



**DO MORE
IN THE
CONNECTED
WORLD**

**EXPAND QUICKER
DRIVE EXPERIENCE
RUN LEANER**

The Connected World Survey

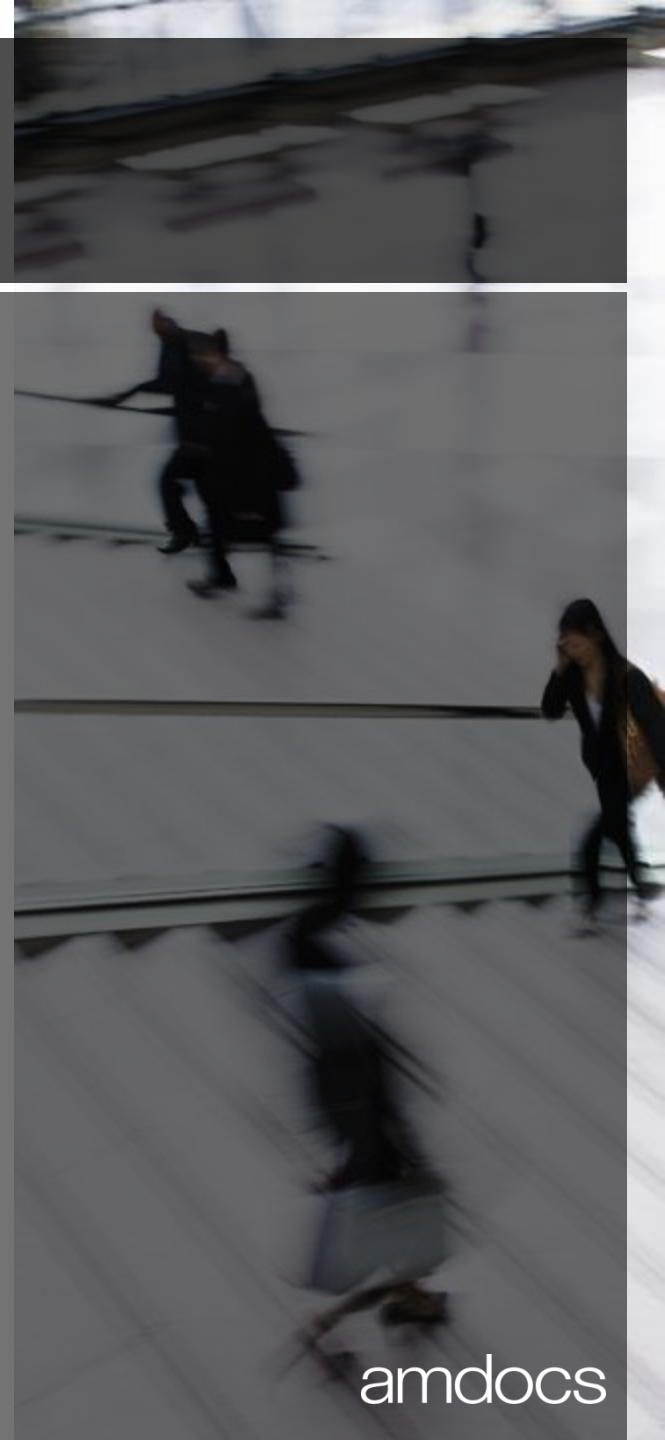
The Emerging Markets Perspective

Key Insights

Amdocs and Frost & Sullivan
June 2010

Outline

- About the Research
- Key Insights



About the research

The Objective:

- Understand how Service providers (SPs) in Emerging Markets view the Connected World and which business and operational strategies they are deploying to prepare for it

Methodology:

- Commissioned research conducted by Frost & Sullivan during May 2010
- Qualitative interviews with more than 25 leading SPs in Southeast Asia, Latin America and Eastern Europe
- Interviewees were a mix of IT, network, and business executives

The Connected World Definition

New advanced networks are being rolled out in emerging regions, connecting more new users to the world's network at an amazing pace.

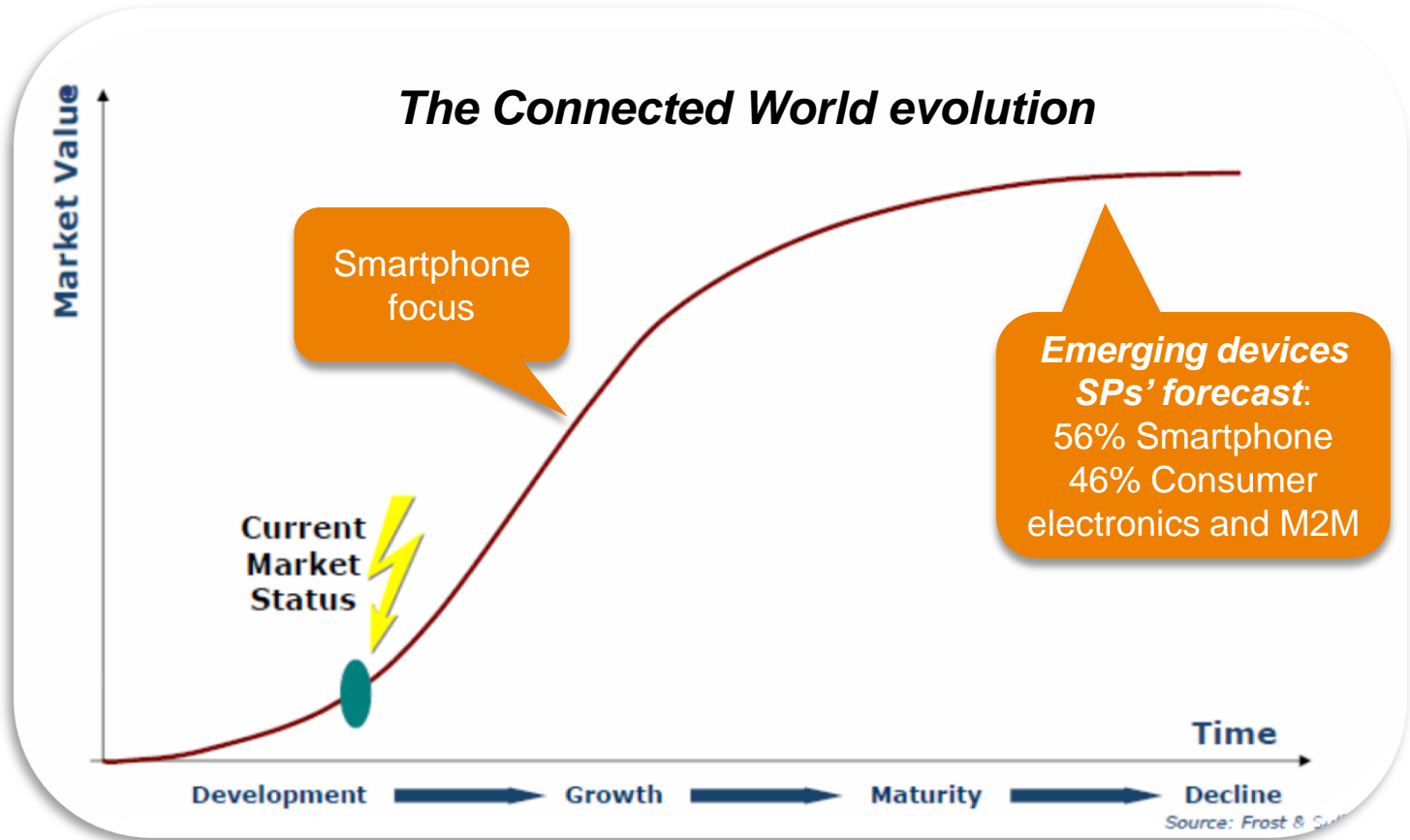
The number of devices and applications used by customers, running on this network is increasing dramatically.

Machine to machine (M2M) technology is improving and will be used by more verticals such as healthcare, education, government, banking and many more to provide new sets of services enabling the connected world.

Key insights

1. 75% of SPs in Emerging Markets believe the Connected World will be realized in the next 1-5 years
2. Market drivers push the market towards the Connected World but key challenges threaten to hold it back
3. *Mobile Money and Mobile Commerce lead the market growth potential*
4. *Most SPs believe that the overall service mix is expected to change*
5. All SPs see themselves as the leaders of the Connected World evolution
6. *Partnerships will be key for development of the Connected World*
7. 90% of SPs believe new pricing models will emerge to fund consumer services and to increase customer adoption
8. *Most SPs believe their current operational environment cannot support the Connected World*

1. 75% of SPs in Emerging Markets believe the Connected World will be realized in the next 1-5 years



75% of respondents identified Smartphones as their major device focus

2. Market drivers push the market towards the Connected World but key challenges threaten to hold it back

Key Drivers:

- *Consumer demand*
- *Access to new devices*
- *New technologies*
- *External funding
(UN, EU, Government, etc')*
- *New business & revenue models*

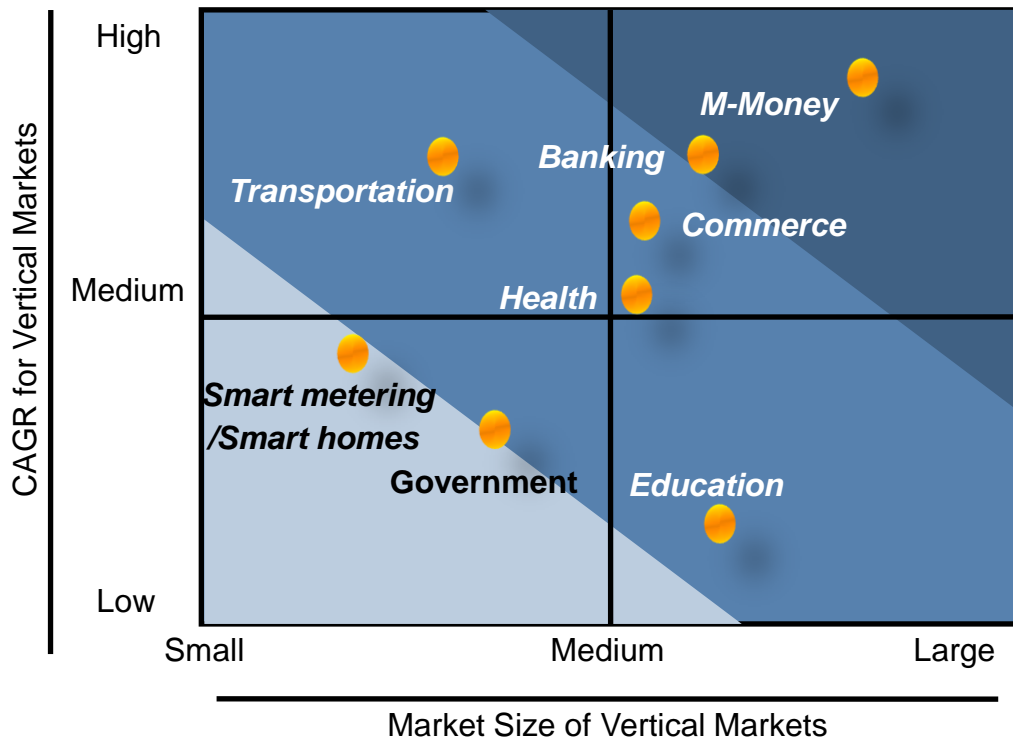
Key Challenges:

- *Infrastructure development*
- *Educating customers about new
Connected World services*
- *Funding consumer services*
- *Lack of standards*
- *Personal data protection*

Most of respondents believe regulation is the key barrier to growth and development of the Connected World

3. Mobile money and mobile commerce lead the market growth potential

SPs' Rank for Vertical Market Growth Potential



Expected to improve the quality of life :

- Consumers will enjoy services that increase ease of life including m-money, smart home, online payments, and e-learning
- Business users will benefit from increased control over their businesses, productivity improvements, and business efficiencies.

4. Most SPs believe the overall service mix is expected to change

Content and applications will be key,
and will drive the evolution of new advanced services

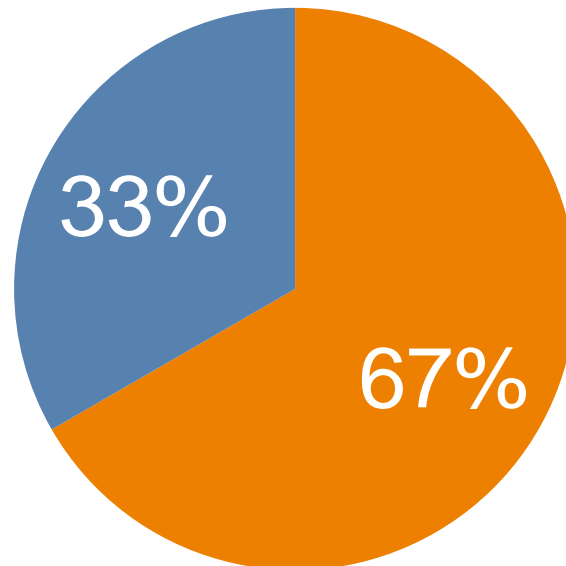
- An increase in the adoption of basic data service is expected
 - SMS and VAS services are projected to grow
- The convergence of communications with multimedia is expected to increase development of advanced services (e.g. mobile TV):
 - Mass-market solutions will focus on entertainment and quality of life solutions.
 - Within the business environment, services mix will increase productivity and efficiency.
 - Efficiencies will be seen through the ability to connect to the Internet anywhere and the integration of M2M, enterprise data and voice services

5. All SPs see themselves as driving the Connected World evolution

Right now SPs own the entire value chain, but this will change going forward:

Overall Survey

■ Service Enabler ■ End-to-End Experience Provider



SPs in Emerging Markets have defined their role in the value chain, while SPs in developed markets are still experimenting with different business models

6. Partnerships will be key for the development of the Connected World

Changes in the eco-systems will lead SPs to seek new partnerships and business models to support them

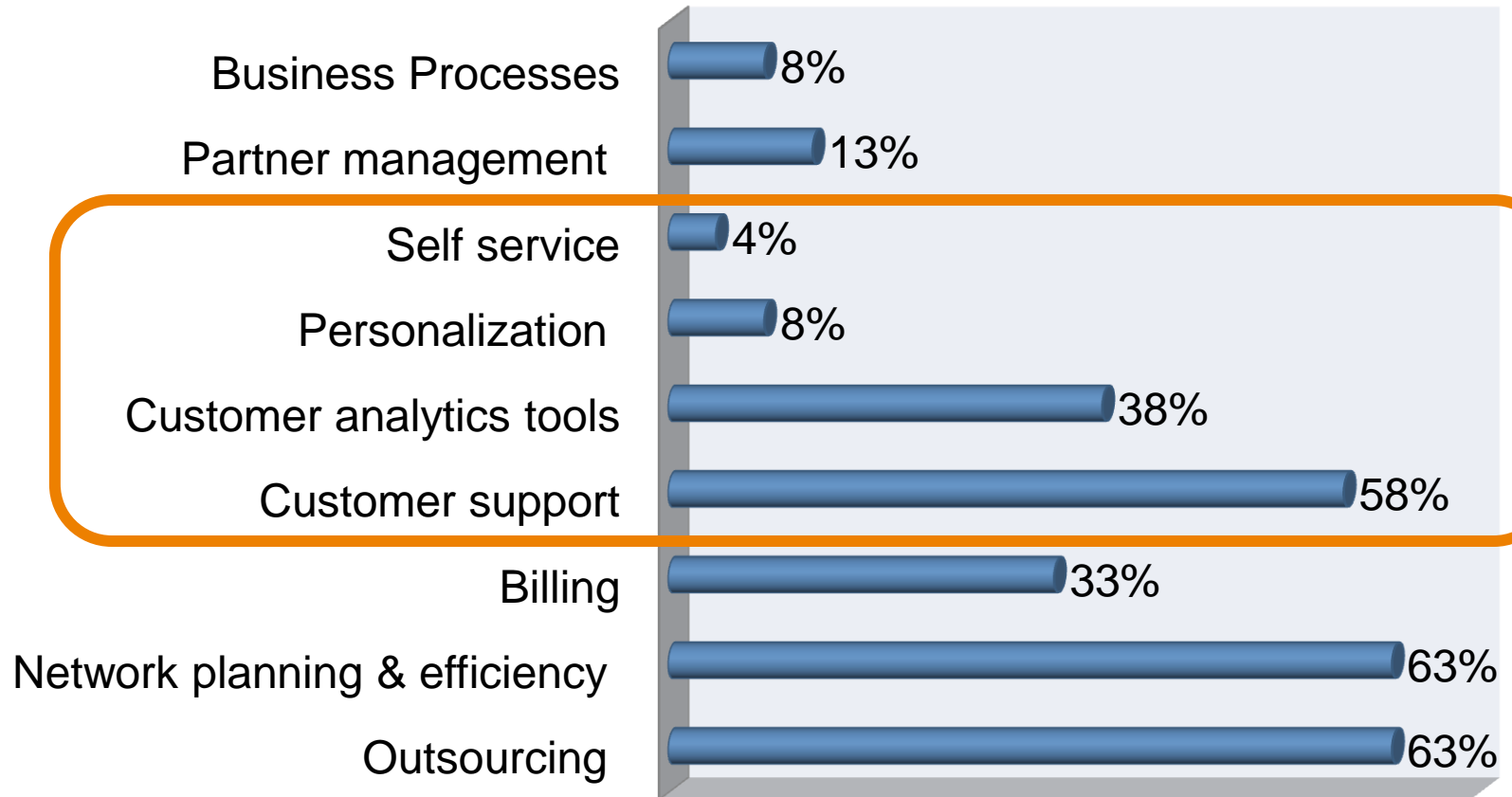
- Key players within the Connected World ecosystem include device and network providers, Internet players, financial institutions, healthcare companies, application and content providers.
 - Natural key partners are device manufacturers, Internet players and content/application providers
 - Content providers have the potential to challenge SPs' leadership role
- Revenue sharing remains the primary business model though other emerging revenue models will be implemented

7. 90% of SPs believe new pricing models will emerge to fund consumer services and to increase customer adoption

New pricing models SPs believe will emerge:

- Advertising-based
- Different forms of revenue sharing
- Prepaid and postpaid hybrid pricing
- Premium service-based models
- Niche market-focus
- Usage-based pricing for pre-paid,
- Transaction and subscription pricing for post-paid

8. Most SPs believe their current operational environment cannot support the Connected World



SP's investment priorities reflect the market's increasing level of maturity, with the transition from customer acquisition to customer retention

Summary

- *The Connected World will affect the region in the next 1-5 years*
- Most SPs believe they are the drivers of this evolving reality, and see partnerships as key in this future eco-system.
- To seize the Connected World opportunity, SP's realize that they must invest in their networks and BSS, especially focusing on customer retention



**DO MORE
IN THE
CONNECTED
WORLD**

**EXPAND QUICKER
DRIVE EXPERIENCE
RUN LEANER**

Thank you

For more information : [Amdocs Marketing](#)