Mobile Devices – Which Company Will Lead the Next Innovation Cycle?
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Handset and mobile operating system manufacturers are scrambling to differentiate their offerings in an increasingly crowded marketplace. Apple redefined the smartphone and established industry leadership in configuration and design. Competitors are developing similar concepts on their own, or are following Apple's lead (touchscreen, finger swipe, applications, etc.). Now the industry appears to have hit a brief innovation plateau, where most smartphones look, feel and function similarly. To break out of the pack, companies will need to gain a much better understanding of what customers want, will have to seek design ideas from beyond technologists and will need to re-evaluate each device component and seek to reinvent those components which can enhance the user experience.

Competitive Environment

All mobile device companies are innovating. In handsets, commitment to redesigning and improving hardware can clearly be seen in HP's purchase of Palm and Blackberry's launch of the Torch. Applications development has taken off. Touchscreen and keypad interfaces were combined by Blackberry, HTC, Samsung, and others. Within operating systems, application development has been reignited

by Google's enormous Android success, and now Microsoft has just launched Windows Mobile 7. The race to tablet devices is shaping up similarly. The iPad was another game-changing device, which has been quickly followed by launches from Blackberry, Samsung, Dell and others.
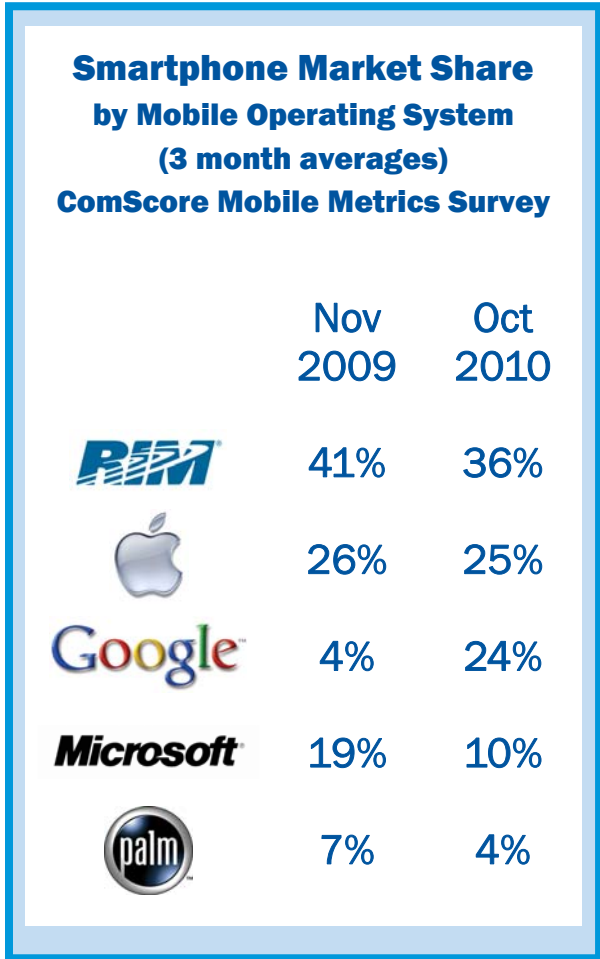
Mozilla Innovations

Winning the innovation battle requires more than just understanding what customers want today – companies must anticipate how customers might use their phones tomorrow. The challenge is to match existing and planned technology with future customer desires. To do this, companies must uncover what uses customers have for their devices today and what uses they will want to have via mobile in the future.

This year, Mozilla (the open source browser) has thrown down their innovation glove. Mozilla gathered user input through their online channel. Then Mozilla commissioned a video depicting what a future phone might look like – dubbed the Seabird 2D. This

concept video was the result of customer interfacing via online channels and screen-scraping futuristic features and concepts. Take a look at https://mozillalabs.com/conceptseries/2010/09/23/seabird/

The video presents a concept phone with interesting new and reconfigured features. These include: three projectors (for projecting the screen and for projecting a useable keyboard), the ability to pan & zoom in 3D

	Smartphone Market Share by Mobile Operating System (3 month averages) ComScore Mobile Metrics Survey		
		Nov 2009	Oct 2010
RIM		41%	36%
Apple		26%	25%
Google		4%	24%
Microsoft		19%	10%
palm		7%	4%

space, wireless charging, an embedded USB drive, a programmable RFID for mobile money, a smart camera flash, anti-theft/remote wiping functionality, a solar charging cell, and others.

The Solution: Co-Creation

In their book The Future of Competition: Co-creating Unique Value with Customers, CK Prahalad and Venkat Ramaswamy argue that it is imperative for vendors to interact with their customers and build platforms for capturing customer insights. And co-creation is much more expansive than focus groups or simple customer interviews. Mozilla built a co-creative website to assist it in developing new and innovative opportunities to collect customer input. These actions are the very beginnings of a co-creative strategy. But companies must go far beyond conjoint analyses and customer surveys for product development. What remains to be achieved, is a continuous feedback loop with insights and innovation informed by the customers and driven by company marketers and technologists.

How can companies accomplish these goals? Three complementary steps can help. The first step is to open up the design and innovation process to enable customers and channel partners to become part of the ideation phase of product development. As Mozilla found, these users can provide key insights. After the product development, companies must then reengage the users to ensure a continuous feedback look. The next step is to open up the product design to "design geniuses", designers in the marketplace who can bring new and fresh ideas to technology products. These geniuses can be sourced globally and bring international ideas to devices. A third step is to expand the design and functionality options. For example, when product designers begin by presuming that a phone requires a screen, they have narrowed the options. If more broadly, designers begin by understanding that users must receive output, then they can expand options to include numerous alternatives: voice playback, projection, multiple screen types and sizes, etc. The iPhone launch created a sea-change in the industry. Mobile phone and OS development will continue to evolve.   Companies can endeavor to more deeply understand customer needs and desires and then seek to leapfrog the competition by delivering products and services that meet those needs. In the crowded and low growth US and Western European markets, it remains to be seen which company (and which platform) will actually advance development and capture customers' imaginations.

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About this Article

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