

Trends in mobile social networking for mainstream consumers and supporting technologies required

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Contents and Acknowledgements

- Background on the Industry data
- Mainstream Consumer Needs for Future Social Networking
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- Social Networking Stakeholders and Ecosystems
 - How do we all survive & make money!
- Implementation Challenges & Technologies needed

- **Lubna Dajani, CEO of Stratemerge Inc.** a provider of connected solutions, strategic development, & brand incubation specializing in mobile & emerging technologies.
- **Co-Founder, Mobile-Monday New York**

- **Lisa McKnight, Senior Manager, Device Experiences, Nokia**
- BS-Engineering, Carnegie-Mellon University, MBA San Diego S. Univ.
- Nokia, 8 years, 20+ years in the industry.

Background - Survey basis

Survey of Industry Experts including Operators, Handset Suppliers & Social Network providers

>70 industry professionals

>10,000 data points gathered

Combined with a wide spectrum of other Consumer & Industry studies

Defining the “Mainstream Mobile Consumer” (Nokia consumer segment called “Connect”)

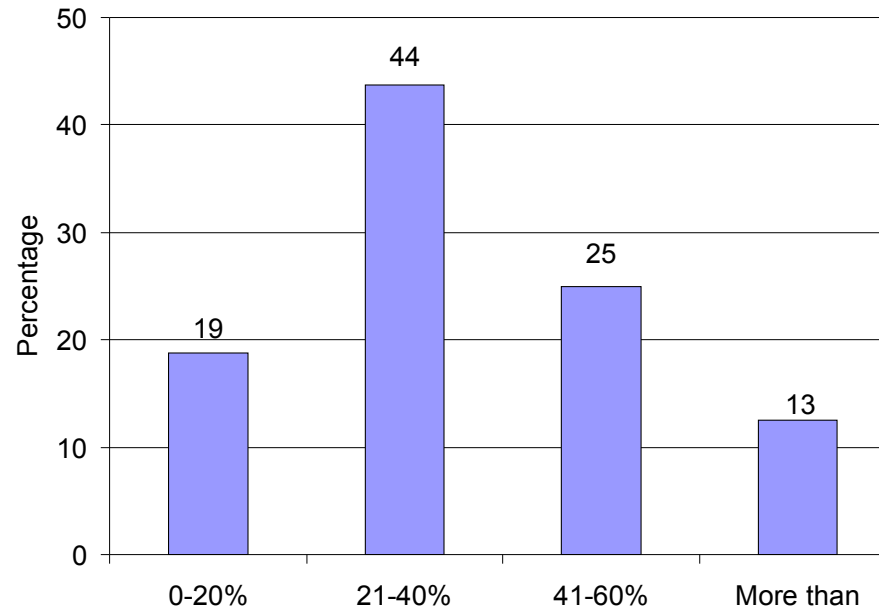
- Mainstream consumer segment is **Large and Lucrative (50% of US & EU markets)**
- Categorized by consumer behavior rather than age or gender - though the **majority are 24-60+** years young (**not the “typical” Social Networking targets**)
- Consumers who are emotionally & financially compelled by simplicity and relevance in the technology they choose to buy, and seek **“Advanced Technology made Brilliantly Simple”**
- Currently view their mobile devices primarily as a way to communicate & stay connected with their relationships

Additional Studies evaluated - Beyond the Survey

Ref	Title	Author(s)	Date
1	DEX SN Project - Final Report Phases I & II	Stratemerge / Nokia	September 2008
2	Social network analysis - relevance to the Connect category	Stratemerge	April 2008
3	Connect 2010_Use_cases_subset for SN project	Nokia	Mid-2008
4	Connect CONTACTS Experience Brief v[1]0.1	Nokia DEX	May 2008
5	Connect and sub-categories	Nokia	June 2008
6	Dada presentation at Telco 2.0 - 'Communities meet Entertainment'	Dada.net	March 2008
7	Project People Strategy: Understanding the mobile opportunity for social networking	Nokia and Illuminas	October 2008
8	Social capital, six degrees and social network analysis	Tony Fish Associates, GSMA workshop	December 2007
9	DEX Live 2010 use case scenarios related to SN (storyboards)	Nokia	Mid-2008
10	Technology Innovation Series - Mobile Social Networking	Nokia	Q3 2008
11	Connect Book - Sample of Use Cases for SN	Nokia	June 2008
12	Findings from Expert Panel session on Social Networking at Mobile Internet World 2008	Stratemerge	October 2008

Participation is high with Key Interest points

- Many mainstream consumers already belong to 1 or more social networks (see below) and require access to these while mobile.
- Points towards the need for aggregation services and the required supporting technology.
- Mainstream consumers, young & old, want to Connect socially with trusted friends & family
- 87% of respondents agreed: combination of Social Network services with Address book would be appealing to mainstream consumers (strongly agree: 30%, agree: 57%).
- 86% expressed focus on appeal of a friend



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What percentage is actively engaged with social networks? Source: Stratemerge Inc., 2008

Monetization is Viable - but multiple models may be needed

Monetization of social networks on mobile devices for mainstream consumers is viable, with the following caveats:

- A Niche group of mainstream customers would pay for Social Networking services that would help them to **better manage their lives**.
- **Media sharing and destination/friend finder** applications would be popular, but mainstream consumers would not be willing to pay for these features. This is an area where advertising models and referral services may be applied.
- **The most Popular services are not necessarily monetizable as much as the highly valued services -**
- 69% of respondents agreed that an **advertising business model would be an acceptable** trade-off to mainstream consumers (strongly agree: 16%, agree: 53%)
- However, many also stated that an **advertising model alone may not be sufficient** to sustain Social Network revenues, and argued for multiple revenue models, such as:
 - **Contentainment (product recommendations),**
 - **Advertorial (product reviews)**
 - **Coupons, Music / book / restaurant recommendations**
 - **Up-selling subscriptions to advanced services & features.**

Research findings: Consensus on Mainstream consumer needs

From these sources we determined good consensus / agreement on the following subjects:

Subject	Finding
Diversification	Social networking will diversify, with many niche social networks emerging.
Phonebook integration	Rich phonebook integration with online social network address books is highly desirable.
Aggregation and SSO	There is a strong requirement for aggregation and Single Sign-On (SSO), in order to make the user experience simple. To support this, techniques such as Open ID (or proprietary equivalents) may be necessary.
Propensity to pay	In general, consumers may only pay for niche, high value services (e.g. traffic info), and not necessarily for the most popular.
Propensity to pay	Incorporation of social entertainment (music and video) may stimulate consumers to pay for services.
Propensity to pay	Mainstream consumers will share content virally, but do not wish to pay for this facility. This has potential for referral services.

*Recognising this trend, Facebook will offer a universal SSO service.

Social Networking Mainstream Consumer Needs

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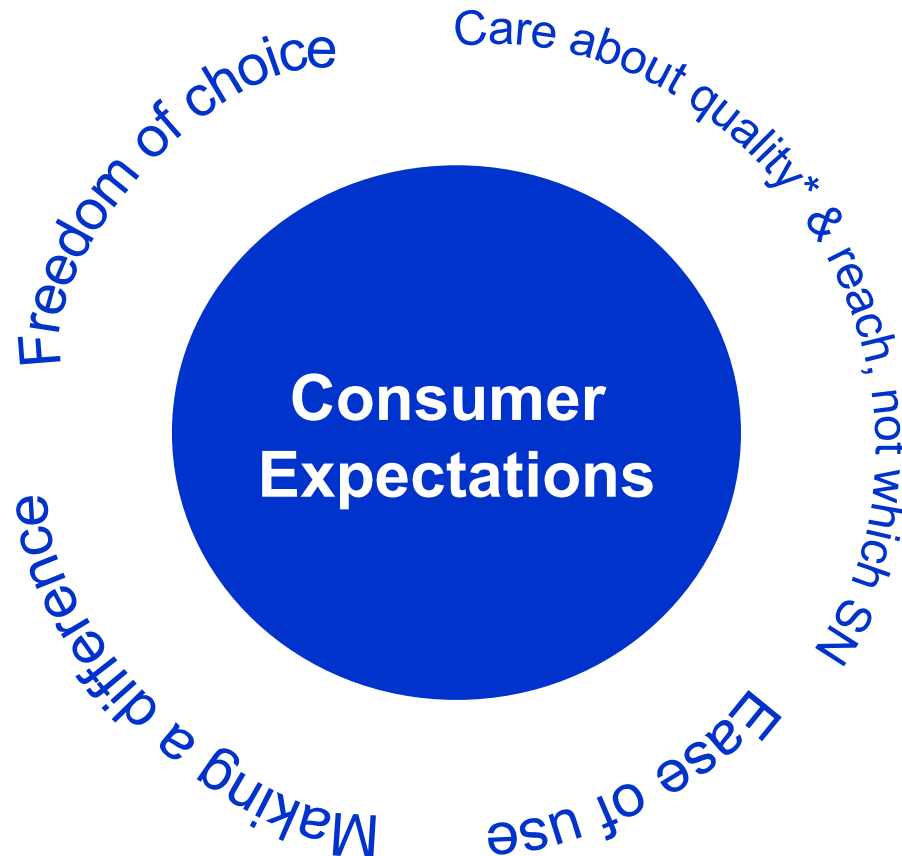
Mainstream consumer needs for social networking

Convenience

- Same look and feel on various devices leads to higher acceptance and usage – relevant for PC and mobile SN experiences

Personalized services

- Demand for individual, lively and colorful communication services.



Availability

- Control and manage more effectively when and how to be contacted – e.g. SN presence status in phone book

Independence

- Any access, any device, any location, any time. SN experiences are 24/7.

Mainstream consumers go for simple, ubiquitous, feel-good SN services
Themes: People, Places, Time and (selectively) Location

*Quality factor: the degree that it helps the individual Mainstream consumer

Realizing the social event experience

- relating it to the consumer circumstance

- Touch points are **People, Places and Time** - creating SN events.
- A range of views, from **Macro to Micro** - are required to create a good SN experience.
- On one side - Mainstream users want more **control and seek that from Social Networks.**
- But on the flip-side in some circumstances SN may lead to

***Serendipity: opportunistic spontaneity & serendipity* & delight!**
 Finding valuable or agreeable things unexpectedly, is a way to add *delight* to our Consumer Experience

“Right Place, Right Time Opportunities!”



Social Networking Stakeholders and Ecosystems

**- How do we all
survive & make
money!**

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Stakeholder Considerations for a SN Offering

- what is the “thrust” of each area?

Mainstream consumers

- Social preferences of the Mainstream and its sub- segments
- Purchasing drivers
- Compelling social offerings and use cases
- Prove pricing and revenue models
- Simplifying every experience
- Customer care

Network Operators

- Options for partnerships with operators per region
- Options for launching localized SN services per region
- SN launch mechanism: device, download or SIM card?
- Charging/Rating & Billing solutions
- Data sharing
- Manage Liability of SNs

Social Networks, Aggregators & 3rd

- Monetization & partnerships with mainstream operators
- Keeping the momentum as SNs go in & out of vogue
- Partnering with - or acquiring - third parties and integrating end-to-end solutions
- Day-to-day management of social features, content and services
- Data sharing

Devices & Services

- Device features required to support social networking
- Configuring and pre-loading devices with content and services
- Manage Liability of SNs

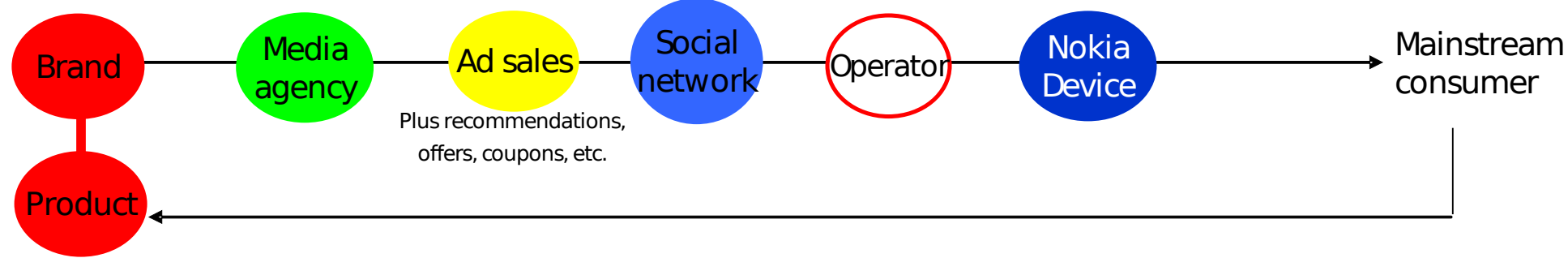
Social Networking ecosystems

We have logically separated markets from the ecosystem models. Some of the models developed are:

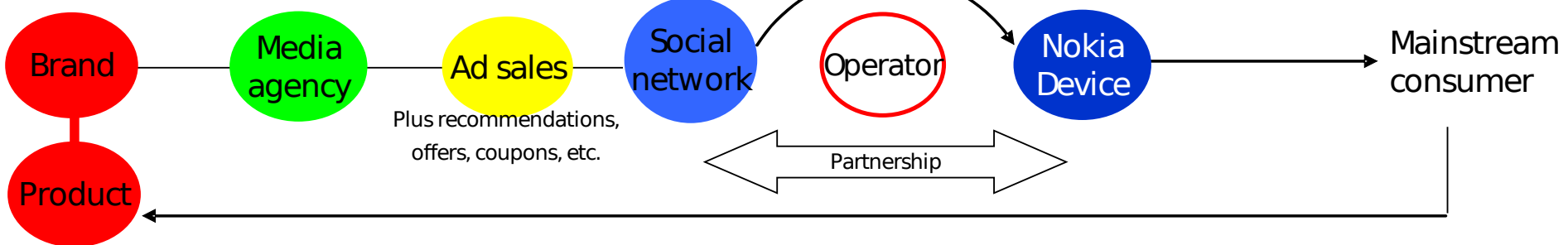
Model	Type
1	Basic ad-funded model via operator.
2	Direct-to-consumer model.
3	Operator partnership model.
4	Generic reference model.

Social networking ecosystem Models

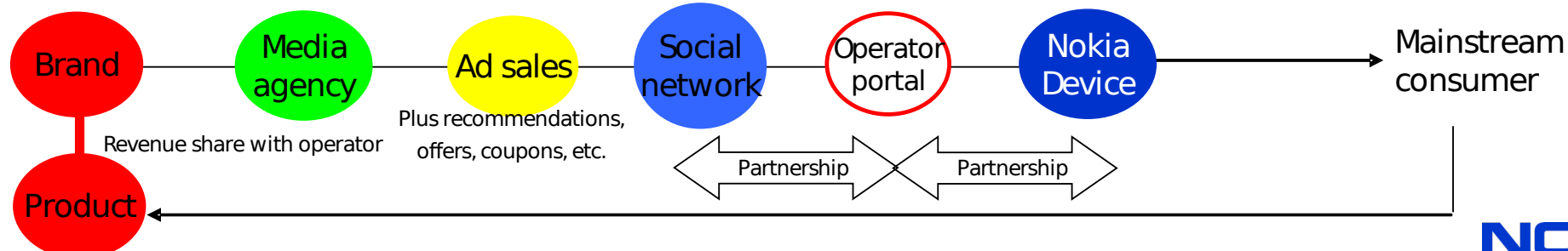
Model 1. Basic ad-funded model via operator



Model 2. Direct-to-consumer model



Model 3. Operator partnership model



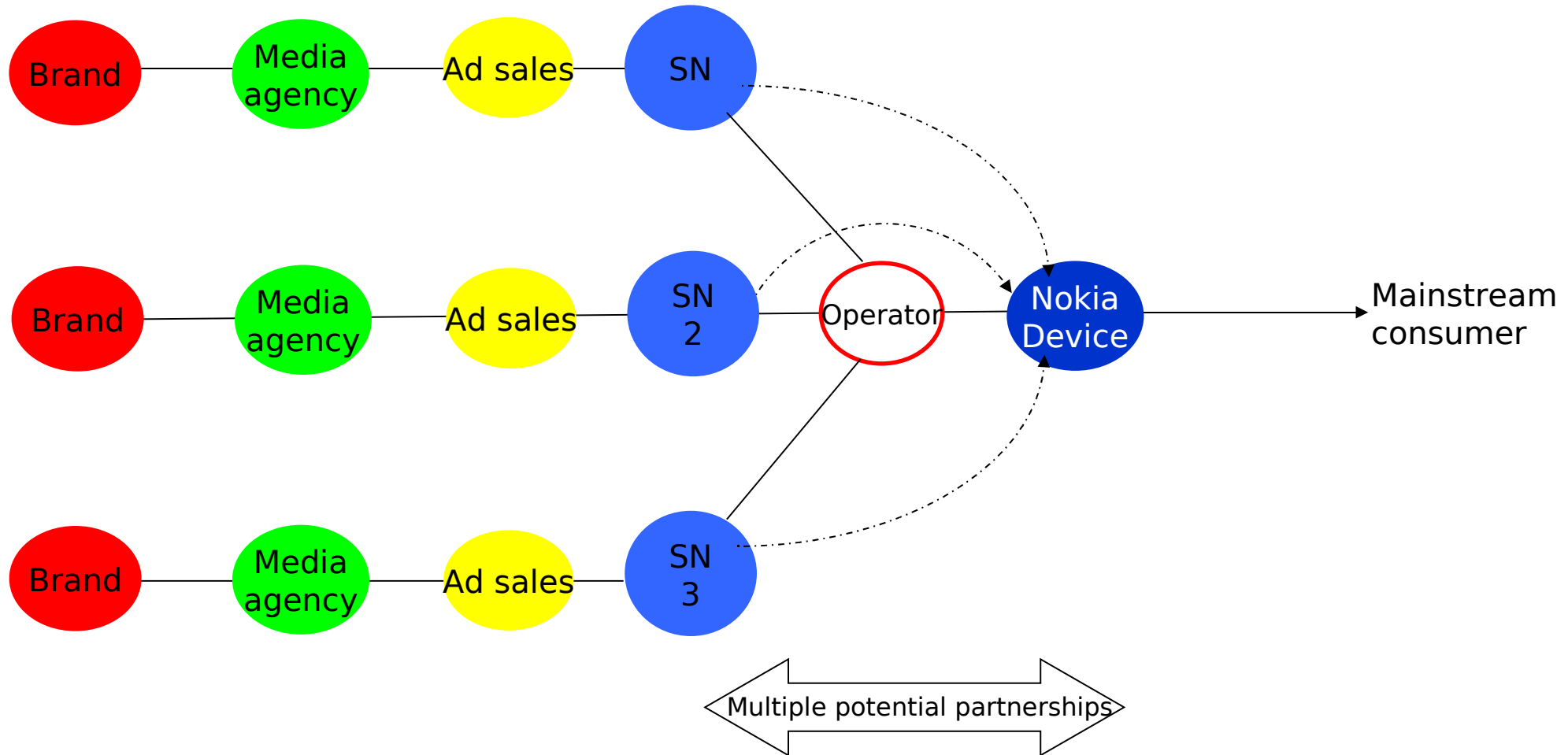
Social networking ecosystems Model 8

“Generic”

Model 8. Generic reference model.

—— Operator Partnership with 1 or more SN

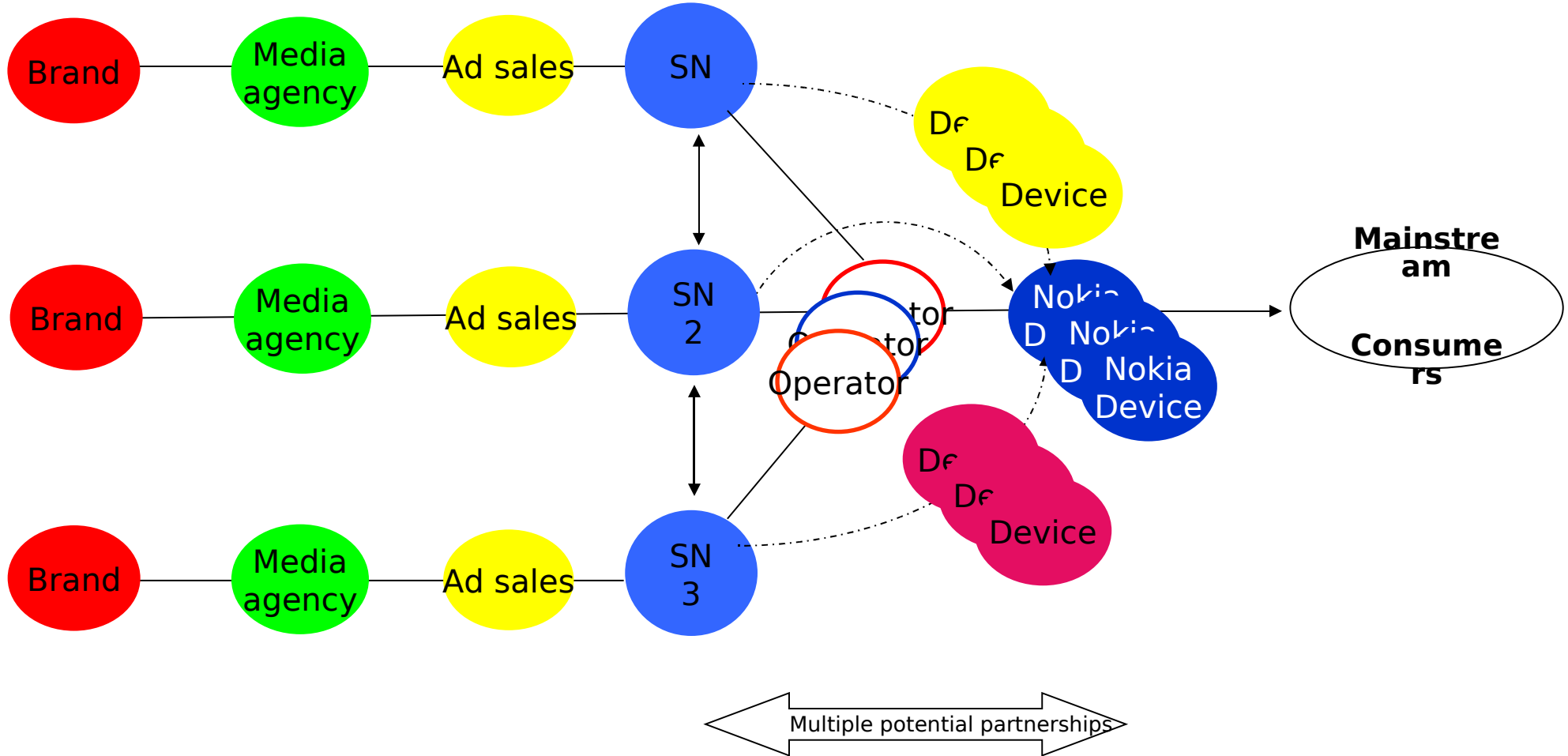
..... Direct-to-consumer with 1 or more SNs



Social networking ecosystems

Generic reference model.

—— Operator Partnership with 1 or more SNs
 Direct-to-consumer with 1 or more SNs



Key Points and Technologies to Explore

1. Mainstream consumers will share data if they understand & control how it is being used. Mechanisms for securely sharing location & other data, while preserving privacy are thus fundamental to growth.

W3C should consider how privacy data can be assured while it is being shared through:

- i. Approved technology standards and Federated identity.
- ii. Codes of conduct (ethics) - but only if W3C members believe that these can be made effective across the global spread of regulatory regimes.

2. Technologies for inter-social network communication and referrals/invitations.

W3C should consider how to provide recommendation tracking specifications (a) for commerce (b) for individuals across multiple social networks . This would accelerate consumers' ability to find relevant social networks & information that best suit their needs, resulting in higher participation and engagement, Specifically:

- i. Guidelines for the transference of personal and commercial recommendations in a seamless manner.
- ii. Guidelines for commercial transfer of demographics and recommendations in an anonymous manner.

3. Interoperability of social applications across mobile and PC platforms.

W3C should address the lack of a common standard for Address Book data import/export. Interoperability will accelerate universal adoption of such

applications as Networked Address books and Social calendars.

Implementation Challenges

Common commercial challenges to implementation

- **Public vs. private** access to personal data
- Too many companies supplying recommendations already
- Potential overwhelming the Mainstream consumer
- **Engaging “less involved”** Mainstream Mkt (motivators and incentives)
- Requirement for **data sharing deals** with SNs and other partners

Common technical challenges to implementation

- Which media formats to support
- **Interoperable** address & location data sharing & geo-tagging of content
- Integration of all **access methods into a single interface, without undue complexity for the Mainstream**
- There are no universally accepted **Single Sign-On (SSO) technologies** that have dominant market share
- Provision of security, ID management and privacy controls

Questions?

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More work in this
area?

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