The (Real) State of Mobile

A look at where we are, where we’re going and how you can stay one step ahead.

By Gustavo Gonzalez
Stop me if you’ve read or heard this proclaimed loudly on a blog or from a tech expert before: “This will be the year of mobile!”

Since my high school years, it seems as if marketers, business owners and industry insiders have been astutely declaring that year “so and so” will be the year that mobile reaches a critical tipping point and demands a complete change to how we market to consumers and run our respective brands and businesses globally.

As with most anything that necessitates change, it happens gradually and not overnight. With that being said, all the statistics and analytics that we’ve pored over indicate that 2011 was the year of mobile. Something has clicked. Something has happened. More than that, it leads us to believe that we’ll say the same thing (even more forcefully) in 2012, and 2013, and 2014 and so on and so forth. Smartphones and the mobile market have hit a critical mass. The consumer has forever changed and so have their expectations.

Leaning on the research we’ve conducted and the learning we’ve taken away from this year, the goal of this whitepaper is to provide you with a comprehensive, overarching look at the state of mobile. More specifically, we’ll look at:

- How and why mobile has hit a critical mass
- The differences between iPhone and Android platforms and the people that use them
- The power and scope of the mobile app market
- The explosion in mobile web and local search
- How tablets iPad has changed the mobile market
- What Coldwell Banker is doing in the mobile space

Then we’ll pull it all together and provide some next steps for you to engage your business in the world of mobile
Mobile for the Masses
Numbers never lie. All the data that we’ve seen internally and online suggests that we are in the early innings of a massive mobile phenomenon. There’s a perfect storm brewing that’s contributing to the unsurpassed adoption and growth of mobile. The follow factor all play into this surge in mobile usage and forecast its future sustainability.

- 24/7 real-time connectivity
- More affordable - device and data plan pricing falling
- Faster networks coupled with rapidly improving devices
- Fun to use - Social and reward-driven marketing playing a key role
- Access to all your “stuff” in the cloud

Here are a few mind boggling statistics that further highlight the stunning growth of mobile in 2011 and into the foreseeable future:

- Over 70% of the world’s population has a mobile phone
- Children are more likely to own a mobile phone than a book
- 90% of Americans own a mobile phone
- In the next 4 years, more people will connect to the Internet via a mobile device than on a PC

According to a Nielsen 2011 study, the Android and iPhone (iOS) platforms collectively account for over 67% of the smartphone market. Besides the fact that iOS and Android seem to be delivering the types of innovations that consumers are craving (and at a rate that others can’t compete with), I’d attribute their combined dominance to three main reasons:
• An exploding app eco-system
• More businesses embracing iPhones for work use
• Perceived cache and brand equity associated with Apple and Google

Due to the sheer numbers and cultural impact of Android and iOS, these platforms are driving a great deal of what’s *happening* within the mobile space on essentially all conceivable levels. Let’s take a deeper look at what separates these unique mobile ecosystems and the distinct differences in their consumer base.
iPhone vs. Android
You’re either a tried and true Mercedes Benz guy or a BMW guy. Rarely are you both. You’re either a PS3 person or an Xbox 360 fan (PS3 all the way!). Are you a PC or a Mac? McDonalds or Burger King?

There are several brands with a core fan base that not only love the product but who act as brand advocates and take it upon themselves to take on those who support a competing brand or product.

The same is most certainly true of iPhone (Apple fan boys) users and Android (Google geeks) enthusiasts. There are thousands upon thousands of funny fan art on Google Images dedicated to the battle between the two platforms, as well as tons of enjoyable banter back and forth on online forums. I’m only half kidding when I say that I think my brother would disown me if I jumped ship and bought the new iPhone 4S that came out on Sprint.

Demographic and psychographic data suggest that Droid and iPhone users are very different. They’re both at opposite stages of their lives, watch and read different things, have differing attitudes on politics, and money. So they should be, for all intents and purposes, marketed to in different ways.

A 2011 Hunch.com survey found some interesting differences between the two sets of users:

<table>
<thead>
<tr>
<th>Android</th>
<th>iPhone/iOS</th>
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<tr>
<td>10% more likely to be men</td>
<td>18% more likely to be a woman</td>
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<tr>
<td>Skew 18-34 yrs. Old</td>
<td>29% more likely to be 35+ yrs. old</td>
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<tr>
<td>24% more likely to have HHI between $50K-$100K</td>
<td>67% more likely to have HHI of $200K or more</td>
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<tr>
<td>57% more likely to prefer an ugly device that’s full-featured</td>
<td>122% more likely to prefer a sleek device that does just a few things</td>
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<tr>
<td>Cable Networks: ESPN - Comedy Central</td>
<td>Cable Networks: HBO - Bravo</td>
</tr>
<tr>
<td>Breakfast Cereal: Honey Nut Cheerios</td>
<td>Breakfast Cereal: Kashi GoLean Crunch</td>
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</tbody>
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I was struck by how similar each of the psychographic data points seemed to fit with the perceptions you have of each brand. You expect iPhone users to be more design freaks that are really into how things look and are only concerned with doing a few things exceptionally well. On the other hand, you certainly expect Android and Google brand advocates to enjoy full-featured devices that afford them the ability to customize and curate their very own unique experiences.

What all smartphone users also share is an affinity for their device unlike anything we’ve seen before. Let’s be honest...how many people sleep with their smartphone within easy reach of their bed? Do you check your Twitter and Facebook before even getting out of bed? Hop on NYTimes.com on the trusty ol’ Smartphone as soon as the alarm buzzes? If you do, you’re not alone. A recent infographic titled, “Always Connected: A day in the digital life” showed that over 35% of smartphone users boot up their Apps before getting out of bed.

It’s living proof that the mobile web browser and applications of every shape and size has changed our lives.

With all of the differences between Android and iOS users, what they have in common is that they expect to be connected at all times and to have cohesive experiences (anytime, anywhere) with brands or local businesses across platform.

The major place these interactions are taking place are within miniature mobile experiences on the web, many of which didn’t exist just 4 short years ago. Let’s look at how mobile apps and mobile web experience have forever changed not just our phones, but people’s way of life.
Apps & the Mobile Web
Think applications are only used by 11 year-old kids who play entirely too much Angry Birds? Well...they do play a lot of that. Nevertheless, there are also a slew of apps available that will fundamentally alter the way you do business by making you more productive, efficient and connected (and cool too).

Apps have become such a part of our personal and professional lives that as of June of this year, **U.S. smartphone users spend more minutes per day on their Apps then they do surfing the web.** Within the span of a year, the amount of time spent each day on applications very nearly doubled as evidenced below¹.

![U.S. Mobile Apps vs. Web Consumption, Minutes per Day](chart.png)

The sheer number of apps being made, downloaded and used are pretty staggering.

According to Apple, as of October 4th, they have well over 500,000 approved applications in their App Store with over 18 billion downloads and counting. While the App Store still continues to dominate market share, the Android Marketplace continues to nip at their heels and gain ground. The Android Market was estimated to surpass a quarter million active applications this summer with over 6 billion downloads.

¹ Sources: comScore, Alexa, Flurry Analytics
What does this mean to you? There’s an app for almost any and everything imaginable. Your mobile phone is no longer just a phone. It’s becoming an alternative computer. Just some of the apps available on both iPhone and Android platforms include the ability to...

- Run online meetings via WebEx, iMeet and others
- Manage payroll and expenses
- Create and edit spreadsheets, Word documents and PowerPoint Presentations
- Access all your files across multiple devices
- Collaborative document creation and management
- Note taking/sharing
- Create instant visual dashboards to represent your business data
- Edit video, create an ezine and way more

Apps are hugely popular, but from a local perspective, there’s nothing you should pay attention to on the mobile front more than the mobile web.

Simply put, your presence (or lack thereof) can either substantially grow or cripple your business. Morgan Stanley predicts that **mobile web usage will be bigger than desktop Internet use by 2014**. Just think of the massive implications this has for your local business. More consumers will interact with you via their mobile device than they will their desktop or laptop computer.

There are tons of other insights being dug up by some of the industry’s foremost thinkers. Here are few other statistics that illustrate the present and future mobile web.

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One half of all local searches are performed on the mobile web

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2 Source: Morgan Stanley
3 Source: Mashable
Video accounts for 69% of all mobile data traffic\(^3\)

77% of smartphone users utilize search engines on their mobile device\(^4\).

9 out of 10 searchers have taken action as a result of a smartphone search\(^4\)

85% of all mobile devices will be web-enabled by 2012\(^4\)

Mobile Search has grown 400% in the past year alone\(^4\)

Experts are pointing to better devices and coverage as a prime reason why mobile web usage continues to grow precipitously. I went through a whole lot of data when putting this whitepaper together and the one buzz word that kept coming up over and over again was \textbf{local}. While consumers are out and about, they’re increasingly using their mobile devices to inform \textit{local} real life decisions. As a result, local mobile search volume is growing exponentially at a 50% clip every year as illustrated in this graph below\(^5\)

\(^3\) Source: ThinkMobile with Google

\(^4\) Source: ThinkMobile with Google

\(^5\) Source: orangesoda.com
There is power in numbers, but numbers only really matter when they result in action. After all, if the billions of searchers just ran local searches on their mobile devices and left it at that, there wouldn’t be an overly apparent benefit to your local business. Lucky for you, these people take action and at a very consistent rate. Of the 95% of all smartphone users who search for local information, 9 out of 10 of them have taken direct action as a result of their searches. They’re either looking for information on the go, looking for information when they can’t have their PC in front of them or just plain looking for super quick results so you should be present and be delivering a compelling experience. There are no second chances in mobile!

Due to the magnitude of the home purchase, you’re not going to get local searchers waltzing into your office to buy a home on the spot like they were in Best Buy stocking up on Christmas DVDs. But, it’s important to realize that they search locally, take action and are committed to purchasing.

On a recent Google ThinkMobile survey, they asked a group of consumers “Which of the following actions have you taken after looking up this type of information (business or services close to your location) on your smartphone. The responses clearly show how local searchers convert to leads.
The mobile web and app marketplace is growing at an exponential rate and resulting in consumers becoming more active on mobile sites and apps than traditional websites. What the future holds may not be certain, but one guarantee you can bet on is that more consumers are headed this way.

There’s another facet of mobile that is grabbing consumers attention in droves and it didn’t even exist just 2 years ago. Let’s take a really quick look at the iPad.
The Tablet iPad Market
No discussion on mobile would be complete without some talk about the iPad and how it single handedly created a new market segment, rejuvenated the publishing industry and altered the way we consume content. As real estate professionals, the iPad has also changed the way we present to sellers and buyers and made work life on the go more efficient. Not to mention we don’t have to lug around those heavy MacBook pros or ancient IBM laptops anymore.

If you think that tablets (err..I mean iPads) are just a fad, then consider these few tidbits on the device that was non-existent two years ago.

- Widely recognized as the most successful consumer product ever launched\(^6\)
- The iPad generates 1/3 of all non-computer Internet traffic\(^6\)
- The iPad dominates 97.2% of all tablet traffic in the United States\(^6\)
- The iPad enjoys greater than 90% market share\(^6\)
- Apple is posed to sell 35 million iPad 2s in 2011 (sold 600K in its debut weekend)\(^6\)

While iPads haven’t eliminated the need for desktop computers or laptops, iPad owners certainly use traditional means of computing less frequently. Studies show that use of desktop computers is down 35% for iPad owners since they bought the device while their use of laptops is down 39%. On top of that, 87% of iPad owners are using it every day of the week\(^6\).

What do consumers use their iPad for?

- **Accessing the web** - 75%\(^6\)
- **Emailing** - 63%\(^6\)
- **Playing games** - 48%\(^6\)
- **Social networking** - 41%\(^6\) (I foresee this going up now that the Facebook app has launched)
- **Researching products and services** - 29%\(^6\)
- **Shopping** - 19%\(^6\)

The iPad isn’t your traditional mobile device, but I thought it warranted a peripheral discussion in this document as I believe it will quickly become one of our most used devices on the go...if it hasn’t already.

Before we get into some of the best practices for your marketing efforts in mobile, you should be aware of what the Coldwell Banker brand already has to offer for your local use.

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\(^6\) Source: ComScore & Nielsen 2011
Coldwell Banker Mobile
At Coldwell Banker, we pride ourselves in continuing in our recognized tradition of innovation. As such, we always try to arm our Agents and Brokers with tools, products and services that make them more successful, efficient and ultimately more profitable. Very early on, and to be frank; before any other real estate company, we saw mobile as a potential game changing way to achieve these goals.

While 2011 is the year of mobile, the mobile web scene back in 2008 wasn’t as robust. The devices, data plans and content just weren’t quite there yet. However, with the market being as small as it was, we knew that devices and data plans would only get better and that consumers were going to demand a fulfilling but differentiated experience on that platform. So Coldwell Banker became the first national real estate brand to invest heavily in mobile by being the first to release websites tailored especially to smartphones.

Over the past 3 years we’ve developed iteratively and added some cool features like separate mobile websites for touch and non-touch devices. We haven’t however; embarked on a full scale redesign and retooling of the mobile website that fully leverages the power of the awesome new smartphones out there.

Well in early 2012, that will change.

Version 2.0 of our mobile website offering will have a completely overhauled look and feel, new features like Sketch a Map, Send to an Agent, and integration of thousands of agent, office, Previews, listing and community videos from On Location!

Back in 2009, Apples App Store had only about 70,000 live apps available for download and Android was in its infancy with only a tiny fraction of that. Yet, with devices getting better, Facebook exploding and developers creating more and more engaging applications, we knew that the perfect storm was forming. Our hypothesis at the time: Consumers were going to increasingly demand and look for innovative applications to make their lives easier, more productive and a little more entertaining.

In the summer of 2009, we became the first national real estate brand to launch an international search application for the iPhone/iTouch and Android powered devices.
Over the past two years we’ve made some key additions like integrating IDX listings and adding social sharing but we haven’t redesigned it. In 2012, rest assured that there are some game changing things on the horizon for both applications.

In the meantime, you can download the Coldwell Banker app by searching: Coldwell Banker Real Estate Search in the Android Market and in the App Store.

Before the iPad even came out, Coldwell Banker knew that “touch” devices were going to be the next place that consumers would eventually migrate to. In early 2009, we partnered with Microsoft and created an application for the Microsoft Surface. It made big news within the marketing and real estate community and was the center of attention in any room it was present in.

We took the best practices from that experience and in early 2011, became the first national real estate brand to release an application for the iPad. Rather than rehash what we already did in the mobile space, we put together a unique iPad experience that leveraged all the cool things that made the iPad such a phenomenon. We added listing, office and agent search, partnered with Yelp to bring real life amenities to each search but we also wanted to take it further than that. No other company out there matches the breadth of listing, agent, office and community videos that Coldwell Banker On Location offers so we also integrated that into the application as well.

Coldwell Banker also provides customizable recruiting, listing and post-listing presentations specifically tailored for the Keynote application on the iPad. Loaded with great imagery, slick transitions, national statistics and room for local offices and agents to tailor it to their local areas; the customizable presentations have positioned its users as cutting edge, innovative, ahead of the curve and willing to do it all to secure and sell their listings. We’ve even received several notes from users who say that they’ve actually secured listings because the seller was impressed with their presentation.
It’s time we got down to brass tacks. Not even sure what that really means, but in any case let’s cover some simple steps you can take to make your local business mobile ready for your future customers.
6 Actions to Get You Mobile
Nowadays it seems as if there are so many new things happening that it’s both hard to keep up and to do any one thing particularly well. Technology changes daily, the next new, hot product is always on the horizon. You’ve got to learn all about SEO and SEM, keep up with your blog, Tweet, Facebook, Google+, take video, become the mayor of your city on Foursquare...oh yeah, and there’s this whole selling houses thing that you’re into too.

It’s not easy but here are a few pretty simple takeaways that you can apply to your mobile business to help you create experiences that consumers have come to expect.

I. Optimize your website for mobile web browsers

There aren’t many things that reflect more poorly on your local brand or that drive consumers away than not having a mobile optimized website. Ever visit a website on your smartphone and you had to zoom all the way in and pan for about five minutes to find what you need? If I Google something and click on a link and it looks like I’m staring at website from the top of a high-rise; I always leave and turn to the next website.

Think about the message you’re sending to a consumer when they visit you on a mobile device and are greeted with a site that doesn’t work or makes it cumbersome to browse? Why should a consumer give their business to a company that hasn’t even invested in themselves?

Mobile websites don’t have to replicate the exact functionality of your regular website. In fact they shouldn’t. Pick the main purpose of your website and business and do it exceptionally well for mobile and you’ll be well ahead of the competition.

II. Don’t just do something because it’s new and cool (ahem...QR Codes)

As I mentioned earlier, I love technology and all it’s done to make the world a more connected and fun place, but it certainly can make it difficult to focus sometimes. The best piece of advice that I could give would be don’t jump into something because it’s new and all the rage. Try to take a step back and ask yourself if it would benefit you and your consumer. Remember, consumers are real good at noticing when companies seem out of touch and are trying too hard to be everything to everyone.
For instance, I’d be a rich man if I had a dollar for every time I saw a newspaper or magazine ad that has the Facebook and Twitter icons at the bottom of the advertisement. Unless newspapers have become magically clickable, why would you put an icon on a print ad and not include the URL? Such attempts/mishaps come off as contrived and the result is I (and the consumer) think that they know nothing about social or anything related to it. I’m not opposed to Facebook or Twitter icons on ads as long as their Twitter handle and Facebook URL are included on it as well.

The hot button item of recent months has been the QR Code craze. As a brand we’ve taken the position to not formally endorse the use of QR Codes on a grand scale for several reasons. First being that we feel it’s a transitional technology (i.e. will be replaced very quickly by the NFC Chip) and secondly that on a national level it doesn’t make sense.

When we consult with agents or brokers about their desire to use QR codes we don’t discourage it but only advise that they use it in a unique and impactful way that makes sense because there are more cases of bad QR code use than not. As an example, there’s a major national real estate company (that will remain unnamed 😊) that placed an ad in a major publication with a QR code. I scanned the QR code thinking that I’d be driven somewhere unique that tied into the ad but instead I was brought to a non-mobile optimized website. I was shocked!

In the end it’s all about exercising good judgment that has already made you successful. Temper enthusiasm for technologies or “innovations” with solid thinking and you’ll end up doing what’s best for your business!

### III. Optimize your Mobile Websites for Search Engines

I won’t go into a full discussion on search engine optimization (we could go on for days) but it should be stressed: SEO on mobile is extremely important. I cited many statistics that show how search queries on mobile devices are climbing at better than a 50% per year clip. As is the case with regular web, you have to make sure that your mobile website is optimized and full of relevant content so that you’re front and center when consumers are searching for real estate in your local market.

Here are a few tips to achieve this on the mobile web:

- **Develop a device agnostic approach**
  Create a mobile website that works across most major smartphone devices. Conversely, all SEO related tagging should be consistent. This should ensure
that the search engine spiders are not confused and should continue to look at your site as an authoritative figure in your community.

- **Leverage traditional SEO practices on the new platform**
  Think of SEO for mobile devices as the same football game being played at a different stadium. The rules and game plan essentially remain the same; you just have to do them at a different place. Make sure that you:
  - Have appropriate keywords in headlines and text
  - Have relevant page titles and accurate page descriptions
  - Have a viable and legit linking strategy in place
  - Employ standard coding practices

### IV. Get on Google Places for Business

Seeing how more people search for businesses online than anywhere else, Google Places for Business helps make sure that your business listing is found easily on mobile versions of Google and Google Maps. Here are just a few benefits of Google Places for Business:

- Better rankings when Google displays local search results
- The ability to customize your business listing page
- Access to data regarding views and interaction with your Places page
- An opportunity to offer coupons to customers directly on the Places page
- Inform Google as to the industry and service area you operate in
- Potential to use other Google products like paid advertising

One in three mobile searches are local and this number will only continue to grow in the coming months so it would only make sense for a local company to sign themselves up for a service that allows you to standout. Why should you log in and get set up today? Here are a few fantastic reasons:

- It’s FREE
- Works for desktop and mobile

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7 Google Places for Business
- 97% of consumers search for local businesses online (*Google)
- You get a great deal of insights and reporting
- Automatically includes mapped results
  - That was almost 1.28 billion searches in March 2010 (*orangesoda.com)
  - Or 20% of Google search volume (*orangesoda.com)

What’s great about Google Places for Business besides what I already noted is that the mapping functionality connects the online and real world. While 89% of consumers shop for information online, 93% of retail sales happen offline; so most often, those Internet searchers are converting into real foot traffic into retail spaces. It’d be extremely rare (and foolish) for someone to buy a home online so at some point potential home buyers are going to go from searching for local offices and listings online to walking into your offices. Google Places for Business helps with that.

If you’d like to learn more or sign up you can do so by visiting:

http://www.google.com/placesforbusiness

V. Make videos, post them to On Location and be seen

I recently attended a Google ThinkMobile conference and one of the stats that blew me away was that branded searches for real estate agencies and home builders grew on YouTube 150% year over year. At Coldwell Banker, we invested heavily in video over 3 years ago when we partnered with YouTube to create Coldwell Banker On Location. We’ve continued to extend the presence of On Location and its tens of thousands of videos onto our other platforms, like coldwellbanker.com and our iPad app.

The fact of the matter is that if you’re not making videos and leveraging the power of On Location you’re missing out tremendously. According to Mashable, 73% of homeowners say they’re more likely to list with a realtor offering to do video, yet only 12% of the real estate industry currently does video. That’s a huge opportunity to grow your business.

What does creating videos have to do with mobile?? Try these nuggets on for size:

- YouTube accounts for 22% of global mobile bandwidth
• U.S. consumers now spend more than 4 hours per month watching videos on their mobile devices

• Google mobile (and non mobile) searches are showing more videos in results

Consumers aren’t looking for Steven Spielberg productions at all, they’re simply looking for real video that looks clear and gives them a nice sense of a home, community or your personal expertise.

Taking an iPhone and literally doing a one-take walk through of a home more than suffices. If you’d like to put together something more detailed but aren’t sure of your editing skills paying a college kid to edit a few movies would be worth the minimal investment.

For one video uploaded through CB Works, your videos are exposed to millions of consumers, and they won’t just be in one place.

On Location videos can be found on:

• Coldwell Banker On Location (YouTube channel)
• Coldwellbanker.com
• iPad app
• Mobile Websites
• iPhone and Android apps (coming soon)

VI. Use the iPad to change your business

Besides making you look extremely creative and innovative to potential customers, there are a slew of benefits and efficiencies that you would gain from using the iPad in your day to day work life.

Here are some real life examples of how it can help you:

• The Coldwell Banker branded app with video can give you a real leg up at listing appointments and is a great carry along when taking buyers to multiple properties

• Edit spreadsheets, PowerPoints and Word documents
• Free customizable listing, post-listing and recruiting Keynote presentations (PPT) available for your usage

• Simplified management of multiple social media profiles with apps like HootSuite and Tweetdeck

• Personalized news feeds tailored just to you with apps like Zite and Flipboard

• Shoot videos on the iPad 2 and edit them in minutes using the iMovie app

David Marine also created a fantastic and very in-depth whitepaper that talks about all of the apps that help you to become a more productive and efficient business person. Click here to get a free copy. And there’s always Angry Birds too!

So to conclude, it’s pretty evident that we’ve slowly been building up to the “year of mobile.” It’s my assertion that 2011 was that year and we’ve reached a tipping point. We’ve been working over the past few years to develop cutting edge applications and mobile websites to keep Coldwell Banker at the forefront and even slightly ahead of the real estate consumer. In a rapidly changing technological environment and extremely challenging economic climate, I realize that keeping up with mobile and even social media while focusing on what we’re all here to do (sell houses) can be a chore. Hopefully there are a few easy nuggets that you can gleam from this white paper that’ll help you move the needle and keep you ahead of the competition and in front of your customers.
About the Author

Gustavo Gonzalez is a Consumer Engagement Specialist in the Marketing Department of Coldwell Banker Real Estate LLC. In his role he works on all national TV and online advertising initiatives, manages the Coldwell Banker mobile & iPad app platforms, ongoing enhancement of On Location as well as a slew of other projects.

He’s held other roles within the Marketing Department ranging from Previews & Product Development to the day to day management of the coldwellbanker.com redesign.

Besides being a marketer, Gustavo is a musician, writer, film buff, avid sports fan, cereal aficionado, video gamer, Tumblr and Tweeter.