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Executive Summary

GigaOm's Om Malik has developed a number of properties and if there is one common thread across all of them, it is that the conference structures allow for interaction with the presenters. We ran into a number of the presenters during breaks, lunch, and in the vendor pavilion. We cannot recommend highly enough these conferences.

This year's GigaOm Mobilize 2011 held at University of California, San Francisco's Mission Bay campus was a great blend of the forward looking and a discussion of what the gorillas are doing. The notion of social, location, and mobile (SoLoMo) is coming of age, but there was a lot of discussion on how to monetize. Most of the vendors acknowledge that traditional CPC and CPM are not as valid a measurement as they once were. They may have to do for now, but few are happy about it. What is emerging is CPE – Cost per Experience.

H2D2C (Human-to-Device-to-Cloud)

Olof Schybergson, CEO, Fjord, opened the conference with a discussion on human-device-cloud-computing interactions. Traditional context-aware services have failed and taken the route of the Uncanny Valley. Push advertising is getting too crowded. People increasingly are selling/trading their privacy. A real human-device interaction goes like this: A mother drives to school in the afternoon to pick up her two kids. Arriving in the school parking lot, her car GPS leads her to an empty parking space. As soon as she enters the school, her handheld device – smartphone, tablet – is wirelessly 'uploaded' with information from the school's IT system on what the kids had for lunch or snacks, how they did in their classes, and homework/reading assignments for the next day. Depending on the nutritional contents of the food the children had so far in the day, her handheld device may advice the mother what to cook for dinner, what to buy in a grocery store, or recommend a healthful fast-food (is that an oxymoron?) place on the way home to stop by. In this situation, device-to-cloud interactions will yield new products that will adapt to device capabilities and context, and is an excellent example of service mashups from a variety of sources. But mashups need orchestrators where the user is the OS and privacy is the currency. There are huge opportunities for advertisers here, but what about privacy and the ethics of money-making?

Pandora's Box

Pandora's CTO and EVP of Product, Tom Conrad, discussed how his company has morphed during the last decade. Technology limited a post-bubble nuclear winter. In 2005, Pandora's launch partners were AT&T, service providers, and Verizon. But in 2008 iPhone changed the landscape with the launch of apps for this device. Its website collected five years of dust, until it switched to HTML5. Today, the company has 100 million registered users and has seen 70 percent of its traffic shift onto mobile platforms and devices. The user base grew by word of mouth and virally. Usage is measured in hours consumed. He thinks smartphones are the future of radio. iPhone and Android, and *not* Blackberry, are its strategic platforms.

Tablets and Smartphones by the Numbers

The growing popularity of smartphones and tablets has opened up new opportunities for mobile content and apps – and raises critical questions, as well. Jonathan Carson, GM, Digital, Nielsen, claimed that the Top 50 of the almost-300,00 apps for the Android platform take up 65% of all time spent with apps. There are lots of movements among the Top 50 apps each month: What is here today, maybe gone tomorrow. This raises the questions:

- Do different platforms and devices require different monetization strategies or does it depend on which demographic group you are trying to reach?
- How do different kinds of consumers respond to mobile ads?
- How much are consumers willing to pay for various types of content?
- How effective are mobile ads?

Looking Beyond CPM for Monetization

Let's face it. Fifty-cent CPM for mobile ads clearly shows the ads aren't working for those looking to monetize or for those wishing to get their message across. So what options do mobile developers have for monetization that might be effective?

The panelists from Appsfire, AT&T Interactive, Kiip, and Pontiflex had interesting and often conflicting views on this topic. One vendor took the banner ad and made it smaller, but didn't see any increased ad revenue. The founder of Kiip and the moderator pretty much opened up the discussion on one of the models currently being used. There is a fine line between an ad and spam that most companies don't realize. This is akin to being intrusive and staying relevant. Traditional CPC and CPM metrics are becoming irrelevant, what is emerging is CPE – Cost per Engagement. Does a user feel rewarded is she gets 20 cents off a $20 purchase? At some point, 50% off the purchase is worth it, which is why people allow themselves to be spammed. "We think we've cracked the code on mobile advertising. If you make the right offer at the right time, people will opt-in," said Zephrin Lasker, co-founder and CEO of Pontiflex. "The appetite for email is way bigger than we thought." Pontiflex has an interesting take on email that allows users to sign up without leaving the application and the conversion rates bear this out. While not forecasting the demise of large vendors, it did seem that large vendors are content with the status quo, even when challenged for rebuttal or justification.

Miscellaneous

The network and device capabilities required for delivering mobile video streaming are becoming a reality. Billions of dollars have been invested, and the mobile ecosystem needs video to explode to justify that investment. Syniverse talked about all aspects of the mobile cloud, mobile web, mobile video and, to the theme of the event, 'everywhere' mobile is. The company works with carriers and manufacturers worldwide on mobile video broadcasting. Better technology, faster networks, and increasing consumer demand and comfort with data, including video, are driving exponential mobile video communications growth, positioning it to become the next mobile era. However, current mobile video solutions are closed and proprietary, meaning systems that don't interoperate have limited the growth potential of mobile video communications. The industry needs a trusted mobile expert to forge and propel mobile video connections and then build the bridges between disparate technologies. That is where Syniverse claims it comes in.

Dirk Gates, CEO of Xirrus, whose message is *Doing for Wi-Fi what the Cell Tower did for Mobility*, believes that the way WLAN networks are deployed today is flawed and that many U. S. enterprises were caught unprepared with the adoption of the iPad. However, with technology from Xirrus, enterprises can go live with wireless coverage in a matter of hours – almost instantly adapting to

the influx of mobile devices and providing the required performance and scalability to meet future demand. Below are supporting facts for Xirrus' new wireless access product.

By 2015:
- There will be almost 15 billion network-connected devices – including smartphones, notebooks, tablets and other smart machines – more than two for every person on the planet (Source: Cisco's June 2011 Visual Networking Index Forecast).
- The average U. S. citizen will own seven connected wireless devices and that growth, according to the Dell'Oro Group, will result in an $8 billion market for wireless LAN equipment.

This growth scenario has troubling implications for the enterprise. Within the next 24 months, 60 percent to 80 percent of enterprise employees will rely on wireless connectivity for their business-critical applications and the industry's most difficult challenge will be the ability to handle a very high density of devices in the enterprise and beyond.

On to the Vendor Floor
We took a quick spin around the floor. A couple of quick impressions: Lots of energy from the vendors and there seemed to be redundancy in some of the offerings. There were three or four cloud storage vendors solving the large file problem. For example, IT can set policy on their Exchange server to send and receive files sizes in excess of 15 MB-20 MB. What if the recipient mail server will not allow those file sizes to be processed? Egnyte and Yousendit have solutions that can be tailored to fit those requirements.

Conclusions
The next decade will see an explosion of mobile, connected, and disconnected devices. Managing these in both the enterprise world and consumer space will pose major challenges to carriers (providing massive scalability and very high bandwidths), IT shops (ceding to the *Consumerization of IT*) and vendors (new wave of consumer devices), and governments (cyber-security, privacy, free-speech rights). Yet, a post-PC world is highly exaggerated news of the death of the PC, which we predict will morph into a new *avatar*. Just a couple of years ago, netbooks tried to displace PCs and got killed by tablets.