Once content has been developed, ported across multiple devices, certified against quality control standards, and readied for consumer download, how do average consumers learn about it and how do they actually get it? While mobile phones are fast becoming the most prolific computing devices on the planet, most consumers are not aware of the capabilities of these devices, especially their ability to run sophisticated applications. For those that are not early adopters, the mobile phone may still represent a device that simply allows them to stay connected by voice with family and friends.

So the question remains: How do you create content for the mobile market and ensure the distribution is broad enough to reach the non tech savvy, mass consumer market?

With substantial complexities blocking the way for those looking to embrace the mobile market, it is clear that both areas will take time and capital to resolve.

## **Discovering the Power of Mobility**

While the industry as a whole needs to do a better job of educating the broader population as to the capabilities of these devices, content providers and brand marketers must also do their part. One way they can do this is by tapping into the early adopter user base that is already keen on this concept, and empowering them to educate others within their social networks. This can be accomplished through the use of viral recommendations and by making it easy for consumers to initiate downloads of desired applications. Many providers intimidate and stymie users by asking them to provide details as to the

manufacturer of their phone, the device model and details on their carrier network in order to trigger a download. This process should be as simple as entering in a mobile phone number.

### **Short Code Troubles**

Of course once a consumer does navigate the often tricky download request procedure, the provider of the application typically must utilize a “short code” to distribute the desired application directly to the consumer’s handset. However, the short code arena is fraught with difficulties, as one must navigate regulatory and financial barriers that can be costly and slow a product’s release.

For example:

- Dedicated short codes are costly (US\$15,000 to US\$30,000 per year) and can take months to set up. There are a variety of short codes that can be used and each content provider or brand owner has to determine what is best for their specific needs.
- Each country has a different way of using short codes, further complicating the situation.
- Carriers can easily and with limited warning shut down short code use for a vendor.

### **The Carrier Option**

Most content providers will turn to a seemingly obvious choice when launching their content on mobile platforms: wireless carriers. Carriers have direct contact with their customers on a regular basis, making this a potentially ideal avenue for developers looking to put their programs in front of an active user group.

While carriers do a good job of aggregating mobile users and directing them to a “central storefront”, there are issues to consider:

- Carriers can take between 40% and 60% of the sale price of a mobile application. For example, when a mobile game, application or other content is sold for \$3 through a carrier, as much as \$1.50 could go towards boosting the operator’s revenue.
- Margins are not the only consideration. The most popular applications make up a majority of sales for carriers. In some cases, 93% of purchases come from the top 20 titles. If your content or brand is not among those leaders, it can simply be lost in the shuffle among the hundreds of other titles being offered on the carrier’s site.

### **Viral Expansion**

Consumers using desktop computers today are already taking advantage of social networks and viral marketing online (e.g. forwarding on an e-mail) to share information about the best movies, restaurants, stores, and products across their peer groups. But how can this model be embraced by the mobile market to help increase the reach of an application or brand across broader audiences? The answer lies with mobile viral marketing.

The spread of software through viral promotion presents huge opportunities for content providers and brand owners: statistics have demonstrated that approximately 25% of mobile to mobile recommendations are accepted and acted upon by friends, relatives and co-workers. But once again, the challenge is how to incorporate these capabilities into an application and still keep the process as easy as possible, especially for the non technical consumer who is still learning how to use what some may consider basic features on a mobile phone, this can be especially difficult.

An important consideration in the development process is how to make it easy for a mobile phone user to distribute an application or at least inform a member of their social or business network about content, when devices and operator networks are different. The recipient shouldn’t have to worry about whether they have the right version for their phone. It needs to be a simple process that makes them want to embrace the concept of mobile viral marketing.

## **Rising to the Challenge**

The issues surrounding mobile distribution may sound insurmountable. Certainly there are a wide variety of potential pitfalls that each content provider needs to consider prior to making the commitment to bring their brand or application to the mobile market. But when done right, the payoff can be exceptional. Compass Intelligence recently said U.S. businesses will spend US\$9 billion on mobile applications in 2011, more than double the expected US\$3.8 billion anticipated for the current year. Double digit growth will continue to attract new players to the mobile market, but only those that successfully navigate the obstacles will capitalize on the potential.

## **Cascada Mobile Breeze**

For those that require an effective way to overcome the obstacles that stand in the way of success, Cascada Mobile offers Breeze. This comprehensive solution utilizes a variety of user friendly delivery methods to enable the easy and cost effective distribution of mobile applications to any phone, anywhere. Additionally, it takes the concept of viral distribution of mobile content to new heights by working as a catalyst for user awareness and content discovery, while overcoming the complexity of fragmentation.