

MARKETING

## Will Brexit usher in less innovative mobile era?

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*The United Kingdom, by 52-48, voted to split from the European Union*

By CHANTAL TODE

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In the wake of Britain's historic vote to exit the European Union, some companies could put less effort into innovating customer experiences as they are forced to focus more on moving products across borders, according to a Forrester Research analyst.

Britain's vote, which is being referred to as Brexit, is already introducing instability to financial markets around the globe and the local political environment. The potential impact on the mobile industry is less clear at the moment, but it could result in less available capital for startups and questions related to staffing, data security, intellectual property and roaming charges.

"While times of high-market volatility can tempt firms to panic and cut spending on customer-focused initiatives, now is the time to drive innovation in order to win, serve, and retain customers," said Laura Koetzle, group director at [Forrester Research](#).

### Talent drain

Britain has been a leader in mobile adoption and innovation. However, companies may be forced to spend more time and effort on delivering products across borders once Britain is no longer a part of the EU. At the same time, some may spend less time innovating on new customer-focused solutions, something that has been an important focus for large companies over the past few years.

British companies may also have a harder time attracting talent and customers.

Ms. Koetzle writes that digital talent is likely to migrate out of Britain while others will be dissuaded from coming. CIOs are likely to find it more difficult to recruit developers and engineers for customer-facing systems.

Firms' efforts to gain customer insight through data will be impeded by uncertainty over privacy regulations.

London, which has been an important center for mobile financial services and technology, will see its prominence diminish.

While many companies will be tempted to retrench because of the economic uncertainty brought about by Brexit, experienced marketers will recognize an opportunity to continue to drive innovation as a way to win and retain customers, according to Ms. Koetzle.

## Cloud technology

Companies that do take their eyes off of business technology risk shrinking their revenue base and losing ground to international competition, per Ms. Koetzle. Instead, companies should focus on using technologies such as automation and cloud to boost their business technology agenda.

Brexit is already leading to volatility in currency, which could impact earnings and revenues for major tech companies such as Google and Apple that have a large presence in international markets.

The uncertainty in the market is going to make it more difficult for mobile startups to get funding.

"Uncertainty causes people and business to be cautious and more risk averse, so until we have a clearer understanding of what Brexit means for the UK, we are likely to see stalled investment and deals between UK companies and European partners at the very least," said Paul Berney, co-founder and managing partner at [mCordis](#).

"Longer term this may cause non-European investors and companies to think twice about using the UK as their beach head into the European market," he said.

"Plenty of experts warned that the loss of EU funding will have a serious impact on innovation and research by universities and start-ups so that will affect the mobile industry among other technology lead ones. Unless of course the UK government re-allocates some of the funds it has been paying into the EU, but nobody on the Leave side guaranteed to do that."

*News Editor Chantal Tode covers advertising, messaging, legal/privacy and database/CRM. Reach her at [chantal@mobilemarketer.com](mailto:chantal@mobilemarketer.com).*

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