

Ayaz Peerbhoy Memorial Lecture – Speaker Notes

Jan 31, 2009. Bangalore

Good evening Bunty Peerbhoy, ladies and gentlemen. It is my pleasure to be here this evening.

Before I start, could I know how many of you are Nokia consumers?

Thank you for your brand choice, I knew that Bunty had intelligent friends!

I am honored to be here for a number of reasons, the first being that this is a memorial lecture for a man who did so much for Indian business. I did not have the pleasure of an interaction but I have read a lot to realize that he was a giant of the biz fraternity. The second reason is that a number of my mentors in some way or the other have spoken here, to name two, the late Shunu Sen and Mr Gopalakrishnan.

That brings me to the reason why you have me as a speaker here. Mr Gopalakrishnan was my boss in HLL and Geeta Gopalakrishnan, his wife, was the super boss. We learnt quickly that we could say No to Gopal but we could never say NO to Geeta. She called my executive assistant Monica two months ago , checked my calendar and said please ensure he is in Bangalore on 31 st Jan. So, here I am.

Being from Nokia, being a marketer, Bunty asked me to speak on Mobility and how Mobility will shape the future. So, at the end of the 45 minutes, I would like you to take back three messages:

- 1. There is enormous change from consumers**
- 2. Consumers are seeking relevance more than before**
- 3. The opportunities for someone who commits to Mobile marketing**

Let's begin.....

In the past, you called a building to talk to someone, now you call the person direct. In a profound way, that's what mobility has given us, direct personal access.

How big is mobility today? There are 4 billion people owning a mobile phone globally, please compare that with two other categories, a billion and a half Televisions and a billion PCs. Today the mobile phone can do what both the television and the pc can do and do it in a personal way.

Mobility has had a profound impact on the world and the way it works. Two separate studies by McKinsey and the London Biz School point out that the GDP of a country moves up between 0.6 to 1.0 pc with every 10 pc penetration jump in mobility. That's a lot for developing economies like China, India, Africa, SE Asia etc. India's current cell phone penetration is around 30 pc.

Mobility is the death of the middleman, access to information ensures that illiterate and disadvantaged people get wiser through mobility. Large chunks of people start participating in the formal economy due to mobility.

Mobility makes individuals more productive. We find that carpenters, electricians, plumbers are all able to manage their time better; it is like a personal time keeper.

Access to information is empowering and that's what Mobility does. Equally, it is a safety device for women and children.

Mobility has also seen the rise of citizen journalism.

I have extolled the virtues of mobility and it is likely that some of you are thinking that there are also the downsides of mobility. Yes, there are downsides too, for example, some people refer to mobility as an electronic leash, some are worried about privacy, some are unhappy about the death of manners as people are talking to everyone except those around them! Some are concerned with talking while driving. The biggest question I get asked by many parents is of course the difficult one ... "Shiv, at what age do you think my son or daughter should have a phone?"

Let e now start with the first message, Change has arrived in a big way at the consumer doorstep thanks to mobility.

Times are changing, Twenty years ago, politicians rarely used technology, now they embrace mobility in a big way. The reverse is also true, Filipinos voted out Joseph Estrada in 1991 by organizing themselves around sms s.

A mobile phone is a very personal product; people have a deep relationship with their mobile phones. It is a device which offers you connection with another person, another interest and of course you can connect with many if you so choose at the same time.

Les look at the youthful consumer we encounter today. These kids, typically urban, are a multitask, multidevice generation, they can seamlessly move from one device to another. They read, write, and communicate across form factors. They are the DIGIKIDS, more specifically the 2 Digit Kids, this is a generation well versed with gaming. This means that they are short on patience, want instant response, instant gratification, lose interest with novelty quickly and expect rich interfaces in all their experiences.

This type of consumer is a participative consumer; this is an individual who believes in the power of the community. We are seeing surveillance to sousveillance, information, power, meaning is moving from a vertical axis to a horizontal axis.

User generated Content, Social networking, Peer to peer sharing.

This individual wants to be the sun of the solar system he defines, this insight is what makes face book such a winner.

This consumer is moving from WebPages to widgets. What are widgets? Widgets are specialized information apps that connect you to your area of interest, e.g. weather, e.g. hotels, e.g. museums etc. In a way it is a niche Google.

I did mention that mobility has a profound impact across the society. The mobile impact is not just for young urban consumers, it is also shaping the way lo end consumers are behaving. I will cover more about this in the final section with a Nokia example. Sop, in effect I would say that a mobile phone is not a digital divider; in fact it is a digital unifier!

That leads to me to what works on mobile phones? The key is Relevance, relevance whether you are an up-market young consumer or a small town consumer.

Why are we talking relevance? We know of one clutter, that's the media clutter and the advertising clutter. We are now seeing application clutter; on any given day we have 200k videos are uploaded onto YouTube. That number will grow multifold when 3 G comes to India.

In Nokia, we say that CONTEXT is key to relevance. For us context is about people, places and time. Let me explain this with a Bangalore example, if you were in Garuda Mall and shared this information, then your friends would know where you are, if they happen to be there, you can meet them, marketers know where you are and can signal to you anything that is of interest to you in that mall. At the heart of context is trust, if the consumer trusts the brand, then he or she will part with the information so that they benefit from it.

Context will mean local search, there is Google SMS search, there is Sulekha etc. It will also mean blue casting where consumers have their blue tooth on so that they can keep receiving messages, they will then decide whether to act on the messages. This has enormous implications for retail advertising, something which has been local print, local outdoor, local TV and local cinema led. In effect we will see a personalized wiki for every consumer.

Let's now go to the final section which is the opportunities with a medium like mobility.

Most of the world has moved via 4 screens, the first being the cinema screen, the second being the television screen, the third being the PC screen and the fourth the mobile screen. In India, it is the first screen. In order to win on this screen, content will be key. We do not realize that we are possibly one of the richest content countries in the world; this is a direct result of a secular diversity, as a result of the Bollywood, Tollywood, Kollywood. This generation consumer with a mobile phone will lead to a new concept, contentising, which is a combination of content and advertising. The key for a marketer is to involve consumers, have an ongoing adult to adult dialogue with them; do not be afraid of it. That dialogue will push everyone in your firm to be more responsive

to consumer needs. The gaming industry has got some aspects of this participative consumer right. They have feedback, they have levels, they have anonymous benchmarking and anonymous competitiveness.

We are running a unique service in six districts of Maharashtra. This is what we call emerging market services. We offer for a fee, information and inputs for agriculture, education, entertainment. Let me describe it

If you want to attract this consumer, you need to meet his or her expectations of seamless experience, speed and rich sensory experiences. The metrics to measure success will be very different, let's take a look at a few of them. For a start, what is the metric? It is not TRP, it is not OTS, maybe it is opportunity to participate, and maybe it is opportunity to contribute. As you do this, you will realize that Industry boundaries will get blurred as a lot of content will spillover.

If you want to target this new consumer with this new medium, you will have to think like an internet company, quick, calculated risks, and collaborating with consumers to win.

In summary, let me conclude with

Thank you once again ladies and gentlemen, thank you Bunty Peerbhoy for having me here at the 28 th Ajaz peerbhoy memorial lecture.