BCG

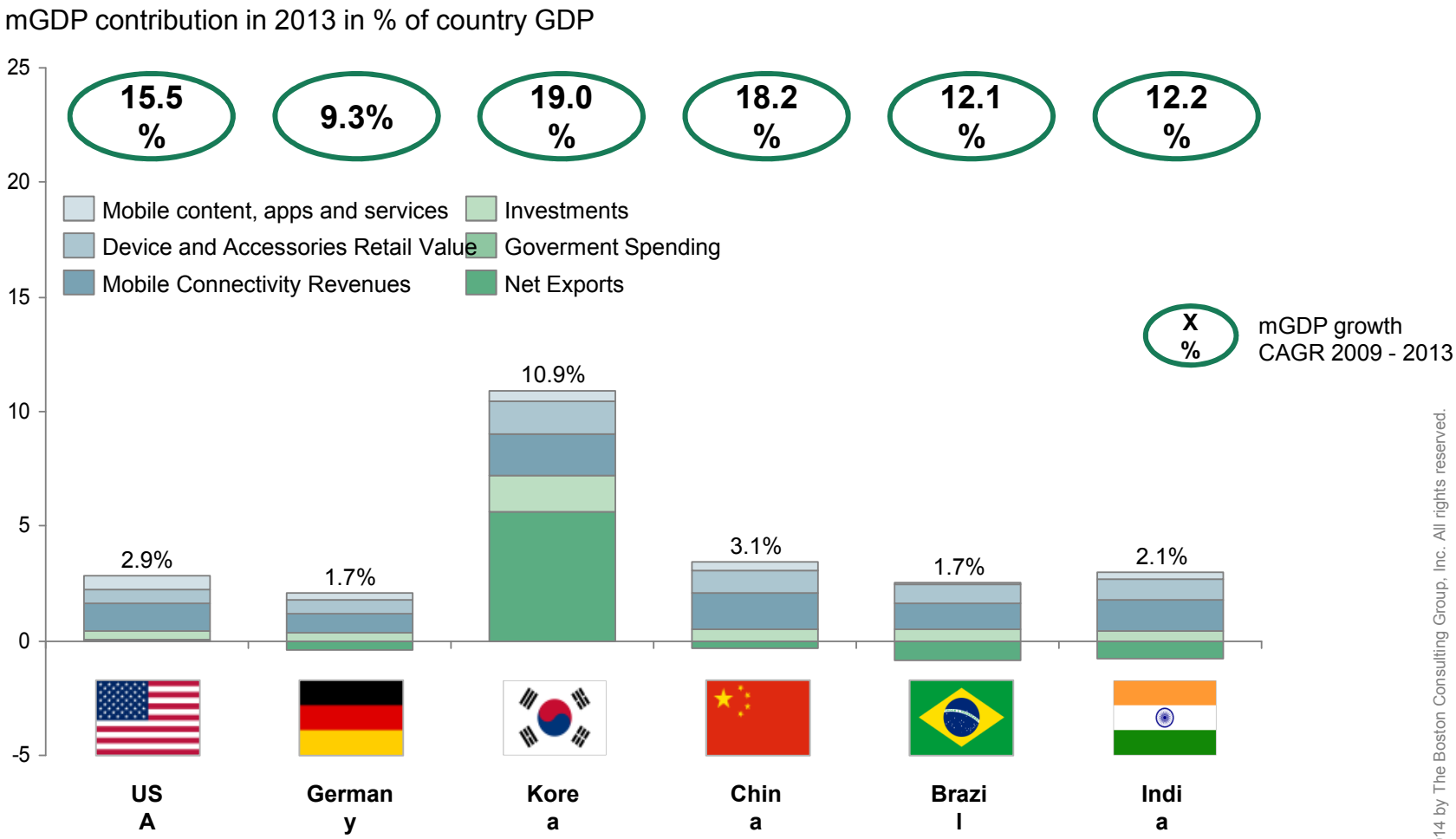
Mobile internet role in spurring job creation and growth

BCG study

November 2015

THE BOSTON CONSULTING GROUP

Mobile is a key growth driver for economies; responsible for 2-10% of country GDP, and growing at 10-20% CAGR



Exceptionally significant driver for Korea's economy; >3x greater GDP contribution than other countries

Source: BCG analysis

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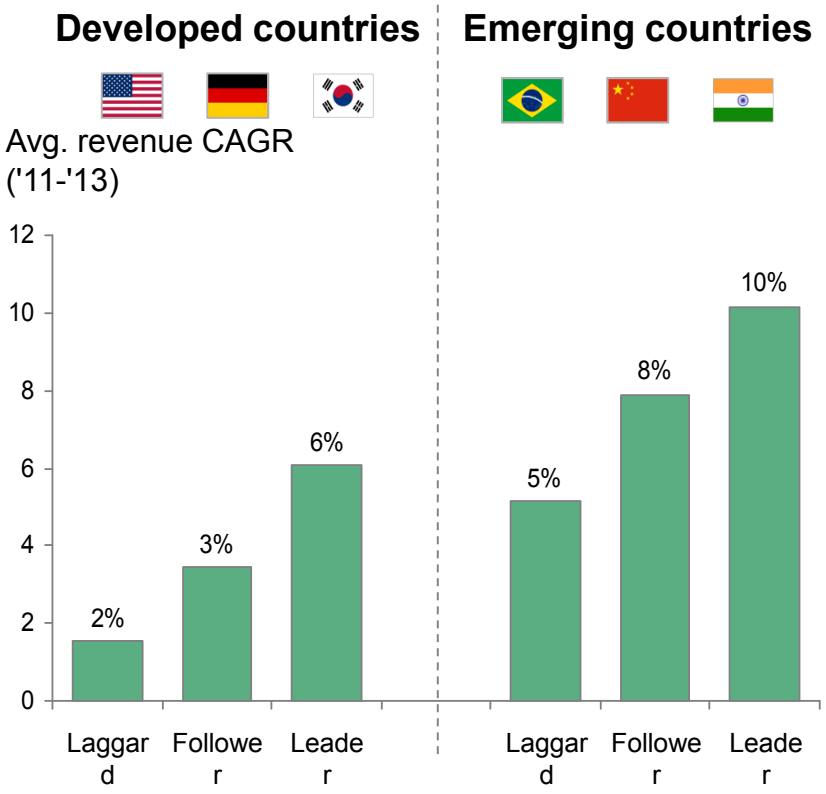
Consumers extract $3.5 trillion in value from mobile Internet
$2,049bn
$1,017bn
$131bn
$63bn
$250bn
Other
Annual total consumer surplus $3.5tr

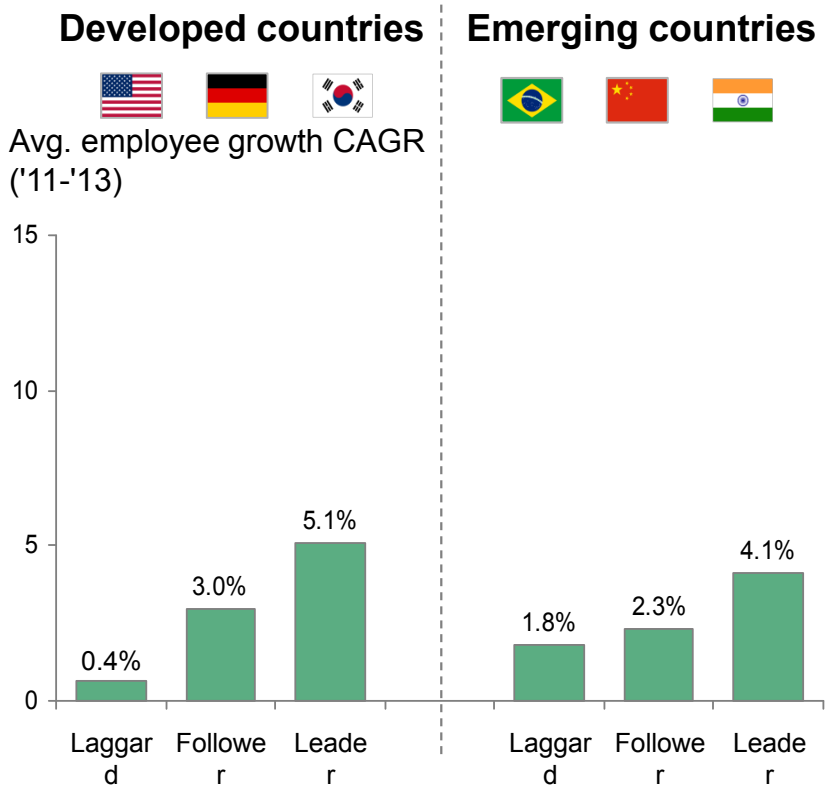
Mobile Internet creates jobs too
3m jobs globally
World class developers
MindCandy
Papaya, Wooga,
ColorNote, Pandora

Mobile Leaders grew 4 p.p. faster than Laggards in terms of revenues and jobs over the past 3 years

With ~4% annual growth, mobile leaders report higher revenue growth than peers...



...With a similar patterns also seen in terms of job growth



Note: Results for SMEs only (<500 employees). Excludes results who failed attention checks or with low answer variance (straight lining)
Source: BCG Business Impact Survey (USA: n= 574, Korea: n=704, Germany: n= 513, China: n=489), BCG analysis

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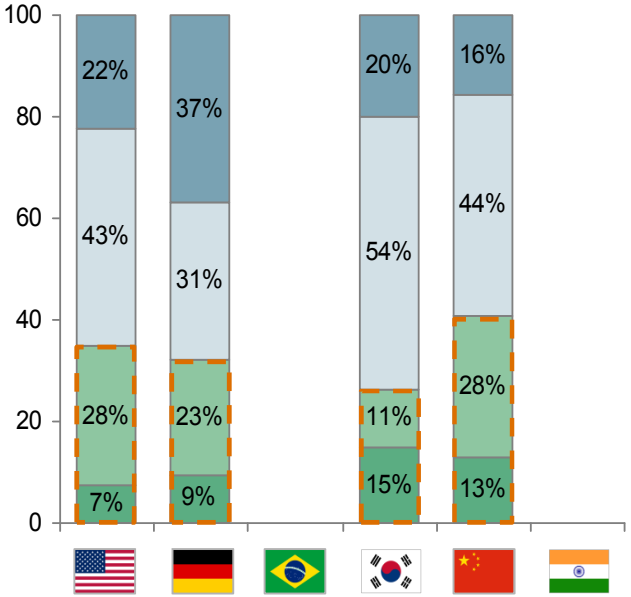
Mobile divide poised to grow between Leaders and Laggards

~35% of respondents report that investing in mobile is a priority...

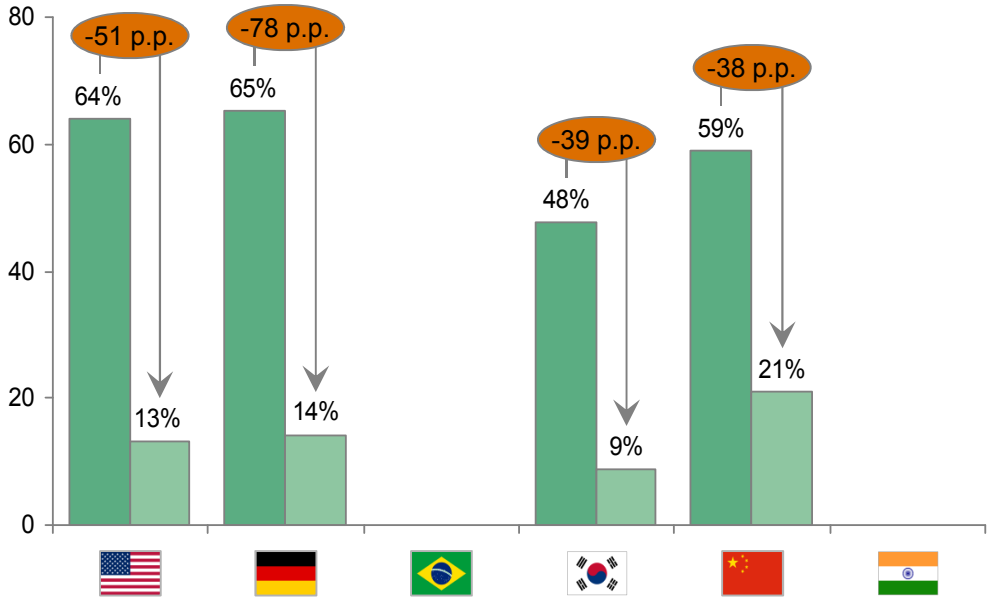
% of respondents



We don't plan to adopt new services - we have what we nee
It is being actively considered, but is not a priority
Among the top management priorities
Our next first dollar of investment will go to mobile ser

... With a mobile divide[1] of ~50 percentage points (p.p.) between leaders and laggards

% of respondents reporting intention to adopt new services



Leader
Laggard

1. Defined as the delta (in p.p.) of the number of respondents reporting that investing in new mobile applications is a) where there next investment dollar will go or b) among top management priorities

Note: Results for SMEs only (<500 employees). Excludes results who failed attention checks or with low answer variance (straight lining)

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"Human interest" stories from Korea illustrate the fundamental impact of mobile technology on small business

Referral apps for local biz

Mr. Han (owner)
Kumkang BBQ

- **Local business in Korea benefits from referral apps by using them as the key marketing platform:**

" I get 20% more customers for a month for $50 or less using location-based referral service. This is 150 times more cost efficient than traditional marketing."

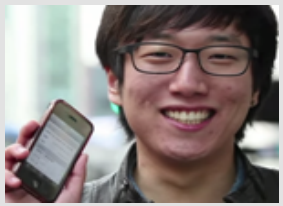
Mobile payment & biz mgmt

Mr. Cho (owner)
Yicheon mart

- **Mobile solution helps the transformation of traditional marketplaces in Korea to survive in the competition:**

" I would've lost half of my customers if I hadn't used the mobile POS system. I can also manage my best products and best customers on my mobile phone."

Agile & fast innovation



Mr. Yoo (CEO)
Seoul Bus Mobile

- **More than 10 million people use a real-time bus tracking app developed by a 17-year old student .**

" Mobile is the only way for developers to 'be there' when people think something might be useful, which is the only way to make a new user habit"

Source: BCG interview

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Thank you

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