

Mobile Convergence

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2005

vs

2014

**Worldwide
Internet Users:
1 billion (PC)**



China = 1/3
of +2bn Adds

**Worldwide
Internet Users:
3 billion (Mobile)**

NEXT ?!

GOOG
(#1 Internet Company
In the World)
\$100Bn Market Cap

20 : 1

BIDU, BABA
\$5Bn each

GOOG
(#1 Internet Company
in the World)
~\$400Bn Market Cap

1.3 : 1

BABA
~\$300Bn

Magnitude of Mobile Internet = \$500Bn on Hardware Alone...and More

Changes in Market Cap
(Jan 2007 vs. Now)



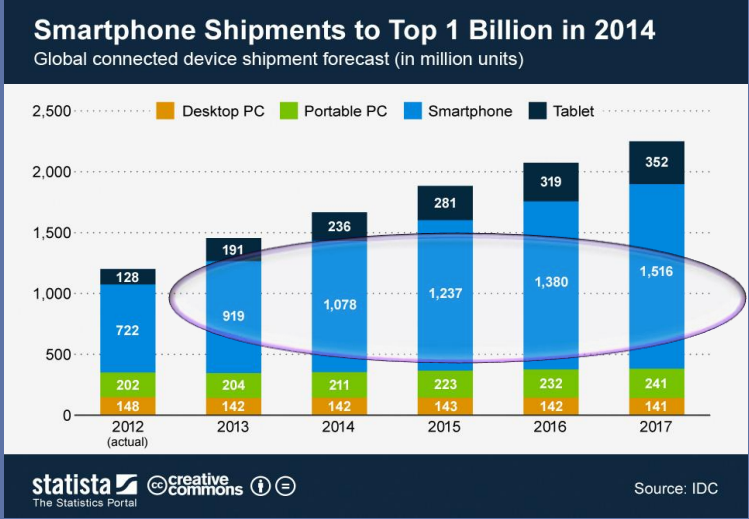


Lost
\$73B




Gained
\$447B

- Apple announced iPhone in Jan 2007
- Worldwide smartphone shipment surpassed PCs in 2011
 - Worldwide smartphone # > 1B in 2014 → 1.5B in 2017
 - Tablet shipment to surpass PCs in 2017?!
- China + US = Top 2 Markets = ~50% of World
 - The 4th & 5th Bn. Internet Users worldwide to buy low-cost CN smartphones to go online?



Mobile is Disrupting HUGE, Diverse, Traditional, Lifestyle Verticals

Mobile Software & Services



M-Commerce



Nearly \$70B market in 2013 in US & China, and growing cross-border import/export purchases via mobile



Connected Devices



\$1.5-\$3B for wearables and \$19B for smart homes in 2014; China is manufacturing base and hardware co-design partner for innovators worldwide



Travel



Mobile travel bookings in 2015E: \$40B in US, \$6.4B in CN; 97M CN overseas visits in '13, spent \$120B, +66% vs '11



Music



\$1.7B global revenues from mobile streamed music in 2013



Local Transport



Over \$1T market worldwide for local transport, \$2T market for global automotive industry



Local Delivery



\$86B US market in 2013, continually shifting to mobile



Events & Ticketing



\$1.5B in mobile ticketing payments in 2013



Payments



\$235B in m-payments globally in 2013



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Mobile Commerce: \$70B Market in China and US in 2013

- Smartphone = the **FIRST** screen for young users
- Unique features incl. “always on” connectivity, location-based, personalized, convenient payments fuel adoption for more commerce/services
- Allows user segmentation; targets only female/male users, users in “NFL” cities, users at airport, restaurants...etc.



GGV Has a Unique Vantage Point

- ▣ Visibility into Both Markets
- ▣ 8M+ Merchants on Taobao and Ebay China Are Starting to Sell Overseas
 - Massive Volume of SKUs >> 180K SKUs in Avg. Single Wal-Mart Store
- ▣ US Brands Want to Find Trusted Local Partners to Sell in China
- ▣ Users in Developing Countries Have Similar Needs as Chinese Internet Users

China



Over \$200B

US



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Early But the World is Getting More Connected

Advancement in Sensor /
Communication
Technology



Algorithm & App to
extract and display data



Backend cloud-based
service



- 9B Internet device installed base expected by 2018
- Wearable technologies alone expected to be about \$6B market potential



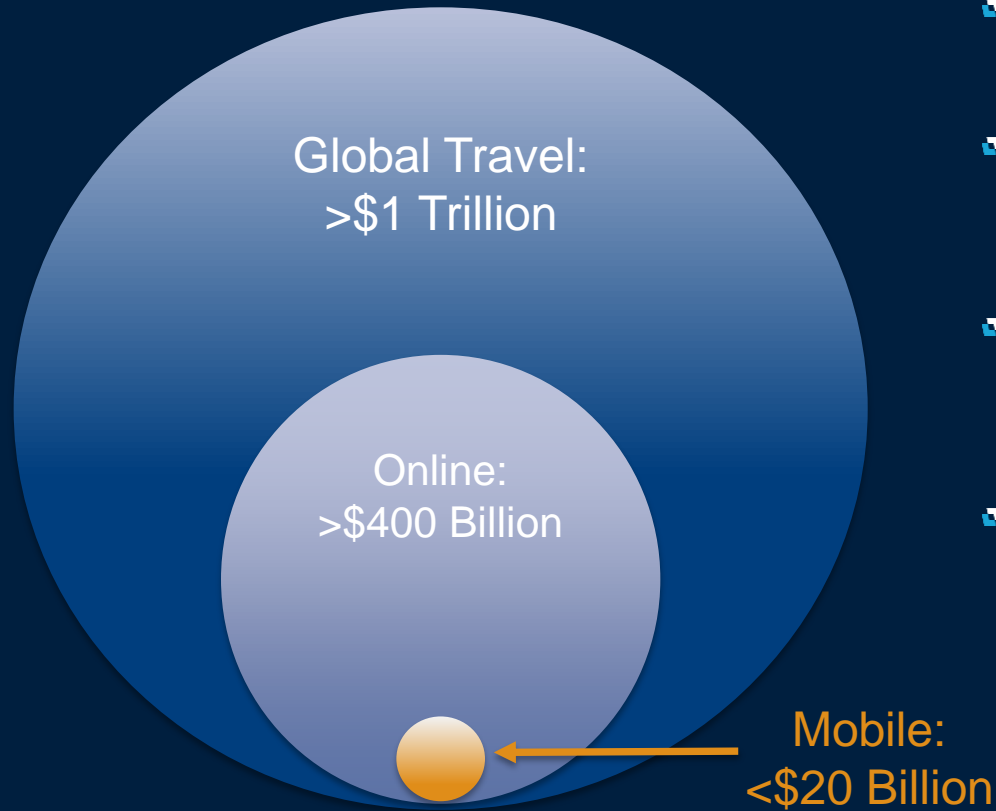
GGV Has a Unique Vantage Point

- ❏ Mobile is rapidly disrupting all industry verticals
- ❏ >1B smart phones across both US and China
- ❏ Mobile-first companies are started up as GLOBAL companies from day one, e.g.
 - Alibaba / Quixey / UCWeb
 - HotelTonight / GrabTaxi
 - Wish / Flipboard

GGV Mobile-First Companies



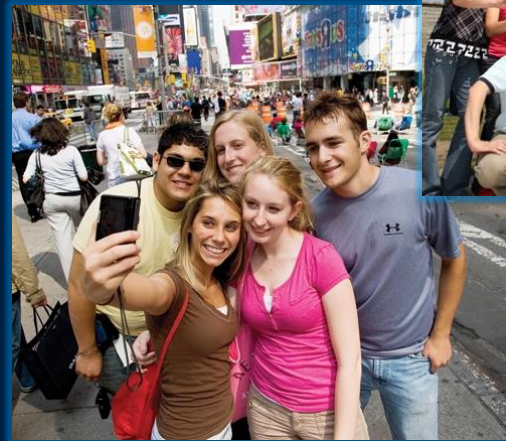
Online Travel Is a Massive Category



- Asia markets are the fastest growing, with China ~20%
- More than 97M outbound visits from China in 2013, spending more than \$120B
- Online as a % of total:
 - 2010: 35%
 - 2015: 44%
- Massive Shift to Mobile Coming

GGV Has a Unique Vantage Point

- ▣ Visibility across US & China
- ▣ The 2 largest travel markets
- ▣ Approaching 1B smartphone users
- ▣ Innovation coming from both markets



Key Emerging Trend: Mobile is Disrupting Traditional Verticals



GGV Portfolio:

Gaming



Payment /
Commerce



Travel



Content
Consumption



Enterprise /
Vertical



New Sectors to Watch

Entertainment



Fin Tech



Transportation



Enterprise
Productivity



Key Emerging Trend: O2O / On Demand Mobile Services



GGV Portfolio:

Shared Resources



Shared Interest /
Reviews



Shared Knowledge &
Professional Ability



New Sectors to Watch



Education



mHealth



Finance



Logistics



Key Emerging Trend: From Wearable to “Livable”



GGV Portfolio:

Quantified Self



Smart Homes



Ecosystem

Connected Fun



Smart Sensors



New Sectors to Watch

Lifestyle



Home



Cool Geeky Toys



Automotive





Key Emerging Trend: Blurring the Line Between Users & Enterprises

GGV Portfolio:

User Apps



Enterprise Services

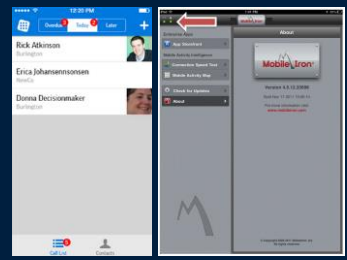


Backend Technology



New Sectors to Watch

Mobile-First Enterprise Apps



Analytics / Big Data



Cloud End Storage & Computing Technologies



Case Study #1: Xiaomi (2010 to 2011)



Xiaomi's Unique Opportunity As Seen By Founders in Q1 2010

Internet companies don't know how to make a phone themselves:



Mobile OEMs don't know internet:



MNC don't know Chinese users nor want local team to innovate



Marketing Methods: Social/Promo Activity Driven

- Below is an example of 1 campaign
 - Attracted 500K participants!
 - Spent very little money

The image shows a promotional banner for a MIUI campaign. At the top left, the MIUI logo is next to the large Chinese character '控' (Control/Addict), with the text '世界上有两种人 一种是控, 一种是想成为控的人 kong.miui.com'. To the right, it says '去围观MIUI.COM 383876个手机控 >>'. Below this is a large orange banner with the text '“500,000手机控的10年手机史”' and a button '立即查看'. The main content area has a light beige background with the title '我的手机编年史' and an image of a MIUI smartphone. Below the title, it says '1973年,世界上第一部民用手机诞生,开启人类沟通全新时代。到了今天,手机已经成为了你最重要的器官,你已经离不开它。作为手机达人的你,曾经与手机有着怎样的情结?' and lists three bullet points: '* 帮您算出您的手机历程,买手机总共花了多少钱.', '* 生成您的手机编年史图片,去微博上秀秀.', '* 找到曾经与你用过同一部手机的人.' At the bottom, it shows a timeline from 2001 to 2011. On the right side, there is a '立即参加' button with a counter showing '目前已有 669528 人参加', and three login buttons: '用MIUI帐号登录', '用新浪微博帐号登录', and '用腾讯微博帐号登录'.

MIUI 控 世界上有两种人 一种是控, 一种是想成为控的人 kong.miui.com 去围观MIUI.COM 383876个手机控 >>

“500,000手机控的10年手机史” 立即查看

我的手机编年史

立即参加 目前已有 669528 人参加

用MIUI帐号登录

用新浪微博帐号登录

用腾讯微博帐号登录

1973年,世界上第一部民用手机诞生,开启人类沟通全新时代。到了今天,手机已经成为了你最重要的器官,你已经离不开它。作为手机达人的你,曾经与手机有着怎样的情结?

- * 帮您算出您的手机历程,买手机总共花了多少钱.
- * 生成您的手机编年史图片,去微博上秀秀.
- * 找到曾经与你用过同一部手机的人.

2001 . 2002 . 2003 . 2004 . 2005 / 2006 . 2007 . 2008 . 2009 . 2010 . 2011.

Case Study #2: Wish
(Q4 2013- Q3 2014)

wish

Global. Mobile. Product. Discovery.



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An Enormous Market...



\$500 billion



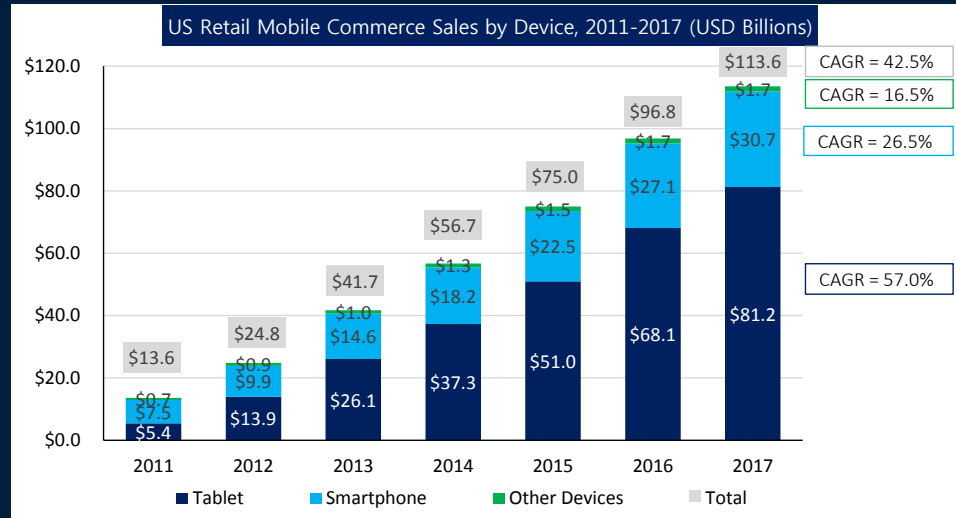
\$70 billion



\$20 billion

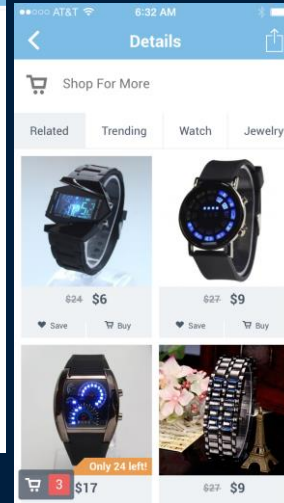
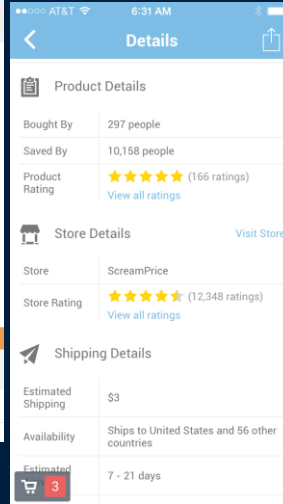
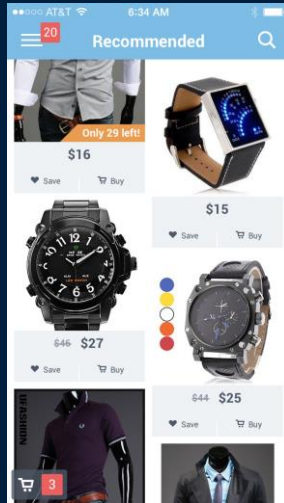


...Shifting to Mobile



Source: eMarketer, "US Retail Mcommerce Sales, By Device, 2011-2017," Sep 2013.

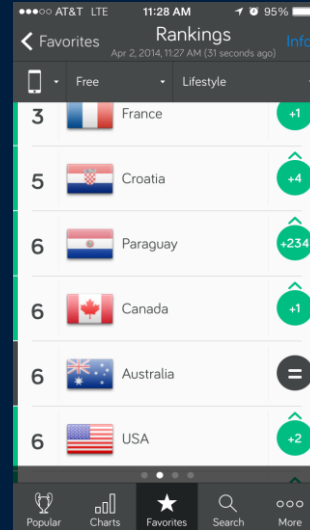
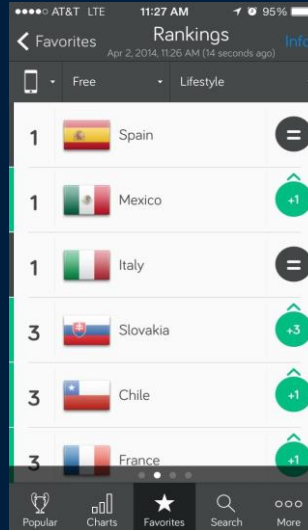
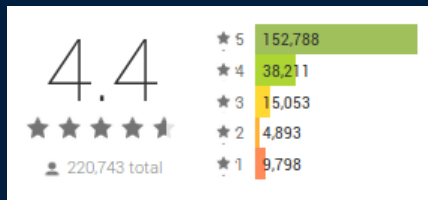
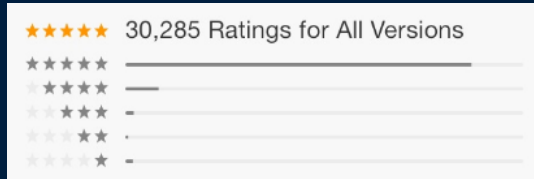
UI/UX Built for Commerce



- Popularity of an item is important to users

- On mobile, shoppers want to be "merchandised" – not "search"
- The "buy" button is omnipresent, making it easy

Focused on a Global Market



THANK YOU