



What's moving the «mobile world» in 2016?

How has the mobile market evolved in the past year? And what trends are emerging in relation to mobile technologies and what opportunities do they bring to suppliers and consumers?

An analysis and assessment of appculture.

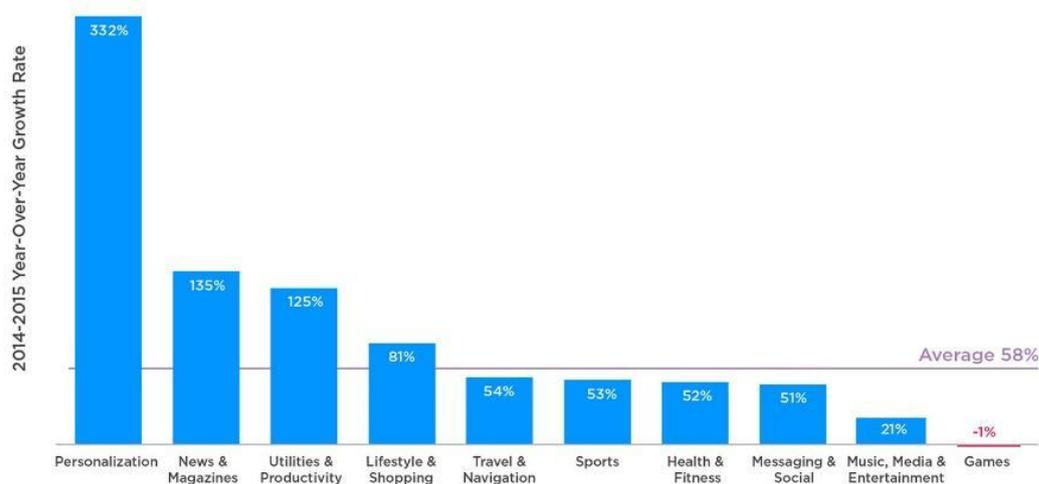
March first, 2016

App usage still growing, especially among phablet users

Around a quarter of the world's population already owns a smartphone. In Switzerland 78% of the 15-74 years old are using Smartphones (+9% compared to 2014) and 48% tablets, as [Comparis](#) found out in a recent survey.

App usage, defined as a user opening an app and launching a session, has increased again by 58% in the past year, as found by [Flurry Analytics](#) in its tracking of 2.1 billion smart devices. Apps that have seen above-average increases in usage are personalization apps like emoji apps (+332%), news apps (+135%), utility & productivity apps (+125%), and lifestyle & shopping Apps (+81%).

Mobile Use Grows 58% Year Over Year (Sessions)



Source: Flurry Analytics, 2014-2015

As Flurry further discovered, phablet owners are the most avid app users, spending 3 times more hours on their device than the average smartphone user, especially using apps delivering multimedia content. While the phablets now enjoy a 29% market share, Flurry forecasts that that share will skyrocket to 60% by 2017.

Our conclusion: users committed to feature phones will become rarer as falling prices make smartphone access possible for an increasing number of users. Consequently, one can also expect that the usage of apps and the usage of mobile browsers (according to [statcounter](#) 44% of global browser accesses) is still likely to rise for a while to come.

M-commerce continues to climb

Performance marketer Criteo had the following remarkable findings in its Q4 2015 [State of Mobile Commerce](#) report:

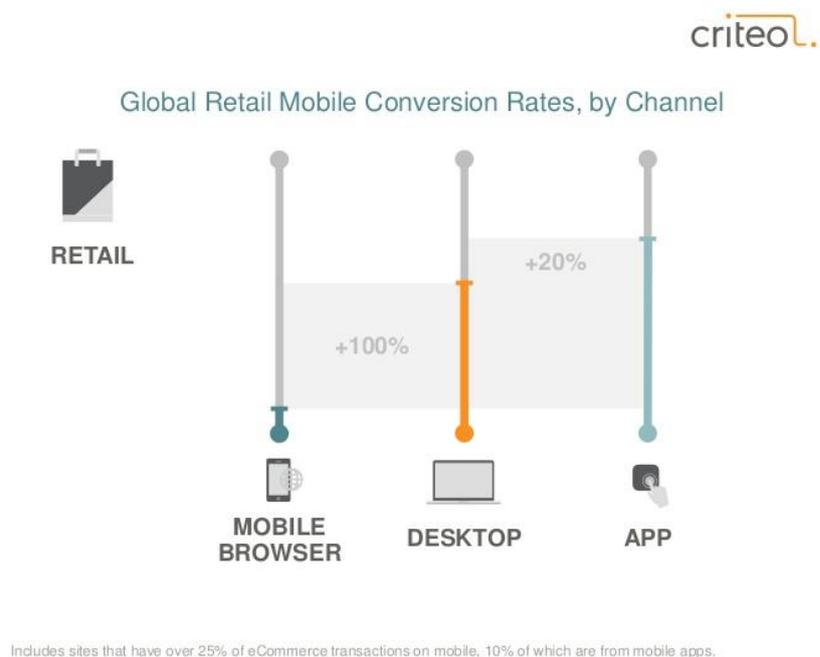
- 35% of all e-commerce transactions in the world came from mobile devices by the end of 2015
- Cross-device shopping has become a trend: 37% of customers visit an online shop on at least two devices before making a purchase, whereof 31% on a mobile device
- Apps convert visits to sales better than mobile browsers and even desktops
- The purchase volume per app transaction is higher than those done via mobile browsers or on desktops

Apps convert better than desktops

Due to the native environment and additional control of the purchase path, retailers see a higher conversion rate on their apps than both mobile web and desktop.

Technologies like deep linking and mobile retargeting can help retailers drive sustained engagement and transactions in their apps.

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Our conclusion: e-commerce providers are well advised to adjust their platforms to cater to mobile users. At a minimum, they need to offer a version of their site optimized for mobile browsers. They will be best positioned in the struggle for market share if they have their own shopping app that delivers maximum usability and performance to potential customers.

Social Commerce is getting of the starting blocks



If you're looking to get into mobile advertising, the best option nowadays – also to get around ad blockers – is to do so directly in popular apps using [native advertising](#) – e.g. In-Feed ads on Twitter, Facebook or Pinterest.

But that's not all: social media platforms as well as countless blogs on just about any subject are becoming effective [e- and m-commerce boosters](#): products are not only being endorsed or recommended, but can be bought instantly. We guess that quite a few bloggers now make a rather comfortable living from the kickbacks of [affiliate programs](#).

Our conclusion: the boundaries between social media, blogs, and e-commerce platforms are becoming increasingly blurred. Ideal preconditions for impulse buying on the couch or wherever...

Great for business: mobile business & enterprise apps



Business apps are currently ranked in 2nd place among the [most popular apps](#) in Apple's app store (behind games). Apps like Slack and Salesforce facilitate corporate communication and collaboration no matter where the team members are located, while apps like Box and Evernote make document handling a breeze and apps like Harvest enable mobile time tracking.

The trend is continuing to evolve into what are becoming actual "mobile enterprise apps" offering solutions for individual aspects of business, such as sales & marketing, finance, and HR, and industry-specific solutions, such as the wide range of mobile enterprise apps from [Apple and IBM](#).

In addition to the standard solutions, companies are also commissioning custom applications specifically tailored to their internal needs (for example, see the [ewz apps](#) for the roll-out of the Zurich fiberglass cable network).

Our conclusion: CIOs and CTOs of all companies of all sizes will be unable to avoid having to address the potential of mobile business or enterprise solutions.

Mobile payment: something's happening...



It is more than likely that sooner or later smartphones will become a major way of making payments on the go. Various providers are currently experimenting with different solutions.

In addition to a few smaller providers (Mobino, Muume, Klimpr) and business-related solutions (Manor), the major players on the Swiss market are now jumping in: UBS, ZKB and SIX Exchange came up with [Paymit](#), a solution that for the time being only allows transfers among private individuals and PostFinance is currently rolling out [Twint](#) at Coop and Migros. It is being offered on a prepaid basis and uses Bluetooth to transmit data.

It will be interesting to see the international «Big players» launching their solutions like [Apple Pay](#), Android Pay and Samsung Pay also in Switzerland, which can be expected within the next 1-2 years.

Our conclusion: users are demanding convenience, but also security. Therefore, a mutual coordination of hardware and software is essential. We are therefore convinced that only Google, Apple or Samsung will have what it takes to prevail across the board.

Virtual reality: ready for take-off?



In contrast to the concept of augmented reality, users of virtual reality (VR) applications will immerse themselves completely in computer-simulated 3-D worlds that deliver the illusion that the virtual world is reality. VR is used in fields such as medicine, military or the airline industry (flight simulators), but also increasingly in the entertainment sector (games, movies etc.).

As also [Mobile World Congress 2016](#) showed, manufacturers have invested in a considerable range of VR hardware: for example, Samsung with its third-generation of [VR Gear](#)-Headsets, which is said to be delivered for free when purchasing the new Galaxy S7. In combination with the announced 3D-camera [Gear 360](#) the user will not only be able to consume VR, but also to produce it. For the high end segment there are products like «Oculus Rift» and «HTC-Vive», who are connected to PCs and therefore out-do smartphone-VR in terms of quality.

Bottom line: if you've ever given VR a try, you can understand the addictive effect it could have. We assume, that – thanks to falling hardware costs and an increasing app supply – especially smartphone VR might be booming soon.

The Internet of Things (IoT) continues to grow



According to [Gartner](#), there will be no less than 6.4 billion of connected objects in the IoT by end of 2016 (30% more than in 2015), and 20.8 billion by 2020.

The IoT will influence almost everything. Energy supply will become «smart», as well as production and transport systems, buildings, medical devices, homes, cars and wearables like watches or clothes and much more. Examples in the field of «home automation»: you can now have an app to have a cup of coffee remotely brewed as you like it or you can control your lighting, blinds and air with your smartphone-screen.

This year's [Innovation World Cup](#) in Barcelona awarded two Swiss IoT-Innovations: [Kizy](#), enabling in a simple way a global localization and tracking of objects, and [My Lock](#), a solution transforming smartphones into a virtual key ring for doors, mailboxes and furniture.

Smartphones can play an important role in the IoT: Firstly, as a remote control or for additional services such as spare parts ordering or payments. On the other hand, they can even serve as server/storage platforms wherever network availability and bandwidths and high data sensitivity speak against storing the data in the cloud.

Our conclusion: The IoT will undoubtedly bring us many new amenities and will open new areas of business for many companies. But - as [internetsociety.org](#) also writes - it is strewn with many potential pitfalls such as security (cyberattacks) and privacy protection issues.