

The Mobile Invasion...



...making sense of
the coming revolution

Stephen Scheeler
Former MD Facebook ANZ

Who am I...?

PAST:

- Strategy consultant in the pre-internet '90's
- Head of Strategy/BD/Innovation @ Westfield (shopping centres) & Lion (beverages) and Inchcape (automotive)
- Start-ups: photonics, opto-electrical sensors, mobile apps
- **Managing Director, Facebook ANZ**

NOW:

- Special Advisor, Digital @ PwC Australia
- Work with Australia's largest organisations on issues of digital business, marketing, transformation, innovation and culture
- Financial services, retail, ecommerce, consumer products, airlines, resources, telecoms, media, entertainment, government...

What I focus on now

- Digital leadership in large traditional organisations
- Digital strategy: what matters & what doesn't matter
- Digital transformation to compete today & tomorrow



- Who are my emerging (digital) competitors?
- What (digital) capabilities do I need to win?
- How do I create and capture value in this new world?
- How do I learn, decide and act quickly?

Spot the millennials



A group of seven people, four women and three men, are standing in a row, smiling for a photo. They are positioned in front of a large, vibrant mural featuring stylized human figures in blue and orange. A prominent blue rectangular box with the white text "facebook" is overlaid in the upper right portion of the image. The individuals are dressed in a mix of professional and casual attire, including blouses, jackets, and sweaters. Several of the people are wearing orange lanyards with white identification badges. The background on the right side of the image shows an office environment with exposed ceiling infrastructure and fluorescent lighting.

facebook

Facebook's Rise

	2012
Revenue (US\$)	\$1.58b
YOY%	+40%
% from mobile ads	15%
Facebook users (MAUs)	1.0b
# of advertisers	1 million
Market Capitalisation (US\$)	\$60b
Fortune 500 Rank	#482

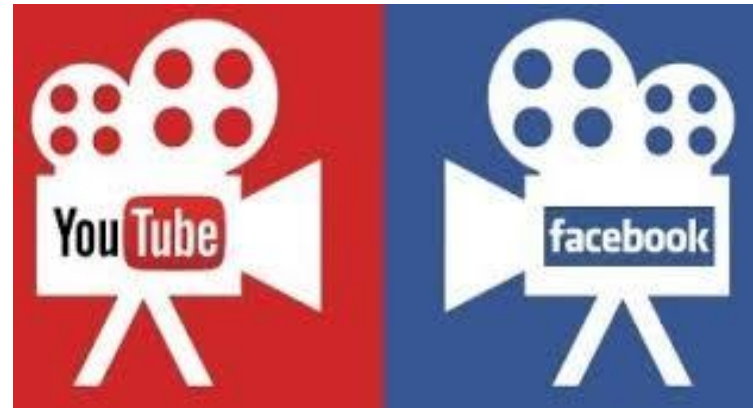
Facebook's Rise

	2012	2016
Revenue (US\$)	\$1.58b	\$27.6b
YOY%	+40%	+54%
% from mobile ads	15%	84%
Facebook users (MAUs)	1.0b	1.9b
# of advertisers	1 million	5 million
Market Capitalisation (US\$)	\$60b	\$500b
Fortune 500 Rank	#482	#6

Two existential pivots...

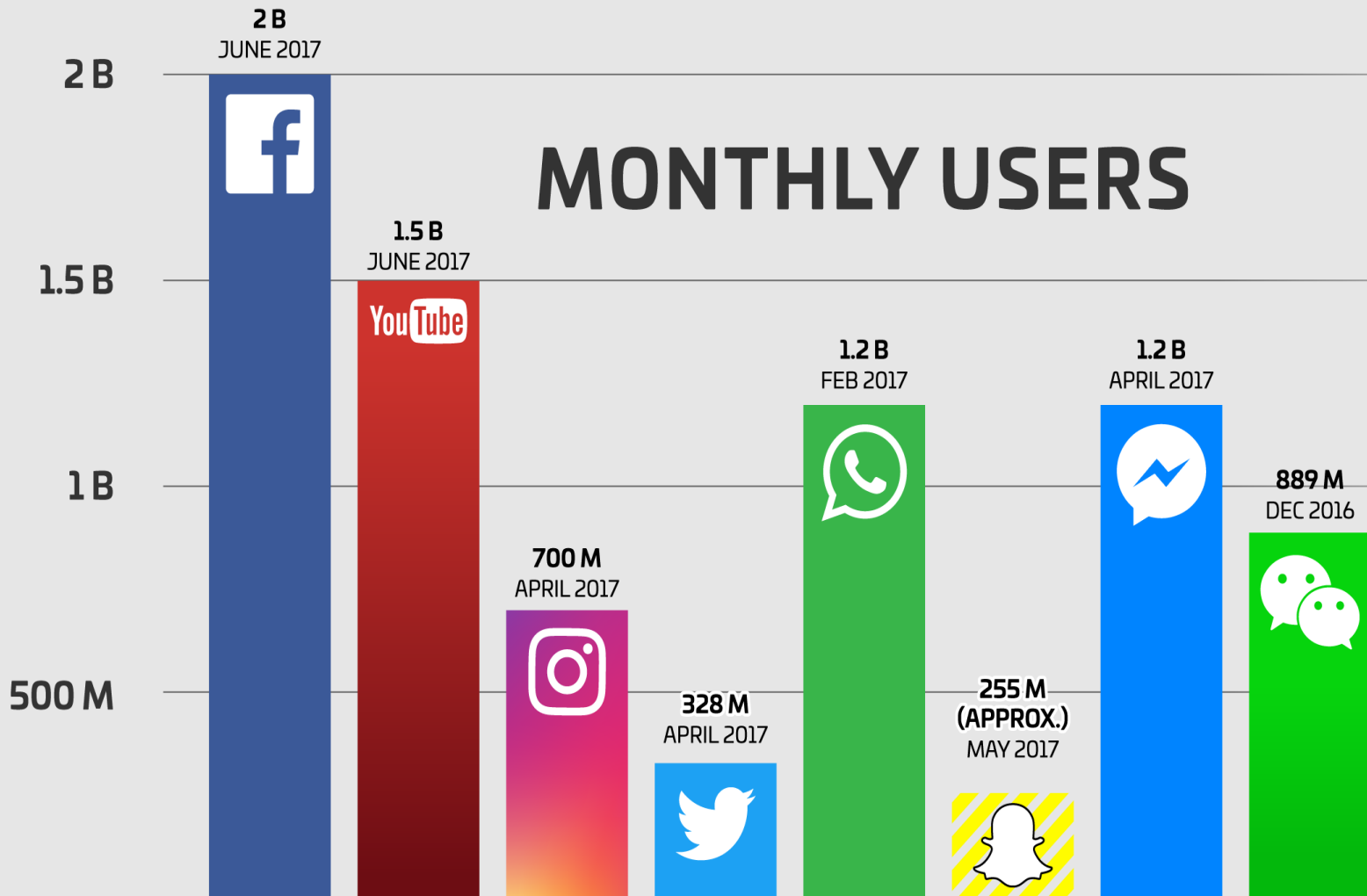


Mobile



Video

MONTHLY USERS



FACEBOOK

YOUTUBE

INSTAGRAM

TWITTER

WHATSAPP

SNAPCHAT

FACEBOOK
MESSENGER

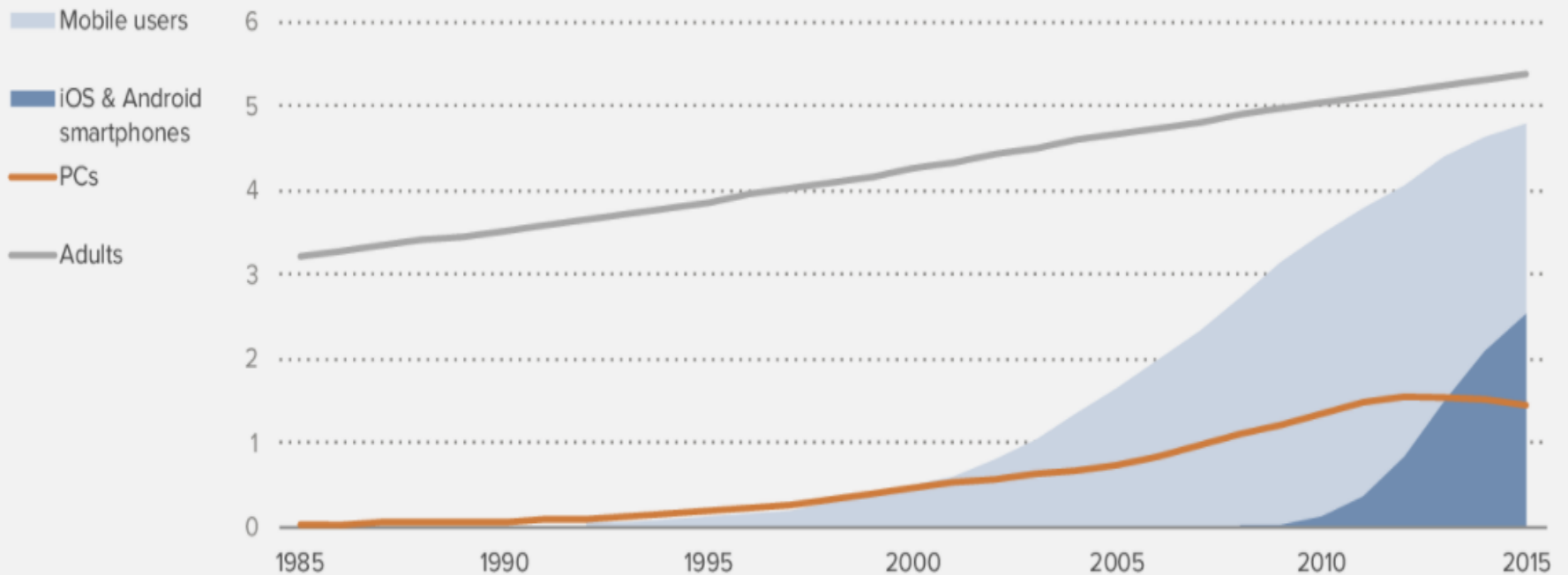
WECHAT



The mobile S-Curve is passing the PC S-Curve

Smartphones are moving past the PC and heading for 5bn+ users

Global population (bn)

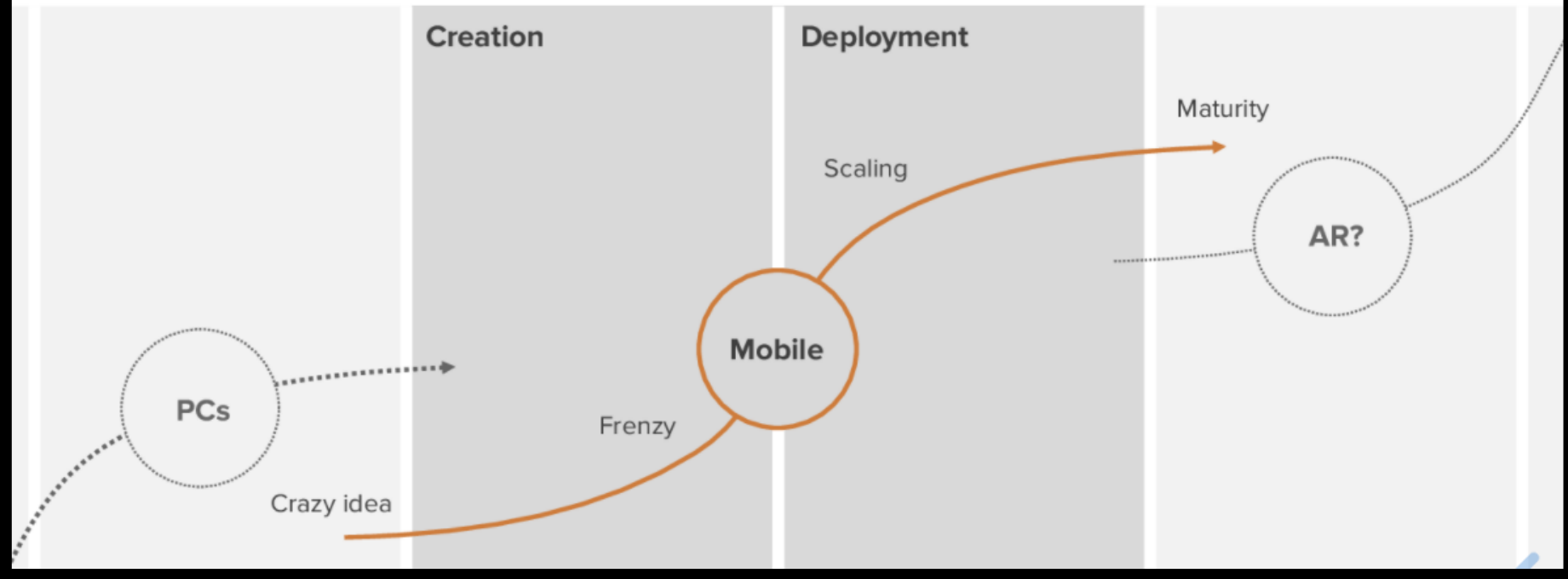




“It’s too early to say.”
- Zhou Enlai, 1972

Mobile S-Curve moving from creation to deployment

As we pass 2.5bn smartphones in use, the issues that matter are changing



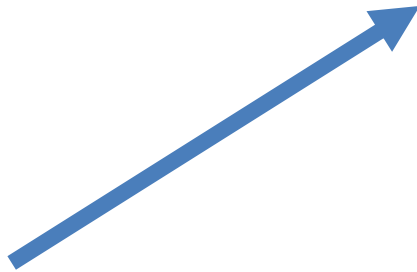
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**The 5 biggest companies in the
world today are tech
companies
(propelled by the rise of mobile)**

5 years ago, only 1 was...Microsoft

Scale!

\$40b in 2016



\$5b in 2009

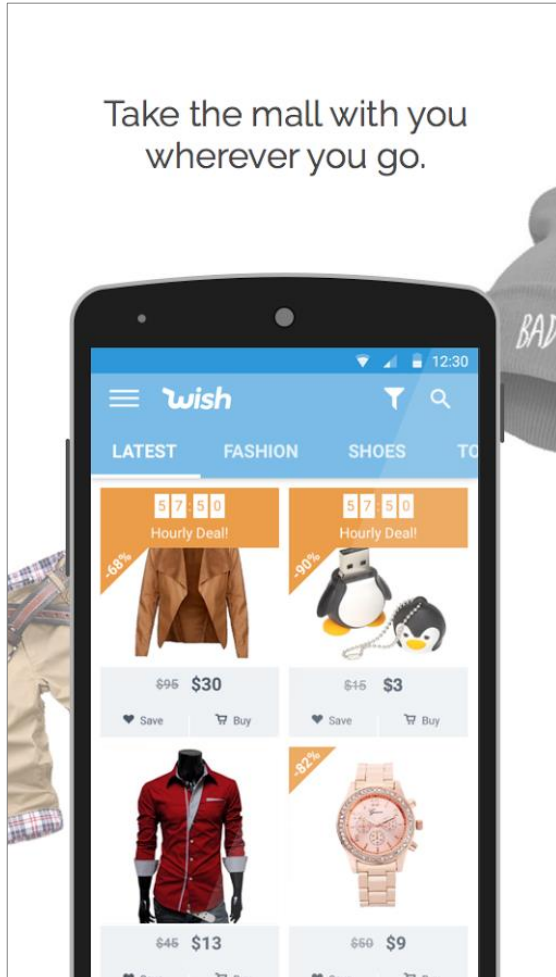
Capex of Amazon, Facebook,
Apple, Google & Microsoft

Standing on the shoulders of giants

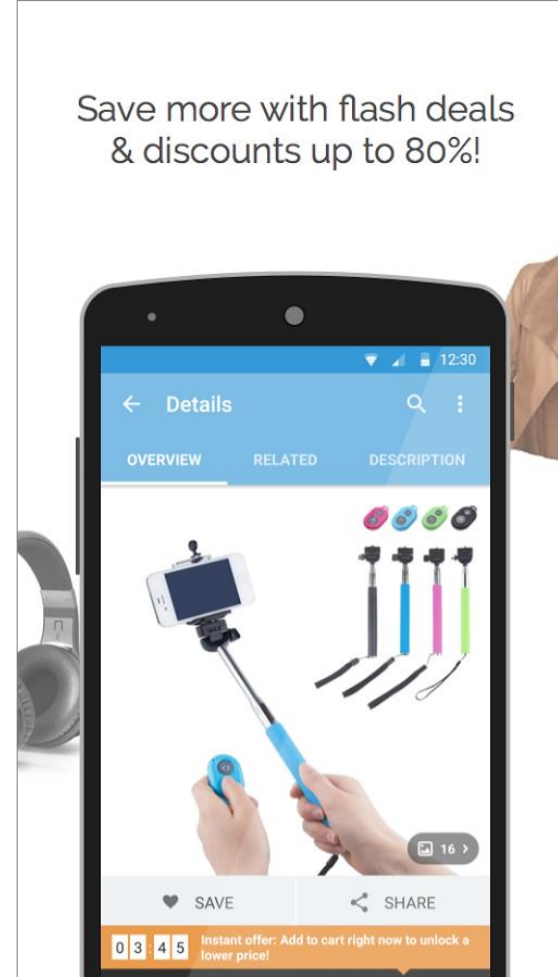


Wish.com

Take the mall with you
wherever you go.



Save more with flash deals
& discounts up to 80%!



Kayla




kayla_itsines

3w


A promotional graphic for the 'Sweat with Kayla' app. The background is a pinkish-red gradient with a photo of Kayla Itsines in a black sports bra and grey shorts, smiling. In the foreground, a smartphone displays the app's interface. The app screen shows the time as 7:00 pm, 100% battery, and the day as TUESDAY. Below this, there is a blue header with a silhouette of Kayla and the word 'RESISTANCE' in large white letters. At the bottom of the screen is a black button with the text 'CHOOSE WORKOUT' in white. The overall text on the graphic reads: 'Sweat with Kayla' in a white script font, 'APP NOW AVAILABLE!' in large white block letters, and 'JOIN ON THE APPLE APP STORE OR KAYLAITSINES.COM FOR LESS THAN \$1 A DAY!' in smaller white block letters.

Sweat with Kayla

APP NOW AVAILABLE!

JOIN ON THE  APP STORE OR [KAYLAITSINES.COM](https://www.kaylaitsines.com)
FOR LESS THAN \$1 A DAY!

Kayla 7:00 pm 100%

☰ TUESDAY 

RESISTANCE

CHOOSE WORKOUT

So what's coming?

6

1. A communications virtual-revolution
2. Everything is available to everyone
3. Things go to people
4. The future belongs to fast brands
5. The end of splendid isolation
6. Only learning companies will survive

#1 A communications virtual-revolution

**If you think
mobile is big...**

VR, AR, AI and IOT...



...will soon be embedded in the fabric of our personal, social & business lives

People don't type to computers...



...they talk to computers

Is there a dog in this picture?



Since 2012, with Machine Learning...

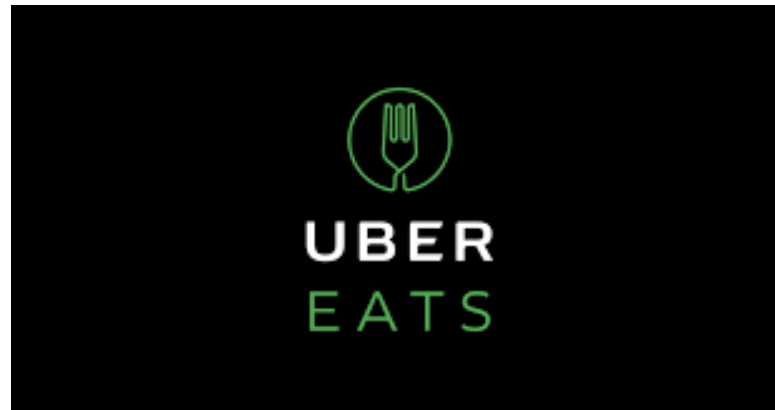
Image recognition

28% → 7% error rate

Speech recognition

26% → 4% error rate

friction



“Don’t use Uber.”
“They took 22 minutes.”



Distance is no longer a **friction** in the
machinery of communication

Consumers demand friction-free interactions
with friends, businesses & government



#2 Everything
is available
to everyone



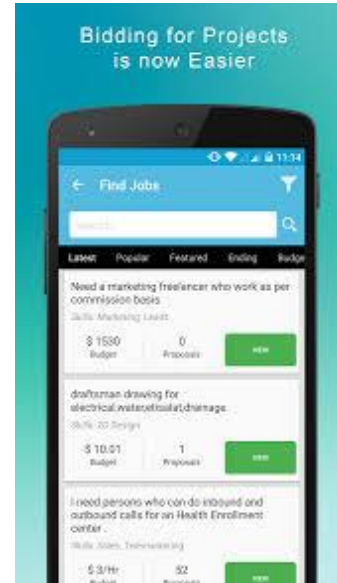
Platforms



Resources once controlled by the few...

...are now available to all

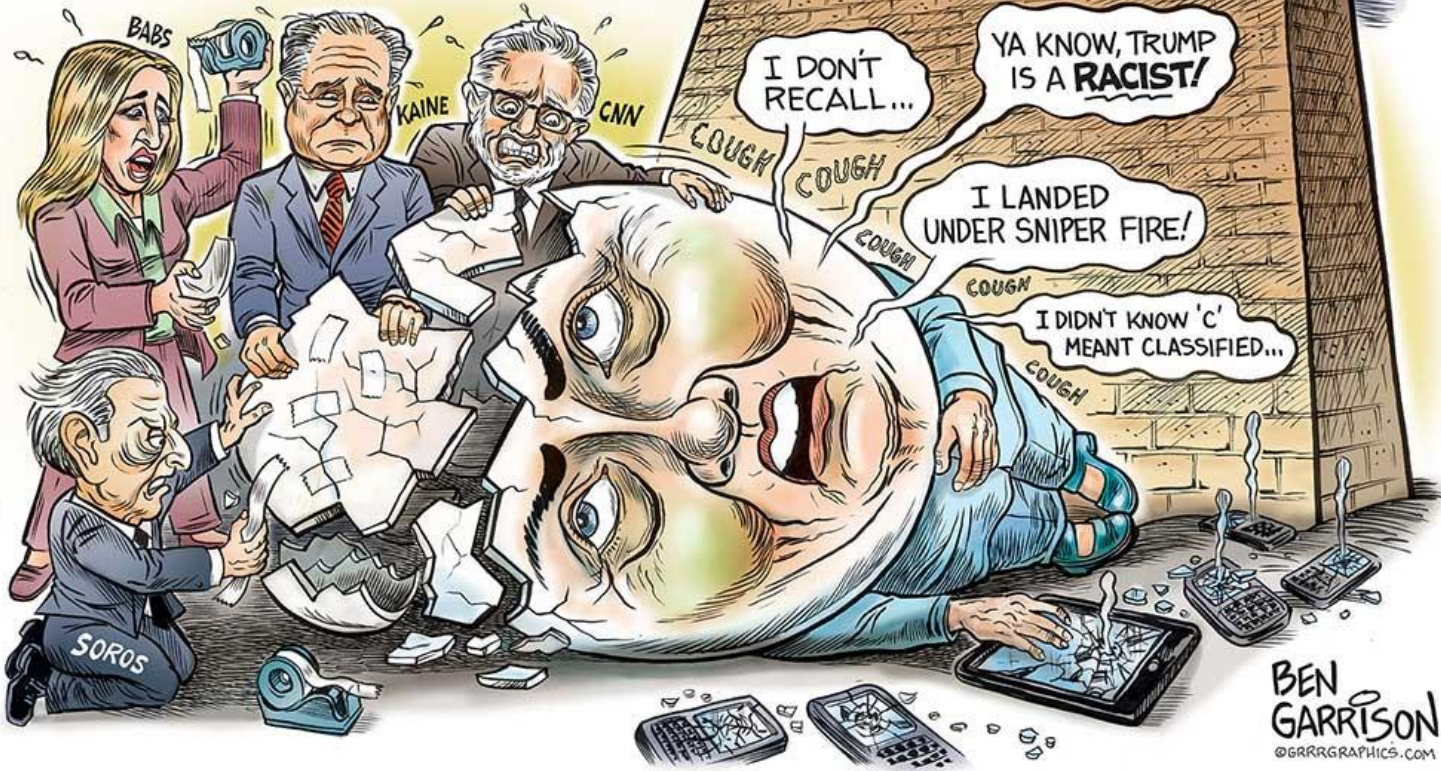
...eg data, information, entertainment,
talent, skills, insights, “news” ...



Unpredictable consequences...

HUMPTY HILLARY

... all of her forces and the MSM couldn't put Hillary together again.



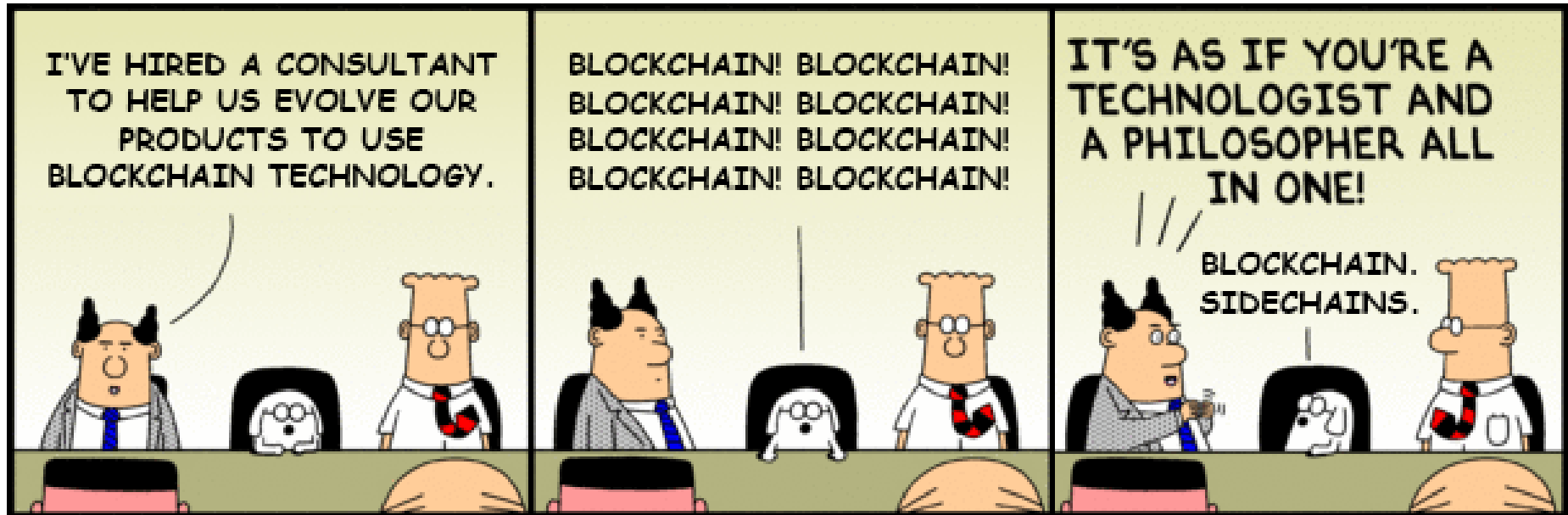
“Consumer”

“Business”

“Citizen”

“Government”

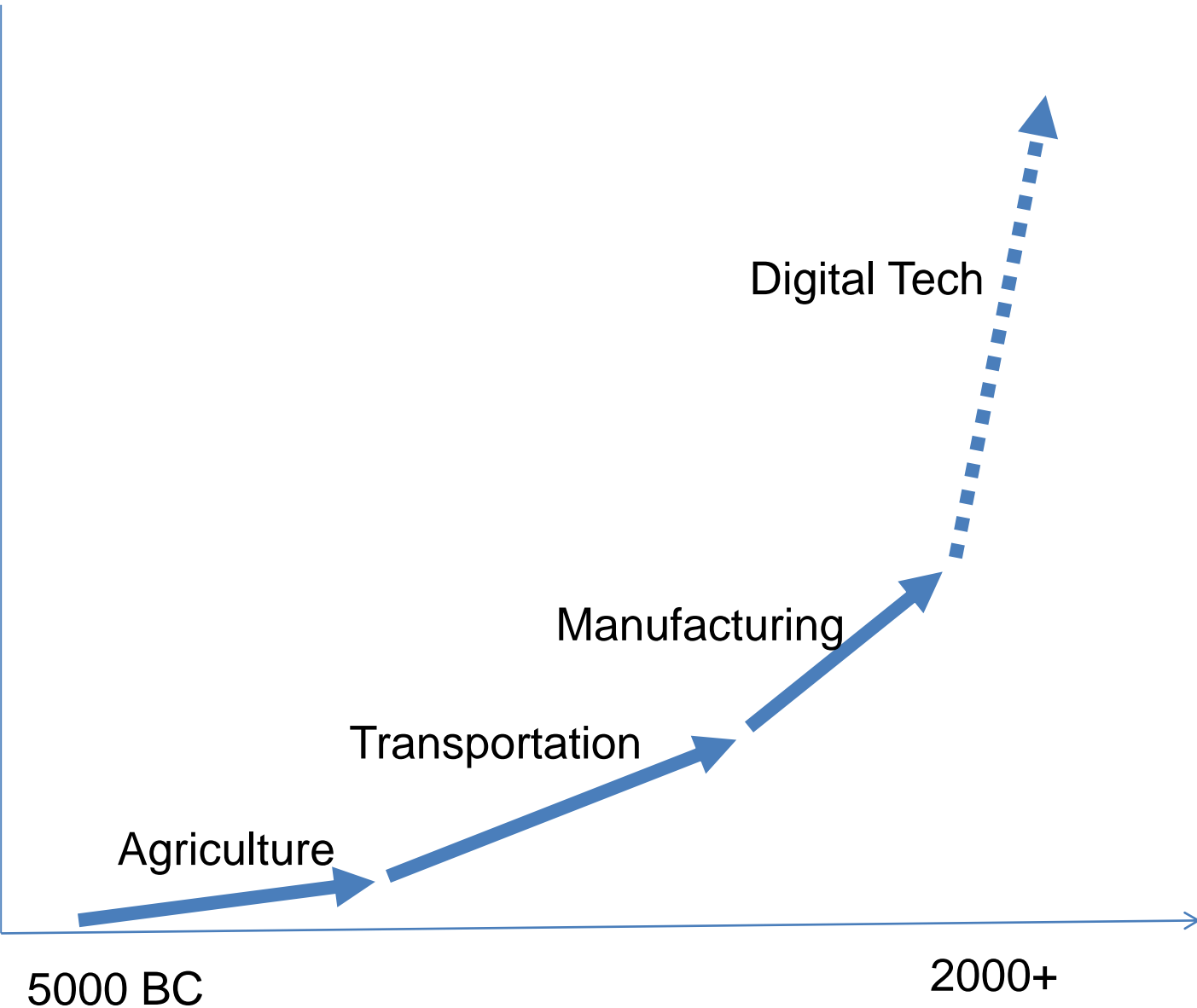
And now...blockchain





Things go to people

People go to things







#4 The future belongs to fast brands



Brands are
“as old as the hills”,
aren't they?

PHONE 3-1511
F.M. POINTER
The Old Reliable
HOUSE MOVER

RIVER FISH  **& LAKE FISH**
Honest Weights, Square Dealings

SPECIAL TO DAY
RIVER FISH
CAT FISH 20
TROUT 15
PERCH 15
DRUM 15
BUFFALO 15
EEL 20

SPECIAL TO DAY
RIVER FISH
CAT FISH 20
TROUT 15
PERCH 15
DRUM 15
BUFFALO 15
EEL 20





Then



Now

**Traditional mass media
was the cradle of brand
building**

1 message to everyone

So, what happens to mass brands if consumers...?

- Are no longer exposed to mass media
- Media diet: Netflix/Prime, Games, Facebook, Instagram, Youtube, Snapchat, Whatsapp...
- Rely on Google, Amazon and referral to find products/services
- Don't walk into your stores to do their shopping
- Don't visit your brand's website
- Don't build relationships with brands the way their parents did




FAST BRANDS

- Data-first & digital-first, with little/no advertising in traditional mass media
- Service excellence & speed as core
- Built for the “mass niches” of the mobile digital age
- Entertaining and value-adding, not interruptive
- Customised, individualized
- Frictionless to discover, purchase and receive
- Not constrained by “mass brand” bad habits:
 - eg slow NPD, long creative cycles, self-absorbed brand messages, building one product/message for all, poor command of consumer data & insights, poor command of the metrics that really matter: ROI, LTV, CPA



“Alexa, we’re out of Coke.”

A woman in a white wedding dress is seen from behind, standing inside a large, clear, spherical bubble. The bubble is set on a grassy lawn with trees in the background. The scene is lit with soft, golden light, suggesting a sunset or sunrise. The bubble's surface reflects the surrounding environment, creating a sense of being enclosed and isolated.

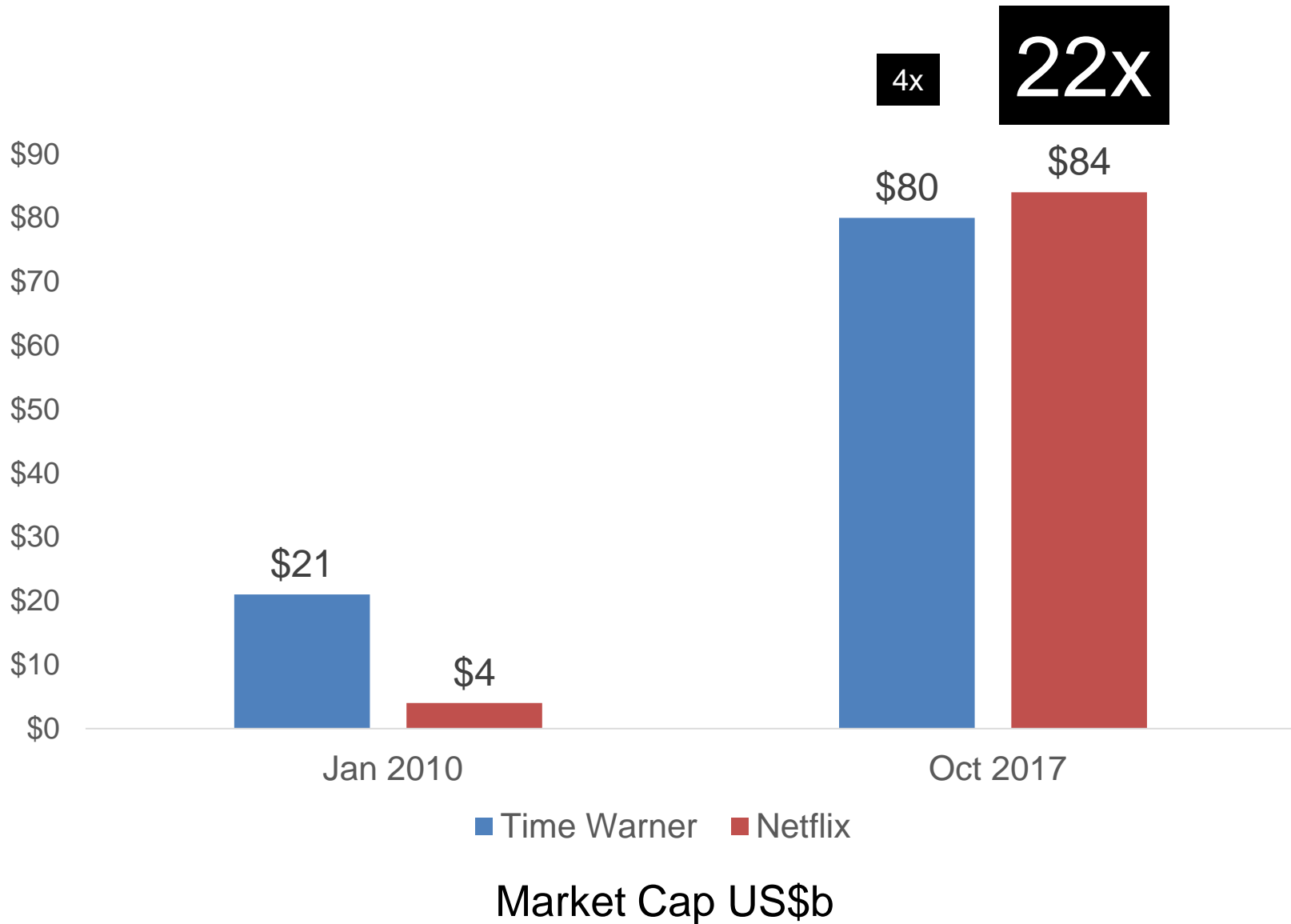
#5 The end of splendid isolation

Is Netflix a threat?

“Is the Albanian army going to take over the world?”

Jeffery Bewkes, CEO Time Warner, 2010

Is Netflix a threat?



**Would you buy financial services from
Google, Facebook or Amazon?**

55%


“Yes”

Telstra flags 'material' cuts to its dividends; shares plunge

Telstra to cut dividends and shift to secure post-NBN future



Telstra shares slump as profit tumbles, dividend slashed

- 
- Ecommerce is the biggest channel
 - Global platforms, tools & audiences are easily accessible to everyone, everywhere
 - Traditional national & industry boundaries become irrelevant
 - Capital, talent, ideas & competition flow freely across borders

A young girl with blonde hair, wearing a pink sweater, is sitting at a desk in a classroom. She is looking thoughtfully to the side with her hand on her chin. In the background, other children are sitting at desks, some writing. The classroom has bookshelves filled with books.

**#6 Only
learning
companies
will survive**

0

A major Australian
retailer with 30%+
market share

2,000+

Amazon

of people working on AI-enabled
voice assistance today
(eg Alexa)

- Excellence in data, technology & innovation are the only source of competitive advantage
- Traditional company structures, skill sets and processes are too slow to keep up
- Winning companies attract & retain talent, and absorb-learn-act-respond at digital speed

**If you think
mobile is big...**