2012 Small and Medium Businesses Mobile Solutions Study

April, 2012

Sanjeev Aggarwal
Laurie McCabe
Brent Leary
Arjun Aggarwal
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
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

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

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

Mobile Devices & Service Providers

Internal
Employees
Role–based
Functions-Workflow
Policies

External
Customers
Partners
Suppliers

4/10/2012
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

Sanjeev Aggarwal
Laurie McCabe
Arjun Aggarwal

Source: SMB Group 2010 Small & Medium Business Mobile Solutions Study, December 2010
# Table of Contents

- About the 2010 Small and Medium Business Mobile Solutions Study
  - Executive Summary and Key Findings
  - Very Small Business: 1-19 Employee Analysis
    - Core Respondent Demographics
    - Survey Highlights
    - Detailed Demographics
  - Small Business: 1-99 Employees Analysis
    - Core Respondent Demographics
    - Survey Highlights
    - Detailed Demographics
  - Medium Business: 100-1,000 Employees Analysis
    - Core Respondent Demographics
    - Survey Highlights
    - Detailed Demographics
What this market research project covers?

- Mobile Solutions Spending
- Mobile Application Usage
- Mobile Productivity App. Usage
- Mobile Business App. Usage
- Mobile Websites
- Mobile App. Marketplaces
- Mobile Devices and Service Providers
- Information Sources
- Mobile solution Drivers/Barriers
- Business Challenges
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 Drivers for Mobile Solution Adoption**

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

Sample Size = 143
Top Obstacles for Mobile Solution Adoption

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

<table>
<thead>
<tr>
<th>VSB</th>
<th>Voice and data service costs</th>
<th>40%</th>
<th>Voice and data service costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Poor network service/reliability</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concerns about data, network or transaction security</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concerns about storing sensitive data on devices</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor performance of mobile applications</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Difficult to manage mobile devices and applications</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concerns that employees also use their devices and services...</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of applications availability</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of a company policy or strategy to deploy mobile...</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Compliance with standards</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of/inadequate support</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee resistance to using mobile business applications</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SB</th>
<th>Voice and data service costs</th>
<th>37%</th>
<th>Voice and data service costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Concerns about data, network or transaction security</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor network service/reliability</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concerns about storing sensitive data on devices</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor performance of mobile applications</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concerns that employees also use their devices and services...</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Difficult to manage mobile devices and applications</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of applications availability</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee resistance to using mobile business applications</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of a company policy or strategy to deploy mobile...</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Compliance with standards</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of/inadequate support</td>
<td>1%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MB</th>
<th>Voice and data service costs</th>
<th>27%</th>
<th>Voice and data service costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Concerns about data, network or transaction security</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of applications availability</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor network service/reliability</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concerns about storing sensitive data on devices</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Concerns that employees also use their devices and services...</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of/inadequate support</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor performance of mobile applications</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Difficult to manage mobile devices and applications</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Compliance with standards</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of a company policy or strategy to deploy mobile...</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee resistance to using mobile business applications</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

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 issue both devices and services to achieve more control over expenses, productivity and collaboration.

How does your company provide mobile devices
- Employees are responsible for procuring and paying for mobile devices on their own
- The company provides employees with the option to purchase their own device or use a company-supplied device
- The company provides allowances for individuals to purchase mobile devices

How does your company provide mobile service plans
- Employees are responsible for procuring and paying for mobile service plans on their own
- The company provides allowances for individuals to purchase their own service plans from any carrier they choose
- The company provides allowances for individuals to purchase their own service plans from designated carrier(s)
- The company contracts for service plans from a carrier(s) and provides them to employees

Sample Size = 143

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.

Sample Size = 143

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.

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.

Sample Size = 143

12.) How satisfied are you with your mobile services vendor?
## Use and Planned Use of Mobile Collaboration and Productivity Solutions

<table>
<thead>
<tr>
<th>Application</th>
<th>Current</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voicemail &amp; Voice note recording</td>
<td>79%</td>
<td>11%</td>
</tr>
<tr>
<td>Contact Information</td>
<td>72%</td>
<td>15%</td>
</tr>
<tr>
<td>Calendar</td>
<td>71%</td>
<td>14%</td>
</tr>
<tr>
<td>Company E-mail</td>
<td>70%</td>
<td>15%</td>
</tr>
<tr>
<td>Web access and search</td>
<td>67%</td>
<td>16%</td>
</tr>
<tr>
<td>SMS (Short Message Service), AKA texting</td>
<td>63%</td>
<td>11%</td>
</tr>
<tr>
<td>GPS/navigation and mapping</td>
<td>49%</td>
<td>24%</td>
</tr>
<tr>
<td>Instant messaging (IM)</td>
<td>48%</td>
<td>16%</td>
</tr>
<tr>
<td>Location-based services – travel,...</td>
<td>32%</td>
<td>22%</td>
</tr>
<tr>
<td>Document management —...</td>
<td>30%</td>
<td>27%</td>
</tr>
<tr>
<td>Conferencing applications —...</td>
<td>18%</td>
<td>29%</td>
</tr>
<tr>
<td>Travel &amp; expense tracker</td>
<td>17%</td>
<td>26%</td>
</tr>
<tr>
<td>Presence, find-me follow-me</td>
<td>9%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Sample Size = 143

15.) What specific mobile collaboration and productivity applications 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.

Sample Size = 394

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

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Current</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMS contact the sales or support...</td>
<td>55%</td>
<td>47%</td>
</tr>
<tr>
<td>Sharing--post pictures,...</td>
<td>53%</td>
<td>34%</td>
</tr>
<tr>
<td>Check delivery status of my orders</td>
<td>50%</td>
<td>39%</td>
</tr>
<tr>
<td>Add/view/change personal...</td>
<td>49%</td>
<td>46%</td>
</tr>
<tr>
<td>Manage/administer transaction...</td>
<td>47%</td>
<td>33%</td>
</tr>
<tr>
<td>Shop/buy products</td>
<td>45%</td>
<td>37%</td>
</tr>
<tr>
<td>Log and track product and/or...</td>
<td>42%</td>
<td>52%</td>
</tr>
<tr>
<td>Pay for products, goods, or services</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Check invoice status</td>
<td>40%</td>
<td>38%</td>
</tr>
<tr>
<td>Pay bills/invoices/balances</td>
<td>40%</td>
<td>36%</td>
</tr>
<tr>
<td>Make payments/transfers</td>
<td>33%</td>
<td>31%</td>
</tr>
</tbody>
</table>

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

2010 Mobile SMB Spending
$26.1B

- Annual Voice and Data Spending, $18.41B, 69%
- Annual Mobile Application Spending, $3.14B, 12%
- Annual Mobile Device Spending, $3.12B, 11%
- Annual Mobile Management Spending, $2.10B, 8%
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

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

SMB Company Databases

4/10/2012
### 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