



cutting through complexity™

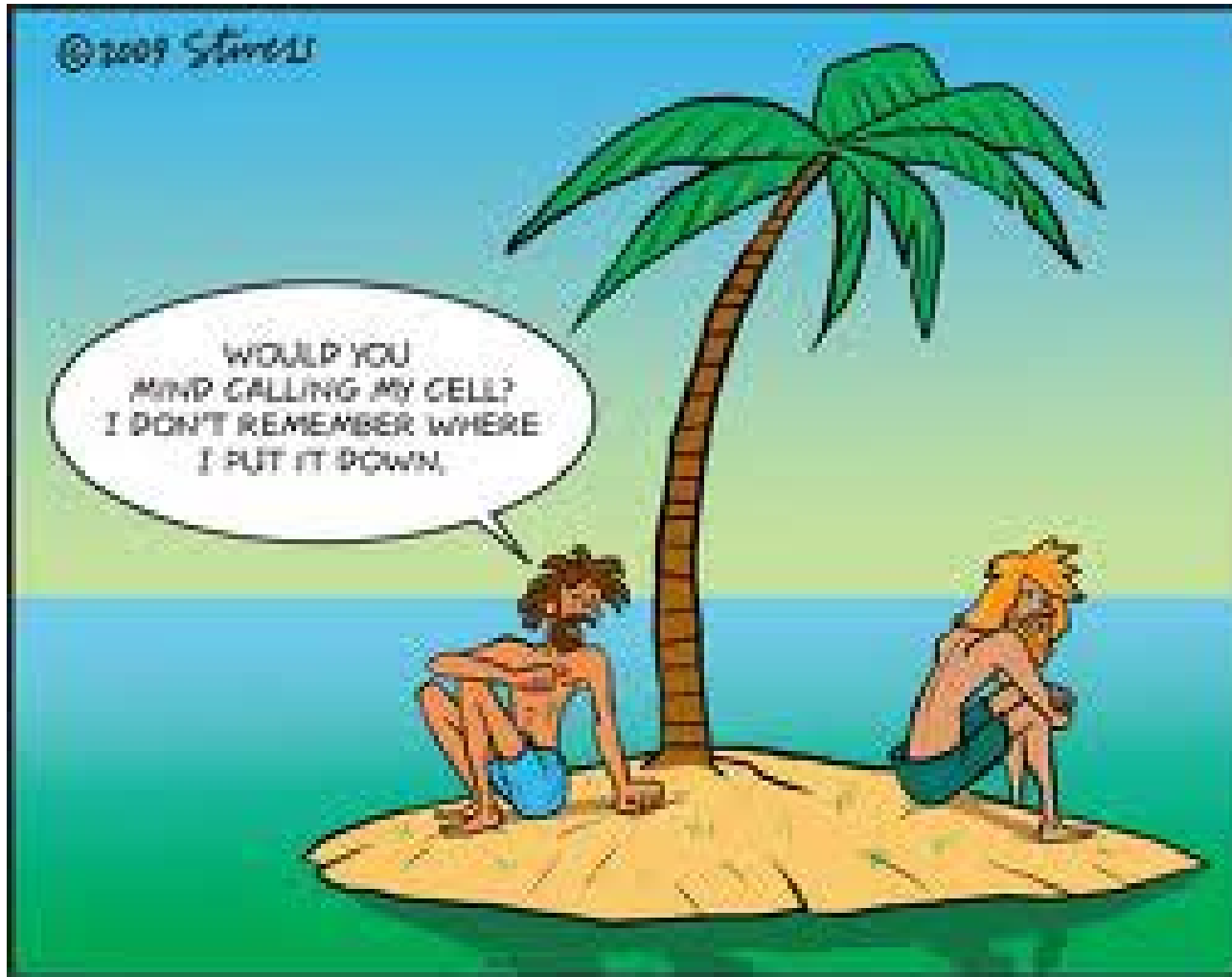
The impact of mobile technology on our daily lives

24 August 2012

As it's a family business conference... ...meet the Alder family and it's mobile profile...



There's me.....



I have a teenage daughter...



...a 12 year old son...



'Trust me. If they do ban mobile phones in schools, you will gradually learn to speak without one.'

And my lovely wife....

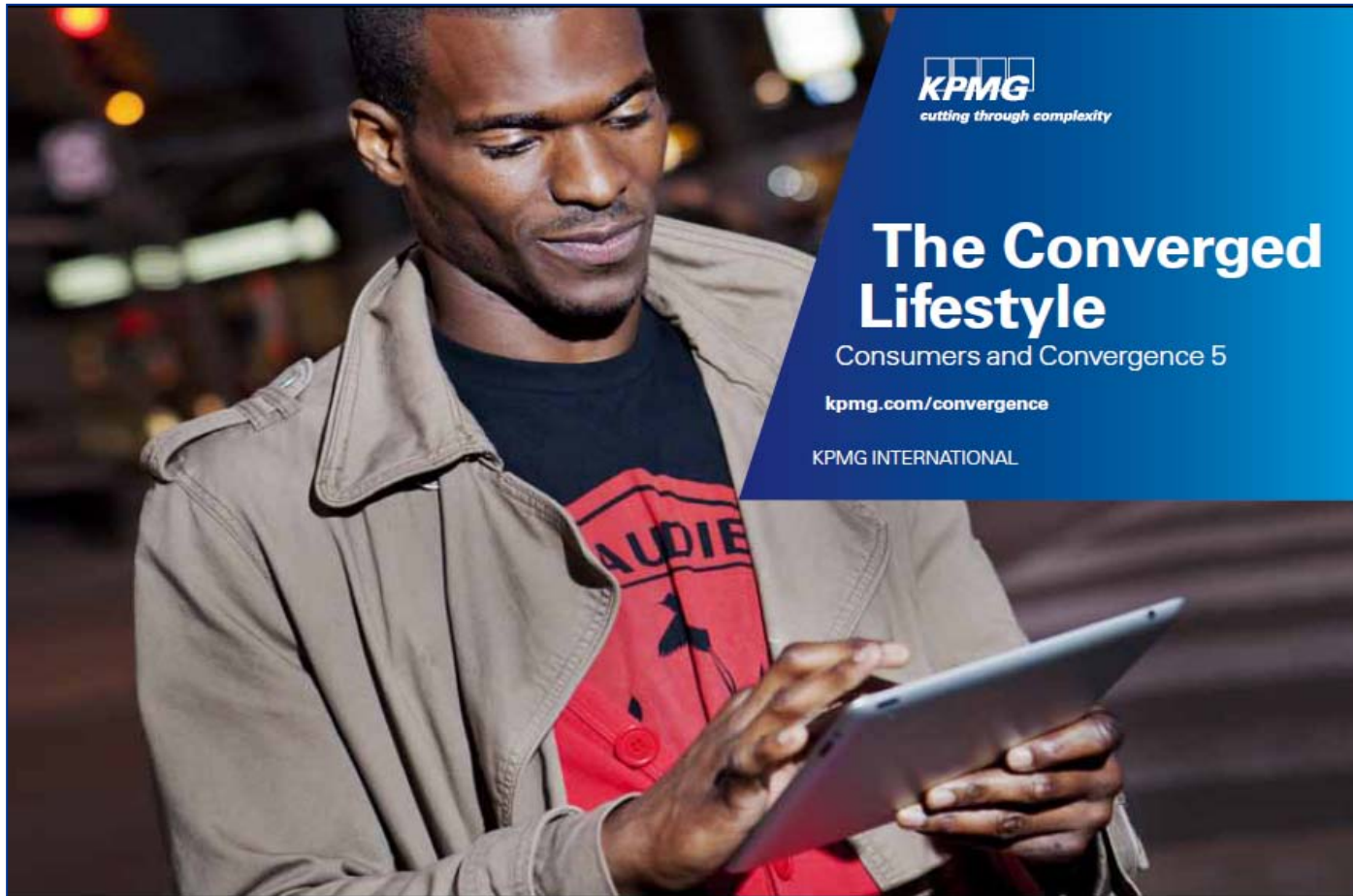


" I juggle a family, a career, and three cell phones. "

Contents

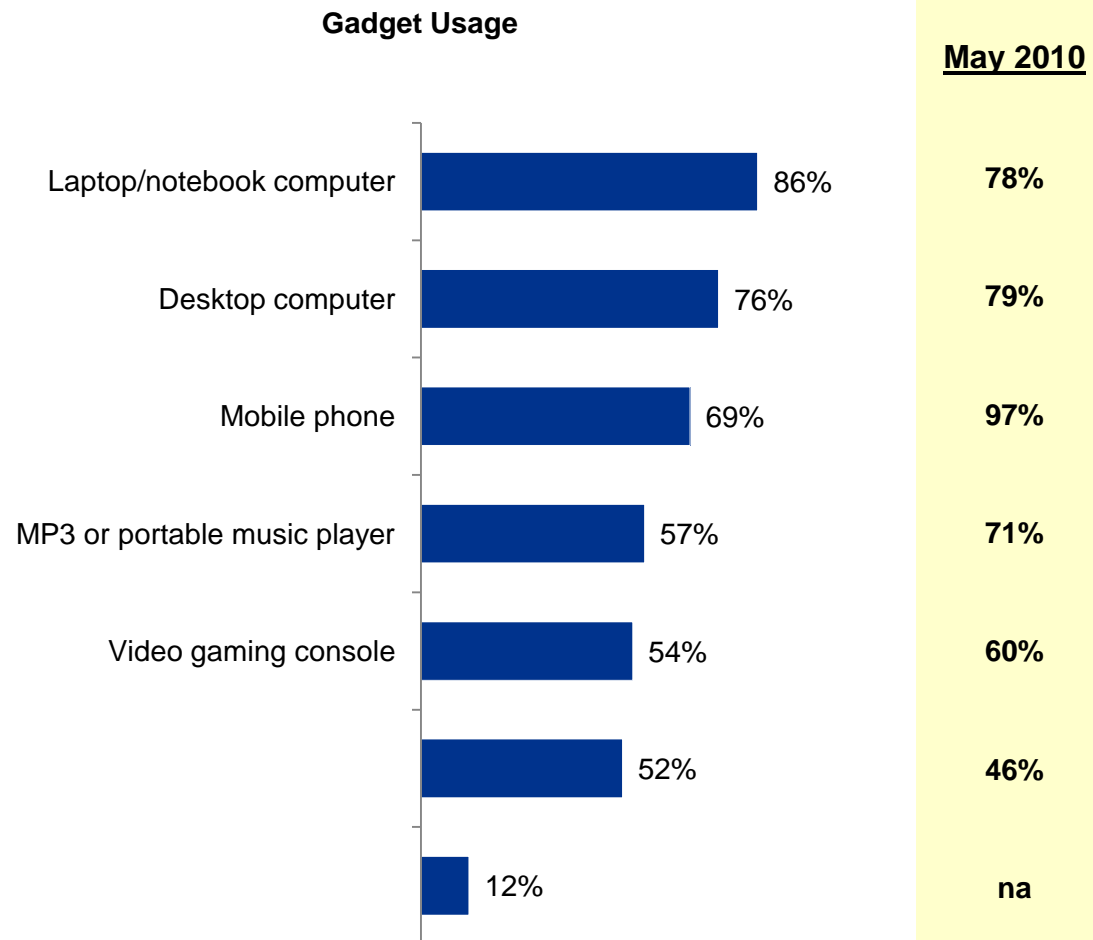
- 1. Mobility in perspective**
- 2. Generations apart?**
- 3. A quick word on social media**
- 4. What is right for your business?**
- 5. Questions**

What devices are Australians using today?



What devices are Australians using today?

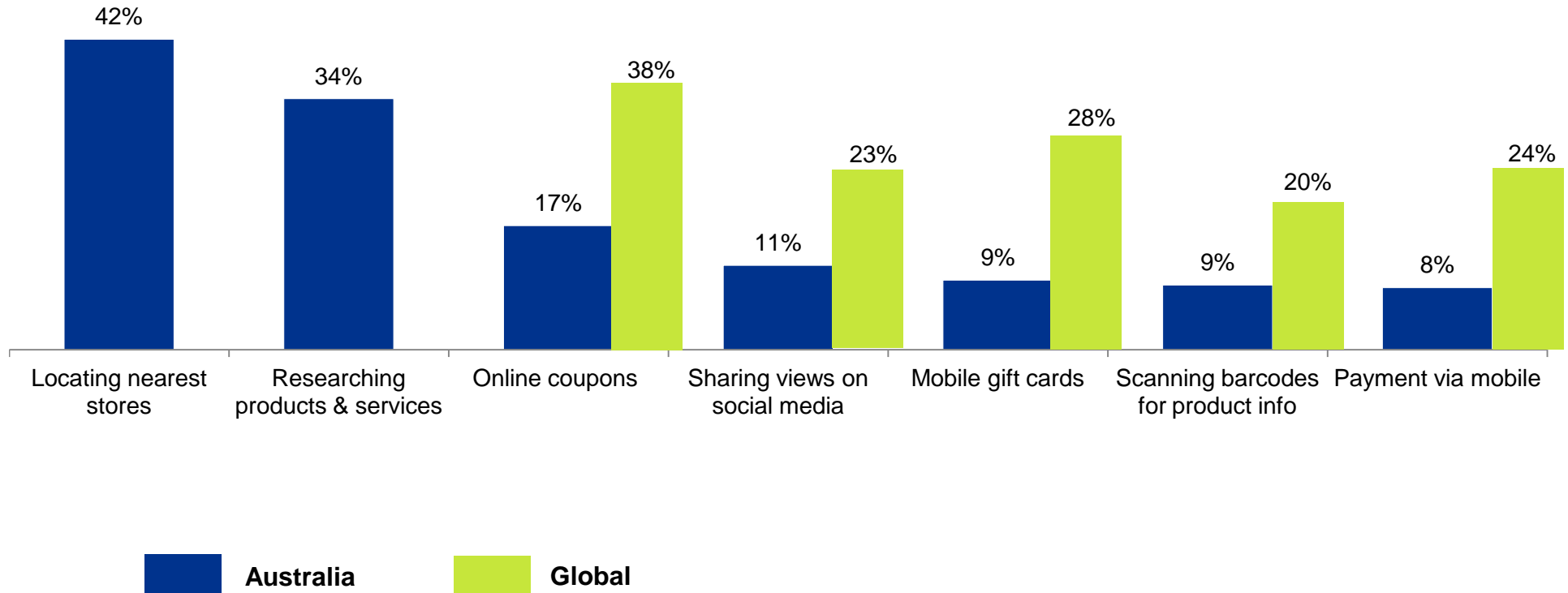
Do you have access to and use the following?



Shopping is becoming a highly interactive experience

When shopping at retail outlets, which of the following services have you used on your smartphone or tablet?

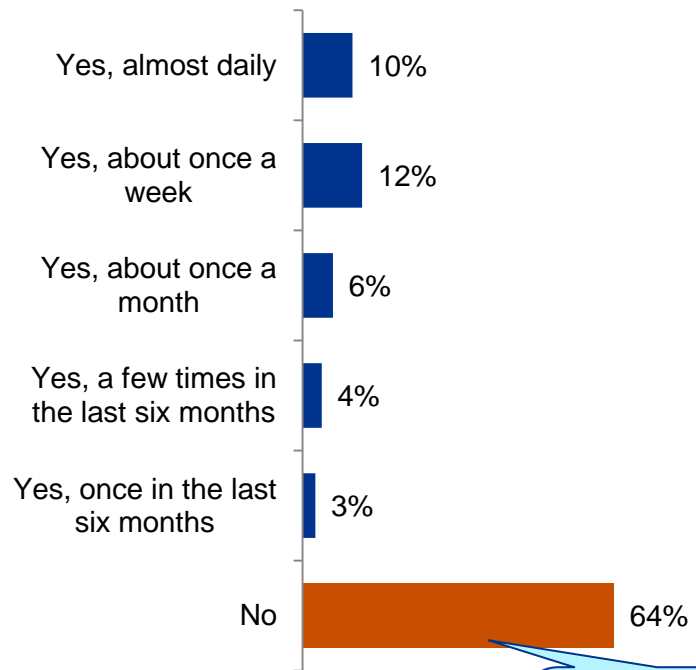
Services Used on Smartphone/Tablet while Shopping at Retail Outlets



Although we love mobiles, we don't yet love mobile banking

Have you used mobile banking in the last six months?

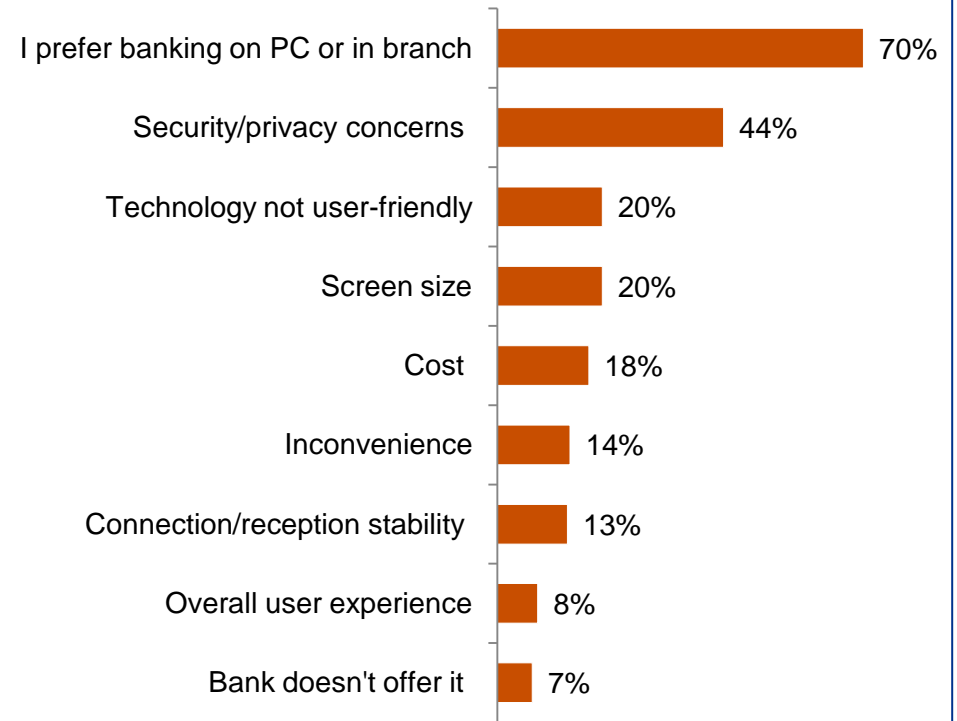
Mobile Banking Usage



Global = 48%
ASPAC = 40%
UK = 73%
US = 67%

What is the main reason you have not conducted any banking through a mobile device in the past six months?

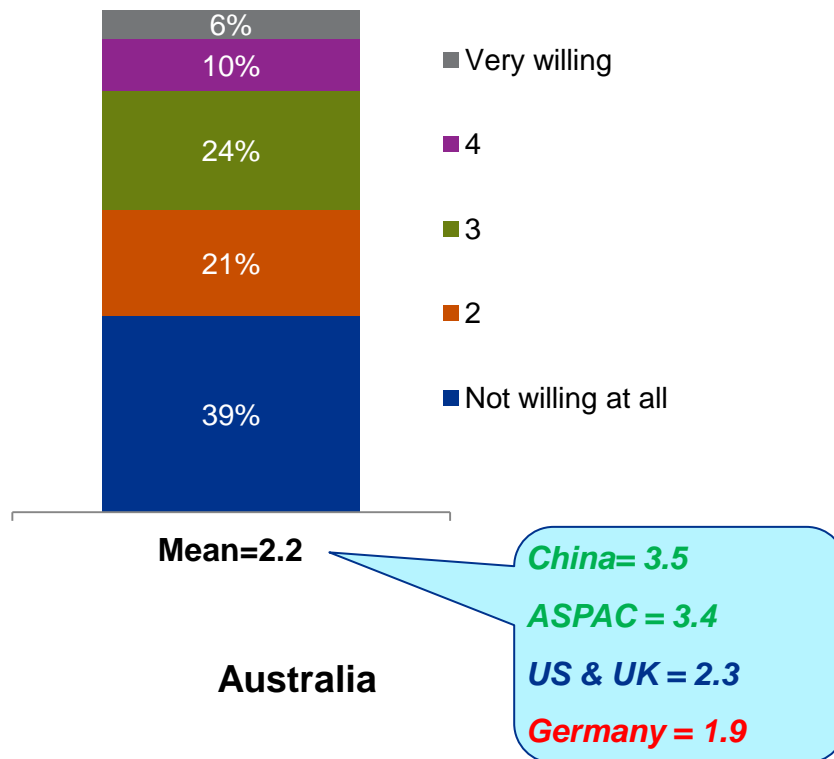
Reason for Not Using Mobile Banking



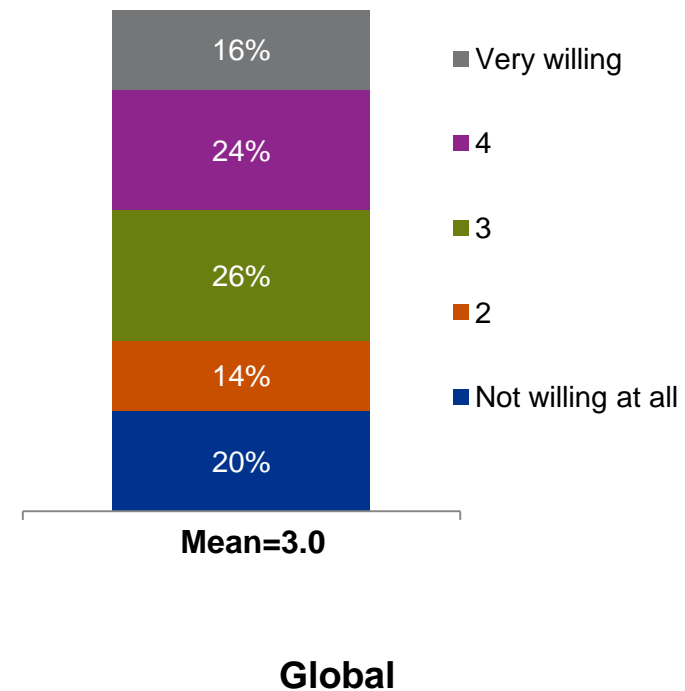
And the phone as a mobile wallet is still a way off...

Q38. How willing would you be to use your mobile phone as a wallet ?

Willingness to Use Mobile Phone as a Wallet



Willingness to Use Mobile Phone as a Wallet



Australians remain very concerned about mobile data security



But the raw numbers for mobility are compelling...

Devices

8.8m smartphones in 2011....

....forecast to go to **18.6m** by 2015...

...being **87%** of 16-85 year olds.

Work patterns

c. **1.4m** people work from home now (about 1 in 8)....

....up to **\$1.9bn** pa (& 320,000 tonnes of carbon emissions) will be saved if current teleworking goals are met.

Mobile is now mainstream for business not just communication & entertainment...

1 out of 5 people research products on mobile devices while watching TV

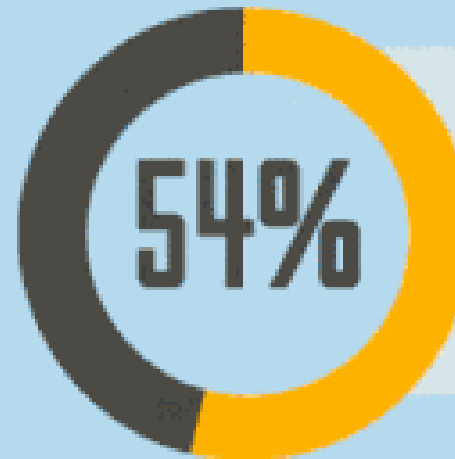


BRACE YOURSELF



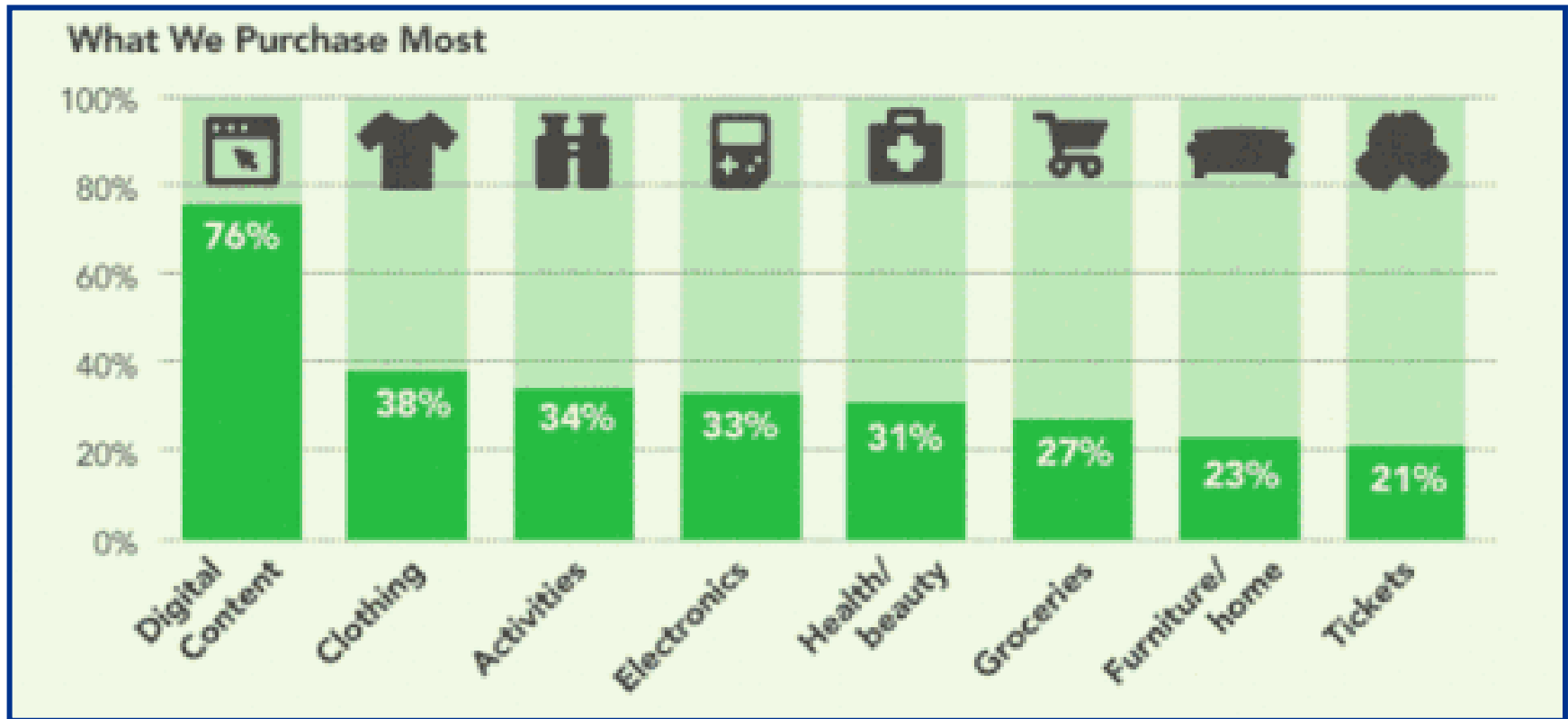
Worldwide, m-commerce is set to hit **\$119 BILLION** by 2015

E-COMMERCE IS EXPECTED TO GENERATE **\$1 TRILLION** IN REVENUE BY 2014



Projected amount of retail purchases made online by 2014

And this is what people buy through their mobile...



Smartphones = apps

Mobile apps are an increasingly important channel.

Consumers love their apps.



70%
of users have **10+** apps.



29%
of users have **30+** apps.



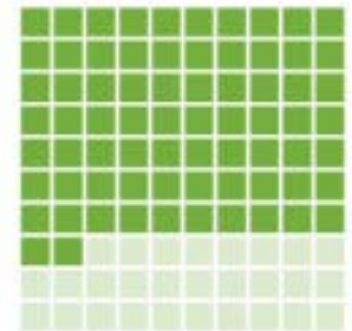
12%
of users have **50+** apps.

Customer service apps
impact brand.

A good customer service app = a happy customer.



72% of consumers
have a more positive view
of a company if they have a
customer service app.

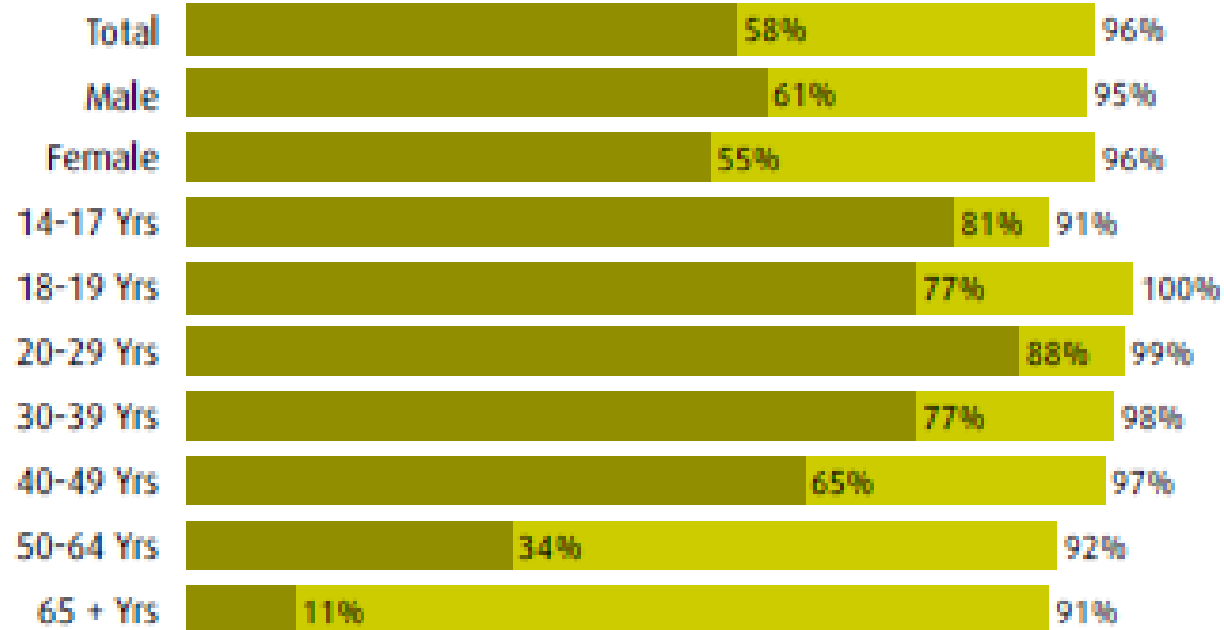


Contents

1. Mobility in perspective
2. Generations apart?
3. A quick word on social media
4. What is right for your business?
5. Questions

Generations apart – urban myth or actual reality?

Internet usage by mobile 'phone



■ Have mobile 'phone ■ Have mobile and used to access the Internet

Q. Have you used your mobile phone to access the internet in the past twelve months?

SOURCE: Sensis® e-Business Report
Sweeney Research - 2012

Base = All consumers

And when it comes to m-commerce...

Most Mobile Shoppers Are Younger



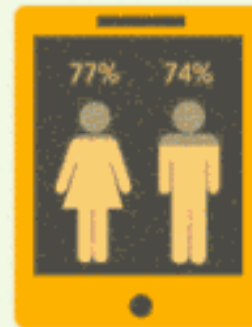
51% of people age 18-34 have shopped on their phones



Just **18%** of those between 55-64 have



Men prefer to make purchases on their phones,



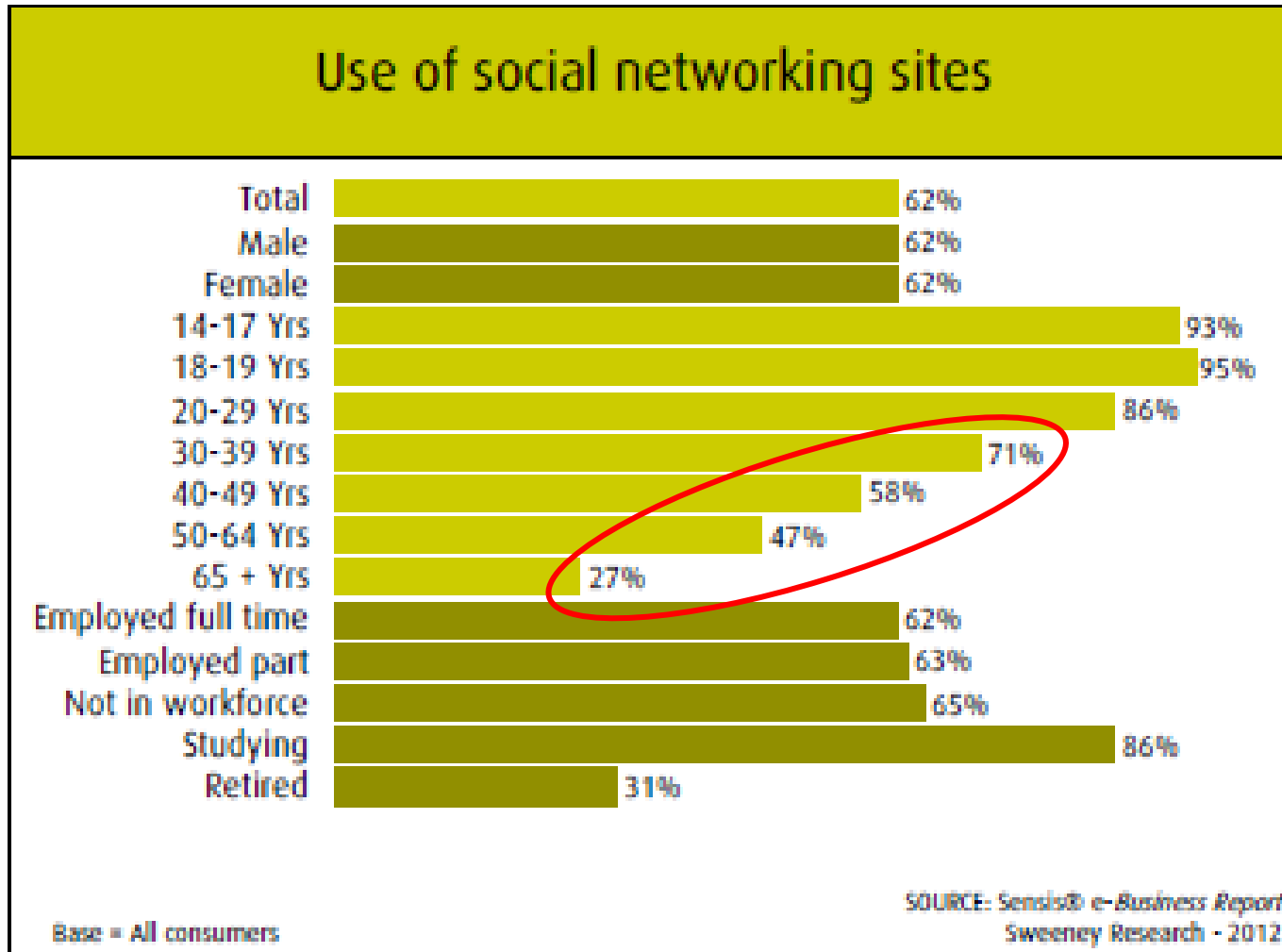
Women prefer Tablets for shopping

Men set to outspend women

Projected 2012 m-commerce spend per mobile shopper



The Australian age profile of social media usage is interesting

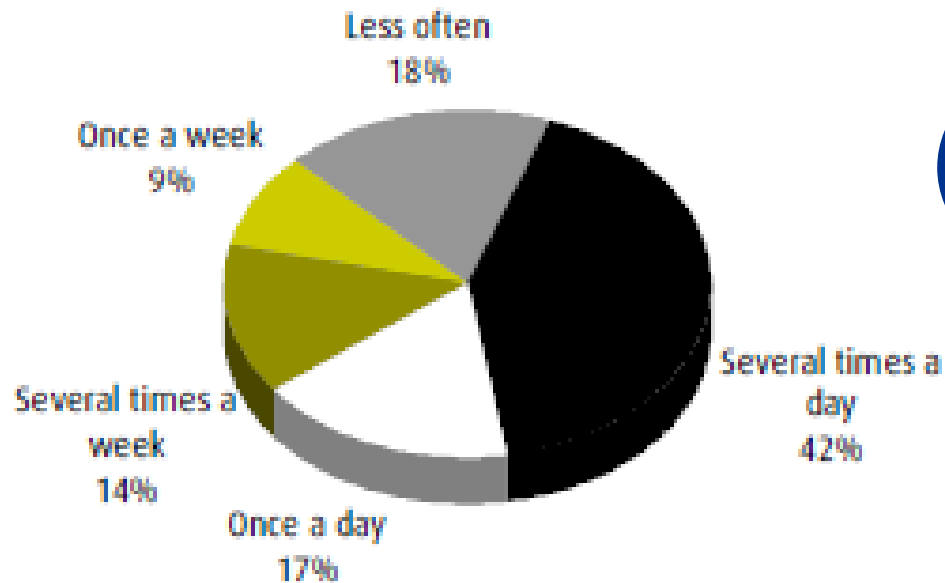


Contents

1. Mobility in perspective
2. Generations apart?
3. A quick word on social media
4. What is right for your business?
5. Questions

Recent Australian data on social media usage frequency...

Frequency of using social networking sites



The average monthly time spent by Australians in social media is over 7 hours per month

Q: How often do you go into social networking sites such as Facebook?
Base: Consumers that use social network sites

SOURCE: Sensis® e-Business Report
Sweeney Research - 2012

Current Australian SME social media presence...

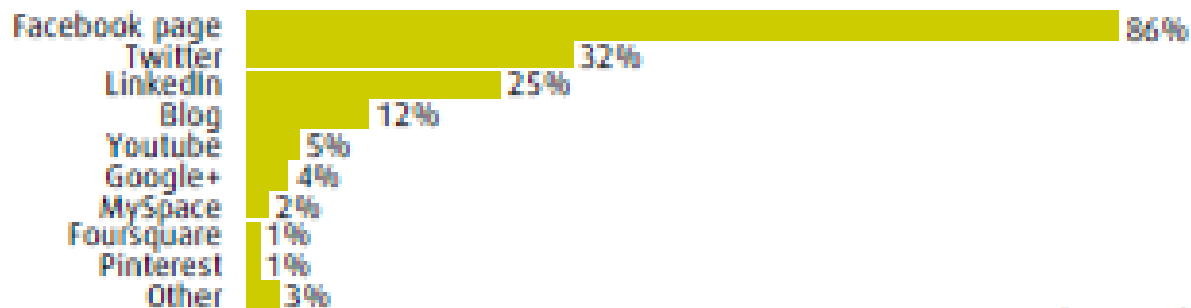
Social networking in the workplace

Does your business have a social media presence

	2010	2011	2012		
	All SMEs	All SMEs	All SMEs	Small Business	Medium Business
Yes	10%	18%	27%	26%	41%
No	90%	90%	73%	74%	60%

Base = Businesses with the internet

What does social media presence include?

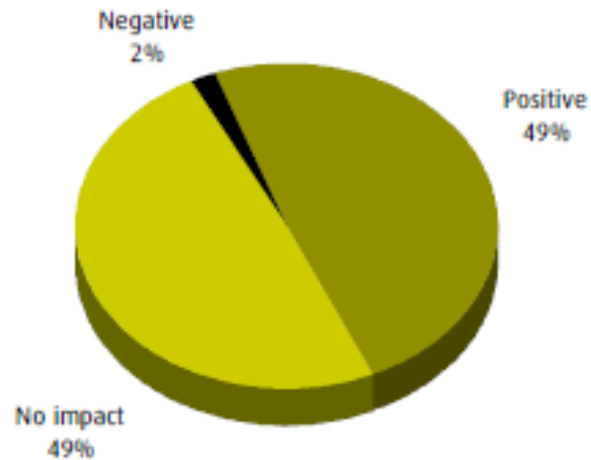


Base = Use social media

SOURCE: Sensis® e-Business Report
Sweeney Research - 2012

There seems little reason for SMEs *NOT* to be in social commerce

Impact of social network sites on business

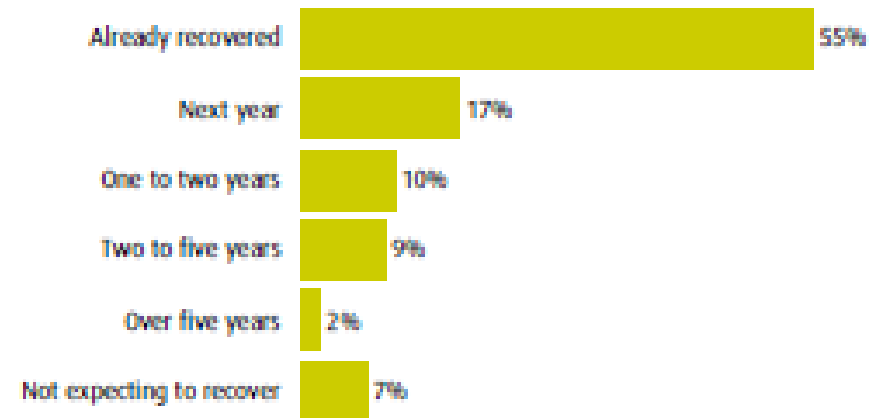


Q. What has been the impact of social networking sites on your business, has it been... ?

SOURCE: Sensis® e-Business Report
Sweeney Research - 2012

Base: Use social networks

When will investment be recovered?



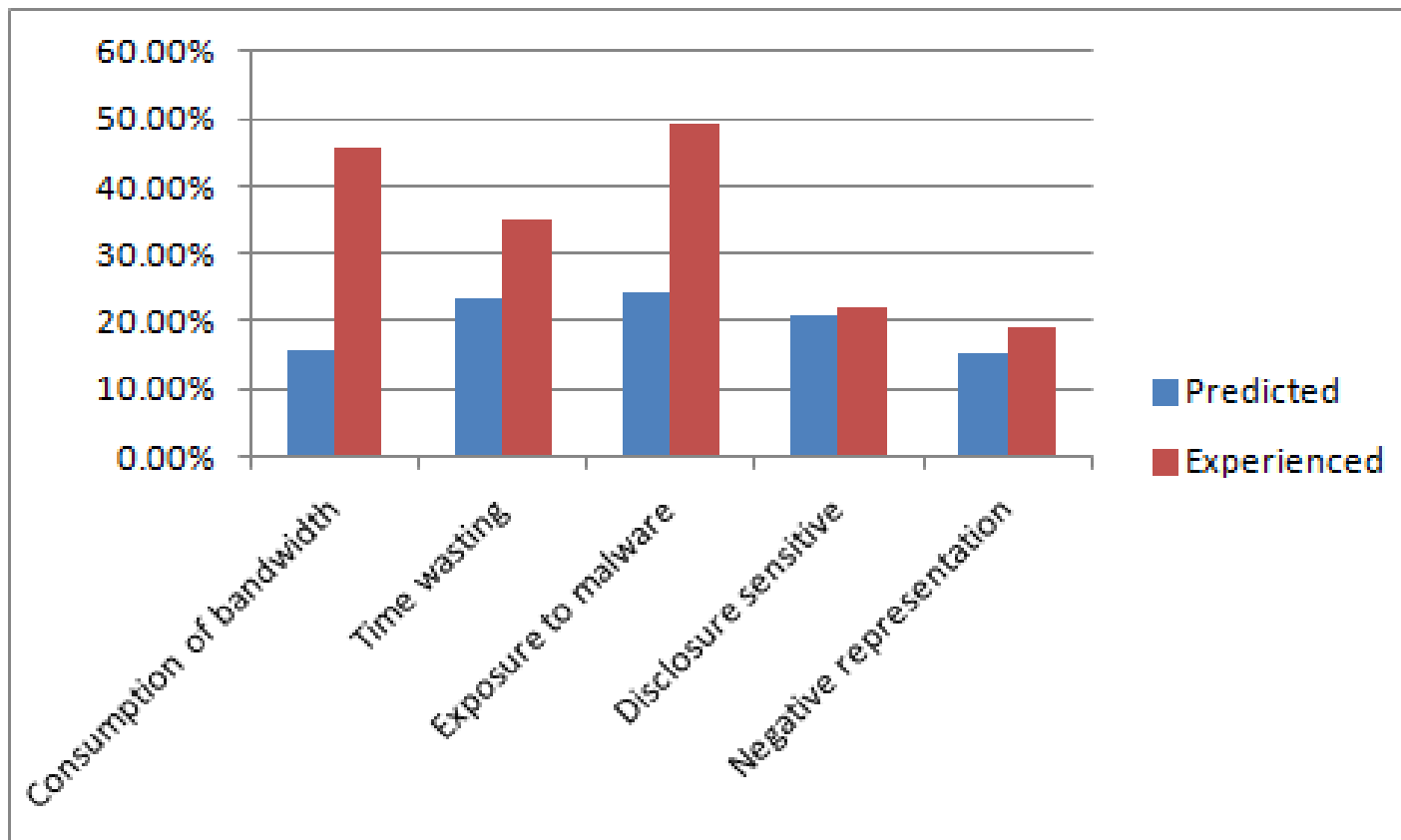
Q. How long do you believe that it will be before you recover the investment that you have so far made in e-commerce

Base: Use e-commerce

SOURCE: Sensis® e-Business Report
Sweeney Research - 2012

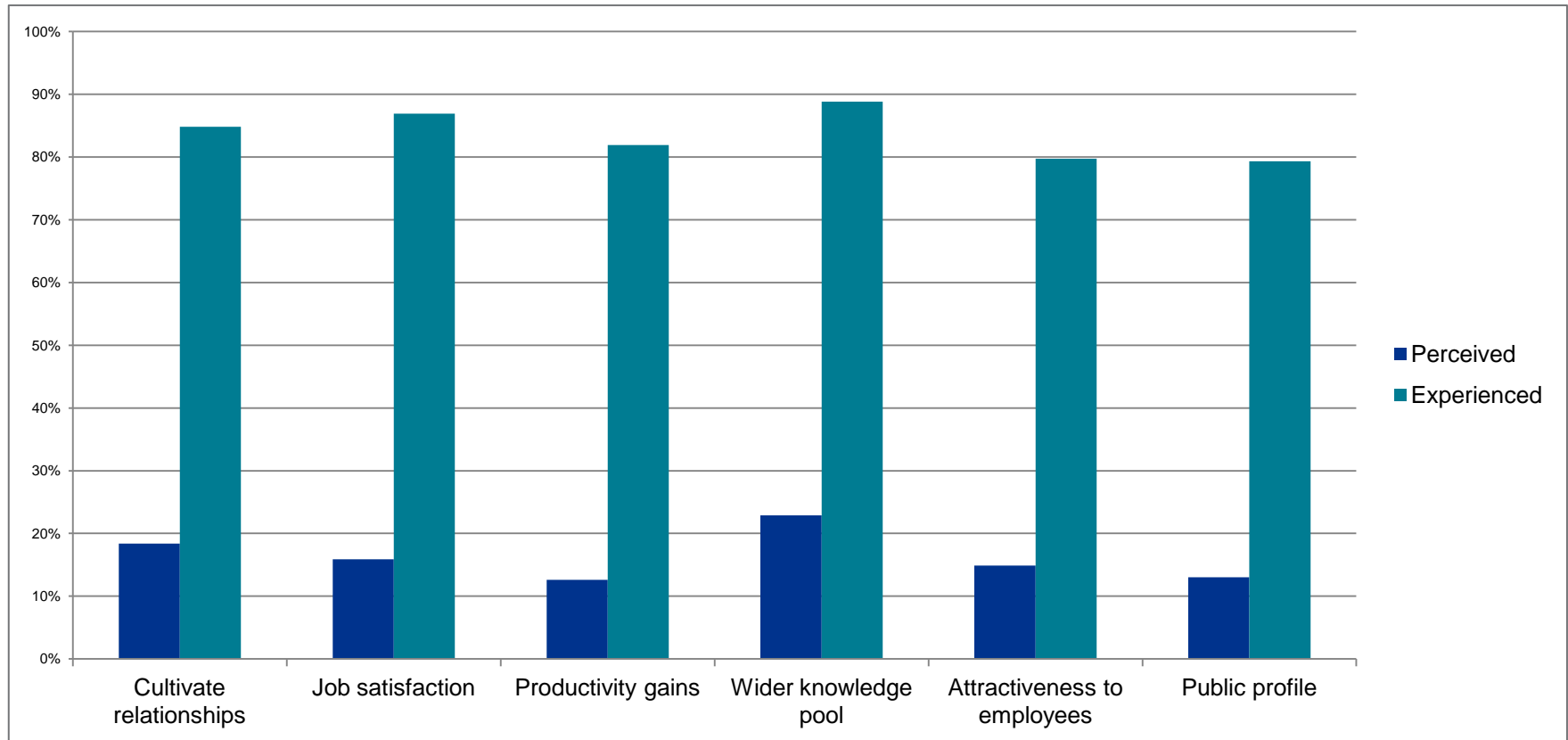
Findings from KPMG Global social media survey...

Social media risk experience



Findings from KPMG Global social media survey...

Social media benefit experience



Contents

1. Mobility in perspective
2. Generations apart?
3. A quick word on social media
4. What is right for your business?
5. Questions

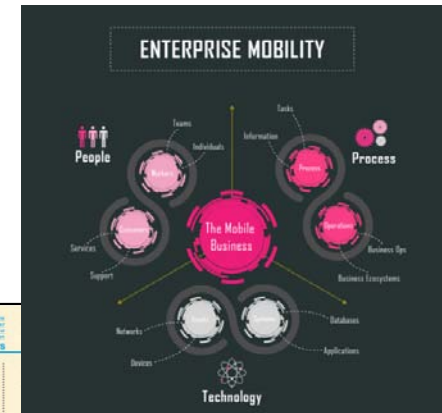
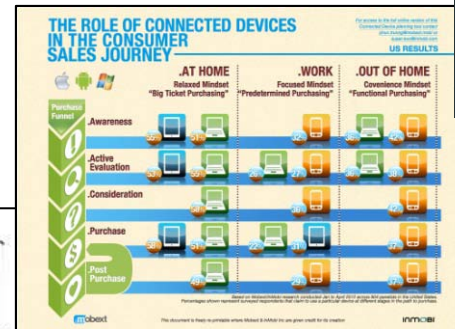
What is right for your business?

Comprehensive ecosystem

Integrated sales & marketing

Operational efficiency

Basic communications



Maturity level



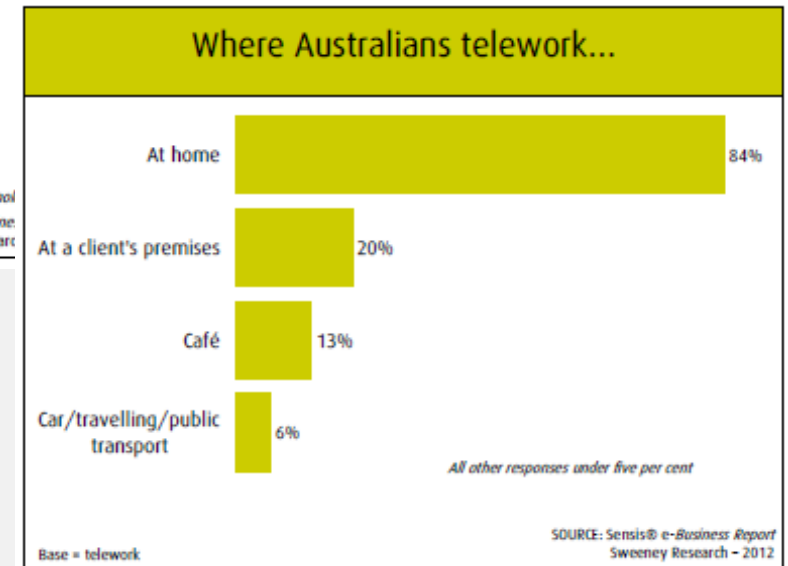
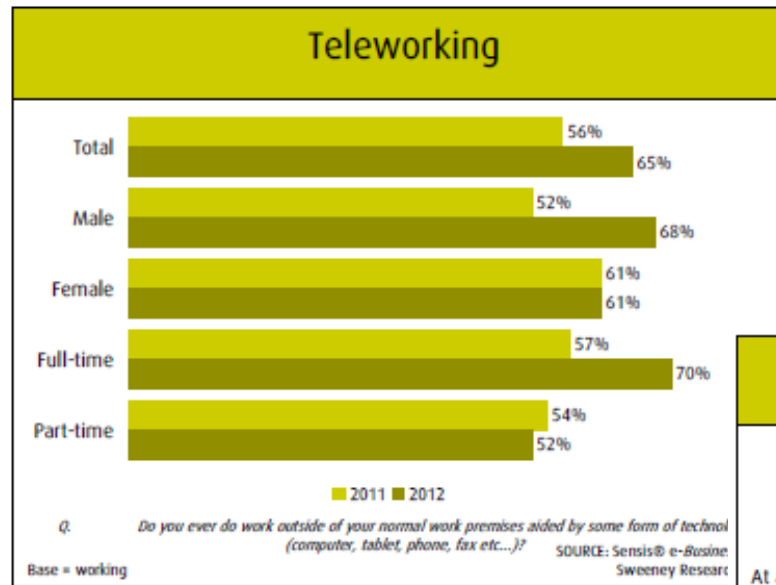
Teleworking is becoming more prevalent in Australia

Comprehensive ecosystem

Integrated sales & marketing

Operational efficiency

Basic communications



Not all mobile technology applications involve humans

Comprehensive ecosystem

Integrated sales & marketing

Operational efficiency

Basic communications



Smaller businesses can also have good mobile presence, particularly if working co-operatively

Comprehensive ecosystem

Integrated sales & marketing

Operational efficiency

Basic communications



Hunter Valley Visitor's Guide

- ✓ Browse >300 wineries, restaurants, attractions & accommodation
- ✓ View listings, plot on a map, save to favourites, share with friends
- ✓ Instant click-through access to emails, websites & phone numbers
- ✓ Discover your Hunter Valley personality & follow tailored itineraries for your interests
- ✓ Locate what's near you & plan your stay



Domino's is an impressive mobile success story...

Comprehensive ecosystem

Integrated sales & marketing

Operational efficiency

Basic communications



- ✓ 6 online ordering channels (7th with iPad about to launch)
- ✓ 700,000 Facebook likes

"We've gone from 1% online in 2005 to 50% today and 40% of that's through smart phones"

Don Meij, CEO Domino's Pizza 14/8/12

Sales (+8%)	\$805m
Ordered online	50% *
Online orders via smartphone	40%

FY12 pizzas ordered via smartphone \$161m

* Expects 80% by 2015



Group buying is a whole sector that has grown off mobility

Comprehensive ecosystem

Integrated sales & marketing

Operational efficiency

Basic communications

From 2010, Group Buying in Australia has grown to \$500m

Who is using them?

- Baby boomers (75%)
- Gen X (73%)
- Gen Y (64%)

And females are more frequent daily checkers than males; 75% vs 67%



...but problems arose for some customers redeeming 'hot deals'...

- 31% had difficulty redeeming an offer
- 35% were disappointed in their product/service
- 36% regretted making a purchase

And complaints have been rising...

NSW Fair Trading reported >2,000 concerns re. limited expiry periods, inadequate posting of T&Cs, poor trade practices

What is right for your business?

Comprehensive ecosystem

Integrated sales & marketing

Operational efficiency

Basic communications



Determinants of business's mobility positioning

- **Nature of customer base**
 - size, dispersion, socio-demographics, consumer v business
- **Nature of workforce**
 - size, dispersion, socio-demographics, role requirements, stability, culture
- **Nature of products/services**
 - form, complexity, standardisation, buying/consumption cycle, channels, fulfilment
- **Business operations**
 - existing systems & infrastructure, supply arrangements
- **Competitive environment**
 - online/mobile sophistication, workforce competition

ENTERPRISE MOBILITY



Maturity level



Contents

1. Mobility in perspective
2. Generations apart?
3. A quick word on social media
4. What is right for your business?
5. Questions

Contact

Malcolm Alder
Partner
Digital Economy

malcolmalder@kpmg.com.au

02 9335 8041