



CTIA: Mobile social networking blooms

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Mobile social networking companies enter the U.S. market with new ideas, new audiences

LAS VEGAS--Less than six months after Research In Motion (RIM) launched its Facebook-for-BlackBerry smartphone application at October's CTIA conference, the company is announcing at this week's show that the application has been downloaded 1 million times. With explosive growth like this, it is becoming harder to dismiss mobile social networking as a fad. According to Frost and Sullivan forecasts, application revenues from on-deck mobile social networking services are expected to reach \$412.1 million in 2012, up from \$57.4 million in 2007. As such, many companies at CTIA this week are looking to find their niche in the United States with different ideas of whom they want in their networks.

While Facebook and MySpace mobile applications are targeted at high-end smartphones like the BlackBerry and the iPhone, a sizable community of lower end, Web-enabled handset users are looking to network as well. Addressing this mobile-only market already burgeoning in developing countries, Singapore-based BuzzCity announced its entrance into the U.S. market at CTIA this week. On a global basis, the communication company has built the largest wireless-only community, myGamma, based on an off-portal, ad-supported business model. The company serves 1 billion ads per month.

To reach BuzzCity's two audiences, the newly connected emerging middle class in developing markets and the blue collar sector in developed regions like the U.S., the user interface is simple and the community's focus is centered on vanity and friendship. Users increase their status amongst peers and seek positive reviews and virtual gifts. According to CEO K.F. Lai, this desire for social communication and "status building" amongst wireless Internet users is driving BuzzCity's niche market growth.

"We do see throughout our community and the network a trend that we believe will be replicated in the U.S. in terms of blue collar means to access the Internet through a cell phone," Lai said. "Facebook Mobile is an extension of an online site, a value-added service. Their mobile site doesn't make sense if you don't have a profile online. Our site is designed for the mobile only."

BuzzCity is entering an [already saturated mobile social networking marketplace](#) in the U.S. occupied by new mobile-focused startups, software makers and PC veterans taking their networks mobile. A majority of existing social communities are based on finding new friends to interact with, a trend that bluepulse CEO and founder Ben Keighran said doesn't make sense on a user's most personal communication device, the mobile phone. Hoping to attract an audience seeking enhanced communication with existing friends, 14-month old bluepulse is also trying its hand in the U.S. market. The company has already claimed the title of largest mobile social messenger, delivering 150 million messages per month. At CTIA this week, it is announcing new features to the service as well as the appointment of Google veteran Christopher Nguyen as CTO and VP of engineering.

The new features include friend-importing from Webmail services, so that the user can invite friends to participate or opt to receive email updates in lieu of mobile notifications, daily summary notifications of bluepulse activity and a set of new emoticons for users to express themselves through bluepulse messages.

Keighran, who moved from Australia to Silicon Valley to grow the startup, said bluepulse is focused on turning the mobile phone into a tool for broadcasting information in a way that viewers can passively view at their leisure – like text messaging on steroids, Keighran said.

“Communication can be powerful when it is between two people, but explosive when you’re talking groups,” he said, adding that bluepulse makes communication more efficient in the same way search makes browsing more efficient.

Social networking services are coming from ancillary technology providers entering the market at unique angles as well. Mobile phone backup service provider FusionOne this week announced it has inked a deal with Qualcomm to license its MightyBackup application transfer client server module. FusionOne CEO Mike Mulica said that when customers are faced with the option of re-downloading their licensed applications when they upgrade or change their hardware, they often won’t do it. According to FusionOne surveys, only 13% repurchase some or all of their licensed content when they replace their mobile phone. With the MightyBackup technology, any BREW operator can now migrate and backup a consumer’s subscriptions and applications to a new device, thus retaining revenue that might otherwise have been lost.

Technologies like FusionOne’s also offer the carrier an opportunity to build a social networking community from a consumer’s mobile content. Things like ringtones, photos, games and contacts can also be ported to a Web interface that allows the consumer to view and interact with the content.

“You can leverage the content into a lot of different social networking environments,” Mulica said. “One of the things that’s really cool about this is people are just understanding that the mobile phone address book is one of the richest, social network databases available...I think we are at 600 million contacts in people’s cell phones that are being backed up through their address book backup. As a result, it is a gigantic social networking database that can be interesting a lot of different ways. We think it’s the largest social network database that exists on the planet.”

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