Use the memo below as a basic template for your recommendation memo. Keep in mind, however, that it was written for a slightly different assignment. You will be using more sources and in most cases focusing more on the trend rather than a specific company.

TO: Proximity Mobile Team

FROM:

SUBJECT: Fall Focus Group Recommendations

DATE: Sept 15

We were asked to analyze a blog post or news item to help us prepare for our team’s fall focus group sessions. Below is my summary of a New York Times article on a service which provides virtual storage of data uploaded from mobile devices. I recommend we ask questions in our fall sessions that will help us determine whether TU students are using such services.

Evernote provides mobile web storage

Evernote, a new Silicon Valley company, gives registered users a free Web application that allows them to upload files from mobile devices to a storage area that is also accessible from their desktop or any other computer connected to the Web. Evernote uses the "freemium" business model championed by venture capitalist Fred Wilson (Darlin, 2009). In that model, access to a provider's service is not only free, but the provider's site has no ads. Evermore's revenue comes from charging active users for premium services.

Although Evernote only generated $79,000 in revenue for July, the company's CEO, Phil Libin, expects to turn a profit by January 2011. Over the past 18 months, 1.4 million users have registered for the service; 4500 new users join each day. Evernote's 500,000 active users can pay $5 a month for extra features such as the ability to search individual files. Evernote’s projected profit margin comes from falling costs for an expanding active user base. As New York Times reporter Darlin notes, "the variable cost for each active user was about 50 cents a month when the company started but has been dropping along a curve to 9 cents a month."

Freemium cloud services offer new social media paradigm

Evermore's service illustrates two trends which are now changing how Gen Y uses social media, particularly on mobile devices:

• Freemium - Social media sites which depend on advertising for revenue are still not generating profits because Gen-Y users largely ignore targeted ads. The freemium model, where users pay for premium service, has been successfully used by sites such as Flickr.

• Cloud computing - Users can share data through virtual spaces on the Web rather than having to upload and download files to and from specific devices. Cloud computing allows mobile users to instantly publish images and video captured "on the road" and gives them access to the same files they use at their desktops.

Questions to ask TU mobile users

In addition to determining which mobile devices and service providers TU students use, we should also ask the following questions during Proximity’s mobile focus group sessions:

• Do you subscribe to services such as Rhapsody which offer unlimited access to premium media from your mobile device?

● Do you regularly upload and share digital media captured on your mobile device?

● Do you access files from your mobile device which you also use on your desktop? Proximity clients need answers to these questions in order to understand how the spread of freemium cloud computing is changing Gen-Y's use of social media.

References

Darlin, D. (2009, August 29) Using 'Free' to turn a profit. New York Times, BU 4. Retrieved Sept. 4, 2009, from http://www.nytimes.com/2009/08/30/business/30ping.html?\_r=1&ref=technology.