

# Market Insight Report from Wirelessworx

## 2 Million users on the Telstra 3G network already

### Mobile Business Application Usage to Surge by 2009, Driving Need for Device Management

#### Asia-Pacific Mobile Enterprise Market to Reach \$36 Billion by 2011

According to new data from [Frost & Sullivan](#), the Asia-Pacific market for mobile enterprise services, excluding Japan, totaled \$20.68 billion in 2006 and is forecast to be worth \$35.51 billion by the end of 2011.

#### Mobile Enterprise Revenues in the Asia-Pacific Region (excluding Japan), 2006 & 2011 (billions)

2006	\$20.68
2011	\$35.51

Source: Frost & Sullivan, February 2007

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[www.eMarketer.com](http://www.eMarketer.com)

Mobile operators are turning to mobile office applications to improve average revenue per user (ARPU) amid stagnating subscriber numbers and a decline in voice revenues.

Although the mobile enterprise segment is a small contributor to regional mobile market revenues (under 20%), Australia, New Zealand and Singapore have relatively mature mobile enterprise sectors. The Asia-Pacific mobile enterprise segment is estimated to be worth \$23.5 billion by the end of 2007 - almost twice its market size of \$12.28 billion in 2003.

The mobile enterprise market includes all mobile revenues from the enterprise segment, which covers corporate voice services, mobile office and other applications such as field force automation, customer relationship management (CRM) and enterprise resource planning (ERP).

Mobile office applications, especially mobile e-mail applications, are showing strong growth, highlighting the importance of corporate sector customers. Voice, however, remains the main revenue generator. Most mobile operators are likely to concentrate on the mobilization of vertical industry applications and business processes in the future

Mobile e-mail, sales force automation tools, mapping applications and Internet access – these are all mobile data applications and services that make business customers more efficient and improve their work quality. According to a new report from ABI Research, mobile data applications and services used by business customers will generate over \$100 billion in worldwide revenue by 2012.

Principal analyst Dan Shey comments, "The industry is at the cusp of some phenomenal growth for data applications and services delivered to the handset. Although voice will still generate the bulk of revenues from business customers, mobile data services revenues will become 26% of ARPUs by 2012, a 29% compound annual growth rate."

Business applications and services for the handset include communications, information access, computing, integrated information access/computing, and business process solutions. The communications category includes real-time communications and messaging. Combined revenues from all mobile business categories (including voice services) will grow from \$242 billion in 2007 to \$389 billion by 2012.

Information access/computing and business process solutions are relatively new categories of mobile applications and services for the business customer. These categories will experience the highest growth rates of all because they address needs specific to a business, an industry sector, or a functional area. According to Shey, "Business functions and processes require different amounts of communications,

computing and information access. Value chain players that participate in creating products with the right mix of these mobile capabilities will be riding a wave of growth for mobile solutions having CAGRs of between 80 and 90%.”

ABI Research’s study, “Mobile Business Applications and Services” ([http://www.abiresearch.com/products/market\\_research/Mobile\\_Business\\_Applications\\_and\\_Services](http://www.abiresearch.com/products/market_research/Mobile_Business_Applications_and_Services)) (Due to its length, this URL may need to be copied/pasted into your Internet browser’s address field. Remove the extra space if one exists.) provides a comprehensive view of the global market for business customer mobile applications and services. It describes and outlines the enablers for all mobile applications and services including voice, video and data applications. Complementing the discussion is a review of value chain players, market activity, and relevant statistics. Finally, market forecasts are provided, segmented by revenues, customers, and ARPU’s by mobile application and service category, and by region.

The report forms part of the firm’s Business Mobility Research Service ([http://www.abiresearch.com/products/service/Business\\_Mobility\\_Research\\_Service](http://www.abiresearch.com/products/service/Business_Mobility_Research_Service)) (Due to its length, this URL may need to be copied/pasted into your Internet browser’s address field. Remove the extra space if one exists.), which includes Research Reports, Research Briefs, Market Data, Online Databases, ABI Insights, the ABI Vendor Matrix, and analyst inquiry support.

Founded in 1990 and headquartered in New York, ABI Research maintains global operations supporting annual research programs, intelligence services and market reports in broadband and multimedia, RFID & contactless, M2M, wireless connectivity, mobile wireless, transportation, and emerging technologies. For information visit [www.abiresearch.com](http://www.abiresearch.com), or call +1.516.624.2500. *Close to 60 percent of managers in top US enterprises already use smartphones as strategic business tools*

**Edison, New Jersey, USA – July 23, 2007** - A new survey shows top 500 enterprises report significant productivity gains by mobilizing their workforce, and they plan to increase their investment in both mobile devices and mobile application usage. Over the next two years, enterprises will provide a growing number of management and staff with mobile devices equipped to access corporate data and applications, and will dramatically increase use of applications such as VoIP, instant messaging, and picture/video messaging. At the same time, the vast majority of enterprises indicated that improved device management is a key priority to support mobilizing the workforce and to maintain and improve the productivity levels of mobile workers.

The survey was sponsored by mobile device management leader Mformation® Technologies, Inc. Independent research firm Coleman Parkes conducted 200 detailed interviews with CIOs and telecommunications directors of top 500 enterprises divided across the US and Europe (UK, Germany, and Spain). Key research findings:

- More users in enterprises will be using smart mobile devices. US enterprises reported more than half of managers using company-supplied mobile devices and nearly one-third of staff, with 56 percent reporting increased usage among managers and 60 percent reporting increases in staff usage.
- Mobile email, internet and calendar applications are already pervasive, with more than 90 percent of companies using them, and businesses are also set to significantly increase the use of new mobile applications such as sales force applications and company file share systems.
- By 2009, enterprises will significantly expand the rollout of mobile VoIP (from 27 to 70 percent), instant messaging (from 58 to 80 percent), push-to-talk (from 35 to 55 percent), and picture/video messaging (from 35 to 63 percent) applications.
- 81 percent of respondents report significant productivity increases from current mobile investments, with more than one-third of these reporting increases higher than 20 percent
- Four-fifths of CIOs interviewed look for improved management of mobile devices, applications, and data to accelerate the productivity trend, and more than 8 out of 10 US CIOs believe the mobile operator should take the lead in providing these device management services

“Mobile devices are becoming even more ‘smart’ with the capability to do anything from using VoIP, to business applications such as calendars and push email,” commented Matt Bancroft, Chief Marketing Officer, Mformation. “We’ve reached the point in the market where mobile business applications are tried and tested and now people are really starting to use them. However this raises an interesting challenge for CIOs in terms of management and security. While IT departments have the solutions in place to manage business applications that reside on laptops or PCs, doing this on mobile handsets presents a far greater

challenge; for example, they'll need to start thinking about how to deploy applications, patches and updates over the air."

### **Smart Devices Becoming Pervasive Strategic Assets to US Businesses**

It is clear that smartphones and mobile applications are becoming strategic corporate assets. Fifty-seven percent of managers in US enterprises already use company-supplied smart mobile devices regularly. Comparatively, only about 31 percent of US employees below manager level currently use these devices, though this is expected to be a big growth area in most companies. Companies also anticipate growth rates of mobile applications to increase as much as 37 percent annually.

However, this growth will rely on the roll out of device management, so that corporate IT departments can have the same visibility and control over the use of smart mobile devices as they do with laptops.

"Smart phones are fast becoming as important to the business user as laptops. Business people want to be able to use the same applications that are available on their laptops on their smart phones, and this is quickly becoming a reality," Bancroft continued. "With CIOs reporting productivity increases of 20 percent and higher, it is clear that companies can greatly benefit by taking better control of their mobility infrastructure."

### **Device Management Critical to Increasing Productivity**

When PCs and later laptops started becoming pervasive business tools, management and security issues became an enormous problem for the enterprise. Managing business applications on mobile handsets presents harder challenges for IT departments than are required for laptops or PCs. Mobile devices and applications need "over the air" management, run on many different operating systems, and may be connected through a wide range of access technologies.

No wonder, then, that 84 percent of US companies believe that the ability to manage devices more effectively would lead to a higher increase in productivity. Furthermore, 84 percent of US companies questioned also believe that it is the responsibility of their preferred mobile operator to improve network and device management. It is this management that will enable them to get the most out of their investments in mobile devices and applications.

"These statistics highlight how important it is for operators to offer effective mobile device management. With good support, new mobile applications will see a much higher uptake. Businesses need support with any technology they roll out and this is no different with mobile devices; it's a great opportunity for operators to provide a value add and access new revenue streams through new applications," concluded Bancroft.

**Wireless Informatics Forum (WIF)**, a new resource for the mobile community, has been launched today to promote the importance of user experience optimization. WIF, a non-profit organization, is designed to act as a community resource for mobile operators, handset manufacturers, service providers and software vendors, helping them to share ideas and best practice in the development and delivery of mobile products and services.

The forum's website (<http://www.wirelessinformaticsforum.org/>) is open to all visitors, allowing free access to discussion boards, industry news, data and research papers from forum members.

"Mobile technologies advance so quickly that end-users can get left behind, frequently abandoning new services because of perceived complexity or because of very real problems with functionality. Recently, the launch of mobile technologies such as the Apple iPhone have shifted mainstream thinking towards the true value of the user experience and its ability to drive service adoption or increase customer loyalty," explains Tim Deluca-Smith, Director of WIF and VP Marketing at WDSGlobal. "But what does user experience really mean? How do you measure it, improve it and protect it? How does the value of the user experience differ between countries and user demographics? These are all questions that the Wireless Informatics Forum has been designed to address.

"We are a truly community-driven resource. We are not about standards settings and we are not about industrial lobbying, we are about industry alignment behind what we believe to be a new success driver for the mobile market -- Wireless Informatics and user experience optimization," adds Deluca-Smith.

WIF is based on the concept of Wireless Informatics, the practice of sharing knowledge, best practices and experiences throughout an organization's value chain to deliver the ultimate mobile user experience. It's

about identifying key points of end-user dissatisfaction, understanding the root cause and applying a fix 'upstream' in order to mitigate recurrent issues and cost.

It's a practice that is becoming increasingly popular with mobile operators and manufacturers looking to extract value from their customer care operations, better understand their users and apply that intelligence throughout their ecosystem -- from development and product management through to retail and marketing.

WIF, launched by Wireless Informatics specialist WDSGlobal, actively encourages open industry participation at <http://www.wirelessinformaticsforum.org/> and asks visitors to adopt the Five- Point Charter that it believes will help to realign the mobile community behind user experience optimization and Wireless Informatics:

- 1). The mobile user experience is frequently compromised by technology complexity. Go-to-market strategies for new products and services must put the consumer first and include more comprehensive market education, training and support solutions, allowing end-users to access the services they need first time, every time and without disruption.
- 2). Problem prevention is the new problem management. A better understanding of the user experience, from retail environment audits through to post-sale customer care analysis, will help to mitigate continuing support issues and enhance the user experience.
- 3). The way in which mobile end-users source devices, share and consume content and connect to services is changing. The industry must adopt best practices to accommodate this new behavior and deliver a consistent user experience no matter what the origin of product, service, or connection type.
- 4). Customer care and all related support services must not be viewed as an OPEX drain and final frontier in the end-user relationship. Instead such support environments must be recognized as fertile grounds for changing user behavior, driving more profitable usage patterns and championing user experience optimization strategies across the organization.
- 5). A chasm is forming between the wants and needs of the mobile operator, the device manufacturer and the service / content provider. This misalignment is damaging to the user experience and must be closed in order to deliver compelling mobile data services that meet end users' expectations for service and quality