2012 Small and Medium Businesses Mobile Solutions Study

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Why is Mobility Solutions Important?

- In the next 3-4 years the mobile internet traffic will surpass the desktop internet traffic, driven by mobile internet/data enabled devices
- The Mobility focus is shifting away from wireless carriers and device manufacturers over to mobile operating systems, software and service providers (cloud-based datacenters)
- Rapid growth for smartphones and tablet category. Number of devices in this category far exceeds number of laptops
- Emergence of vertically integrated ecosystems driven by Apple and now possibly being adopted by Google
- In the longer-term - mobile application platform, innovative mobile application solutions and mobile service providers will be the market drivers and not the device or device OS/ middleware providers

Business Issues

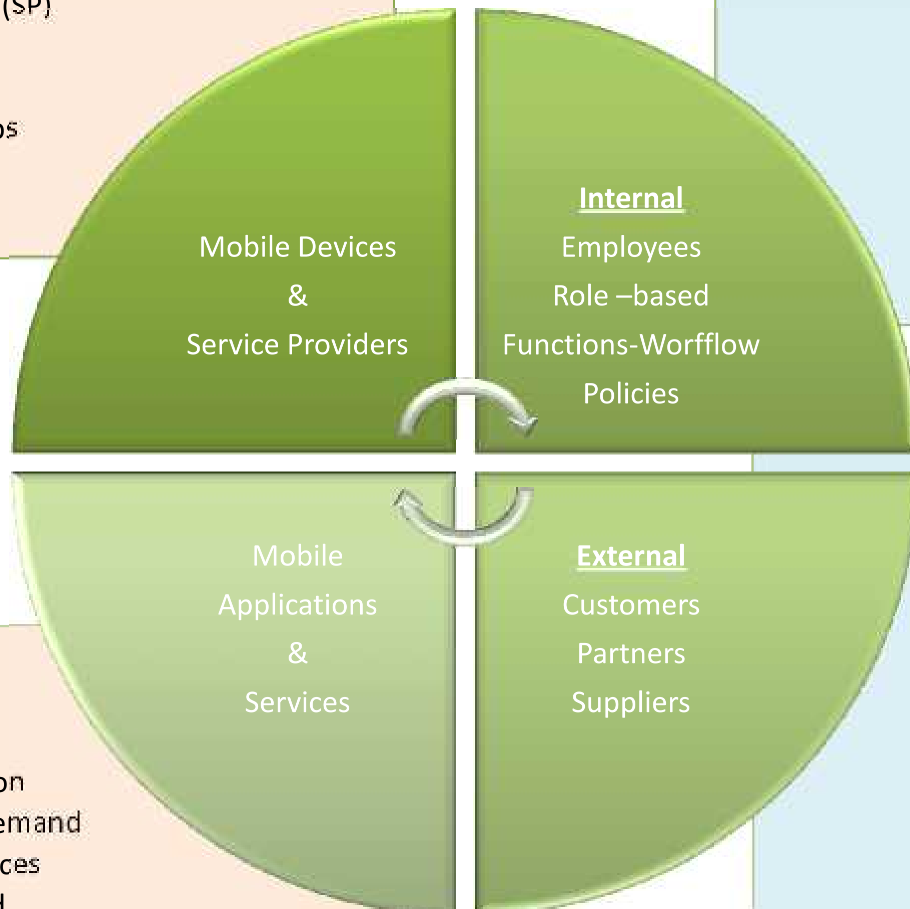
Mobile devices, applications and services are dramatically reshaping SMBs revenue models, business strategies and how employees interact with other employees, partners and customers. To gain share in this large and diverse market, vendors need to develop product and marketing strategies based on a solid understanding of:

- Key drivers and inhibitors for mobile solutions and services adoption.
- The discovery, learning, evaluation and selection process for mobile solutions and services.
- Top functions/workflows that SMBs use/plan to use mobile solutions for.
- Internal governance and purchase criteria for mobile solutions.
- How SMB factors such as company size, industry, user role and age of businesses impact attitudes, adoption, spending and plans for mobile solution.

Mobile Solution Eco-System

- Increasing # and type of devices
- Fewer service providers (SP)
- Cellular/Wi-Fi
- Policies - Net neutrality
- Vendor – SP relationships
- Mobile OS

- Mobility challenges & opportunities
- Increasing mobile workforce
- Role-based adoption
- Spending on devices, data plans and applications
- Mobility management
- Segmentation



- New & innovative apps
- Appl. access & integration
- Business functions in demand
- Mobile Apps MarketPlaces
- Top mobile business and collaboration apps. used

- Increasing competition
- Integration with web-presence
- Mobile websites
- Social networking
- Mobile payments solns.
- Mobil e-commerce
- Security & compliance

Mobility Study Focus

The study will also provide trending insights based on year-over-year data comparisons with the SMB Group's ***2010 Small and Medium Business Mobile Solutions Study.***

Key Questions this Study Will Answer

- ✓ How do SMBs think mobile solutions can help address their key business challenges and opportunities?
- ✓ How much are SMBs spending today on mobile solutions—and how much do they expect to spend?
- ✓ What percentage of the IT budget is for mobile solutions and devices?
- ✓ What are SMBs' top information sources for mobile solutions trends and information?
- ✓ What are the top drivers and inhibitors for SMBs to adopt mobile business solutions?
- ✓ What business functions (and top applications) are SMBs using mobile solutions for now—and for what are they planning to use them?
- ✓ What solutions do mobile solutions need to integrate with?
- ✓ What percentage of SMB employees use smart mobile devices and solutions for work?
- ✓ What kind of policies and governance do SMBs have about providing mobile devices, solutions and services to employees?
- ✓ How does mobile solution adoption vary based on company size, user roles, industry, and company age?
- ✓ How does mobile solution adoption impact broader SMB business and technology strategy?
- ✓ What types of providers do SMBs purchase mobile (cellular and Wi-Fi) solutions from?
- ✓ How does mobile solution adoption affect the selection of cellular service providers?
- ✓ What's the role of mobile application marketplaces in the consideration, evaluation and purchase process for mobile business solutions?
- ✓ What are SMBs perceptions of the top benefits mobile solutions provide?
- ✓ What are their top issues/concerns about mobile solutions?
- ✓ What mobile solutions (and top applications) are the SMBs planning to offer to their customers, prospects, partners, etc.? (e.g. Mobile e-commerce and mobile payment processing)

Deliverables and Pricing

Option A: Extended Package—Study Results, Presentation plus Additional Cross Tabs and Inquiry time $17,500

- Study presentation (Power Point format)
- Web conference presentation of key findings and Q&A
- 3 hours of additional inquiry (including additional crosstabs)
- PDF of study results with employee size crosstab banner for all questions
- Analysis and crosstabs by industry
- SMB Group will compare similar data points from the *2010 SMB Routes-to-Market Survey* to provide trend analysis in key areas

Option B: Basic Package—Study Results $16,000

- Study presentation (Power Point format)
- PDF of study results with employee size crosstab banner for all questions

Please contact us if you'd like to schedule time to learn more.

surveys@smb-gr.com or call Sanjeev Aggarwal (508)410-3562

2010 Small and Medium Businesses Mobile Solutions Study

Example of Analysis and Presentation

December 2010

SMB Group

www.smb-gr.com

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Source: SMB Group 2010 Small & Medium Business Mobile Solutions Study, December 2010

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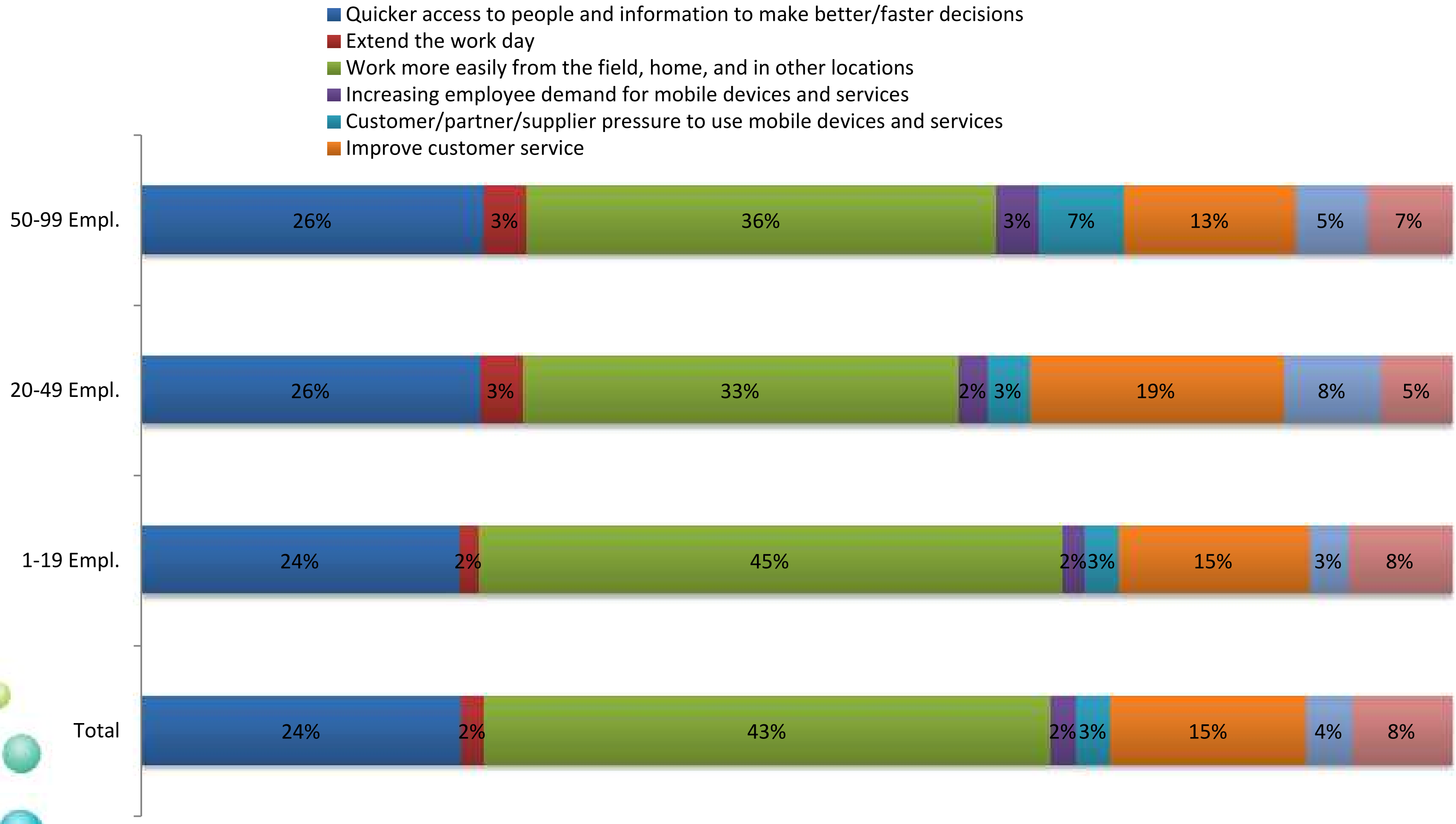
What this market research project covers?

Top Drivers for Mobile Solution Adoption

More work flexibility, better information access and customer service drive mobile adoption across small businesses, regardless of size.

SMB Group

Small Business



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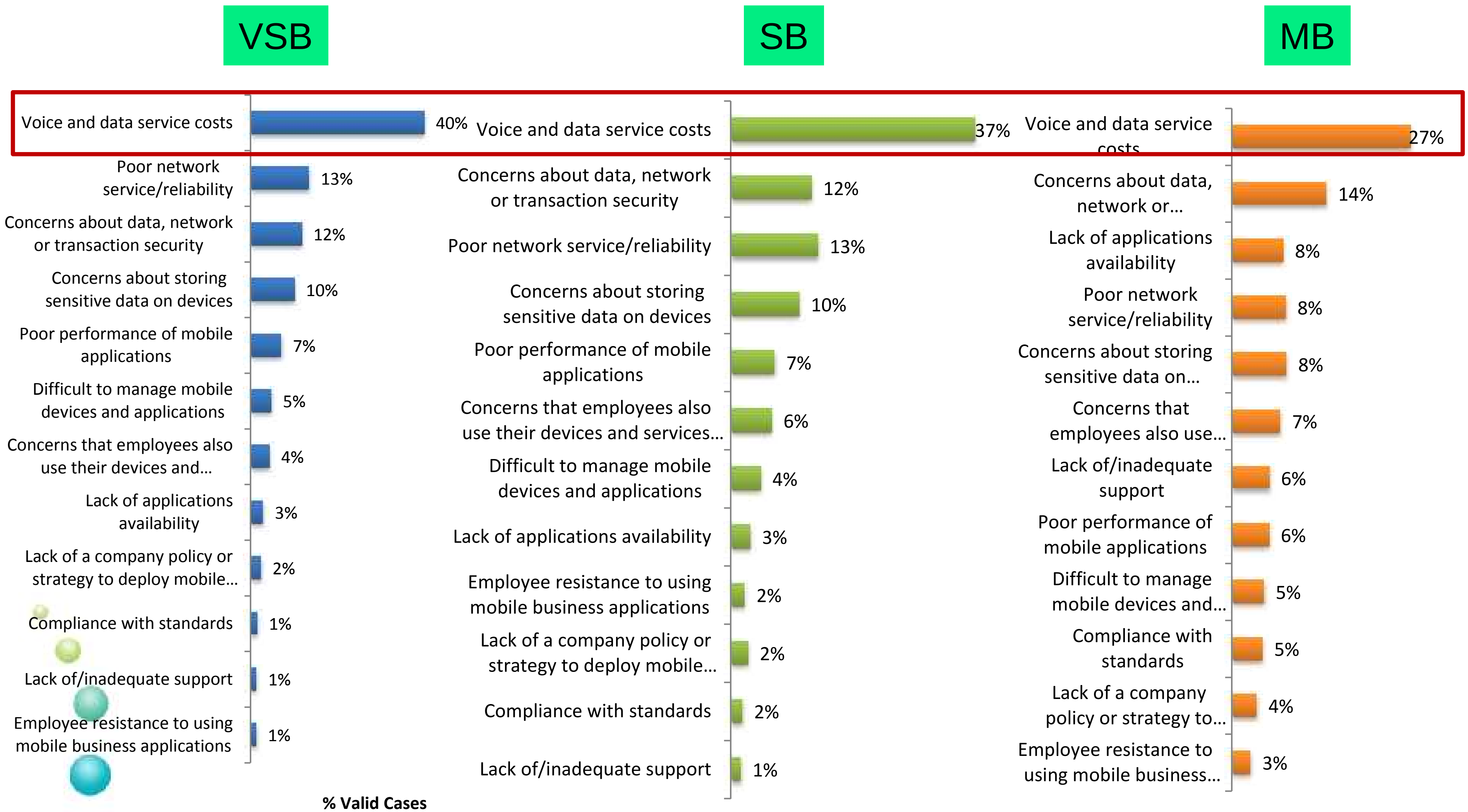
13.) What do you view as the top 3 drivers for using/providing mobile devices, voice and general data services and mobile business applications to employees in your organization?

Top Obstacles for Mobile Solution Adoption

SMB Group

As companies grow, top concerns are about the same. However, costs become less important than security, application availability, management and support.

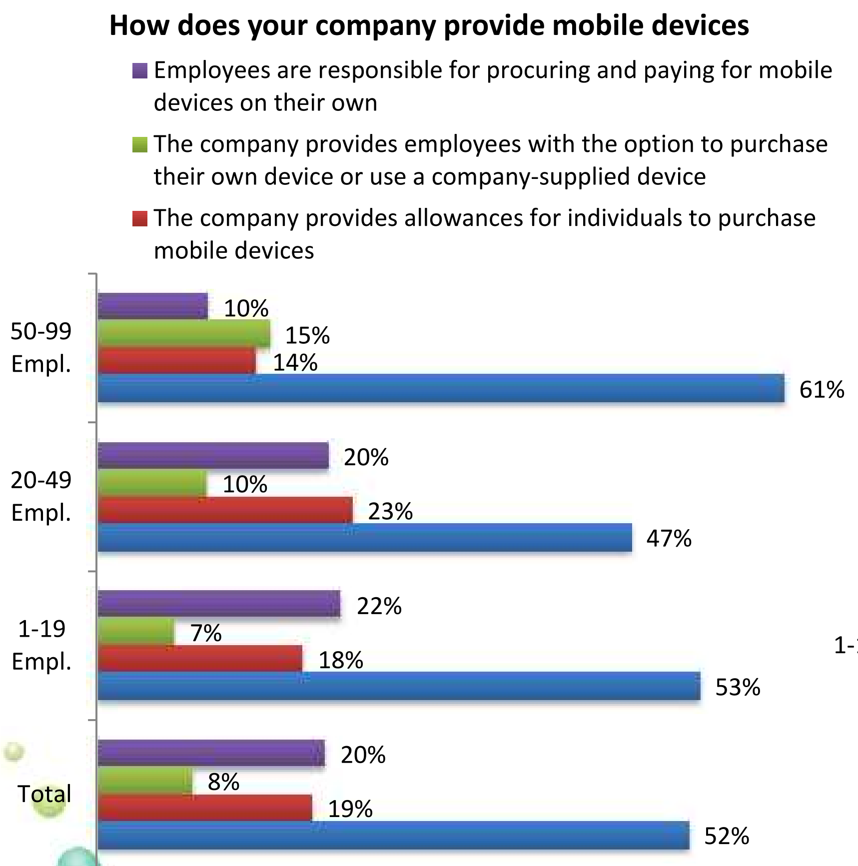


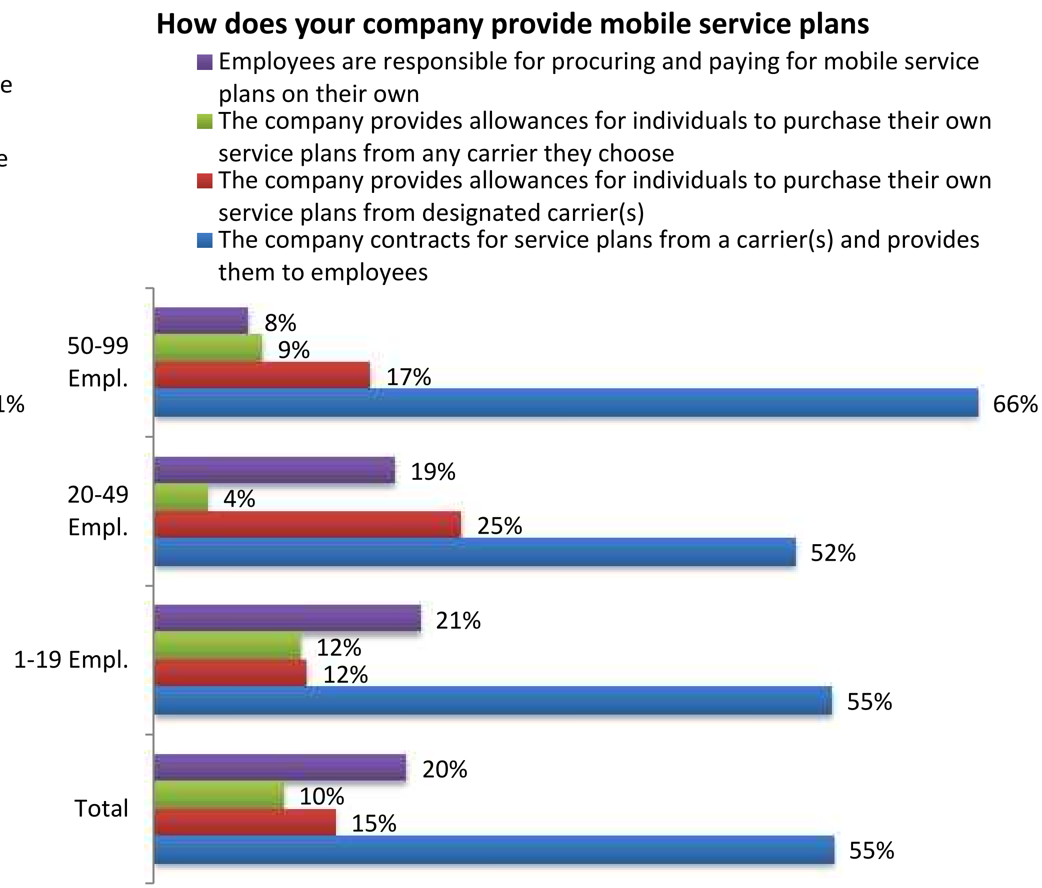
Q14.) What do view as the top 3 obstacles to using/providing mobile devices, voice and general data services and mobile business applications to employees in your organization?

Mobile Device and Service Procurement Policies

The 50-99 employee size band represents a tipping point where businesses become much more likely to determine, purchase and issues both devices and services to achieve more control over expenses, productivity and collaboration.

Small Business





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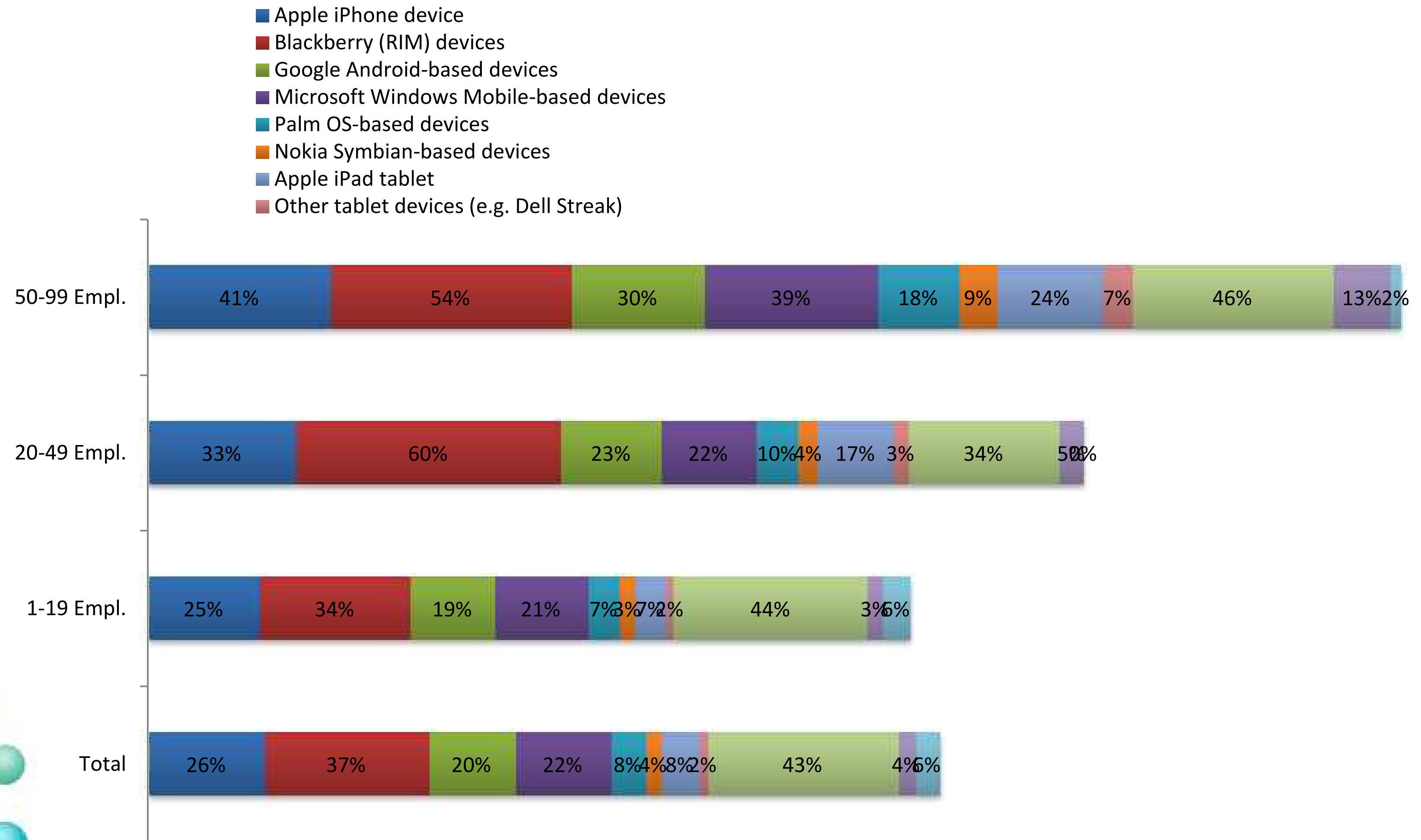
A) How does your company provide mobile devices to employees? B) How does your company provide mobile voice, text and data service plans to employees?

Mobile Devices Authorized for Employees

Blackberry RIM plays a much larger role in companies with 20+ employees than in VSBs (1-19). Larger small businesses are also more likely to authorize and use Windows-based purpose-built devices than smaller counterparts.

Small Business



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10.) What type(s) of mobile device(s) do you use and authorize your company employees to use for business purposes?

Use of Mobile Voice and Data Service Providers

AT&T and Verizon are the top providers for all small businesses.

Small Business

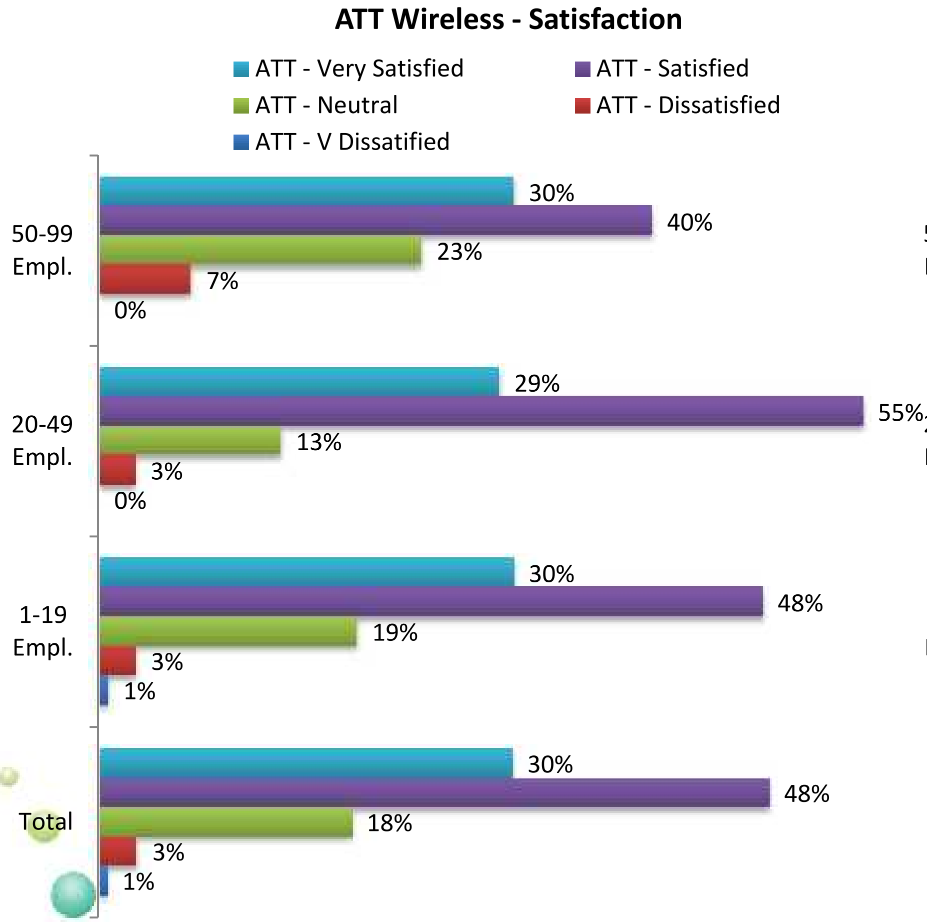
Sample Size = 143

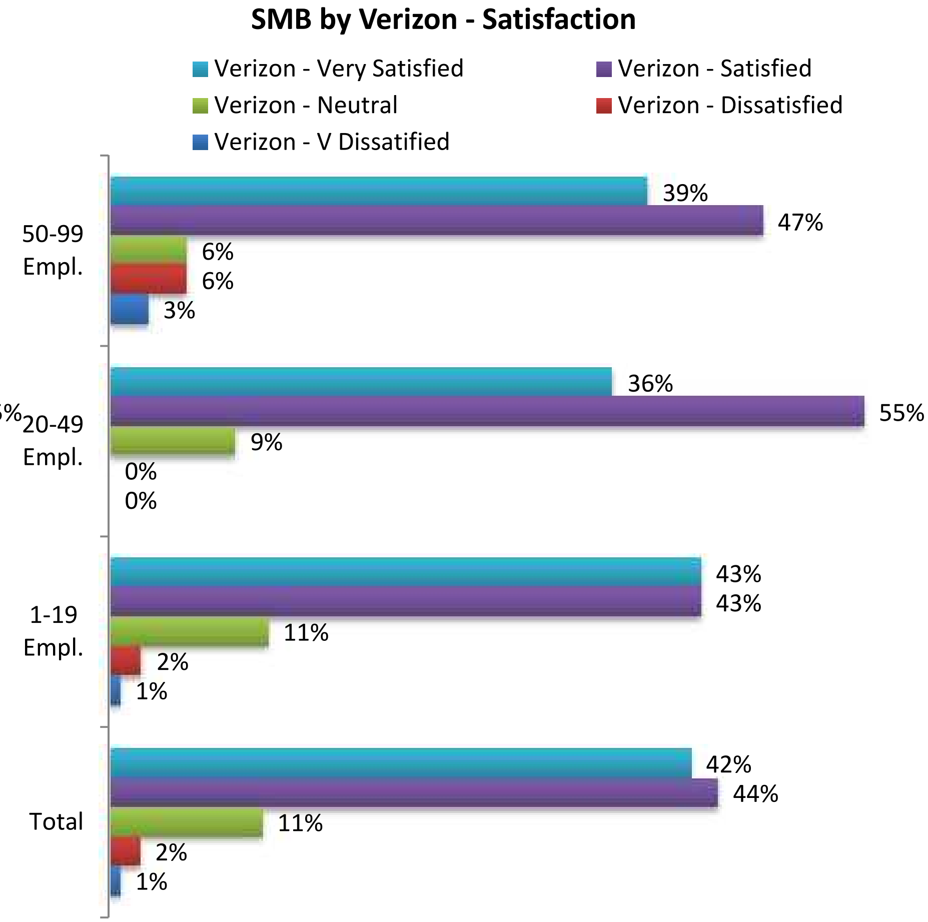
11.) Which mobile service plan vendor(s) do you use and authorize your company employees to use?

Satisfaction with Mobile Service Providers

Verizon customers are more likely to be satisfied/very satisfied than AT&T customers.
However, unlike AT&T, Verizon also has a small percentage of very dissatisfied customers.

Small Business





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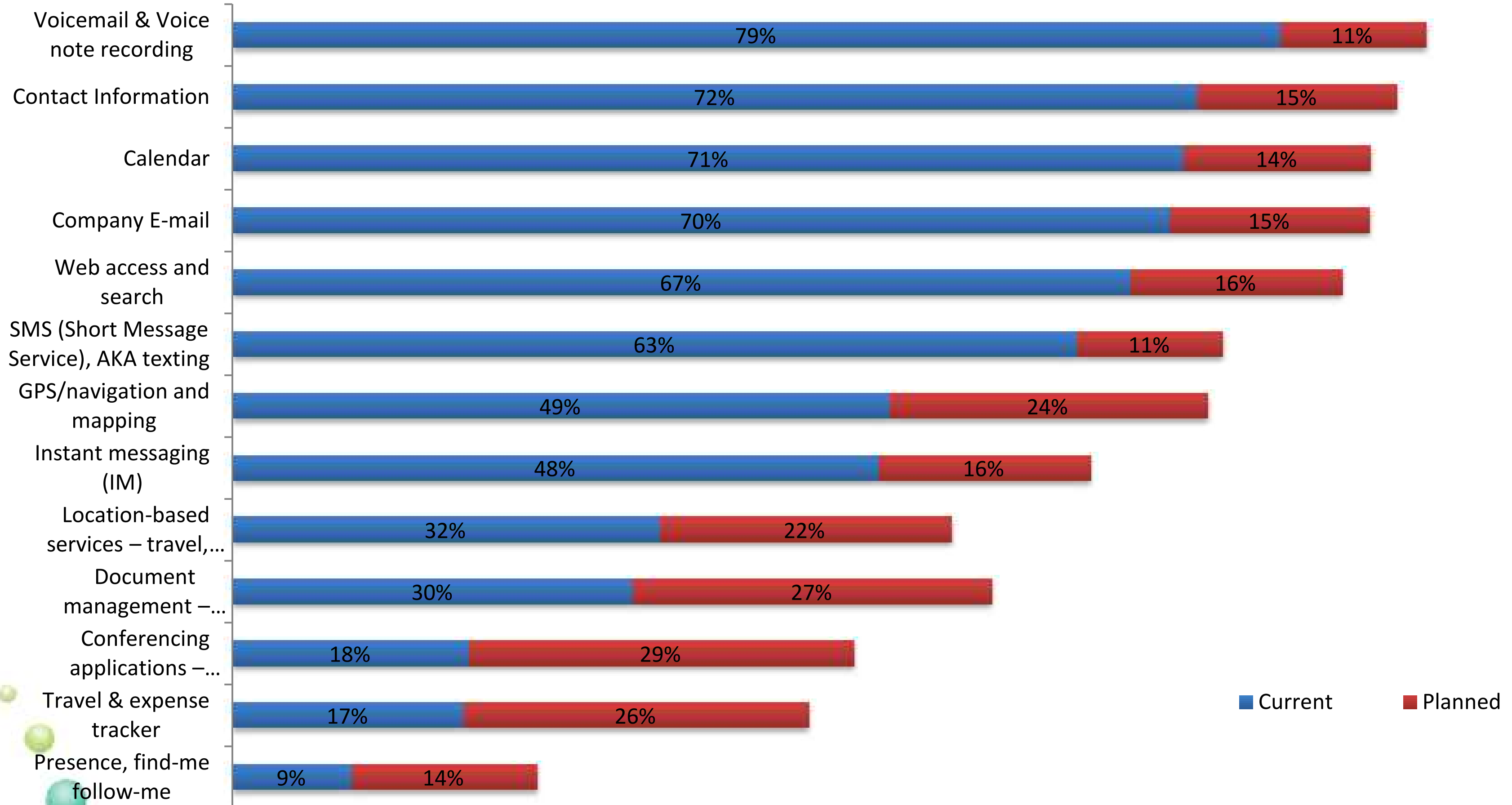
12.) How satisfied are you with your mobile services vendor?

Use and Planned Use of Mobile Collaboration and Productivity Solutions

Small Business



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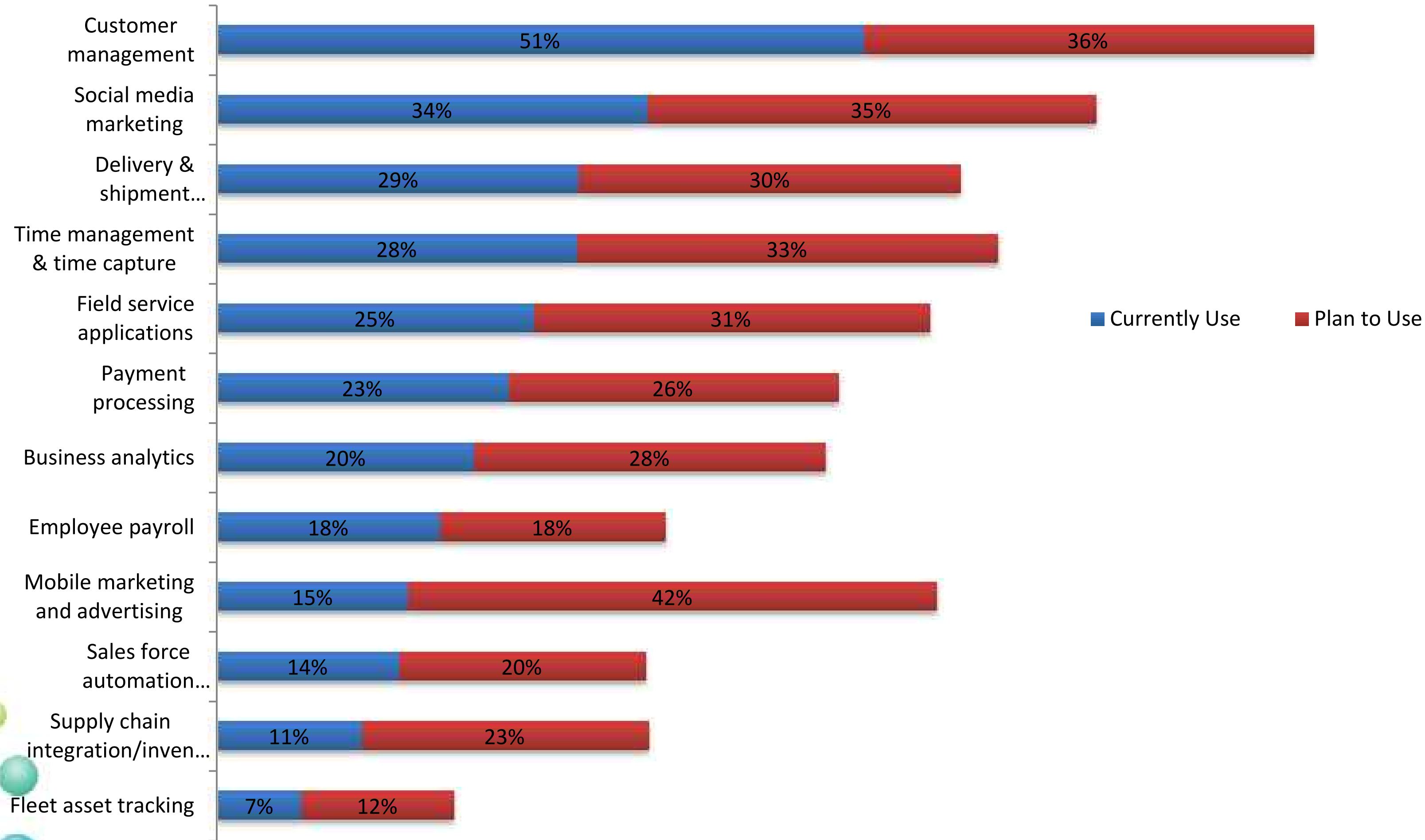
15.) What specific mobile <u>collaboration and productivity applications</u> do you use/provide or plan to provide for employees in your company to use?

Use and Planned Use of Mobile Business Applications

Mobile business apps for VSBs are a huge, largely untapped opportunity for vendors.
The biggest growth area is mobile marketing and advertising--poised to almost triple.

Very Small Business



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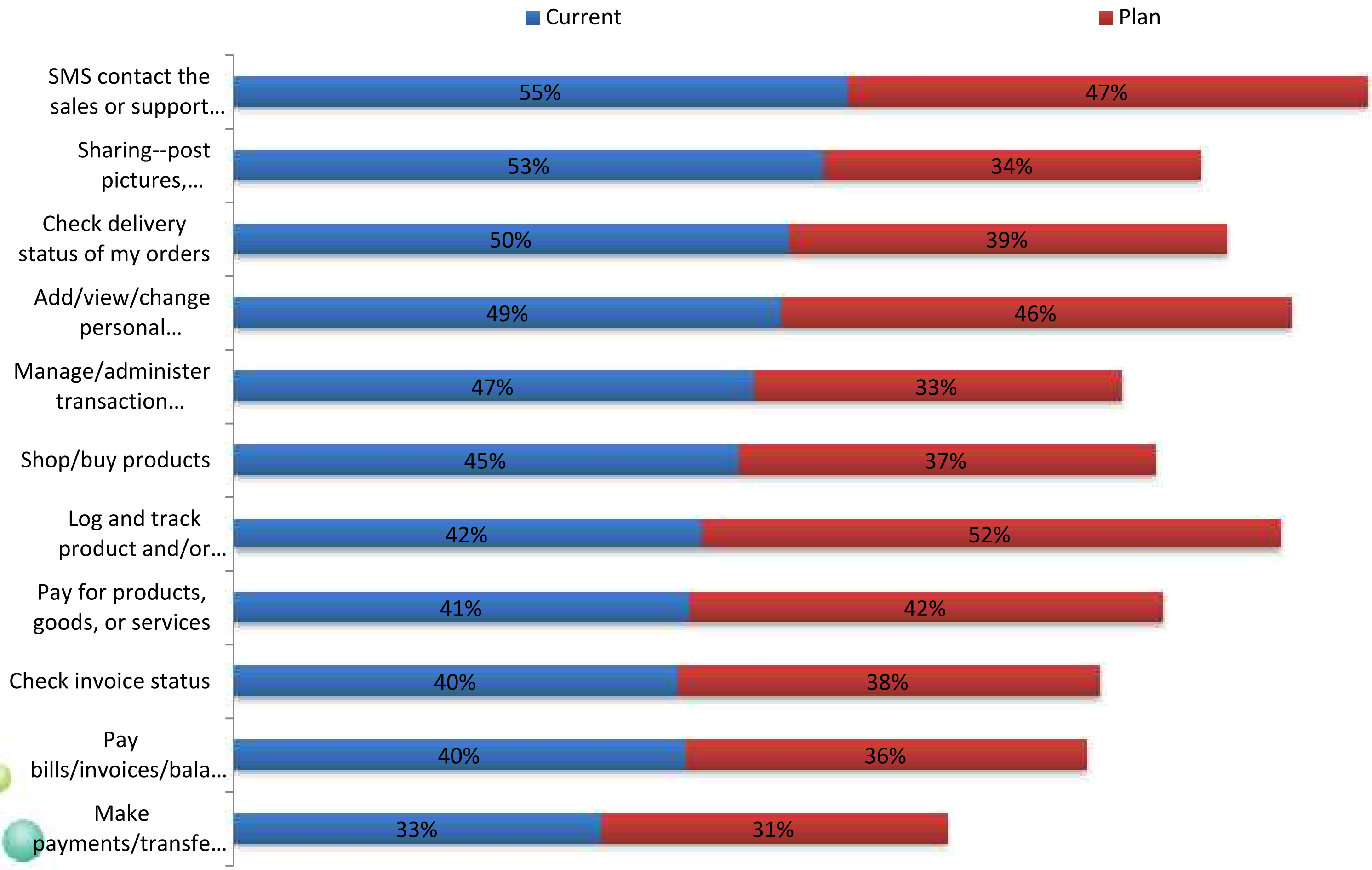
16.) What specific line of business applications (to support financial, marketing, sales, services, inventory management, operations, etc.) do you use and/or plan to provide for your company employees to use?

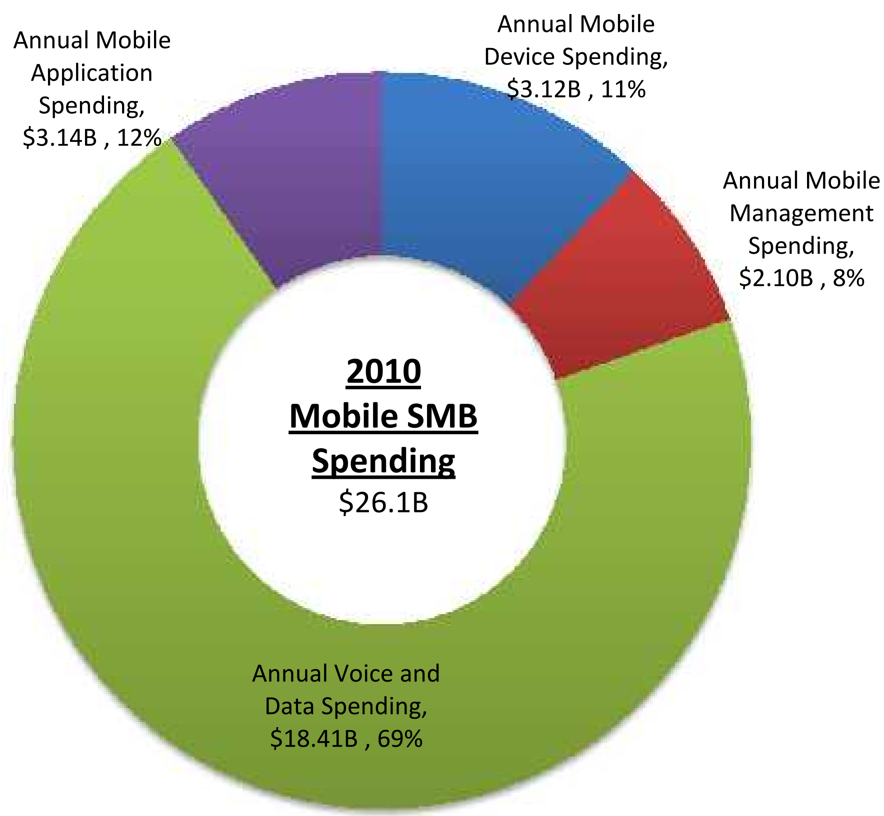
Mobile Transaction Enablement Plans

Medium Business



18.) Which of the following TRANSACTIONS can external users (customers, suppliers, partners, etc.) conduct through your company's MOBILE WEBSITE AND/OR MOBILE APPLICATIONS?

2010 SMB Mobile Market Size
Large and growing SMB Opportunity



- Voice and data service is the biggest part of SMBs' mobile budgets (69%), followed by mobile application spending(12%), mobile devices(11%) and mobile device/application management(8%)
- The highest growth segments are mobile applications followed by mobile management

Methodology

- Web-based survey
- Data collected in late Oct./early Nov. 2011
- Sample selection: Random sample of small and medium businesses
- 30-35 questions
- 500-750 respondents/completed interviews covering the four segments:
  - Very small business (1-19 employees)
  - Small business (20-49 employees, 50-99 employees)
  - Medium business (100-249 employees, 250-499 employees)
  - Mid-market business (500 to 999 employees)
- SMB survey respondents are responsible for making Mobility Solutions evaluating and purchasing decisions.
- The survey is intended to provide directional guidance to solution providers as they develop their go-to-market strategies and messaging

Survey Process

SMB Company Databases

Target Quota: N=750

Nationally Representative Sampling

Technology Solutions Selection and Purchasing Decision Makers in North America Based Small and Medium Businesses (businesses with 1-1,000 employees)

Web based survey

Completed Interviews: N=

- All employee sizes represented
- Representative of most vertical industries
- Representative of most regions
- Home-based, non-profit included
- Weighted by employee size

SMBs Defined

Small Businesses

- Fewer than 100 employees (full-time) across entire corporation
  - Education, government, non-profit organizations are included
- **Location:**
  - Home-based businesses (Soho) are included
  - Non-profits are included
  - Located in North America
- Franchises are not included
  - Purchase decisions driven by business/location being surveyed

Medium Businesses

- 100 – 1,000 employees (full-time) across entire corporation
  - Education, government, non-profit organizations are included
- **Location:**
  - Commercial location
  - Non-profits are included
  - Located in North America
- Franchises are not included
  - Purchase decisions driven by business/location being surveyed