



Community-based apps are where it's at

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The buzz surrounding mobile TV and full-track downloads grows increasingly deafening as the industry heads into next month's CTIA Wireless IT & Entertainment show in Los Angeles. But for now, at least, the most lucrative application in wireless may be in simple, community-based applications.

AirG, a Vancouver, British Columbia-based developer, will announce this week that more than 10 million wireless consumers are using its white-label social networking offering. The application, which is offered through more than 85 carriers, allows users to play games, flirt, and send text and photo-messages to others across carriers and around the world.

"The social network and community space on phones is really heating up," said Frederick Ghahramani, a 28-year-old entrepreneur who co-founded the company six years ago. "We've gone from 5 million users to 10 million users in the past eight months."

User-generated content has become a hot topic in wireless, of course, in the wake of hugely successful Internet sites such as MySpace and Friendster. And while wireless developers are already pouring onto the playing field, PC-based destinations are expanding their offerings and joining the fray. Traffix Inc., a publicly traded company with nearly a dozen community-based Internet sites, has begun offering mobile content and social networking tools, and MySpace has scored a deal with mobile virtual network operator Helio L.L.C.

Other players include Inter casting Corp., with its Rabble application; SMS.ac, which has a substantial subscriber base thanks to an aggressive text-messaging offering; and uLocate, which offers a photo-sharing application.

In addition to AirG, the early leaders in mobile user-generated content and community space include Jumbuck Entertainment Ltd., a publicly held Australian outfit, and Freever, which was acquired by aggregator Buongiorno Vitaminic SpA last year for \$42 million.

While the wireless companies have yet to see the kind of traffic some Web sites enjoy-MySpace reportedly claims more than 100 million users-such offerings may be easier to monetize on mobile phones than on computers. Ghahramani said the average AirG member uses the application nearly an hour every day. But Ghahramani hopes to move beyond simple data revenues and into the promising world of mobile marketing. AirG has already partnered with MTV Asia to offer branded, community-based applications to mobile users in India and is looking to expand the model to other markets including the United States, which is home to 60 percent of its customers.

Operators and advertising companies continue to tiptoe around mobile advertising models, afraid to be seen by consumers as intrusive and unwelcome. But marketers may find a warmer reception if they approach users as branded communities with occasional, content-specific messages. The key is to build communities people want to join and approach users with innovative, relevant messages they want to receive.

"It's not advertising, it's not spam; it's kind of building a relationship with customers," said Ghahramani. "It's just this nightclub waiting to get put together. It's a Studio 54 up in the air."