

• Would rather be driving an Audi A4 on his iPhone

Just used ShopSavvy to find the lowest price •

WHAT'S EMERGING

Top 10 Mobile Applications to Watch

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The iPhone exploded onto the mobile landscape last year, acquiring a 12.9% share of the global smartphone market and growing its share in terms of units sold by 327% year-on-year by the third quarter of 2008, according to Gartner.¹

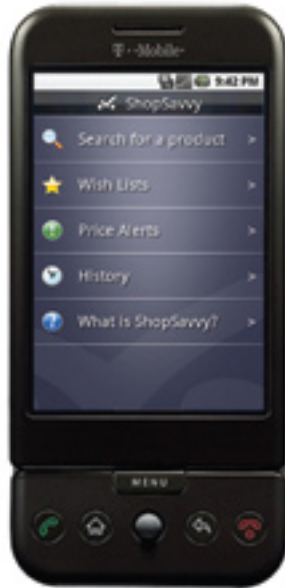
The large touch screen and intuitive interface of the iPhone revolutionized mobile user behavior, but it was the rise of the mobile application ecosystem that proved even more noteworthy. Developers flooding the market with apps led to unprecedented growth in content consumption, searches, utility usage and advertising opportunities. As of January 16, 2009, over 15,000 applications were offered at the iPhone App Store and more than 500 million applications were downloaded, with over six million applications on average downloaded each day.²

Handset manufacturers and operating system competitors responded by developing application-friendly products with improvements to make them compa-

table to the iPhone. Two notable releases in 2008 were the BlackBerry Storm and T-Mobile's G1, nicknamed the G-phone, which is the first phone to run on Google's Android operating system. In 2009, applications will expand beyond the iPhone and drive growth throughout the mobile channel.

Last year, many applications, including mobile versions of the water simulation Koi Pond, Google Search, Facebook and music site Pandora received accolades from users and the press. The list below identifies 10 applications that will drive growth and transform content distribution and consumption, search, utility tool usage and advertising opportunities in 2009 and beyond.

1. Shop Savvy / Retail / Android G1



Description

Shop Savvy turns mobile phones into bar code scanners. Users can point the camera at any bar code and the application will provide price comparisons from both online and nearby brick and mortar retailers.

Significance

- Increases in price comparison behavior increases price competition and forces retailers to compete for consumers with brand equity and superior shopping user experiences.
- It has potential to revolutionize the retail industry by converging brick and mortar shopping with ecommerce.

Outlook

Shop Savvy creates new marketing opportunities, including special in-store discounts, low-price guarantees and bar code-based scavenger hunt events. The application can also collect valuable data for retailers. For example, GPS data detailing the paths that consumers take through a store would help optimize the product layout.

A valuable update to the application would be image recognition functionality, which enables users to take pictures of products anywhere and receive price comparisons. This additional tool would transform any location into an ecommerce experience.

2. Wikitude Augmented Reality Travel Guide / Hospitality / Android G1



Description

Combining Android's GPS and internal compass, this application provides a real-time augmented reality travel guide. Users may search for any of the 350,000 points of interest covered by the application. When a landmark is viewed through the camera, annotations are overlaid on the landscape image. A similar application for the iPhone, Sekai Camera, was demonstrated in December 2008. Rather than limiting information overlays to Wikipedia data, this application enables users to tag the real world. Anyone can tag any image anywhere in real time.

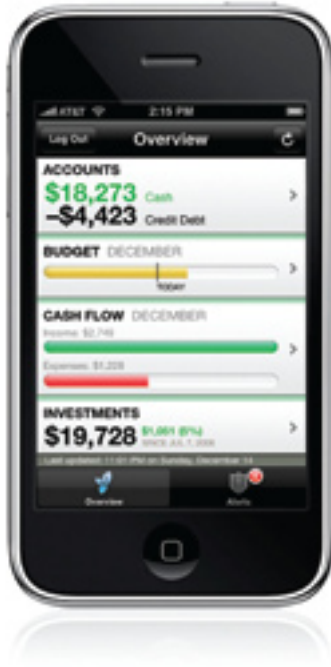
Significance

- Hospitality marketers or travel content publishers can utilize the technology to offer branded travel guide information.
- It provides access to digital information sources and social networks at any physical location.

Outlook

The number of augmented reality applications should expand exponentially in 2009, due to both device support and the release of an augmented reality developer tool kit for the iPhone. However, a lingering question remains. Where will most of the data for the tags come from — users, brands or reference Web sites?

3. Mint / Financial Services / iPhone



Description

This application offers users a comprehensive tool set, connected to more than 7,500 U.S. financial institutions, to track, budget and manage their finances across institutions from their mobile phones. Each user's registered accounts are automatically synched with the application. Information provided includes account balances, investment accounts performance

and itemized income, expenses and monthly budget expenditures. Mint makes money by conversions that come from its ability to match each consumer's asset allocation, spending behavior and investment performance data to an optimized list of offers from financial institutions.

Significance

- An average American uses 11 different financial institutions.
- Branded financial institution applications may not be able to match the value of Mint's aggregated information and personalized discount offers.
- Within the first 24 hours, Mint became the #1 finance application on iTunes.

Outlook

The application's service recommendation feature would both threaten financial institution retention rates and provide opportunities for financial firms to effectively target consumers. Furthermore, Mint's access to user spending data can generate highly targeted ad inventory for non-financial service marketers.

4. WebMD Mobile / Pharmaceuticals / iPhone



Description

WebMD Mobile provides users with access to all of the content and functionality of the WebMD Web site. The application enables direct search and browsing of WebMD.com within the application interface, mobile interactive guides for self-diagnosis and first aid treatment, and tools facilitating the search and browsing of drug treatments.

Significance

- Expansion of WebMD into the mobile channel creates significant mobile marketing opportunities for pharmaceutical companies.
- WebMD.com is one of the premiere online publishers reaching over 50 million unique Web users.

Outlook

Direct-to-consumer mobile ad spending for the pharmaceutical industry is restricted by ad formats that do not fulfill legal requirements, but larger rich media ads on the iPhone — in and around applications like this one from WebMD — are promising. In addition, the application can be used as a launching point in which to expand WebMD's offering to content and tools for physicians.

5. Audi A4 / Auto & Gaming / iPhone



Description

This application is a driving game that leverages the accelerometer to steer the Audi 2009 A4, a model launched in September 2009, through a series of increasingly challenging courses. The main menu has a link to a version of the A4 Web site, optimized for the iPhone.

Significance

- Audi A4 is the first application released by an auto manufacturer.
- By December 2008, Audi A4 became the ninth most popular free game and the only application from an advertiser in the top 100 free applications.

Outlook

Audi has the opportunity to utilize the large base of users that have the application installed on their phones. Application updates with additional levels can be released to prevent users from deleting the application. With a retained audience, Audi can use additional updates to deliver local dealer locations and promotional information.

6. nuTsie / Music / BlackBerry, Windows Mobile Devices, Alltel Devices



Description

nuTsie is a mobile music service that allows users to placeshift³ their music library, enabling a portable music experience without the need for downloading. Users can discover new music, add full tracks to playlists for free and share music with friends on their

mobile phones. nuTsie does not move or copy any music files. Instead, music is streamed to the mobile device or personal computer. The application is an extension of a portfolio of Web-based tools that offer the music service from any connected PC.

Significance

- Digital rights management restrictions are limited to a requirement that non-purchased tracks are played in shuffle mode within a playlist.
- Streaming content nearly eliminates device storage requirements.

Outlook

The availability of nuTsie's comprehensive and unrestrictive service reduces the value of owning a song or an MP3 player. Adoption of the application could significantly affect content and device sales.

7. vSNAX / Video / iPhone



Description

This application delivers mobile video clips from more than 35 premium media partners including AccuWeather.com, CBS, Ford Models, Ripe TV and MTV Networks' VH1, Spike and GameTrailers. vSNAX monetizes content through pre-roll advertisements.

Significance

- Clicking on pre-roll advertisements brings up additional information but unobtrusively stays within application experience and pauses content.
- It uses a multi-touch interface to make navigation across channels, through clip libraries and into interactive advertisement environments frictionless, intuitive and engaging.
- User experience facilitates and encourages increased content consumption.
- Viewers can continue to watch their video clip while simultaneously swiping through thumbnails to pick their next selection.

Outlook

vSNAX differentiates itself from YouTube and other smaller competitors by focusing on user experience and distribution of high-quality, professional content. As vSNAX solidifies its position, it will become increasingly difficult for new video content publishers to capture market share.

8. iStanford / Social Media / iPhone



Description

iStanford allows users to view campus maps, the real-time location of campus shuttle buses, university news, course grades, course history and connect with other students, as well as email professors and add or drop courses.

Significance

- By December 2008, more than 11,000 people downloaded the application, which is almost three times the number of students and faculty that own iPhones.
- Stanford's IT department allowed the developers to connect to core computer systems.

Outlook

AT&T has been introducing the application developers to university information officers around the country. iStanford, if expanded to other universities, has the potential to unseat Facebook as the predominant social network for college students.

9. Cooliris / Search / iPhone



Description

Cooliris is a search portal designed for images and video; the mobile application replicates the experience of the Cooliris browser plug-in. Search results appear as thumbnail images on an ever-expanding wall. Users can browse the results by flicking the wall in either direction. Touching a thumbnail expands the image to half of the screen and reveals both the Web site address and metadata tags.

Significance

- 3D design of the interface creates more space to display information, significantly reducing screen size restrictions.
- Users can access search results without leaving the application, essentially making Cooliris the first alternative browser on the iPhone.

Outlook

The exorbitant amount of digital videos and images makes finding content challenging. Consumption on PCs was stifled by this hurdle. The small screen and slower connection on mobile devices exacerbates the problem. By providing an effective search solution, Cooliris has the potential to drive increased consumption of image and video content on mobile devices. However, the most intriguing and notable feature on the browser plug-in version of Cooliris, which is missing from the mobile application, is a shopping section. Adding this feature would enable effective integration of video and images into mobile commerce, improving the user experience and increasing user adoption.

10. ShapeWriter / Productivity / iPhone



Description

ShapeWriter provides an entirely new way to write text. Instead of pecking at letters, users can slide a finger from letter to letter on a touch screen keyboard. Recognition algorithms turn an approximate gesture into a word. For example, a user can start on the letter “m” and drag their finger along an uninterrupted path to the letters “o”, “b”, “i”, “l” and “e” to spell mobile.

Significance

- Initial tests show that users are able to type many times faster on the new interface.
- Utilizing extensive data on writing patterns, the word selection algorithm significantly reduces typing mistakes.

Outlook

Although the experience is intuitive and easy to pick up, it may face adoption challenges from users that are reluctant to learn a new way to type. However, users that have been reluctant to purchase touch screen devices due to inferior text typing experiences may incorporate this new application into their device purchase decision.

1 Source: Gartner Worldwide Smartphone Sales 3Q 2008. <http://www.gartner.com/it/page.jsp> <<http://www.gartner.com/it/page.jsp>> ?id=827912

2 Source: App Store Hits 500 Million Downloads. Burrows, Peter. Business Week. January 16, 2009. http://www.businessweek.com/technology/ByteOfTheApple/blog/archives/2009/01/the_app_store_s.html

3 Placeshifting is consumption of media content, delivered via data networks or the Internet, on mobile or remote devices.