

CASE STUDIES

Why every year is "the year of mobile"

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If you're tired of hearing marketers proclaim that every year is the "year of mobile," brace yourself. According to Henry Blodget, co-founder, CEO, and Editor-in-Chief of Business Insider, mobile is bigger than ever and growing. During his keynote address at the thinkLA Mobile Breakfast last month in Beverly Hills, CA, Blodget detailed some astounding insights that support this:

- A billion mobile devices were sold last year
- Tablets are cannibalizing PCs and where tablet purchases are tapering, "phablets" are filling in the

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- Cars are increasingly connected to support mobile devices
- We spend an hour a day on our phone
- We spend a half hour on our tablets *every time we use them*
- Mobile is the only media that's currently growing
- "WhatsApp," a cross-platform mobile messaging app, currently has 450 million users and is growing at a rate of one million users *per day*.
- The usage of apps like "WhatsApp" has blown past texting – so much so that Blodget predicts that soon text services will be put to rest
- One fifth of all internet usage occurs on mobile
- Most of Facebook's growth is coming from mobile and more people use Facebook on their mobile devices than they do on their desktop
- Smartphones have overtaken dumb phones in sales

If that doesn't convince you, maybe this will: mobile now makes up 25 percent of all e-commerce traffic. Starbucks saw \$1 billion in mobile transactions last year, PayPal saw \$30 billion in mobile transactions, and Apple raked in \$10 billion in app revenue last year.

However, Blodget warned, that rate of growth can't go on forever. Markets in the U.S. are nearly mature, being already two-thirds penetrated. Growth of the tablet market has really slowed down and smartphone prices are dropping quickly as the cost of hardware has plummeted.

According to Blodget, the company that will feel this most is Apple. iPhone and iPad sales have fallen off the cliff and while Apple is still strong in the U.S., Android claims 80 percent of the worldwide smartphone market and 60 percent of the tablet. Moreover, Android no longer lags Apple when it comes to app developers. This poses a real threat to Apple considering that the apps available for Apple products are often a determining factor for many brand-agnostic consumers when purchasing mobile devices from Apple. Blodget's advice to Apple and the rest? Reduce prices, and move concentration to China and India where the biggest growth has yet to happen.



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Jennifer received her BFA from UC Santa Barbara and MFA from CALARTS in 2006. Post graduation, Jennifer segued into freelance writing, focusing on various topics such as arts, entertainment, travel, and tourism. Jennifer is a native Los Angelean...

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