

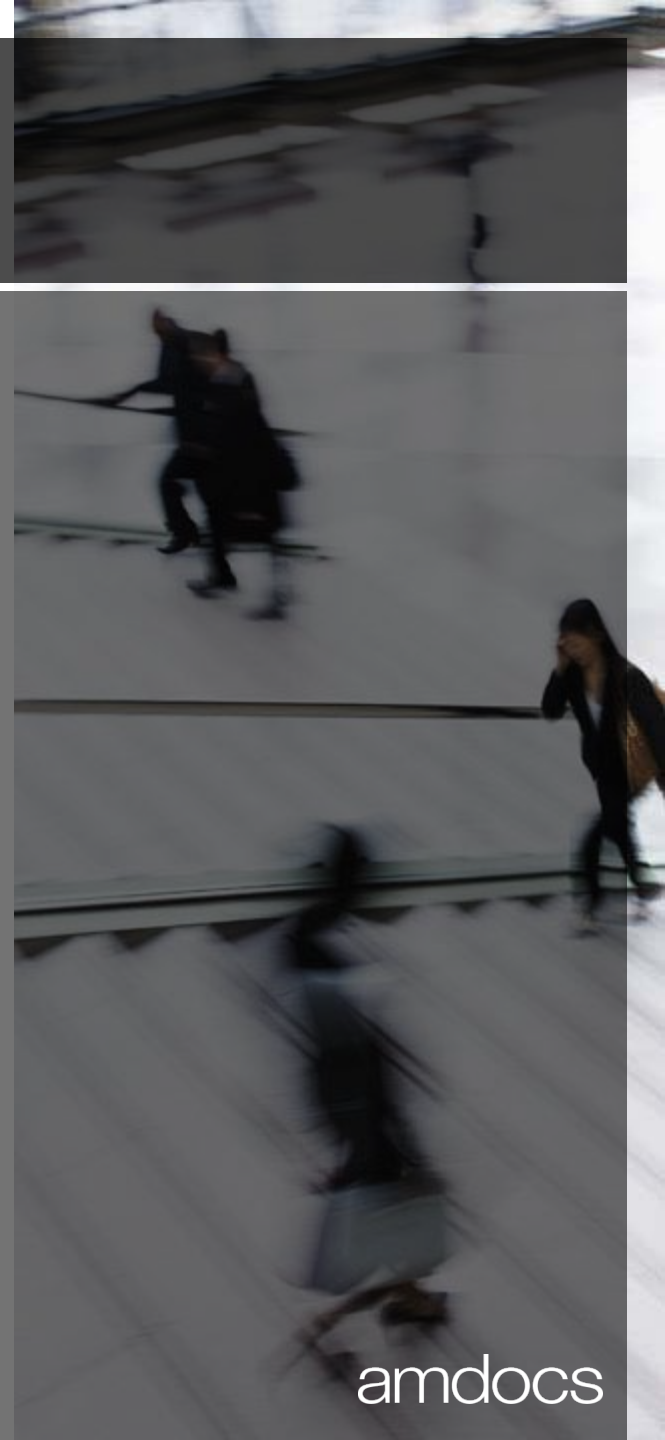
# Amdocs' Connected World Survey 2010

Frost & Sullivan

January 2010

# Outline

- About the Research
- Key Highlights



# About the research

- > **Conducted by analyst firm, Frost & Sullivan**
- > **Survey Objectives**
  - > Understand how service providers see the connected world and business and operational strategies they are deploying
  - > Deliver insight as to what service providers consider the key operational requirements.
- > **Interviewees:**
  - > Senior executives responsible for overseeing strategies for emerging devices, machine-to-machine connectivity, architecture and planning, research and development

# Survey highlights

1. Market dynamics push towards a connected world, but there are obstacles that could impact this trend
2. Healthcare, consumer electronics, government and utilities lead the vertical market growth potential
3. Most service providers are testing short-term experimental models
4. Most service providers are forming key partnerships
5. All service providers see an opportunity to consider emerging business models to support the connected world
6. Service providers understand that outsourcing part of their operations will be critical to succeeding in the connected world

# 1. Market dynamics are moving towards a connected world, but there are obstacles that could impact this trend

We are entering an era when every device that can be connected will be connected.

## Key Drivers:

- Consumer desire for connectivity
- Improvements in edge devices (Faster processors, UI)
- Improved Network Capabilities
- New business models and Partnerships

## Obstacles:

- Current subsidized device market
- Identifying emerging business models
- Device and component certification process
- 3G and 4G buildouts still in progress
- Need for additional network openness
- Need for additional industry standards

## 2. Healthcare, consumer electronics, government and utilities lead the vertical market growth potential

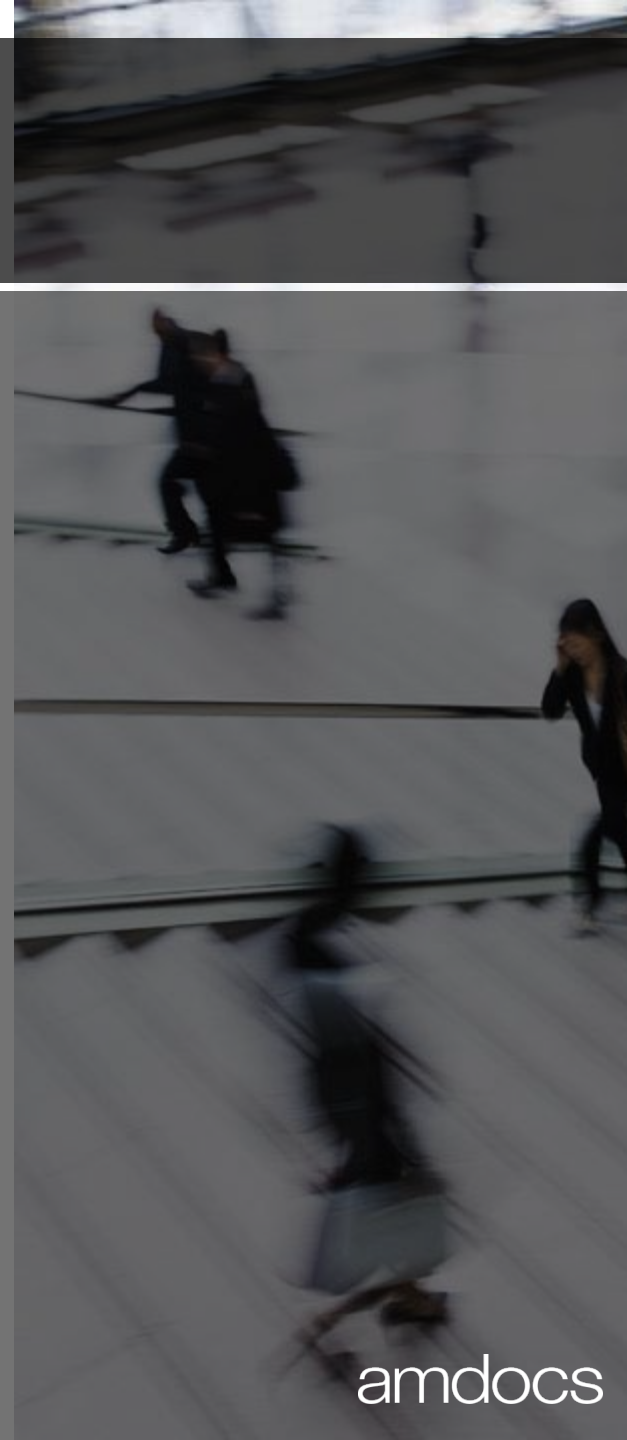
- All service providers see healthcare services (both B2C and B2B) as new drivers of revenue.
- Other areas of potential focus include consumer electronics, government and utilities.
- Service providers identified these industries as prime for a high degree of new device adoption, infrastructure support and potential end-user demand.

91% of service providers see an opportunity in their business to shift to emerging models to benefit and support the connected world



### 3. Most service providers have been testing short-term experimental models

- 100% believe growth will come from new devices and higher subscription rates
- 90% are active in offering solution or planning to offer advanced solution
- 91% see wholesale services as another emerging theme
- All are at different levels of testing experimental models



## 4. Most service providers are already forming key partnerships

All service providers stressed the need to partner to deliver the optimal, connected experience

- Cooperation with device manufacturers and content providers is a key success factor
- Many partnership are already in place with other service providers , device manufacturers, content providers and M2M (machine-to-machine) partners

## 5. All service providers see an opportunity to consider emerging business models to support the connected world

All service providers believe there is a need to consider emerging business models/new approaches to the market.  
All are in different stages of preparedness.

- Service providers see an opportunity to enhance network and operational solutions:
  - Partnerships are important considerations in transitioning to the connected world.
  - Outsourcing is viewed as integral to support market growth
  - Self service is seen as another opportunity for success in the connected world; Seamless activation, self healing devices, and “do it yourself” support will emerge as must haves for the new paradigm.

# Summary

- > All service providers noted that the industry poised for a period of rapid advancement and hyper growth.
- > Service providers realize they have an opportunity for growth and therefore are investing in experimental business models to identify the right approach to the market.
- > Most service providers stressed the need to partner to deliver an optimal experience for the end-user.
- > Most of those interviewed there is a clear opportunity to research additional approaches to support increasing market demands.

# Thank you

