

The MOBILE Impact

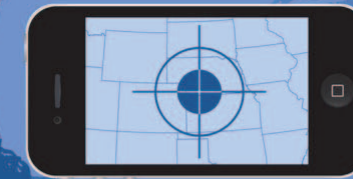
The facts are resoundingly clear, mobile is huge. What does all of this mean for the mortgage market you might ask? Despite signs of continued housing market distress, everyone is mobile.

The mobile revolution is expanding at an unprecedented pace. In a research report called "The Mobile Revolution & B2B" by Christina Kerley, she says, "with over 5 billion mobile subscriptions worldwide, that eclipses the combined penetration of PC's, landlines and TV's".

By Randy Schmidt But it doesn't stop there, as nearly 6 out of 10 U.S. consumers use smartphones, while tablets are used by more than one-third, according to a new survey from Frank N. Magid Associates. Smartphones are now used by 58% of American consumers and by 76% among those under the age 44. Meanwhile, tablet usage has risen to 34% from zero just two years ago.

STeadyRAIN®
presents

MOBILE AMERICA



According to the US Census Bureau, in July 2011, there were 311,591,917 people living in the United States.

Approximately 232,000,000 of them are connected by mobile devices such as tablets, cell phone, and smartphones.



2 out of 3

americans are considered to be part of MOBILE AMERICA



MOBILE EMAIL

Email usage on mobile devices is up 30% in the past two years



80,000,000 americans have phones that are email enabled

49% of mobiles users email from their device in a given month



MOBILE WEB BROWSING

Did you know that nearly 72,400,000 americans have a mobile phone that allows them to browse the web

52% of mobile users actively browse the internet on their device!



MOBILE SEARCH



In the fourth quarter of 2011, 4% of search clicks came from tablets and 6% came from smartphones

Both of those devices drove higher click-through rates (CTRs) than desktop computers

In fact, smartphone CTRs were 31% higher than desktop search ads, while tablet search ad CTRs were 37% higher



MOBILE PICTURES

79% of smartphone owners take pictures with their mobile device during a given month



MOBILE VIDEO

28% of smartphone owners watch video on their phone (either streamed directly or downloaded/uploaded to the phone) in a typical month

42% of mobile users take video with their devices



MOBILE COMMERCE

39% of mobile users use their device to send an SMS message to a business to get more information, discounts, and updates

34% of mobile users research products and compare prices on their phone at least once a month

11% of smartphone owners shop directly from their mobile device

What are the most common items customers purchase on their phone?



- Movie & Event Tickets
- Electronics
- Toys & Games

Here are some additional mobile statistics that reflect the growth and importance of the mobile channel for reaching your potential borrowers:

- Global internet usage will more than double by 2015, and most of these users will be mobile. (Boston Consulting Group, Mary Meeker, Kleiner Perkins, Morgan Stanley Research, Berg Insight via Business Insider)
- Adults spend more media time on mobile than newspapers and magazines combined. (eMarketer December 2011)
- In 2012, the U.S. saw a 55% increase in smartphone subscriptions to make for 98 million smartphone subscribers, representing nearly 42% of all U.S. mobile users. (comScore 2012)
- In the U.S. alone, there were more than 400 smartphone devices on the market at the end of 2011. (comScore 2012)
- In 2011, smartphone adoption increased 99% among 6-person households, 98% among those making less than \$25,000, and 92% among retirees. (comScore 2012)
- Apple and Android represent more than 75% of the smartphone market. (comScore 2012)
- QR code scans increased 300% in 2011 over 2010. (ScanLife)
- QR code usage jumped 617% from January to December 2011 in top 100 magazines. (Nellymoser)
- In 2012, the audience of internet users in the U.S. will expand by 3.1% to 239 million, representing 75.6% of the total population. In other words ... more than 3/4 of the total population will be online in 2012.
- Mobile Internet users will reach 113.9 million in 2012, up 17.1% from 97.3 million in 2011.
- Smartphone users will reach 106.7 million in 2012, up 18.4% from 2011.
- In 2012, 94% of smartphones users will be mobile Internet users.
- All mobile phone users will reach 242.6 million in 2012, up 2.3% from 2011.
- Tablet users will reach 54.8 million

in 2012, up 62.8% from 33.7 million in 2011.

- iPad users will reach 41.9 million in 2012.
- In 2012, 76.4% of tablet users will be iPad users.
- Adult-aged eReader users will reach 45.6 million in 2012, up from 33.3 million in 2011.

Are you overwhelmed yet? Well, you should be. The facts are resoundingly clear, mobile is huge. What does all of this mean for the mortgage market you might ask? Despite signs of continued housing market distress, most homeowners and perspective buyers are optimistic about the housing market, according to a survey by real estate website Trulia.

In the biannual American Dream Survey, 78 percent of homeowners said their property was the best investment they had ever made. But 20 percent said they felt trapped in a home that was worth more than their mortgage, and 14 percent told surveyors that they would walk away from their homes if they could.

“Going mobile today means that you can conduct business; with anyone, from anywhere, and at any time.”

The people least likely to be affected by the housing crisis, 18 to 34-year-olds referred to as ‘millennials,’ were most optimistic about a recovery. According to Trulia, 26 percent had become more positive about owning a home over the past six months compared to 18 percent of 35 to 44 year-olds and 45 to 54 year-olds, and 22 percent of baby boomers.

Millennials—also commonly referred to as Generation Y and echo boomers—are the first generation to come of age in the new millennium. Unsurprisingly, the internet’s role is paramount among the age group’s media habits and usage. From shopping to socializing to watching TV, they do it all online.

“Millennials represent a critical target for marketers, and the best place to reach them is where they are—online,” said

Jared Jenks, eMarketer analyst and author of the new report, “Demographic Profile—Millennials.”

According to Wells Fargo, there are 51.5 million potential first time homebuyers born between 1979 and 1991, people born in between these years are also known as the Millennials. Approximately 6 million more of these Millennials are making of these years the prime home buying age.

Millennials comprise nearly a quarter of the total US population, and are evenly split between males and females. Less than six in 10 are white, and aside from children under 18, millennials are the most ethnically and racially diverse generation in the country’s history.

Virtually all members of this age group are online, and nearly as many are social network users. Millennials are ahead of the curve by almost any digital metric: online video viewing, mobile internet usage, mobile commerce, and location-based services.

Their presence on such a wide variety of digital media offers marketers a plethora

of opportunities to target them, but millennials are typically unenthusiastic about advertising and prefer to avoid marketing messages that seem insincere.

“What appeals to them is authenticity,” said Jenks. “They are not opposed to connecting with brands, but do so only when there is an exchange of value and, of course, when it is on their terms.”

Millennials were also more likely to aspire to own homes, with 88 percent of the 18 to 34-year-olds surveyed saying they planned to buy property. Many argue that this demographic will be key to reviving the real estate market.

Kerley points out, “In the mobile revolution, what is most important—yet not widely understood—isn’t that we’re changing our technology, but that this technology is changing us. Mobile is driv-

ing sweeping changes across the needs, expectations and thresholds of today's consumer and business audiences. Mobile is pervasive in every aspect of our lives".

After all, what is more personal to you and your borrower than their mobile devices? Mobile devices are:

- Always on
- Always with them
- Tailored to their preferences

Going mobile today means that you can conduct business; with anyone, from anywhere, and at any time. Can your business do this? If not, now is the time to start thinking of ways to accomplish these very goals. The days of needing to be tied to a single location to conduct business are over. It's time to cut the cord and move into the mobile arena where information can be easily accessed from anywhere.

All of the tools to make this happen are readily available today. Almost every part of the lending process is available via the web. Online point-of-sale and consumer

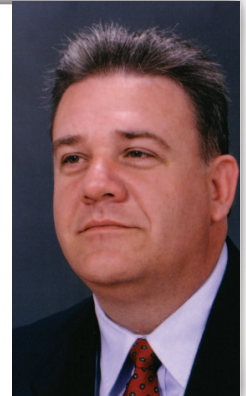
portals are available to allow you to reach out and communicate with your prospects and customers. Cloud-based document storage allows you to collaborate with customers and business partners. Online LOS systems let you process loans from anywhere by using only a web browser. If you are considering purchasing or upgrading any part of your lending process, now

is the time to think mobile.

So, what should you be doing as lender active in the space today? Align your products and services with this profound, permanent shift that mobile is driving across your core audiences... or risk your company's relevance in a business world forever changed by anytime, anywhere, always on access to critical lending information. ❖

ABOUT THE AUTHOR

Randy Schmidt is President of Data-Vision, Inc. and is responsible for overall operation and strategic planning for the company. Randy became involved in the IT side of mortgage banking almost 30 years ago and has been involved in numerous projects on both the origination and servicing side of the business. In 1993, Randy co-founded Data-Vision, Inc., in Mishawaka, Indiana as a Web design company. He then combined his previous mortgage experience with Internet knowledge to bring the speed, power and availability of the Internet to the Mortgage industry. He can be reached at rschmidt@d-vision.com. About The Author



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