Mobile Cloud

When Two Explosive Markets Collide

Cisco –South Africa Mobility Summit

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Who Is IBSG?

- We are the global strategic consultancy of Cisco, established in 1998
- We work with CxOs and their teams to help transform the way they do business
- We provide no-fee consulting as an investment in high-priority Cisco relationships (top 250 customers)
- Results: improved customer experience and revenue growth
Agenda

Mobile Cloud—The Next Big Opportunity
- Highlights of Cisco IBSG’s mobile cloud research

Mobile Cloud Predictions
- Top 5 predictions for business users

Keys to Success in the Mobile Cloud
Mobile Cloud—The Next Big Opportunity
Mobile Cloud—Lots of Hype, but Little Insight

Mobile + Cloud Are 2 of the Hottest Areas in Technology Today

- **Mobile**: Close to 80% of world’s population has access to mobile phone—rise of mobile computing
- **Cloud**: New way of delivering—and charging for—wide range of technology services and applications

Cisco IBSG Mobile Cloud Watch

- Unique primary customer research to bring clarity and insight to Mobile Cloud
- Research insights for: 1) Consumer, 2) Business Users, and 3) Devices

Source: Cisco IBSG, 2011
Mobile + Cloud—What Does It Mean?

1. Traditional Cloud Services
   Extension of traditional SaaS and IaaS cloud services that exist in the wired world (e.g., Mozy, Salesforce.com)

2. Unique Mobile Cloud Services
   Services that exploit features of mobile device (e.g., camera, voice recognition) with characteristics of mobility (e.g., location, presence) to create unique mobile-enabled and mobile-centric cloud-delivered services (e.g., bar-code scanning, real-time translation)

Source: Cisco IBSG, 2011
Cisco IBSG Mobile Cloud Watch

Attitude Toward Adopting New Technology

- Laggard: 17%
- Early Adopter: 13%
- Early Majority: 35%
- Wait Until Mainstream: 35%

Key Areas of Questions

- Demographics
- Key customer needs
- Current mobile use
- Attitudes about service providers
- Interest in mobile cloud services
- 8 concept offers

1,016 U.S. mobile users, age 18 and over, surveyed online in January 2011

Source: Cisco IBSG, February 2011
1. Mobile Users Want To Move to the Cloud

Activities on Mobile Phones (Smartphone Users)

- Web-Based Email
- Update Social Network
- Video Conferencing
- Create / Edit Documents
- Play Games
- Store / Share Photos
- Store / Share Videos
- Web Conferencing
- Share Content
- Store / Back Up Files

Source: Cisco IBSG, February 2011

N = 456
2. Users Want Unique Mobile Cloud Services

Use of Next-Generation Mobile Services (Smartphone Users)

- Dropped Call Reconnect
- Messaging History
- Visual Voicemail
- Speech Recognition
- Presence and Availability
- Multimedia Transfer
- Augmented Reality
- Voice Transfer
- Dual Persona
- Voice Translation

Source: Cisco IBSG, February 2011

N = 456
3. Business Users Will Be Key Adopters of Mobile Cloud Services

Future Adoption of Mobile Cloud Services

- Web-Based Email
- Social Network Update
- Video Conferencing
- Share Web Docs
- Store / Share Photos on Website
- Store / Share Videos on Web
- Web Conferencing
- Share Content Created
- Store / Back Up Files on Web

Source: Cisco IBSG, February 2011
4. Smartphones Will Be Primary Mobile Device for All Mobile Cloud Users

60% of US mobile users will use Smartphones by 2013

Percentage of Respondents

- No Plans
- > 2 Years
- 1-2 Years
- Within Year
- Don't Know

N = 1,016
N = 560

Source: Cisco IBSG, February 2011
5. Mobile is Now Much More than Voice.

Mobile Phone Usage (smartphone users)

- Taking Photos
- Web Browsing
- Emails
- Voice Calling
- Calendaring
- General Applications
- Playing Games
- Mapping Locations
- Music
- Watching Videos
- Social Networking
- Recording Videos
- Productivity Tools
- Business Applications
- Video Calls

Source: Cisco IBSG, February 2011
6. Smartphone Growth Drives Adoption of Mobile Cloud To Create *Virtuous Circle*

- **Platform**
  - Large screen
  - Keyboard

- **Smartphone Adoption**

- **Accessibility**
  - Lower device price
  - More secure
  - Customer experience

- **User Profile**
  - Technical awareness
  - Needs

- **Mobile Cloud Adoption**

- **Vision & Familiarity**
  - PC-based cloud users
  - Understand value proposition

Source: Cisco IBSG, 2011
7. Mobile Security Is Most Appealing Attribute of Mobile Cloud

What Appeals Most About the Cloud (Smartphone Users)

- More secure than traditional phones: N = 456%
- Phone always stays current: N = 456%
- No limits on functionality: N = 456%
- Lower cost of mobile device: N = 456%
- Need to buy less frequently: N = 456%
- Nothing appeals to me: N = 456%

Source: Cisco IBSG, February 2011
8. Social Networking and Video Are Exploding on Mobile Devices

Video and Social Networking on Mobile Phones (Smartphone Users)

- Watching Videos
- Recording Videos
- Update Social Network
- Visiting Social Network Sites
- Video Conferencing
- Store / Share Videos

Source: Cisco IBSG, February 2011
9. Wi-Fi Is Becoming The Network Access Method of Choice for Many Smartphone Users

Wi-Fi: Percentage of Total Browsing (Smartphone Users)

Source: Cisco IBSG, February 2011

N = 456
10. Business Users and Consumers Don’t Want To Pay for Mobile Apps

Paid vs. Free Apps (Smartphone Users)

<table>
<thead>
<tr>
<th>Number of Apps</th>
<th>Free Apps</th>
<th>Paid Apps</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>20%</td>
<td>60%</td>
</tr>
<tr>
<td>1 to 5</td>
<td>10%</td>
<td>30%</td>
</tr>
<tr>
<td>6 to 10</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>11 to 15</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>16 to 20</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>&gt; 20</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Cisco IBSG, February 2011

N = 456
Mobile Cloud Predictions
Top 5 Mobile Cloud Predictions for Business Users

1. By 2012, professional and personal *boundaries will blur* on mobile devices.

2. Business users will demand a *unified mobile cloud experience* to access both professional and personal content from one device.

3. Devices will shift from smart phones to *thin-client, cloud-based mobile devices*.

4. Using virtual desktop integration (VDI), many users are seeking to replicate the *desktop experience* on their mobile devices.

5. By the end of 2012, business users will routinely attend *video-conference calls* on their mobile phones while making use of other video endpoints such as desktop webcams and telepresence stations.

Source: Cisco IBSG, September 2011
3 Keys to Success in the Mobile Cloud
Winning in Mobile Cloud—Top SP Implications

1. Create New Mobile-Centric Cloud Services
   - Develop portfolio of innovative cloud-delivered services that exploit unique features of mobile devices and networks

2. Strongly Position Mobile Cloud
   - Limited window of opportunity for mobile cloud
   - Gain high ground through aggressive marketing and positioning as natural provider of cloud services

3. Differentiate with Unique Capabilities
   - Develop differentiated cloud services that exploit network advantage and unique capabilities
   - Exploit reasons consumers view SPs as preferred provider of mobile cloud services

Source: Cisco IBSG, 2011
Further Information

The Mobile Cloud Website

http://www.cisco.com/web/about/ac79/cloudcollide

Download the following white papers:

1. The Mobile Cloud: When Two Explosive Markets Collide (Overview)
2. Taking Care of Business in the Mobile Cloud
3. Mobile Consumers Reach for the Clouds
4. A Marriage Made In Heaven: Mobile Devices Meet the Cloud
By 2012, Professional and Personal Boundaries Will Blur on Mobile Devices

Professionals prefer to use one device… …with dual-persona capabilities

Source: Cisco IBSG, February 2011
Business Users Will Demand a Unified Cloud Experience

Mobile access **personal content** stored on home computer

<table>
<thead>
<tr>
<th>Interest level (10 = very interested)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>0%</td>
</tr>
</tbody>
</table>

**Average**
- Business (smartphone): 6.9
- Business (non-smartphone): 4.8

Mobile access to **work-related content** stored on work computer

<table>
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</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>0%</td>
</tr>
</tbody>
</table>

**Average**
- Business (smartphone): 6.3
- Business (non-smartphone): 4.1

Source: Cisco IBSG, February 2011
Devices Will Shift from Smart Phones to Thin-Client, Cloud-based Mobile Devices

**Interest in a thin-client device**

<table>
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<td>1</td>
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<tr>
<td>0%</td>
</tr>
</tbody>
</table>

**Average**
- Business (smartphone): 6.7
- Business (non-smartphone): 4.8

**Appeal of a thin-client device**

- More secure than traditional phones
- Phone always stays "current"
- Memory does not limit functionality
- Lower cost of mobile device
- Buy device less frequently

Percentage of respondents (all that apply)

Source: Cisco IBSG, February 2011
Mobile Devices Will Become a True Extension of the Desktop

Interest in a mobile virtual desktop

- Higher productivity
- Improved Security
- Lower costs
- More flexibility
- More customization

Source: Cisco IBSG, February 2011
In 2012, Video Conferencing Will Be Commonplace for Business Use

Business users demand seamless switching between devices

Professionals will use mobile devices for video conferencing

Interest level (10 = very interested)

Average
- Business (smartphone): 6.9
- Business (non-smartphone): 4.6

Video conferencing

- Will never use
- In 1-2 years
- In next year
- Already using