

Mobile Asia holds key to Facebook's future growth

February 3 2014, by Rachel O'brien



The 'Facebook' logo is reflected in a young Indian woman's sunglasses as she browses on a tablet in Bangalore on May 15, 2012

As Facebook celebrates its 10th birthday, one of its biggest challenges is to tap the mobile market in emerging Asian economies, where it can drive expansion after growth in the West tapers off.

India is expected to overtake the United States as the country with most

Facebook users in 2014, with its total number forecast to surge beyond the 150 million mark from the current 93 million level.

But despite its rapid growth in parts of Asia, experts say Facebook cannot afford to be complacent and locally-tailored competitors are threatening to steal its thunder in countries such as Indonesia.

With Internet penetration still relatively low in Asia's emerging economies, many people's first online experience comes when they log on with a mobile phone.

Kevin D'Souza, Facebook India's head of growth and mobile partnerships, says the key to success in emerging markets therefore depends on encouraging access via basic mobiles known as "feature phones".

"We're already seeing the majority of users sign up to Facebook on mobile devices," D'Souza told AFP.

"A large chunk of [mobile phone users](#) in India are feature phone users, and with low price points, these devices are becoming the first Internet connected device many people will own."

He said more than 100 million people globally are now using the "Facebook for Every Phone" app specifically for non-smartphones and many of the next billion users Facebook hopes to attract are expected to do the same.

Preloaded

The Nokia Asha 501 feature phone now comes preloaded with Facebook, while India's telecom giant Bharti Airtel announced last month that it would offer free Facebook access in nine local languages to

prepaid customers.

In India, more than 40 percent of the 1.2 billion population have cell phones but barely five percent are smartphone users, according to estimates by consultancy Analysys Mason.

Nevertheless, researchers at eMarketer predict India will reach 152.4 million Facebook users this year, surpassing the 151.1 million forecast for the US.

The growing importance of mobile Internet access was demonstrated with Facebook's strong earnings released last week.

Advertising revenue surged to \$2.34 billion in the quarter, up 76 percent over the past year, and more than 53 percent of that figure was mobile advertising revenue—up from 23 percent in the fourth quarter of 2012.

"2013 was the year we turned our business into a mobile business," said boss Mark Zuckerberg, who began the company as a student a decade ago, since when it has swelled to attract 1.23 billion active users worldwide.

Aakrit Vaish, a founder of mobile company Haptik, said it was not just the sheer population size that made India such a big Facebook player.

"Culturally in our country we have always been, for better or worse, very inquiring about other people's lives," he said.

He believes an additional benefit for Facebook in India has been the prominence of English speaking among the urban elite, who were the first to get access to the social network.

The same is true of the Philippines, where more than one in three people

are on Facebook according to marketing agency We Are Social whose data shows the country spending more hours per day on social media than anywhere else in Asia.

Facebook has overtaken [mobile](#) text messaging as a key communication tool, also embraced by Philippine politicians and activists—President Benigno Aquino's Facebook page has more than three million "likes".

Protesters last year used the network to vent anger over the misuse of state funds by lawmakers, snowballing into a mass rally in Manila in August.

Tailoring content

But experts say that Facebook's dominance in some Asian markets faces a threat from competitors who are adapting to local tastes.

With Facebook banned from China since 2009, Indonesia has the second largest number of users in Asia, with around 65 million.

But youngsters are also active on Indonesian-made social media such as Kaskus, while US-based social network FourSquare and China's WeChat have launched popular Indonesian versions of their platforms.

"Nothing works better than making something local," market research firm Roy Morgan Asia director Debnath Guharoy told AFP.

"It has the vernacular, the slang. Anyone who does that successfully will get a lot of traction."

MindTalk, a colourful Indonesian forum set up in 2012 which groups users by interests such as sport, celebrity and travel, has attracted around 500,000 [users](#) and is growing by about 10 percent each month.

"Facebook's Indonesian user base will keep growing as more people get online, but young people will probably spend less time on it because there are so many alternatives," said Rama Mamuaya, founder of the Indonesian tech blog DailySocial.

Indian student Dewika Bhagwat, 17, said she used to avidly post updates on the computers at school, but now she and her friends have smartphones, they prefer to keep in touch via the instant messaging service WhatsApp.

"Because all our parents have opened Facebook accounts, it's not that fun anymore," she said.

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