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Citation

Singapore Management University. Winning in a mobile-first world. (2016). Available at: https://ink.library.smu.edu.sg/pers/137

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WINNING IN A MOBILE-FIRST WORLD

Published:

28 Sep 2016



According to Facebook, it's all about: a discovery mindset, relevance, and 'thumb-stopping creative'

When Facebook reported second quarter earnings in July, it blew away all analyst estimates and market expectation. With revenues of US\$6.44 billion and earnings of 97 cents per share, the Silicon Valley giant bested expectations of US\$6.02 billion and 82 cents respectively.

Of note are mobile ad revenues, which contributed a hefty US\$5.42 billion or 84 percent of all money coming into Facebook. Just four years ago when it went public in 2012, Facebook earned nothing from mobile ads.

"Using us as an example, it's not too late to restart your business in the age of mobile," asserts **Justin Halim**, Facebook Southeast Asia's Group Head, Multinational Brands and Agency. "We're constantly reminded of the need to innovate and disrupt our business model."

Halim was speaking at the recent SMU Centre for Marketing Excellence event, "Mobile Moves Business" where he elaborated on Facebook's model for winning in a mobile-first world: a discovery mindset; delivering relevance to individuals; and 'thumb-stopping creative'.

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Halim elaborates: "Outside of Facebook, there are two types of online advertising. There is disruptive advertising – a pre-roll before a video; it disrupts an experience. On the other end of the spectrum is: 'I already know what I want so I search for it.'

"Wedged in the middle of these two ends of the spectrum is the notion of discovery. We're scrolling through our newsfeeds and discovering content coming from friends and family, be it wedding photos, holiday photos, etc. You're also discovering news, and new products and brands that you might be interested in. The mobile opportunity from a marketing point of view is about tapping into this notion of discovery."

On relevance, Halim pointed to Facebook's massive data pool as a source for granular targeting. As opposed to describing a target audience as "male or female, ages 18-45" – "These are fundamentally two different people [with] different values, attitudes, life stage and consumption

patterns" – advertisers would be better served thinking of their prospective customers as individuals.

With regard to thumb-stopping creative, which refers to something that stops the action of scrolling on a smartphone, Halim describes it as "a creative idea that is executed for the nuance of the medium". He presented <a href="Lego's "Imagine" and Sonic's Instagram Shake campaigns as examples of such creative work, with latter being a case of mobile influencing not only the message but the product itself. And for anybody who points to the mobile's screen size as an impediment to compelling content, Halim argues otherwise.

"I would agree to that if this were 1999 when I got my first device," Halim reminisces, "which was a Nokia 3210 that allowed me to only make calls, SMS, and play 'Snake'. Over time, phones started having cameras added to them, we can take photos and share them. And then data infrastructure improved, and affordability improved. We then started sharing videos. In the not too distant future, there is augmented and virtual reality. All this has been facilitated by the one device which is mobile."

CHANGE IS THE ONLY CONSTANT

Change, and the speed of it, is perhaps felt more keenly in Silicon Valley than anywhere else in the world. In a 2012 Time magazine article about Facebook founder Mark Zuckerberg, Lev Grossman wrote about what lurked on the other side of the Facebook sign at the company's headquarters at Menlo Park:

"Because of the limits of space and time, a lot of Silicon Valley companies don't build new headquarters; they just take over the discarded offices of older firms, like hermit crabs. Facebook's headquarters used to belong to Sun Microsystems, a onetime powerhouse of innovation that collapsed and was acquired by Oracle in 2009. When Facebook moved in, Zuckerberg made over the whole place, but he didn't change the sign out front, he just turned it around and put Facebook on the other side. The old sign remains as a reminder of what happens when you take your eye off the ball."

As a testament to this commitment to change, Facebook's VP for Global Marketing Solutions

Carolyn Everson told Bloomberg in 2014:

"Had Mark started Facebook just a few years ago, it would be a mobile-first company like Instagram or Twitter. What happened was we saw consumers shifting faster than we had anticipated. In the summer of 2012, the lines crossed. In Europe and the United States, more people accessed Facebook from their mobiles than on desktop. That was an alarm bell to Mark.

"What Mark did was call an "All-hands" meeting to bring the whole company together to talk about the fundamental changes regarding the consumers, and declared we need to be mobile-first. A few days after that, a senior engineer showed him a few product mock-ups on a desktop. Mark sent him out of the conference room, saying, "Did I tell you we are going to be a mobile-first company?" That story spread like wildfire because nobody wants to get thrown out of the conference room by the CEO. It really sent a message."

"40 percent of Fortune 500 businesses today will die in 10 years," says Halim, citing Cisco Systems Executive Chairman John Chambers. "They won't exist in 10 years' time because their business and business models would have been disrupted by mobile.

"What would you do, if you started your business today? It's not too late to start now if you feel you haven't jumped on this mobile train."