

Platform shift to Mobile

Bigger and faster than you think

Don Dodge
Google

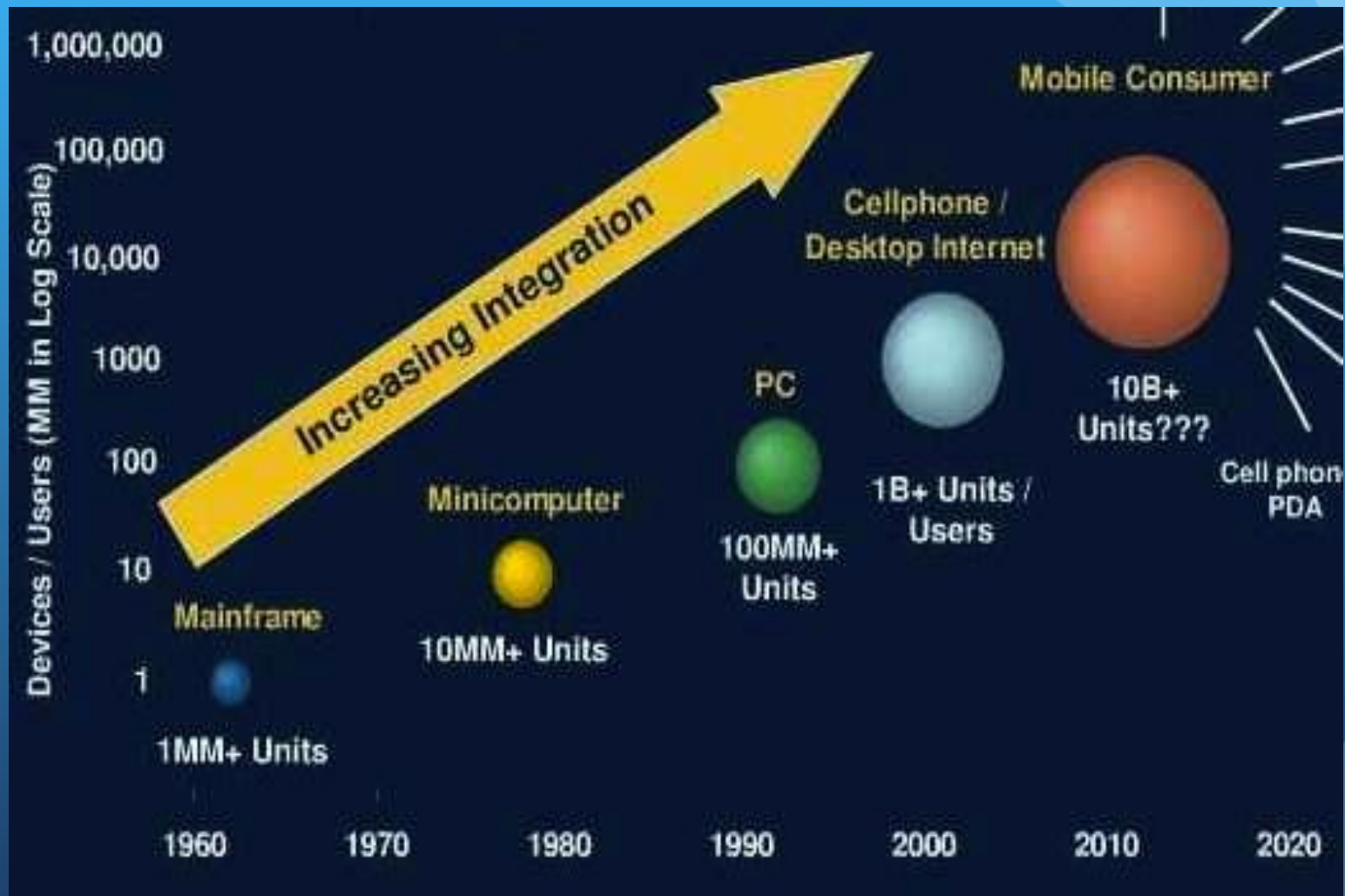
Platform shifts = huge opportunity

- Platform shifts happen every 10 - 15 years
- Market leaders always late to make the shift
- New companies emerge to lead
- New platform is always bigger and cheaper

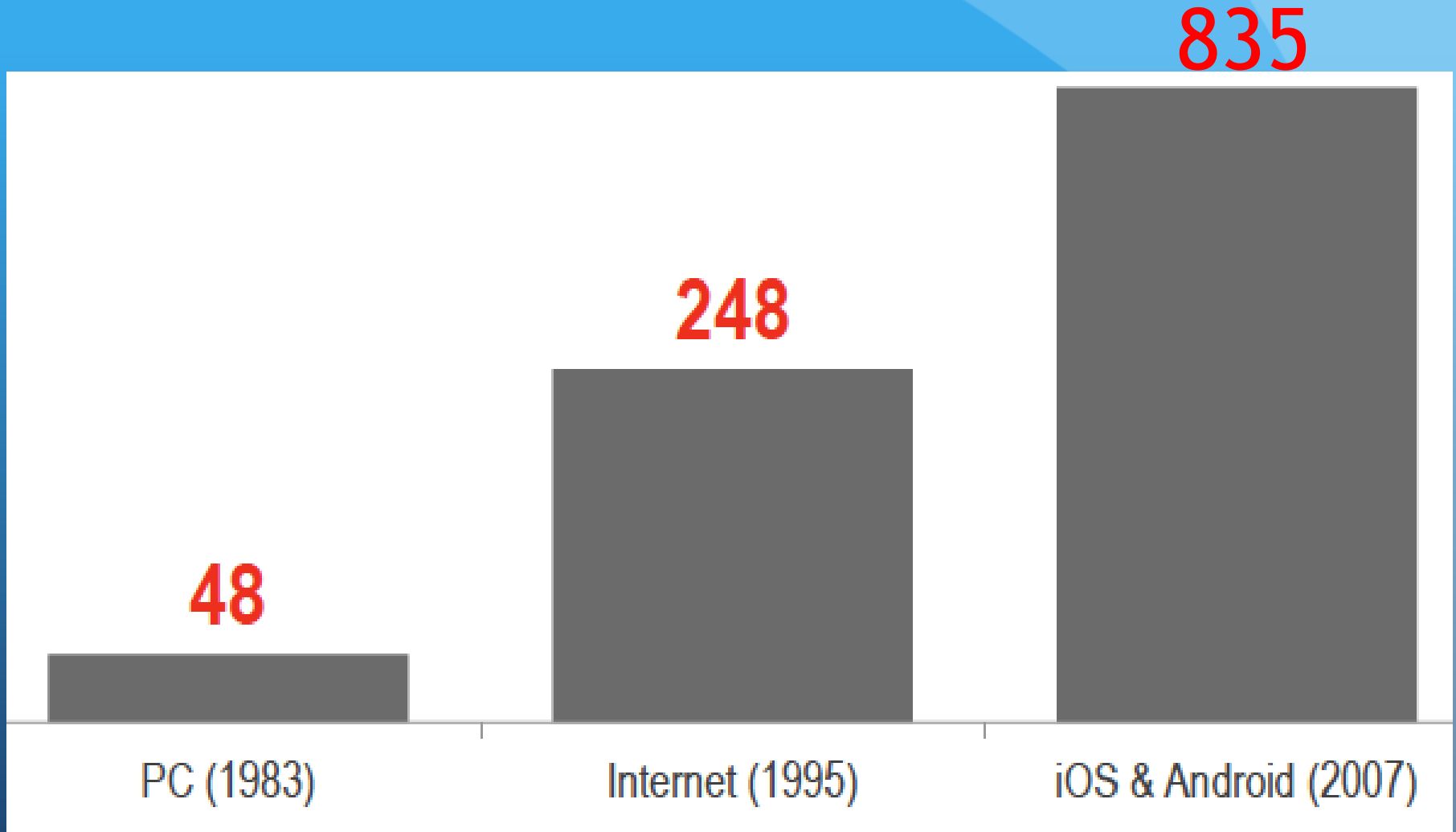
Platform era leaders

- Mainframe - 1970s - IBM
- Mini-Computers - 1980s - DEC
- PCs - 1990s - Dell, Microsoft
- Web - 2000s - AOL, Yahoo, Google
- Phones - 2010s - Apple, Google

Platform shifts = 10X more devices



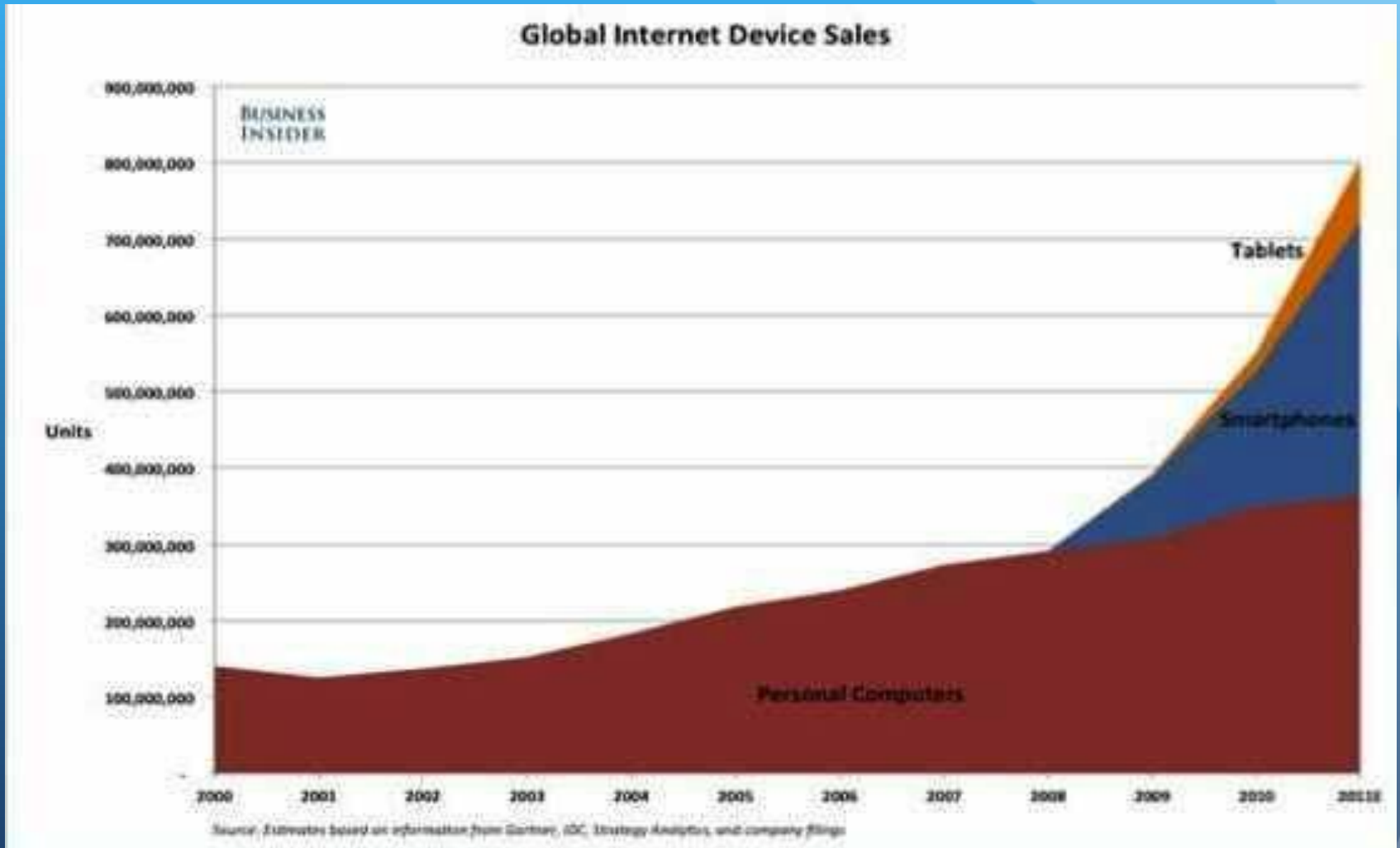
5 Year Adoption curves - 20X PCs and 3X Web



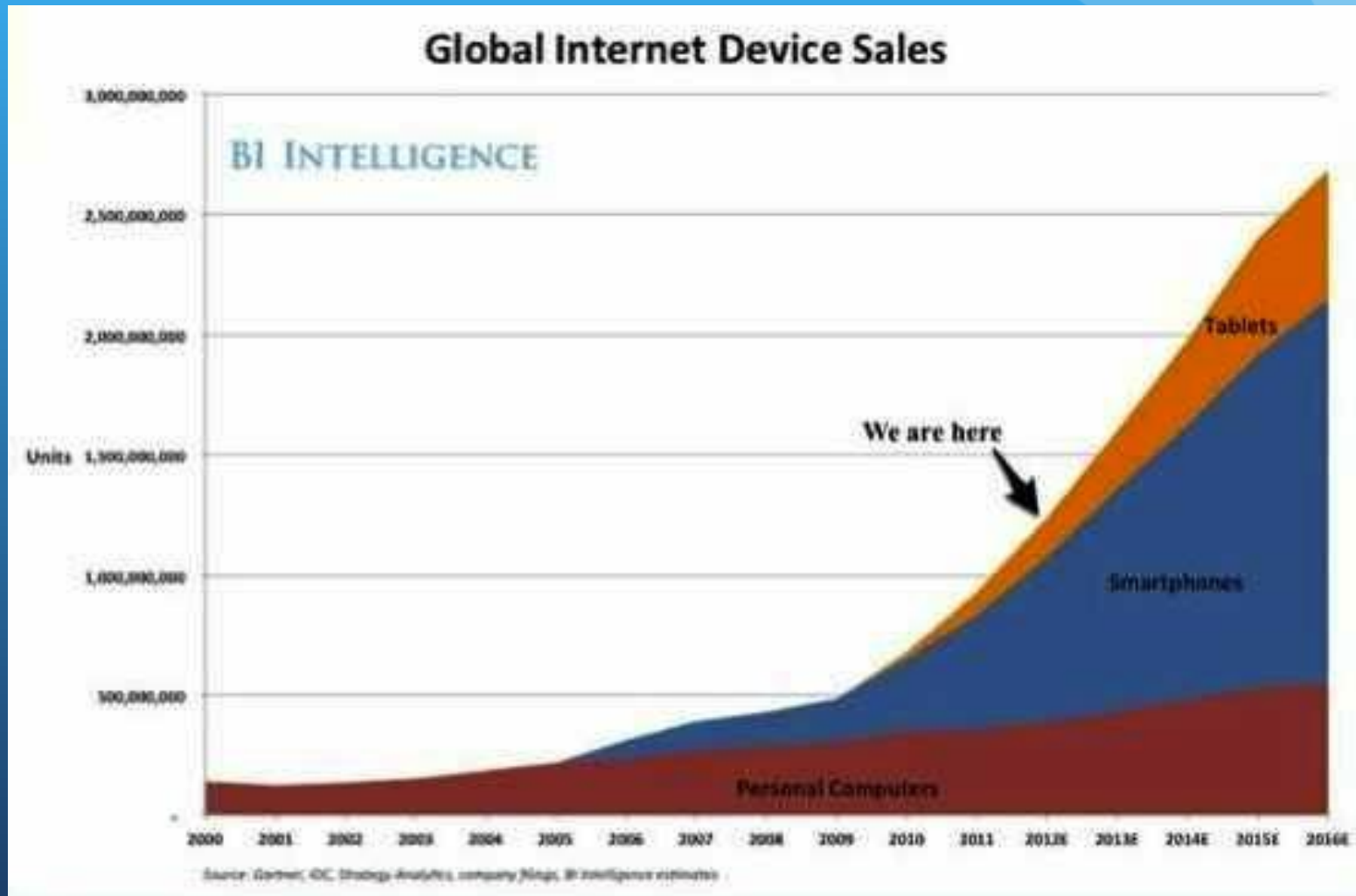
The Phone is your computer

- Phone more powerful than laptop 3 years ago
- Phone is used more than my laptop
- Future office = flat screen & keyboard
- You decide which files & apps are local
- Everything replicated in the cloud

Smartphone sales now exceed PCs



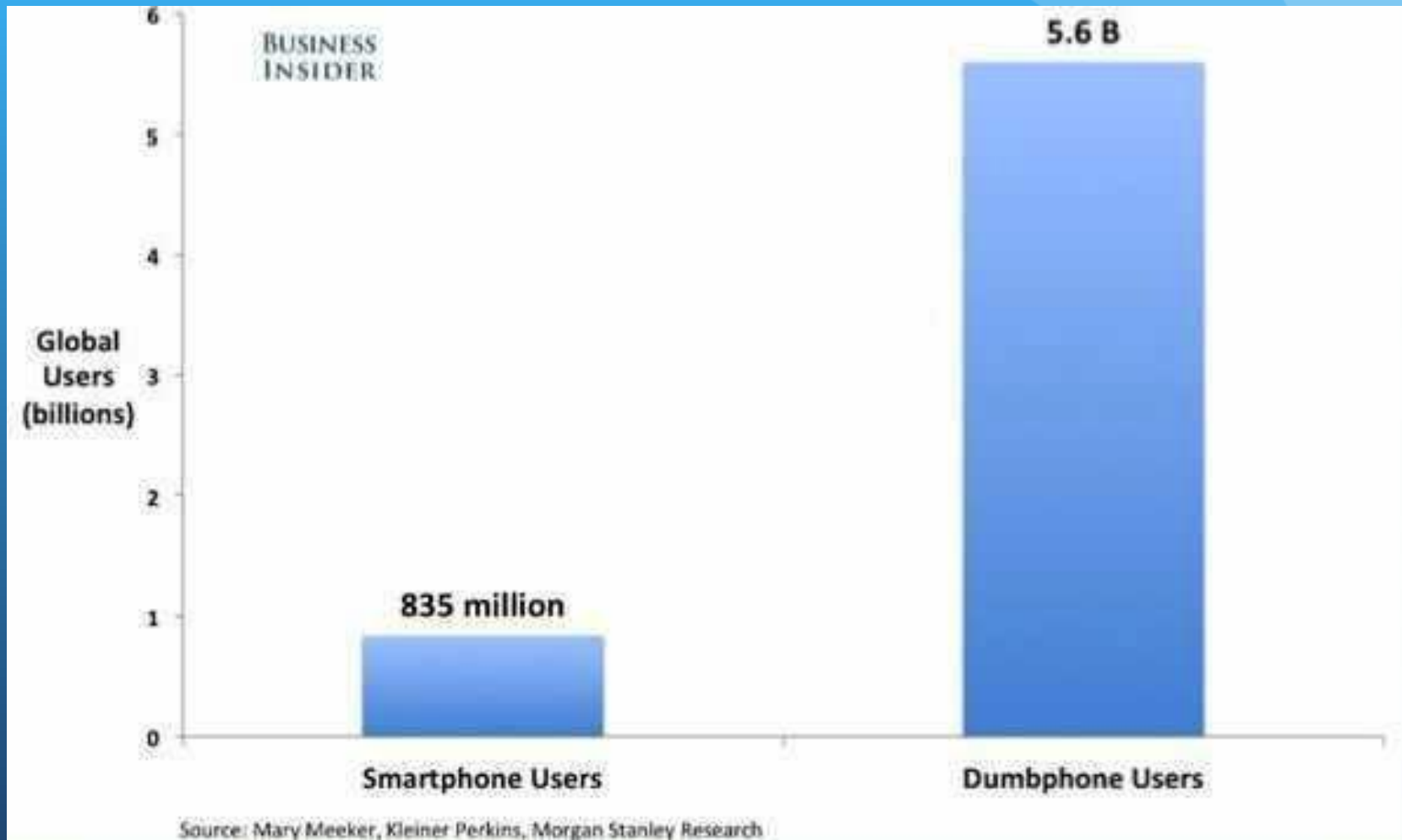
Smartphone growth vs PCs



Android explosion

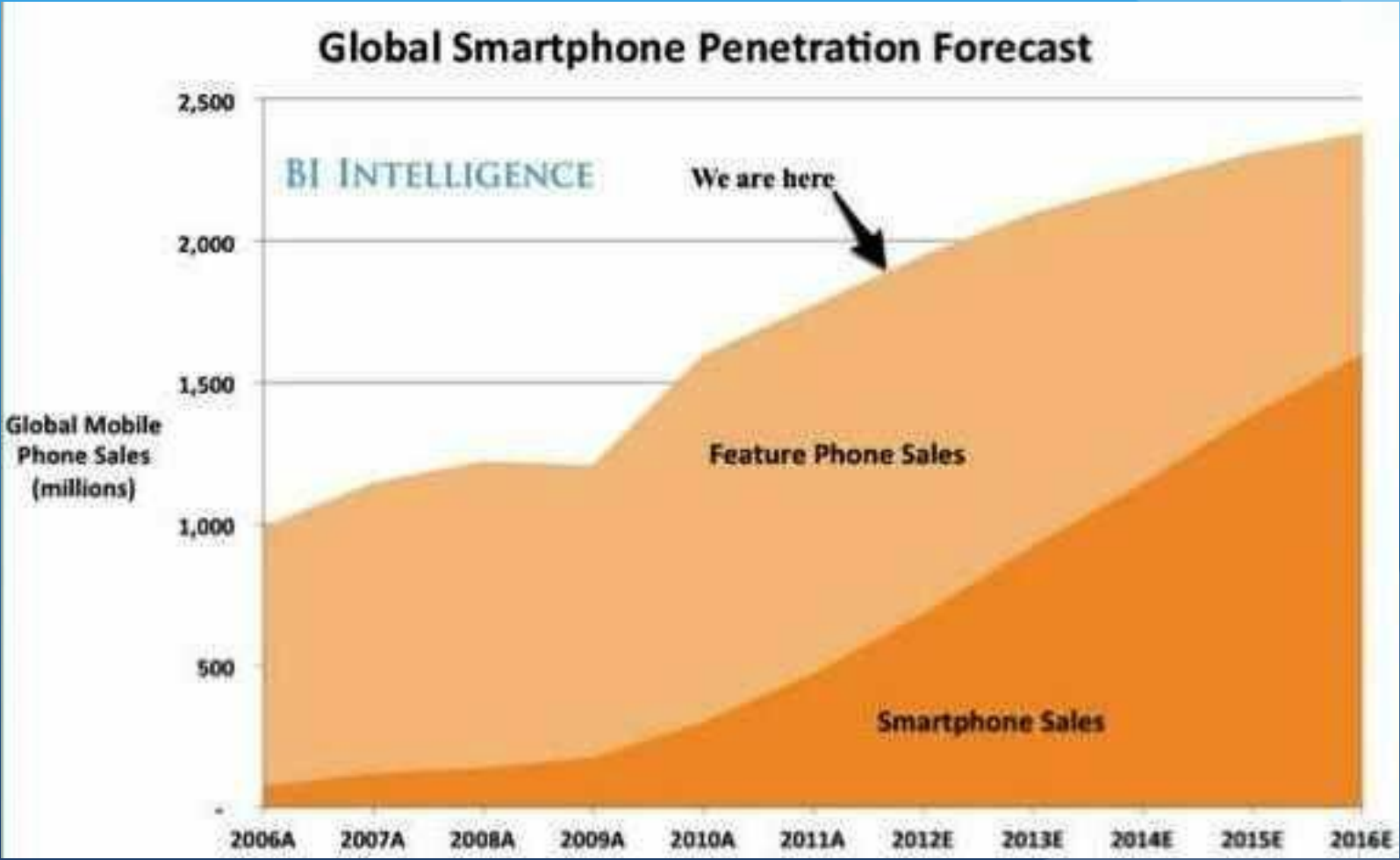
- 1M Android devices activated every day
- Over 100M activations in Q2 (source: IDC)
- 53% market share

Move to smartphones still early

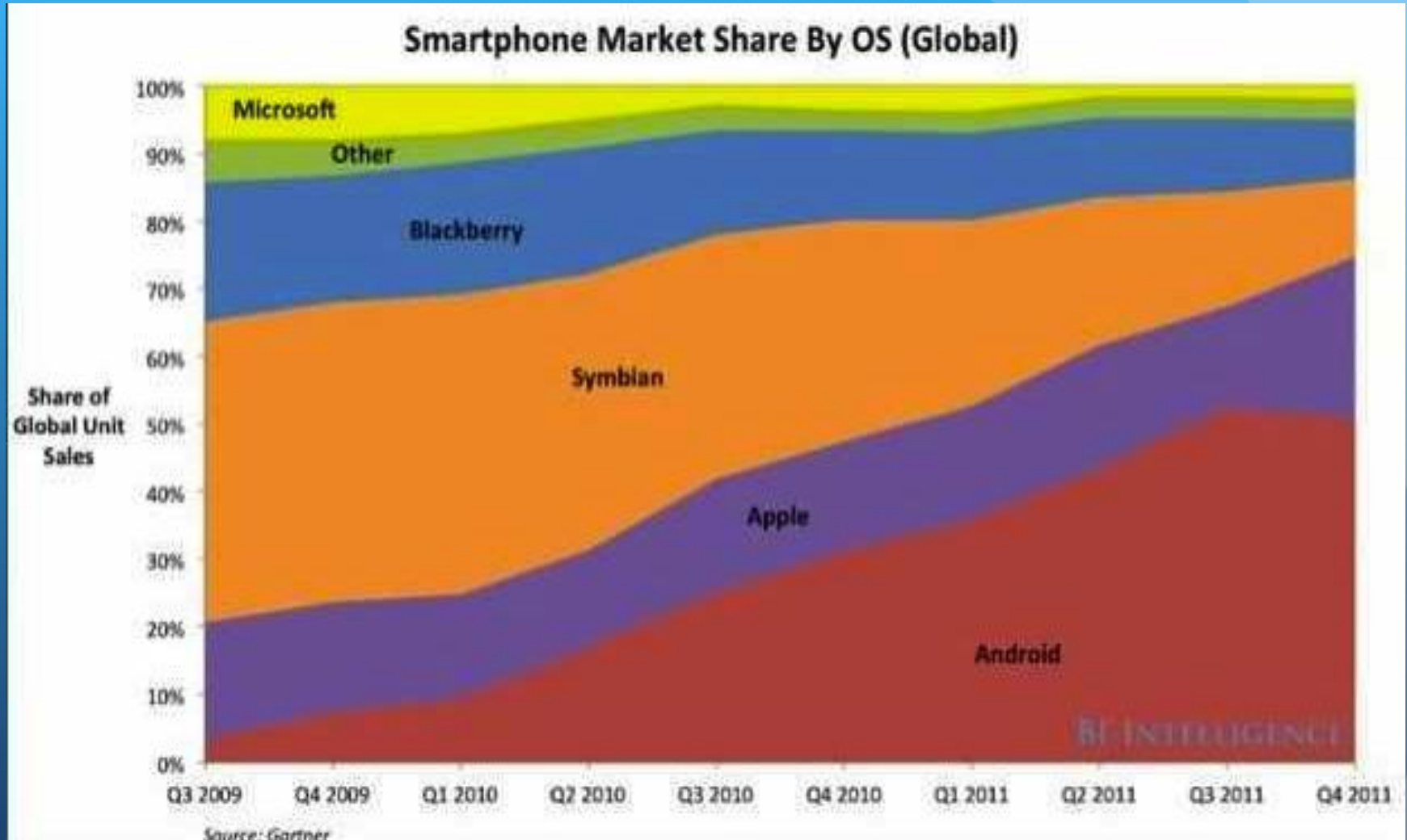


Smart vs Feature phone growth

(Estimates 9 months old)



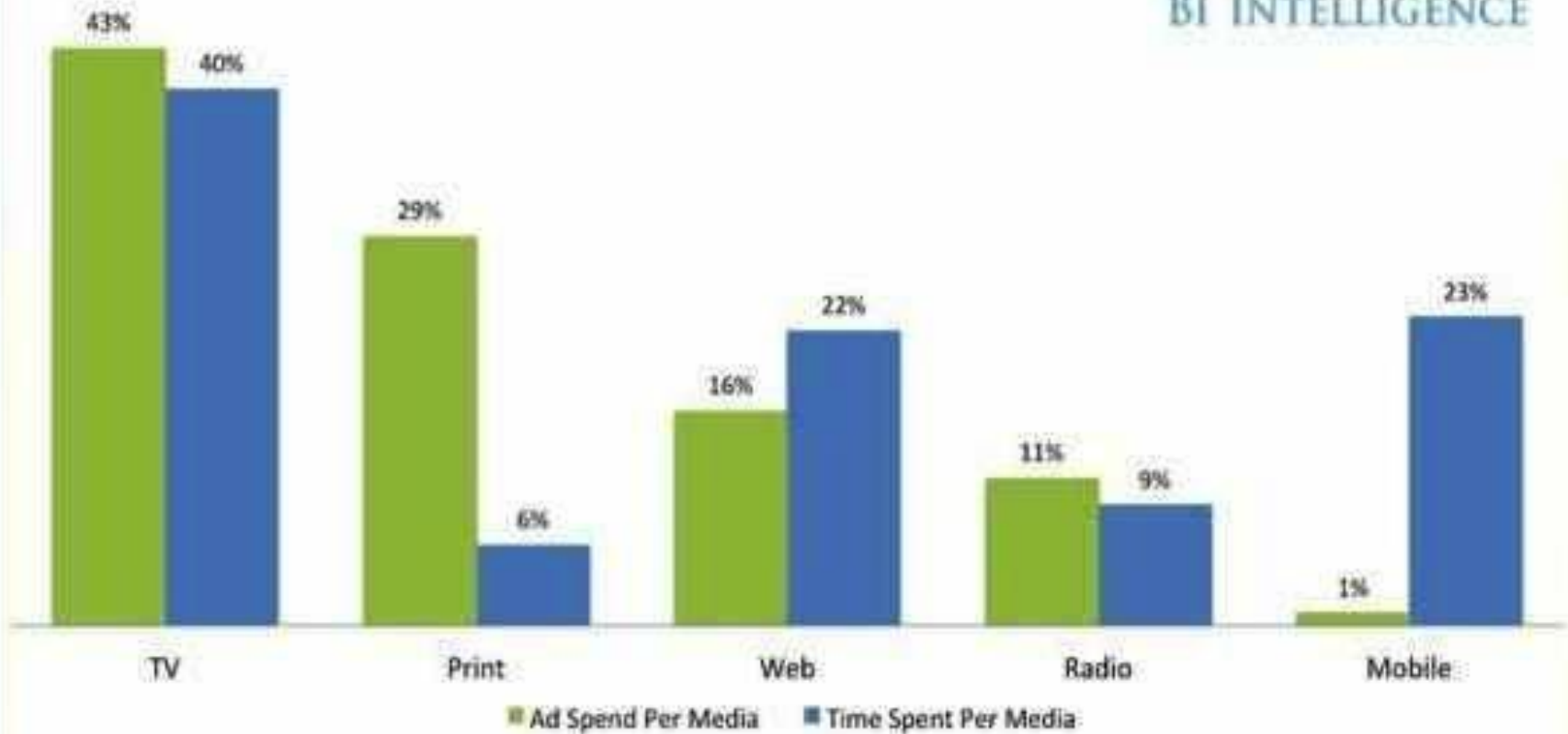
Android & iOS



Ad \$\$ vs Time Spent

2011 U.S. Ad Spending vs. Consumer Time Spent By Media

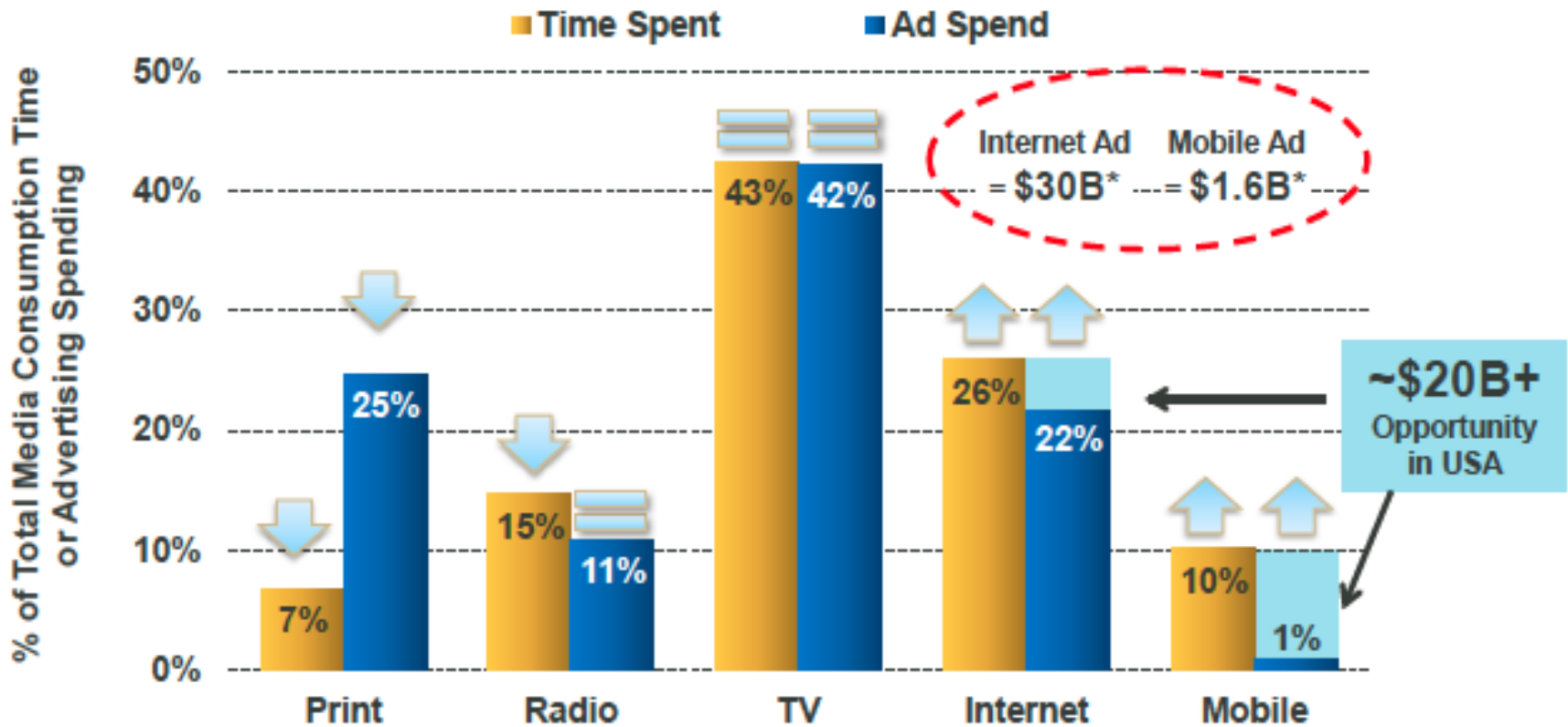
BI INTELLIGENCE



Source: V3, Mary Meeker (KPCB), comScore, Alexa, Flurry Analytics

\$20B mobile ad opportunity in USA

% of Time Spent in Media vs. % of Advertising Spending, USA 2011

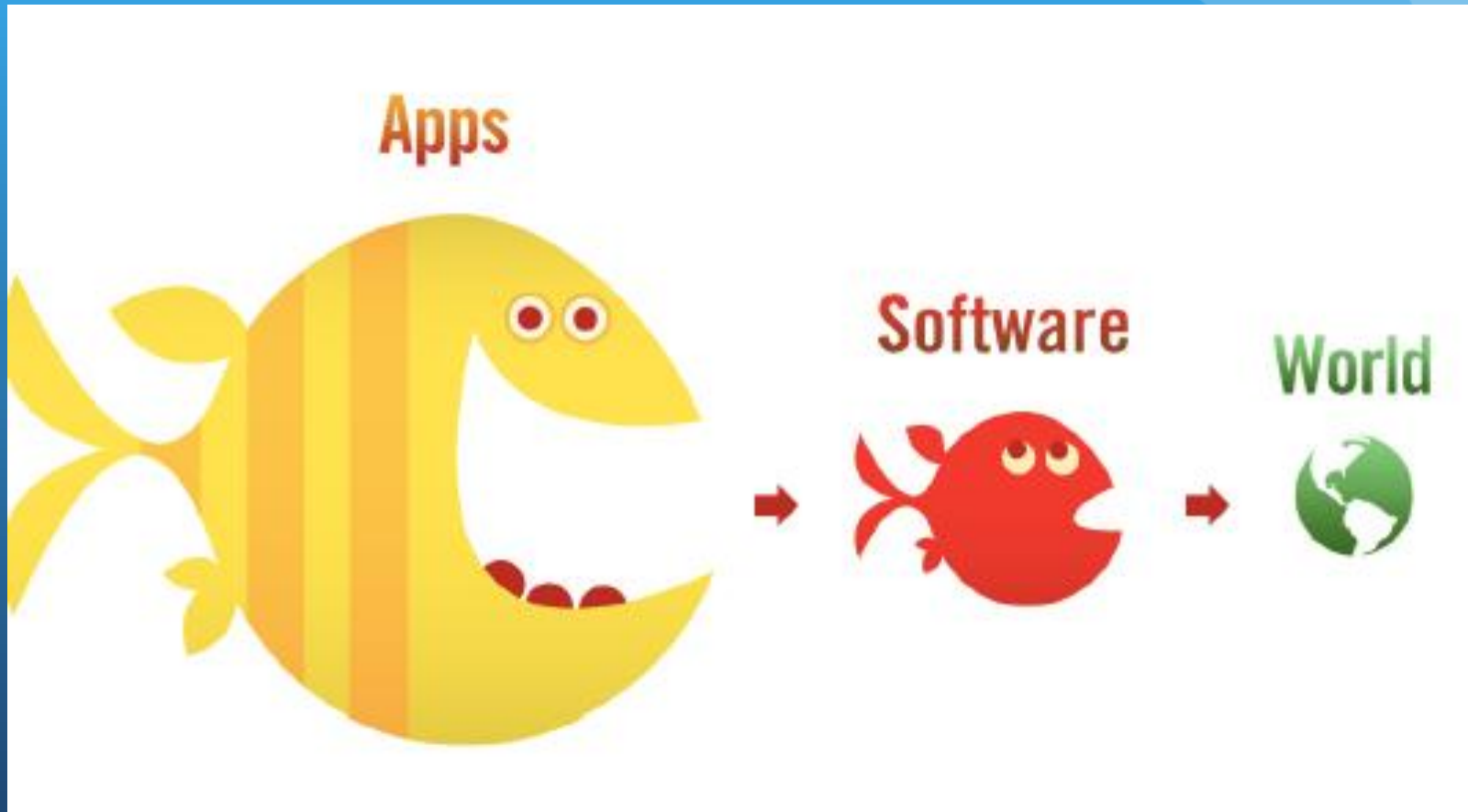


1.1B global 3G subscribers

Rank	Country	CQ4:11 3G Subs (MM)	3G Penetr ation	3G Sub Y/Y Growth	Rank	Country	CQ4:11 3G Subs (MM)	3G Penetr ation	3G Sub Y/Y Growth
1	USA	208	64%	31%	16	Canada	16	62%	34%
2	Japan	122	95	9	17	Taiwan	14	48	17
3	China	57	6	115	18	South Africa	13	21	49
4	Korea	45	85	10	19	Turkey	13	20	62
5	Italy	44	51	25	20	Portugal	13	78	19
6	UK	42	53	25	21	Vietnam	12	11	358
7	Brazil	41	17	99	22	Mexico	11	11	55
8	India	39	4	841	23	Malaysia	10	27	7
9	Germany	38	36	23	24	Sweden	10	73	25
10	Spain	33	57	21	25	Philippines	10	11	45
11	France	30	45	35	26	Saudi Arabia	10	19	17
12	Indonesia	29	11	27	27	Netherlands	9	44	34
13	Poland	28	57	17	28	Egypt	8	10	60
14	Australia	22	76	21	29	Austria	7	58	24
15	Russia	17	8	45	30	Nigeria	6	6	51

Global 3G Stats: Subscribers = 1,098MM Penetration = 18% Growth = 37%

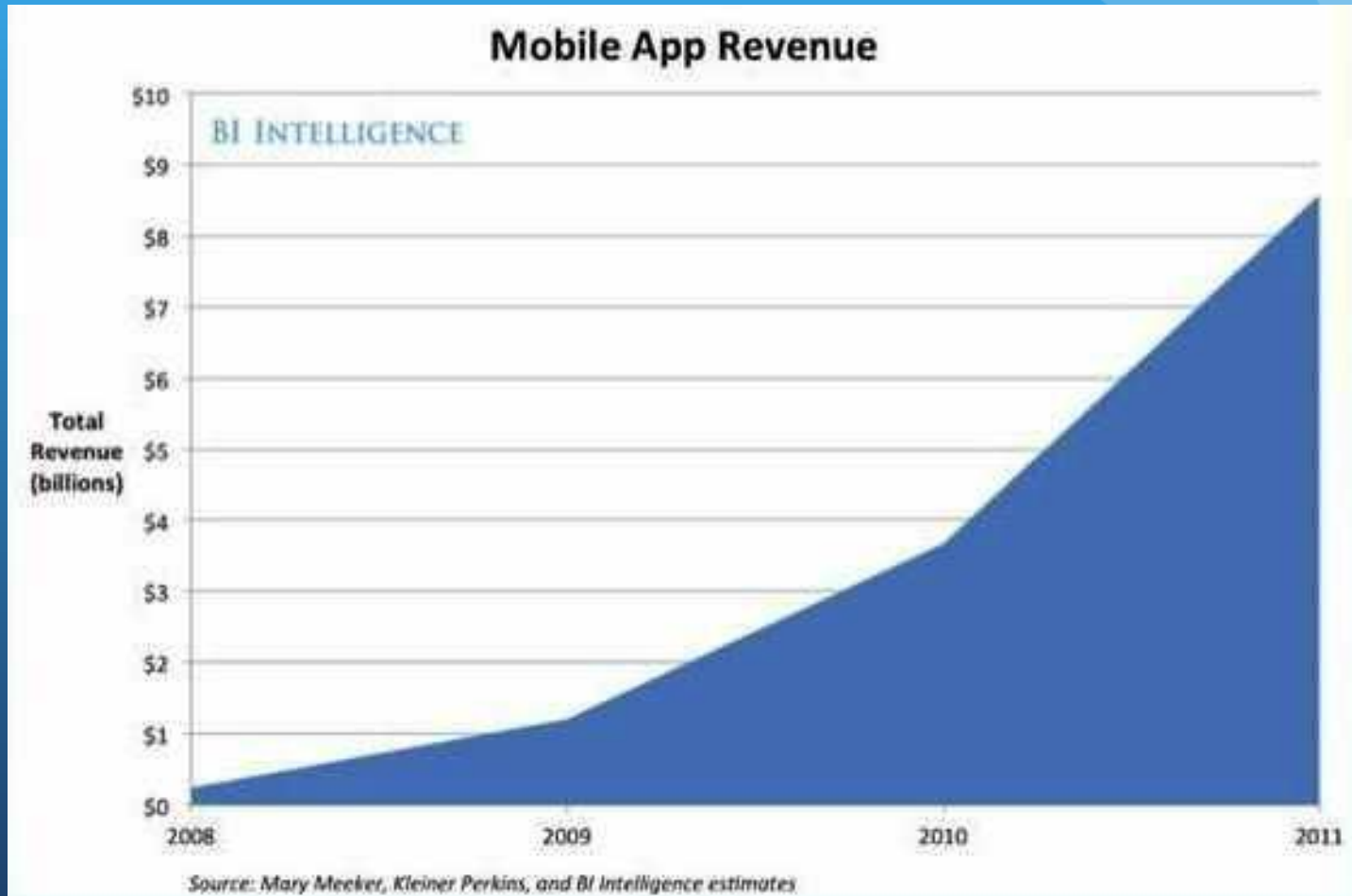
“Software is eating the world” Marc Andreessen



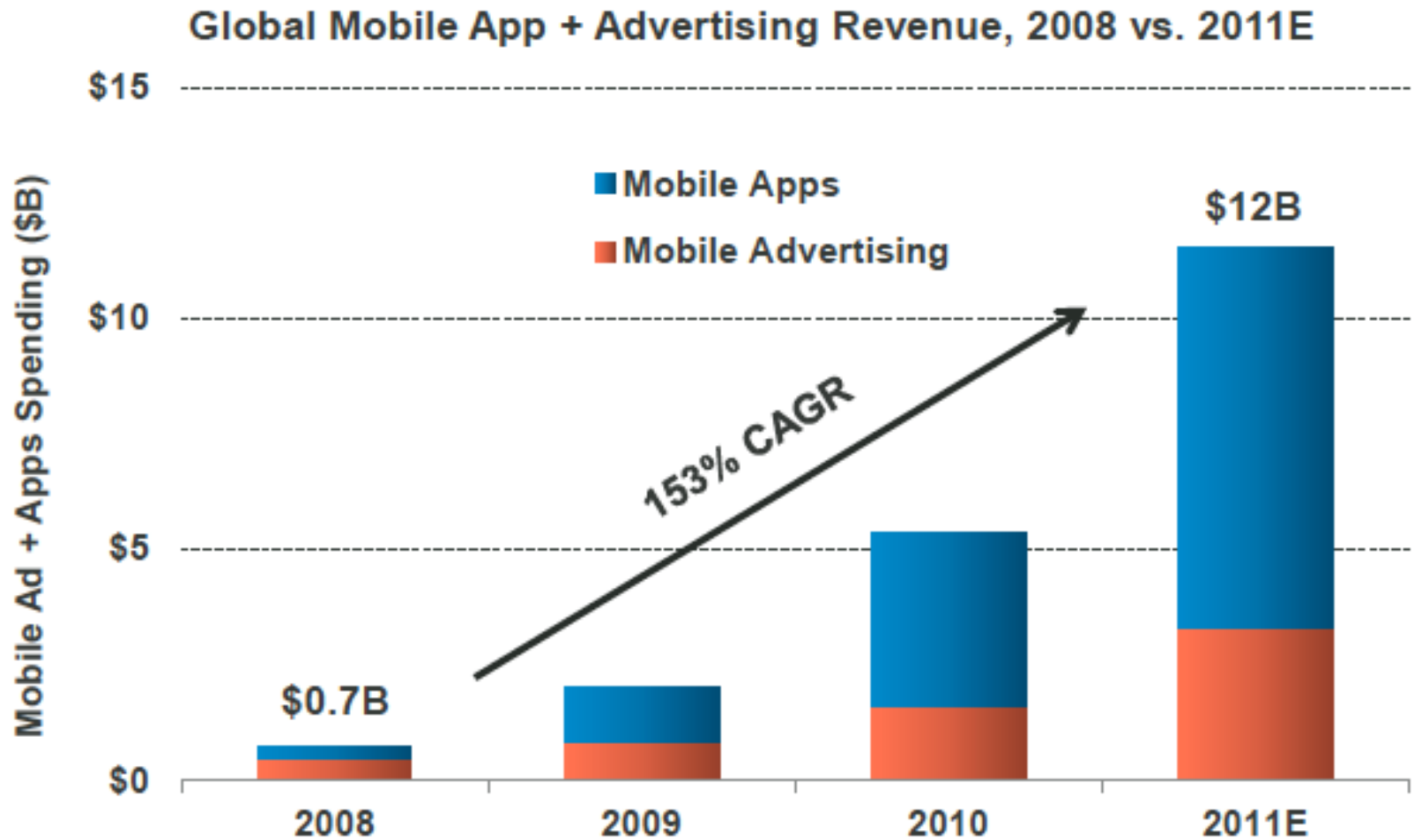
Apps eating everything!



Mobile apps \$10B, growing 100%



Mobile app \$\$ vs Ad \$



\$1B mobile app company



Instagram
Fast beautiful photo sharing.

1 Million users?



9 Years

facebook®

9 Months



9 Days

Smartphones close the Digital Divide

- Digital Divide
 - rich vs poor, affordability of PCs
 - Technical skill to use a PC
 - Home internet connection required \$\$
- Everyone will be able to afford a Smartphone
- Easy to use
- Usable outside the home & rural areas

Smartphones soon cost ZERO \$

Get your 1¢ mobile phone today.†



1¢¹

after savings with new 2-year agreement or 2-year qualified upgrade.

Samsung Brightside™

- Slide-out QWERTY keyboard
- Bluetooth® connectivity
- Social networking
- Mobile email 512421



1¢¹

after savings with new 2-year agreement or 2-year qualified upgrade.

Samsung Flight™ II

- 3" touch screen with full QWERTY keyboard
- 2 MP camera with camcorder
- Social networking
- Picture messaging 424314



1¢^{1,2,3} 4G

after savings with new 2-year agreement or 2-year qualified upgrade. 2-year qualified upgrade \$50.01 less \$50 T-Mobile® mail-in rebate debit card.

Nokia Lumia 710

- America's first 4G¹ Nokia Windows® phone
- Voice-activated Bing® search
- Internet Explorer® 9 Mobile
- 5 MP camera 463826

Find a store

Where are the opportunities?

- Games
- Games
- Games
- Only 5 of top 40 apps are NOT games
 - Messenger, Camera, Translation, Music, Calendar
- **Enterprise apps will move to mobile \$\$\$\$**
- B2C apps free, but generate huge sales

The 6 hot areas

- Mobile
- Social
- Location
- Games
- Payments
- eCommerce

HTML5 or native app?

- How much do you have to spend?
- Do you want your brand on the phone?
- Do you need notifications on the phone?
- Are location or photos a big part of your app?
- Is performance important?
- Can you afford the App Store tax?

Which mobile platforms?

- iOS and Android are obvious
- How much does it cost for other platforms?
- How much does it cost to maintain?
- Can you wait to move to other platforms?

Macromyopia

- A disease common in VCs where;
 - Overestimate the short term impact
 - Underestimate long term opportunity
- Many now underestimate the long term opportunity in mobile
- Mobile is a coming Tsunami Wave

Thank You

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