

Moving Forward by Looking Over Our Shoulder



Better Year – To know where you’re going you have to know where you’ve been, what you’ve been through. Based largely on what we’ve been through, people are cautiously more optimistic about the coming year. **Image – Universal Pictures**

Imagine—

A global population of seven billion people ... and growing.

More than six billion mobile subscribers ... and growing.

More than nine billion connected devices (two billion machine to machine) ... and growing.

We’ve become a mobile and open world, and there’s no turning back.



Constantly Connected – Some feel at a loss if they don’t have their mobile “tools” – smartphone, iPad, notebook – with them constantly. Admit it. You go back home if you forgot your phone. You’re at a loss when your table/computer battery runs low. No wonder we feel we’re always connected ... we are!

While feature phones still dominate the 5.5 billion mobile subscriber market (4:1), smartphones showed the sharpest increase, selling an estimated 468 million units for a 58 percent increase.

Many have said that the tablet (O.K., the iPad) is the laptop killer; but if something is going to dent the growth of the new families of ultralight to heavy duty portable systems, it will be the mobile phone.



Don't Talk – While people carry their feature/smartphone with them constantly, it's less about talking and more about messages, news, and entertainment. A growing number of folks have perfected on-the-go messaging using their smartphone as their only go-to device.

More than one billion people accessed the mobile Internet this past year and usage is expected to double within five years. In China alone, there are more than 280 million mobile users, many of them mobile-only who seldom or never use a desktop, notebook or tablet.

For many, that's sufficient since one in five is able to access fast Internet (3G or better). Network operators are having a helluva' time trying to figure out how to expand their networks and the consumers' "expectation" of unlimited data plans.

While more than eight trillion text messages were sent this year, consumers around the globe are quickly embracing mobile email, IM and MMS.

Japan's consumers are still more advanced in their mobile behavior than the ROW (rest of world) but the last half of the year saw a sharp increase in texting, game play and shopping by consumers in the Americas and Europe.

Mobile searches quadrupled this last year with more than one in seven searches being mobile.

While more than half of the smartphones sold in the last half of year had some flavor of Android OS, manufacturers have been relatively unsuccessful in differentiating their devices from the "consumer standard" iPhone which was introduced way back in 2007.

The only organization that has been able to develop a serious challenge to Apple's closed garden has also forced an uncomfortable change – for manufacturers, retailers - to the search, research, buying habits of consumers.

Without a phone of his own, Amazon's Jeff Bezos launched the Kindle Fire, which is a pretty good tablet; but more importantly has an infrastructure, a strategy that none of the other me-too tablet manufacturers or the venerable iPad can match ... a huge online retail establishment.

Nearly two years after Apple unveiled the iPad, Amazon has introduced a serious competitor that has enough of Apple's secret sauce to succeed. The last quarter of the year the company

shipped an estimated four million Kindle Fires, giving Amazon about 14 percent share of the global tablet market.

The marketshare may seem anemic behind Apple's more than 65 percent marketshare.

Competitors are quick to point out that each of the estimated four million Kindle Fire sold in 2011 costs Amazon an estimated \$100 and there is no way the company can continue buying marketshare to make it up in volume.

But much like Jobs Bezos seems to believe, it is less about the device and more about the customer experience--which should cause the most concern for others in the customer experience field, especially retailers.

Sure, Bezos wants to sell a lot of Kindle Fires, as many as 20 million in 2012; but Amazon is just as willing to give away mobile device – phone, tablet, notebook – apps to all takers because the company is able to harvest more information about the user and deliver up instant ideas, offering suggestions to their screen.



Different Crowdsourcing – While a lot of organizations have used the power of the Internet to reach out to their communities to gather information and ideas, Amazon has found a different solution to gathering insights into their visitors and customers. Apps like their Price Check give customers reassurance that the product/service they purchase is fairly priced while giving Amazon a sales opportunity or chance to interest the individual with other ideas.

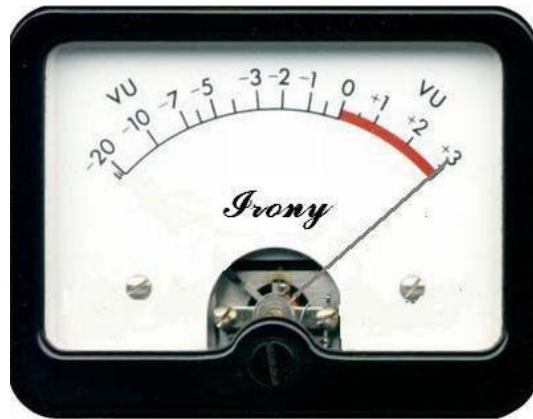
Their new Price Check app not only lets shoppers compare their prices to that of products on local store shelves, it also offers an additional discount to those who opt to make their purchases online instead of at the cash register. Check it or buy it and Amazon adds more rich information to their data mining operation.

Amazon has always competed on prices, and consumers are becoming adept at using their smartphones to comparison shop for the best deal.

Consumers will only step up their mobile price comparison practices as they replace their feature phones with smartphones, and apps like Amazon's Price Check become ubiquitous.

Fighting the digital downloading of music was futile for the music industry and screaming about how unfair price checking apps will be futile for retailers. Since Amazon is slowly giving up the “immunity” from sales tax they have taken away a government’s biggest sticks to the activity and will force retailers to increase their focus on adding value to the customers’ experience.

Gee, what a unique concept the customer becoming the focal point of the sales process!



Ironically – While retailers may dislike customers double-checking prices before they buy, they have also “discovered” a new option to selling stuff, partnering/serving the consumer. Ironic isn’t it that they’ve rediscovered the reason they’re in business.

Some of the best and largest retailers – WalMart, Target, J.C. Penny and others in the U.S. -- have already taken notice and beefed up their multichannel solutions. The smart, fast, responsive organizations are going to make significant strides this coming year from simply selling to customers to partnering with customers and solving their problems.

Google, in their usual reactive manner, has begun exploring same-day delivery options; but the concept will probably come up short (as so many of their ideas have) because it is an offer Amazon can easily duplicate along with their customer-focused information, idea, assistance.

Physically located retailers who partner with Google as their salvation rather than the customer will quickly find that price isn’t the ultimate answer for most folks.

Japanese retailers have refined their connections with people by expanding their mobile device customer options from store fronts to kiosks (where products are purchased and physically delivered the next day). Retailers in the Americas and Europe can do the same.

While iOS and Android flavors lead the mobile OS marketplace, Microsoft still has a chance to redeem itself.

Even though our and millions of other kids would like to believe that life revolves around the smartphone and tablet, the computer is far from dead and will probably show a solid resurgence in 2012.

A lot of people find it convenient to use their smartphone for their everything communications/entertainment device.

Others prefer their video, gaming and email on the larger screen of the iPad or “other” tablet.

But this year we saw laptop sales surpass desktop sales as people suddenly had a wider range of options to meet their personal/work needs – power user systems and the weakling netbook replacement faster, more powerful ultrabooks (again, you can probably thank Apple for this when they introduced the Mac Air).

The browser in a box Chromebook will be another of Google's stumbles that will disappear this coming year because it is an underpowered device that only runs the Chrome browser and is the same price as an iPad or the new, coming Windows laptops.



Beyond Entertainment – Some folks swear the notebook is dead and that obviously the tablet will deliver everything we need. All the tablet did was spur manufacturers to produce a new, better class of systems.

PC and laptop mobile will grow dramatically from an estimated 215 million connections this year to more than 1.5 billion in 2020.

With device prices continuing to come down and network coverage and capacity improving, we'll see more people taking their work, personal devices with them (lightbooks, smartphones) and using their tablets at home for casual information, entertainment.



Wicked Path – The Internet has come a long way from its early unstable days; but it is far from making you feel as though you're free to roam about. Bad sites and holes present tempting opportunities for people who want to hurt organizations and ordinary folks.

Despite all of the sex, sizzle and benefits of the mobile network; it is still a path people have to use with care.

There probably wasn't a day that went by in 2011 that someone, somewhere reported (or swept under the rug) a network or device security breach, hack, malfunction.

True Anonymous and Lulz got everyone's attention, but their exploits were tame in comparison to the havoc and theft hackers, whackers, cybercriminals caused.

While Sony, Amazon, Google, other business and governmental institutions around the globe were hacked daily, the compromising of more than 40 million RSA security tokens caused the most damage.



Lightning Strikes – There’s nothing worse than seeing malware, viruses infect your system. A seemingly innocent keystroke can produce an instant disaster. It’s even worse when you do something that is a lightning rod for outside attack.

This past year, cyber attacks by criminals, hackers, foreign nations rose sharply to the point where security is becoming one of the most healthy, most profitable growth markets in the industry.

The biggest challenge facing every organization isn’t deploying robust, aggressive security systems, but coming to grips with how they can protect themselves from the enemy within.

Users continue to be the weakest link in the cyber war as they consistently and innocently override or usurp organization safeguards.

With more than 100M fantastic, free apps; IT has a formidable challenge because many of the breathtaking free apps are not certified by anyone and are also poorly tested.



It'll Catch On – Being a little paranoid and putting online security first is a new song that companies and organizations know all too well. The challenge is getting everyone to dance the dance, walk the walk. **Image – Universal Pictures**

2012 won't be all about entertainment. It will be the year of the fully tested, certified free app.

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