

FEBRUARY 21, 2016 DAY 1



- The mobile economy already accounts for 4.2% of global GDP, and it employs roughly 30–32 million people.
- Companies old and new, in industries from automotive to financial services, are responding to the rapid changes wrought by greater mobile connectivity.
- Brand advertising is going “mobile first.”
- Facebook usage has migrated from text to photos to video, which saw a surge in 2015, and virtual reality is a possibility in the future.

MOBILE IS EVERYTHING

“Mobile Is Everything” is the theme of the Mobile World Congress (MWC) 2016 exhibition. On day one, many speakers noted the effects of the “mobile revolution.” In the conference’s first keynote session, speakers outlined the current state of the mobile economy and discussed its potential.

First, we heard from Telefónica CEO César Alierta, who noted the value in the digitalization of economies, and talked about some of the steps societies must take in order to prepare. He said that a 10% increase in digitalization in an economy has been forecast to yield a 40% uplift in GDP growth per capita. However, he believes the gains may be even greater and that the metric does not adequately capture the total benefits of the digital era, which range from more inclusion to greater efficiency. Alierta emphasized that a move to greater digitalization offers the prospect of wealth and opportunities for all members of a society, and he concluded that no society can afford to miss the opportunities it promises.

The keynote session also featured Mats Granryd, Director General of GSMA, the organization behind MWC, who spoke about the scale and growth potential of the mobile economy. The numbers are striking: some 7 billion devices are currently connected to the Internet, Granryd said. That number is expected to grow by another 1 billion by 2020. The mobile economy was worth \$3.1 trillion in 2015, equivalent to 4.2% of global GDP. Mobile money services are available in 90 countries and are used by around 400 million consumers. And the mobile economy employs an estimated 30–32 million people, Granryd said.

Vittorio Colao, CEO of Vodafone, wrapped up the first session with a discussion of how we are progressing toward what he terms “the Gigabit Society” of connectivity. In terms of enterprise, technology such as the Internet of Things (IoT) can help increase asset

productivity and allow small companies to scale up quickly Colao said. Technology will also allow changes in the social contract between employers and employees, enabling more flexible “smart working.” For consumers, the Gigabit Society will be marked by multiscreen experiences and fresh and immersive experiences such as those offered by virtual reality, Colao said. The mobile technology industry, he concluded, is a great engine for social development. He was not the last speaker of the day to note the radical possibilities afforded by the mobile economy.

MOBILE IS CONNECTED LIVING

Another keynote session on day one focused on the theme of connected living, and featured the CEOs of Ford and PayPal. Although Ford is an “old” company with a heritage spanning more than a century, and PayPal is a much younger company that developed with the Internet, both are evolving in response to mobile technology.



Mark Fields, President and CEO of Ford, talked through both the strides Ford has made in tapping into the connected-devices revolution and the changes we have seen in the way consumers live and use transportation. Ford is a mobility company, Fields said, not simply an automotive company: to serve growing numbers of urban consumers, it is moving into the adjacent transportation services market, such as with its GoDrive car rental service in London. It is also conducting research into self-driving cars; Fields said that Ford has the largest autonomous test fleet among the automakers. The first Ford self-driving car will be aimed at “millions” of consumers, he said, not at just a few wealthy drivers. And Ford is investing in data and analytics. The company used MWC as an opportunity to unveil its mobile wallet and membership service, FordPass, which aims “to do for the automotive industry what iTunes did for music.”



PayPal President and CEO Dan Schulman then discussed how PayPal is moving from being an online company to being a mobile payments company. Schulman observes two major trends in mobile: it is redefining retail and commerce, including by blurring the online/in-store divide, and it is democratizing

money, by making financial services easier, faster and less expensive.

PayPal is expanding options, both in terms of how users can pay (they are no longer limited to paying by credit or debit card) and where and how they can use PayPal (for everything from in-store mobile payments to in-app transactions). Millions of people remain outside the financial system, Schulman concluded, and, for them, innovative firms such as PayPal can drive down costs and make financial services more accessible.

MOBILE FIRST...AND VIDEO FIRST FOR BRAND ADVERTISING

Later, we heard a panel of speakers discuss how brands can go “mobile first,” and what challenges they face when doing so. David Black, Managing Director of Branding & Consumer Markets at Google UK, focused on the video revolution, saying that “www” now means “where you want, where you want, when you want.” He noted some key trends, including “video is mobile” (as half of YouTube content is already watched via mobile devices) and “brand marketing is mobile” (as viewers are choosing what and when to watch).

Black concluded by suggesting three elements brands can use to make the most of online video: show up (be where consumers are); wise up (optimize for mobile and contextualize advertisements); and speed up (test consumers and learn from them quickly because consumer behavior changes fast). The recent surge in video usage and consumption was a theme revisited by Facebook CEO Mark Zuckerberg later in the day (see below).

In a subsequent panel discussion on the mobile-first trend, Susie Kim Riley, CEO of Aquito, stated that about 60% of mobile users at any time are trying to *not* use their mobile data—which can create problems for sites and brands focused on video content. If that content can be delivered free of data charges, Riley said, content engagement will go up threefold or fourfold.

Louis Paskalis, SVP and Enterprise Media Executive at Bank of America, noted the opportunities for brands on mobile. He said mobile could enable a “renaissance of marketing,” with more opportunities to create utility for consumers.

MARK ZUCKERBERG



The first day of MWC 2016 wrapped up with Facebook CEO Mark Zuckerberg in conversation with Jessi Hempel, a senior writer at *Wired*. Zuckerberg talked about his goal of connecting more people across the globe to the Internet, and his company’s efforts to do so. For example, Facebook is testing unmanned, solar-powered planes that can

beam down Internet connectivity to more isolated areas. This year, it will also launch its first satellite to extend connectivity in Africa. And Facebook’s Free Basics program has so far connected more than 19 million people to the Internet.

Focusing on Facebook’s solar-powered drones, Zuckerberg said the company was applying the type of rapid-development approach normally seen in software to hardware innovations; the company developed a full-size version of its plane in approximately 18 months. Zuckerberg said the company is not interested in making money with innovations such as these; the goal is simply to help people get on the Internet. Some 3 billion people are forecast to remain offline in 2020, he noted.

A second major theme Zuckerberg talked about was how content had changed on Facebook: 10–12 years ago, usage was primarily about text. Then it became about



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photos, and now it is much more about video. A shift to video was a major trend for Facebook in 2015; this was akin, Zuckerberg said, to the shift to mobile in 2011 and 2012. In a few years, he forecast, the vast majority of content consumed online will be through video.

Asked about virtual reality, Zuckerberg noted that there is “always going to be a more immersive way to share the experience of moments in your life,” and he noted that 360-degree video is “one part of the ecosystem for virtual reality.”

Zuckerberg also acknowledged that showcasing—and now broadcasting—one’s life online can heap pressure on a person to do well, or at least to be perceived as doing well. Facebook Messenger and WhatsApp (owned by Facebook) give people “more intimate environments” in which to be themselves rather than the “super-curated” personalities they may feel pressured to present on social media. His comments were, perhaps, a recognition that there is a limit to the shift toward documenting ever more of one’s life publicly on social media.



Deborah Weinswig, CPA

Fung Business Intelligence Centre
New York: 917.655.6790
Hong Kong: 852.6119.1779
China :86.186.1420.3016
deborahweinswig@fung1937.com

Filippo Battaini
filippobattaini@fung1937.com

Chim Sau Wai
chimsauwai@Fung1937.com

Rachael Dimit
rachaeldimit@Fung1937.com

Marie Driscoll, CFA
mariedriscoll@fung1937.com

John Harmon, CFA
johnharmon@fung1937.com

Aragorn Ho
aragornho@fung1937.com

John Mercer
johnmercer@fung1937.com

Shoshana Pollack
shoshanapollack@fung1937.com

Kiril Popov
kirilpopov@fung1937.com

Jing Wang
jingwang@fung1937.com

Steven Winnick
stevenwinnick@fung1937.com

HONG KONG:

10th Floor, LiFung Tower
888 Cheung Sha Wan Road, Kowloon
Hong Kong
Tel: 852 2300 2470

LONDON:

242-246 Marylebone Road
London, NW1 6JQ
United Kingdom
Tel: 44 (0)20 7616 8988

NEW YORK:

1359 Broadway, 9th Floor
New York, NY 10018
Tel: 646 839 7017

FBICGROUP.COM