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Gartner Highlights Top Consumer Mobile Applications and Services for Digital Marketing Leaders

Analysts to Examine Key Issues in Mobile at Gartner Symposium/ITxpo 2012

STAMFORD, Conn., October 11, 2012 — Mobile social networks, mobile applications stores and location-based services will be three of the highest value mobile services to reach widespread adoption in the next two years, according to Gartner, Inc. Digital marketing leaders who do not yet have strategies in place to exploit these opportunities need to take steps to develop them now.

Gartner also expects mobile advertising to reach mainstream in the next two to five years, and digital marketers should keep a watchful eye on three key technologies in this field: bar code marketing, mobile coupons and augmented reality.

"Consumer services and applications that consumers use when online — whether they're on the move, at work or at home — involve various devices which are often used interchangeably for common uses such as streaming video, shopping, banking or engaging social networks," said Sandy Shen, research director at Gartner. "Understanding how consumers are using these devices is an important element of understanding mobile's benefits and risks. Mobile technology is the vehicle of immediacy, putting mobile marketers in the critical position of being masters of timing — knowing when and how to drop the right offer at the right time."

Mobile Social Networks: Follow Your Followers, Wherever They Go

Gartner expects mobile social networks to reach mainstream adoption in less than two years, attracting one billion users by 2014. According to Gartner surveys, 15 per cent of mobile phone users access social networking sites via their phones. However, the market is crowded, and by 2015, the pure-play, mobile social-networking market will likely consolidate around five or fewer players. Mobile social networking is likely to affect many vertical sectors, particularly for companies that interact with large communities — such as in the retail, education, healthcare and government sectors — or that have a large, distributed client-facing workforce — such as in the pharmaceutical, transportation and utility sectors. These vertical markets and their memberships can be sources of important contextual data.

Mobile Application Stores: Choose Your Friends Wisely

Mobile applications can be used to engage customers, conduct targeted marketing campaigns, solicit customer feedback and increase wallet share. Mobile application stores that have good distribution outlets and a large development community — typically resulting in a broad array of consumer and productivity applications — are recommended together with advertising support, user review, ranking and recommendation engines, and billing and reporting features.

Location-Based Services: Use as a Stepping Stone to Contextual Services

Location-based services can improve service delivery, customer support, and workforce and marketing effectiveness. Gartner is already seeing the convergence of location functionality with social networking,

news, information, search and entertainment services and expects almost 800 million location-based service users worldwide by the end of 2012. Revenue generated by consumer location-based services is forecast to reach \$13.5 billion in 2015, of which advertising will be the dominant contributor. Applications that will generate the highest interest in the near term will be navigation, location search and friend finder/social networks.

"Aided by a recovery in overall ad spending, the mobile advertising category has accelerated its evolution during the past year, despite lingering issues, such as privacy, metrics and standards. We expect the mobile advertising market to more than double during the next two years and to increase twelvefold by 2015 to \$20.6 billion worldwide; or about four percent of total ad expenditures," said Mike McGuire, research vice president at Gartner. "This growth is being driven by robust adoption of smartphones and media tablets, and their increasing use as all-purpose information, entertainment and social networking devices."

Bar Code Marketing: Use as a Tactical Tool

Gartner expects bar code marketing to reach mainstream adoption within two to five years, driven by the growing availability of bar code and marketing campaigns designed to increase consumer awareness of what they are and how to use them. Bar code marketing is a crucial element of any new direct-marketing campaign, giving consumers fast access to product/service information and special promotions, increasing brand loyalty and contributing to a cutting-edge brand image. Bar codes are increasingly being used in mobile ticketing and check-in applications within the travel and entertainment industries.

Mobile Coupons: Follow the Leaders

The benefits of mobile coupons centre on increasing purchase frequency and average transaction size as part of a larger effort to increase sales, margins and customer loyalty. While adoption has been slow, Gartner's surveys show a growing willingness among smartphone users to adopt mobile coupons. Digital marketing leaders can jump-start their mobile couponing efforts by leveraging lessons learned by retailers currently using mobile coupons and by using specialised technology providers to test alternative approaches. Longer term, mobile coupons need to be part of a multichannel e-coupon strategy that services consumers' desire to access and redeem coupons via any channel.

Augmented Reality: Get Ahead of the Curve

Augmented reality is a technology that superimposes graphics, audio and other virtual enhancements on a live view of the real world; it is this "real world" element that differentiates augmented reality from virtual reality. Augmented reality can be used to enhance the user experience and is a logical extension of location-based and context-aware mobile interactions. Augmented reality reached the peak of its hype in 2010, and while technical and privacy concerns persist, augmented reality has substantial long-term potential and will reach mainstream adoption within five to 10 years.

Additional information is available in the report "Consumer Applications and Services to Keep on Your Radar." The report is available on Gartner's web site at <http://www.gartner.com/resId=2121820>.

Gartner analysts will be further discussing the future of mobile at Gartner Symposium/ITxpo 2012.

About Gartner Symposium/ITxpo

Gartner Symposium/ITxpo is the world's most important gathering of CIOs and senior IT executives. This event delivers independent and objective content with the authority and weight of the world's leading IT research and advisory organization, and provides access to the latest solutions from key technology providers. Gartner's annual Symposium/ITxpo events are key components of attendees' annual planning efforts. IT executives rely on Gartner Symposium/ITxpo to gain insight into how their organizations can use IT to address business challenges and improve operational efficiency.

Additional information for Gartner Symposium/ITxpo in Barcelona 2012, 5-8 November, is available at www.gartner.com/eu/symposium. Members of the media can register for the event by contacting Laurence Goasduff at laurence.goasduff@gartner.com.

Additional information from the event will be shared on Twitter at http://twitter.com/Gartner_inc and using #GartnerSym.

Upcoming dates and locations for Gartner Symposium/ITxpo include:

10-12 October, Goa, India: www.gartner.com/in/symposium

21-25 October, Orlando, Florida: www.gartner.com/us/symposium

29-31 October, Sao Paulo, Brazil: www.gartner.com/br/symposium

5-8 November, Barcelona, Spain: www.gartner.com/eu/symposium

12-15 November, Gold Coast, Australia: www.gartner.com/au/symposium

5-7 March, 2013, Dubai, UAE: www.gartner.com/technology/symposium/dubai/

About Gartner

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner in 12,000 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,200 associates, including 1,280 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

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