

McKinsey Quarterly

How will new Internet standards finally deliver a mobile revolution?

This document is a summary of a report from McKinsey published on April 2011. It was released by InterInnov on 27 April 2011.

The next generation of the Internet standard will essentially allow programs to run through a Web browser rather than a specific operating system. That means consumers will be able to access the same programs and cloud-based content from any device— personal computer, laptop, smartphone, or tablet—because the browser is the common platform.

Web-centricity

The next generation of HTML, known as HTML5, may narrow the differences between mobile devices. HTML5 is the most significant evolution yet in Web standards, is designed in theory, to the browser a universal computing platform: users could do everything from editing documents to accessing social networks, watching movies, playing games, or listening to music. The second is that it helps overcome the relatively weak processing power of smartphones and tablets compared with PCs and laptops. No matter how quickly the shift occurs, it will affect both consumers and businesses significantly.

Consumer impact

Today, reading news headlines on mobile devices requires accessing a specific Web site—often a sluggish exercise in frustration—or separately installing an application on every device used and, for those that charge a fee, paying each time. With Web-centricity, a single application can theoretically be accessed from any device through a browser when paid once. Web-centricity represents a major step toward genuinely “smart” devices that offer the same simple, relevant, and personalized experience everywhere.

Industry impact

These changes to consumer behavior may affect the economics of industries:

- **Software developers:** Application developers currently pay a fee of up to 30 percent to device makers, telecommunications operators, or operating-system developers whenever an application is sold to a consumer. In a Web-centric world, developers can avoid these intermediaries: not only can the same application be sold across all devices but anyone can set up a Web store and sell directly to users;
- **Telecom operators:** Web-centricity may be a double-edged sword for telecom players. On the one hand, it will spur demand for mobile-Internet services, create opportunities for operators as consumers seek applications that work across multiple devices. On the other hand, there’s no guarantee that operators can make money with new apps, while the likely surge in data traffic will require significant investments in network infrastructure;
- **Content providers:** Web-centricity should provide revenue and savings opportunities for content providers. The ease with which consumers can access Web-centric content should stimulate their interest in more relevant, timely material. Savings, a secondary benefit, come from avoiding the cost of converting an application from one platform to another;



- Device makers: Savings, a secondary benefit, come from avoiding the cost of converting an application from one platform to another. The shift does, however, create opportunities. Manufacturers will be able to better and more easily integrate software and hardware experiences within and across devices.

What it means for senior executives

Web-centricity could ultimately provide a range of benefits for companies as information technology moves to Web-centric platforms and away from the current hard-wired infrastructure and applications.

The CMO

The increasingly strong tendency of consumers to use mobile devices to access company and product information will have its greatest impact on chief marketing officers. Many companies are already experimenting with innovative smartphone applications. They will be able to continue taking advantage of the power of mobile Web browsers to create compelling experiences for users. CMOs will need to push their teams to develop compelling mobile-advertising strategies.

The CIO

Web-centricity puts additional pressure on organizations to invest in corporate cloud infrastructure. Chief information officers should prepare for the day when consumers, employees, and suppliers all communicate and interact through the use of mobile devices that run Web applications. CIOs will have to decide whether costs can be cut and productivity increased by introducing rich applications both horizontally (across industries) and vertically (within industries).

The CEO

From the perspective of the chief executive officer, Web-centricity should be part of a broader imperative to elevate the importance of mobile marketing in corporate strategy. CEOs must take a big-picture approach to the collective implications of Web-centricity, the way it redefines a company's interactions with employees and customers.

Web-centricity will require spending money to make money. Organizations will have to make IT investments, particularly for cloud-based computing and mobile platforms. Web-centricity also promises to make the mobile-Internet experience more open, complex, and dynamic. Companies must master the potentials, the challenges and the opportunities of the m-dot revolution, which introduces a mobile element into everything from commerce to advertising to public relations.