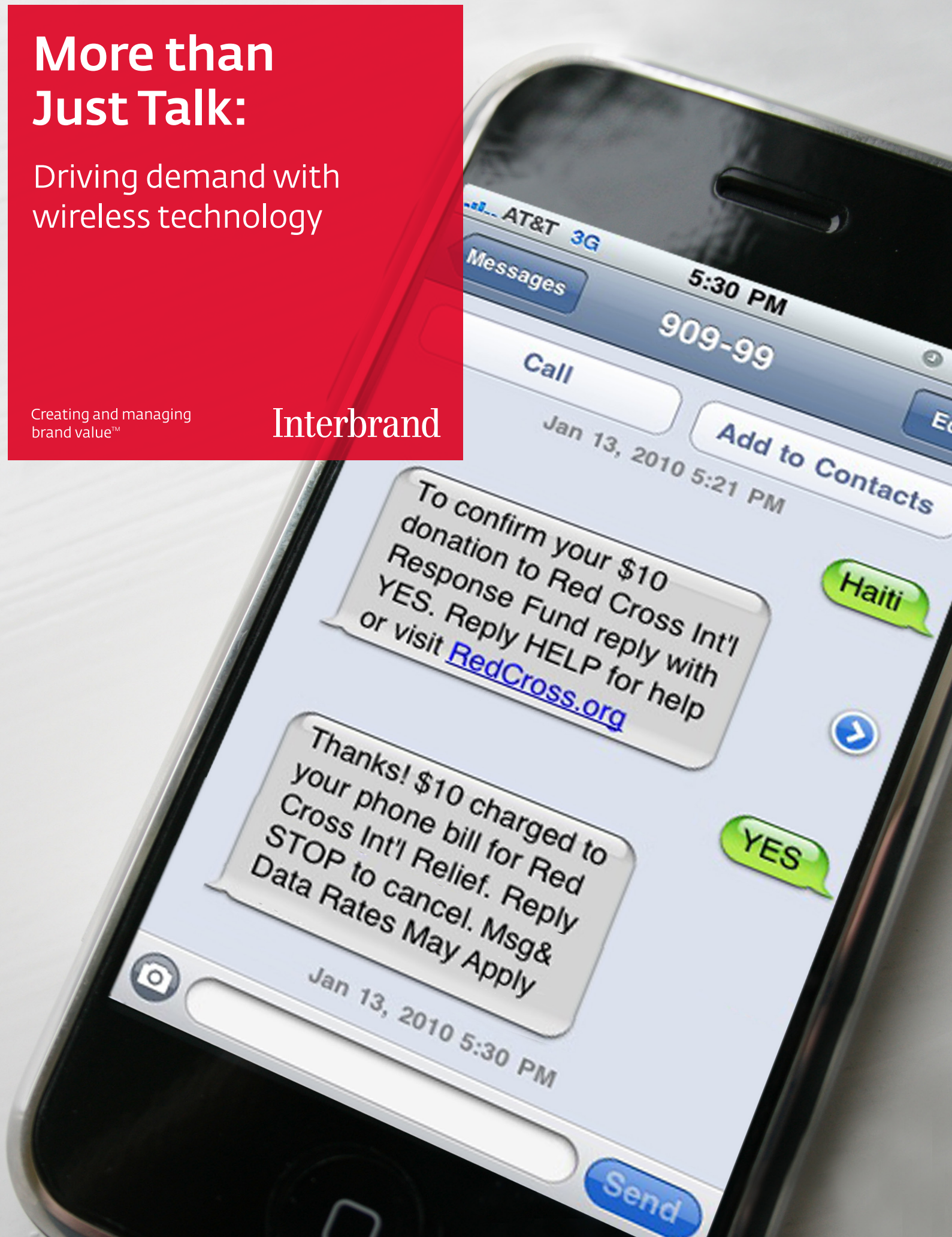


More than Just Talk:

Driving demand with
wireless technology

Creating and managing
brand value™

Interbrand



More than Just Talk

Driving demand with wireless technology

by Kevin Perlmutter and Justin Wartell

Driving Demand with Wireless Technology

3G, 4G, LTE, HSPA... While the meaning of each may not be clear, there are two things you need to know: They're about broadband wireless, and you will increasingly feel their impact.

Wireless and now

How has wireless impacted your life and your business to date? As a consumer, chances are that you use a smartphone, apps, and/or access Wi-Fi to be online almost anywhere you go. If you are a business person, you are most likely catering to the mobile needs of your workforce and customers, and beginning to investigate the possibilities of cloud computing. For business or pleasure, wireless is changing how we live, work and play.

Regardless of how wireless has impacted your life and business so far, you have contributed to surges in usage. In the three years since mid-2007, the U.S. has seen mobile broadband traffic surge 3,000

percent. For AT&T, the exclusive U.S. carrier of the iPhone, that figure was 5,000 percent. And that's just the beginning.

"Consumers have gotten a taste of what the U.S. mobile broadband ecosystem can deliver, and now their appetite seems unlimited," said Ralph de la Vega, President and CEO, AT&T Mobility and Consumer Markets, in his keynote address as 2010 CTIA Chairman. Mr. de la Vega went on to highlight industry projected growth of global mobile data traffic from Cisco that takes us from 90,000 terabytes per month in 2009 to 3.6 million terabytes per month by 2014.

Future growth

While historically much of the traffic comes from voice and data, future growth will come from apps, emerging devices and video-based content.

1. Apps

By early 2010, app usage was significant. While the Apple iTunes store had a commanding share lead with over 160,000 apps available, there are many app store providers emerging. Meanwhile, fast-forward

to 2013 when Cisco projects there will be 1.5 million apps worldwide. Thanks to the onslaught of smartphones and launch of devices like the iPad, apps will not only account for a significant boost in wireless traffic, but will drive significant behavioral changes—how we search for information, shop, game and conduct our business will all rely increasingly on wireless.

2. Emerging wireless devices

Basically anything that can be connected wirelessly will be. This includes navigation devices, networks, notebooks, media players, gaming devices, eBooks, medical monitoring equipment, electric/gas utility meters and more. According to Cisco, there are 35 billion connected devices in 2010, nearly five per person on Earth. Cisco projects that by 2013 there will be one trillion—that is, 140 devices per person on earth (See figure 1). Ultimately, this will lead to massive changes in the way people live their day-to-day lives.

3. Video-based content

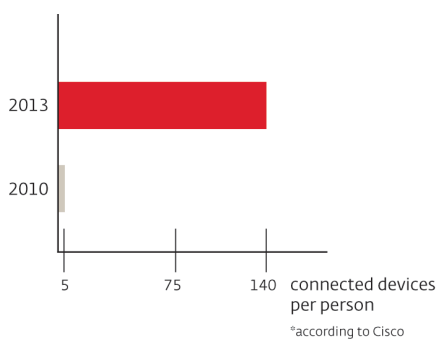
Included in this category are video conferencing, gaming and streaming

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– CTIA Wireless Association

media. The impact of wireless on real-time conferencing and collaboration will be transformative. Not only will businesses be able to conduct video conferencing more easily, but many of these interactions will seamlessly occur on mobile devices as well. For starters, check out FaceTime on the 4th generation iPhone, with “one tap video calling.” As people increasingly become capable of making immediate, real-time and cost-effective connections on their mobile devices, expect to see a shift in the way companies and entire industries serve customers.

FIGURE 1



The new telecom industry

Already the wireless explosion has reshaped the major players in the telecom industry. Their businesses have evolved so dramatically over the last five years, that, as told by one industry executive, they are basically new companies in a new industry. Most of the players that were primarily focused on wire-line voice service are now building the infrastructure and advanced capabilities of wireless networks. They are innovating every day and spending billions of dollars a year to improve their networks by offering services that no one has yet experienced. In addition to recasting their entire business models, they've moved from operating in a relatively insular fashion to

being at the center of the wireless ecosystem. They are also partnering with many other companies that need them to make products and services possible on their networks.

If that's not enough, the telecom industry faces competitive incursion from all angles. In fact, many key competitors rely on telecom carriers' networks to make their offerings possible. Therefore the industry is riddled with frenemies, in that companies partner with each other in one area of business, and compete against each other in another.

Lastly, telecom companies must contend with an intense regulatory agenda. They continually need to impress upon local governments the need to evolve legislation to keep up with changing consumer behavior and business practices. This includes changing century-old regulations related to outdated wire-line networks and lobbying for increases in the wireless spectrum so that network capacity and speeds can be increased to meet demand surges. Without changes in regulation or increases in the wireless spectrum to open up airspace for additional capacity and faster wireless networks, many capabilities and consumer demands will go unmet. And it's the telecom carriers who will be seen as not delivering.

Businesses and brands are being reshaped in other industries

Wireless technology gives people new ways to socialize, gather information, conduct business and shop. The impact of wireless is beginning to change what's possible in many industries. Those companies that recognize this will have the greatest advantages going forward and the opportunity to drive new demand. For many technology companies, the implications are very clear and adaptation is a constant dynamic. But for non-technology companies, there are new offerings rolling out, and many that have yet

to be conceived. Some businesses will see changes so significant that they will need to ask themselves “what business am I in?” and adjust business practices accordingly, given the rapid changes in consumer behavior.

Healthcare

In healthcare we're already beginning to see major changes. Wireless increasingly fuels improvements in timelines and quality of care among doctors, patients and pharmacists. One of many examples is remote patient monitoring, which will let doctors monitor patients' vital signs remotely. Not only can the doctor be at home, but the patient can be as well.

Not-for-Profit

The charitable giving sector has also been dramatically impacted. Following the tragedy in New Orleans, the wireless industry put a plan in place to enable text-based charitable donations. Following the devastation of Haiti, the plan was activated. Within a few weeks over US \$30 million in donations were received via texting alone. Personally, I recall sitting in a meeting and hearing that people were doing this and making my donation within minutes as the discussion was still going on. This not only makes impulse donations exponentially more prevalent, but it also opens up charitable giving to a whole new generation of people. What's more, it has every charity reevaluating their fund-raising strategies.

The most successful brands will be the ones that envision wireless' full potential and apply it to their business.

Insurance

Insurance companies also have new offerings and risk models to think about. The influx of new wirelessly connected devices means that our handhelds contain content that's paid for, as well as data that is sometimes private. As a result, there are many new and different things that people may want to insure—whether it's sensitive business data or a personal library of downloaded content. On a more macro scale, there's also an entire field of insurance that's evolving to deal with cyber security threats. The ability for theft or loss of content that can be accessed from wireless networks or stored in the cloud is increasing exponentially. The need for consumers and businesses to seek protection against risk is a big opportunity in this industry.

Print media

And then there's the print media. Tablet PCs and e-book readers are increasingly used in favor of traditional books, newspapers and magazines. As a result, these industries are taking a hit. The same is extending into the education sector with textbooks and test preparation. Consumer behaviors around reading, fiction or nonfiction, will continue to impact business practices for publishers and distributors, as well as invite outsiders into the competitive set.

Retail

In retail industries, the impact of mobile commerce is yet to be fully felt, at least in the United States. Some smart companies have developed products or services to support consumers' new desires to comparison shop or conduct product research on a mobile phone, while in a store, in real-time. Soon, however, wireless will alter the entire shopping experience forever.

Imagine a time when you walk into a grocery store and your standard shopping list populates on your mobile device with locations of the products listed, promotions and suggested product adjacencies. The cost of your items are totaled as they enter the cart, and the payment is processed by your mobile device as you leave the store. This

completely new shopping experience is not too far out, but it is taking time to become reality due to the rippling impact that it will have on multiple industries and the complexity of implementation. But, as we've seen with other convenient technologies, once the technology is in place and if the usage is simple, mass adoption and significant behavior change follow.

Map the customer journey to uncover opportunities

Customer experiences are becoming increasingly complex as people research, evaluate and select from myriad options, especially in retail. Indicators point to a strong consumer desire to engage with their favorite brands via wireless technology, and to use it to individualize and personalize their interactions. In retail, wireless is about being there when and how the customer needs you. And the competitive pressure to jump into wireless is very real. However, the answer is not as simple as pouring money into wireless applications.

To leverage the full power of the customer experience, a company must understand the particulars of that desire—how your customers engage with your brand, what you represent to them, and how they navigate the purchase-decision process. Of course, all your segments are deciding whether to buy - but each group has its own set of needs for information and interaction. And they won't all have the same wireless tools nor will they want them. Today, it is largely impossible to create one ideal shopping experience that fits every shopper type. This is why mapping the "customer journey" is vital to making strategic investments that help your brand drive choice.

Each segment needs to be studied to discover the points of convergence among their needs and expectations. These will be the points where delivery of the brand experience matters most. Armed with this information you can prioritize and invest where it will have the greatest impact

on engagement, growth and ultimately purchase.

Whether it's behavior around wireless, digital, or social media, the four key benefits of mapping are the same: ability to drive loyalty, build reputation, grow knowledge, and increase revenue for your organization.

Now is the time to drive demand with wireless technology

The emergence of wireless technology presents a particularly good time to look for new opportunities. The most successful brands will be the ones that envision wireless' full potential and apply it to their businesses.

By looking for opportunities through the lens of wireless, you are likely to unlock insights that will lead to improvements in the following areas:

1. The deployment of more effective communications and touchpoints.
2. Improvements behind the scenes to make a brand's workforce more efficient, informed and capable—all leading to an improved customer experience.
3. Opportunities to introduce entirely new services or product lines that address new customer behaviors and could potentially drive the future of your industry.

The scale and pace of change ahead of us is unprecedented, and the most successful brands will remain so by understanding how to address and drive emerging consumer behaviors. The changes wireless brings are exponential and so are the opportunities for brands that understand where wireless is going. Brands that innovate around how to help their customers easily benefit from the new technologies through easy-to-use and intuitive platforms will be able to get a leg up on their competitors. They will drive improvements to customer experience, attract more loyal users, and ultimately increase their brand value. ■



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Kevin Perlmutter is a Senior Director of Strategy at Interbrand New York. He leads the office's Customer Experience team and specializes in improving the quality of the relationship between brands and their key stakeholders. Kevin believes that customer experience is one of the most influential drivers of brand loyalty and business performance.



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As Director of Brand Strategy at Interbrand Design Forum, Justin is responsible for the development of key business questions that lead to opportunities for innovation. He applies his expertise in brand, strategy and analytics to the discovery of actionable shopper insights that help the creative team design engaging customer experiences—the kind that drive demand and build value.