LBS Temperature Meter 2008

LBS Insight 2008

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by Berg Insight

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ABOUT THE COMPANY

Berg Insight offers premier business intelligence to the telecom industry. We produce concise reports providing key facts and strategic insights about pivotal developments in our focus areas. Our vision is to be the most valuable source of intelligence for our customers. Berg Insight has its headquarters in Gothenburg, Sweden and has over 400 clients in more than 50 countries worldwide.

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Industry survey

LBS Temperature Meter 2008

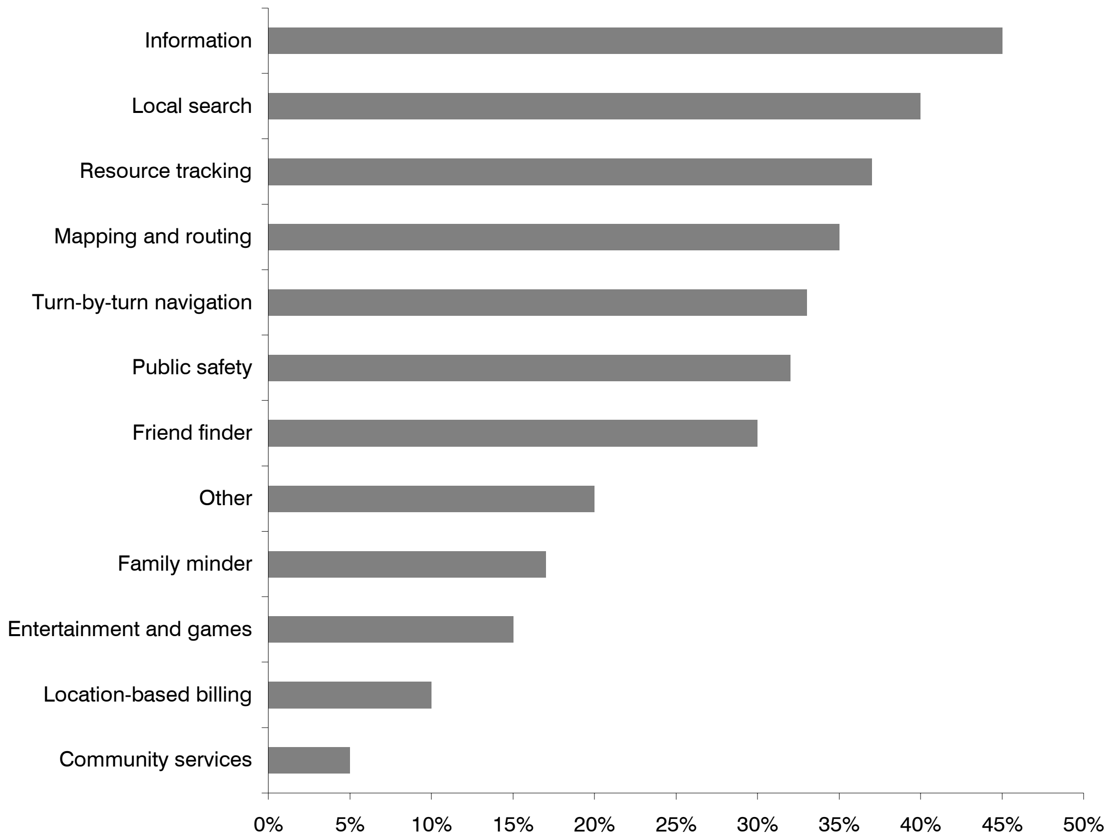
During January and February 2008, the LBS Insight team made a survey among LBS professionals to compile information about the view of current and future developments in the LBS industry. The survey builds on a previous LBS industry survey from April 2006. Two sets of questions were sent out to subscribers of the LBS Insight newsletter from Berg Insight. One set of questions addressed mobile operators and one set was directed towards other industry professionals, for instance equipment vendors, service providers, application developers and content providers. In total, 267 respondents completed the survey.

LBS Insight is a media site covering the location-based services market worldwide provided by Berg Insight. Our editorial team is drawn from the leading Nordic wireless analyst firm Berg Insight. The LBS Insight newsletter has been issued since November 2001. E-mailed 10 times per year to 5,500 subscribers, the LBS Insight newsletter will bring you unrivalled insight into the who, how and where of the business of location-based services. The LBS Insight web site, with its continuous news feed and links to leaders in the LBS marketplace, will keep you up to date and plugged in.

Questions to mobile operators

Virtually all responding operators had deployed at least one LBS service. The most common type was location-enhanced information services such as traffic or weather information, closely followed by local search. Resource tracking services, for instance asset tracking and workforce management, were slightly more common than other “classic LBS” like mapping and routing as well as turn-by-turn navigation. These results are broadly in line with the results of the 2006 survey.

Figure 1: LBS applications and services deployed today



When asked which services are the most successful, resource tracking turns out to be the leading service category. Many of the operators that have deployed friend finder services have achieved success. Notable is that none of the about operators that provide location-enhanced entertainment and games rank these among the top three most successful services. Overall, the results are comparable to the 2006 survey, i.e. the most successful services were the same in 2006 as today.

Figure 2: Most successful LBS applications and services today

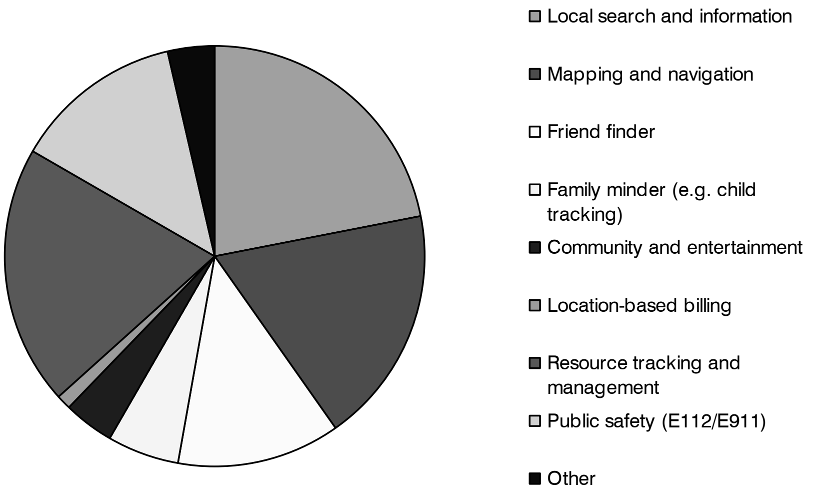
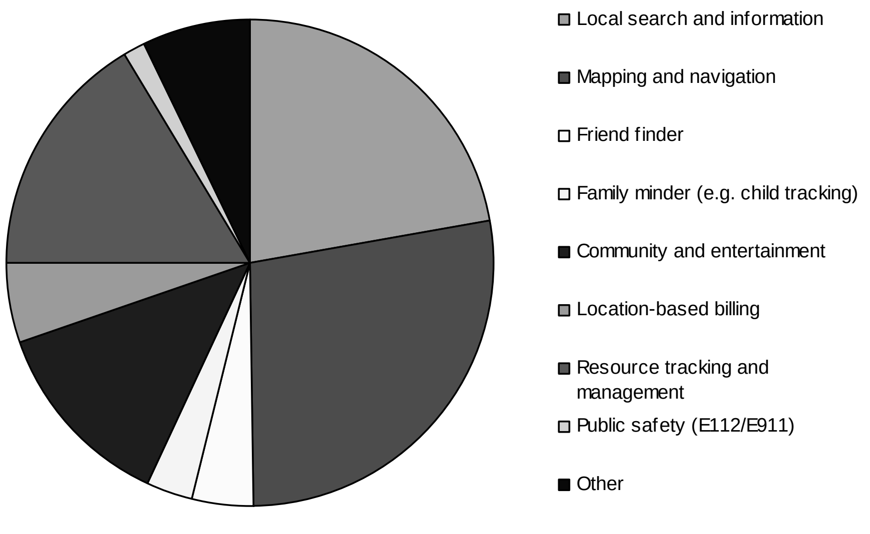


Figure 3: Most successful LBS applications and services in three years time



When asked which services are likely to be the most successful in three years time, turn-by-turn navigation, as well as mapping and routing services are forecasted to be the most successful services just ahead of resource tracking and information services. Compared to the situation today, especially mapping and routing services, but also community services, and entertainment and games are predicted to become relatively more successful in the future. Interestingly, friend finder services are predicted to become relatively less successful. Perhaps these services are regarded as niche services that are unlikely to gather mass-market adoption or loose importance when similar community services become more widespread. What is more, the top most successful future services are roughly the same as those in the 2006 survey.

Nearly 80 percent of the operators plan to deploy new LBS offerings in 2008, which is slightly more than in 2006 when 70 percent planned to do so. Moreover, about 65 percent of the operators also plan to invest in new LBS platforms and technology, up from 45 percent in 2006.

Figure 4: Do you plan to deploy new LBS this year?

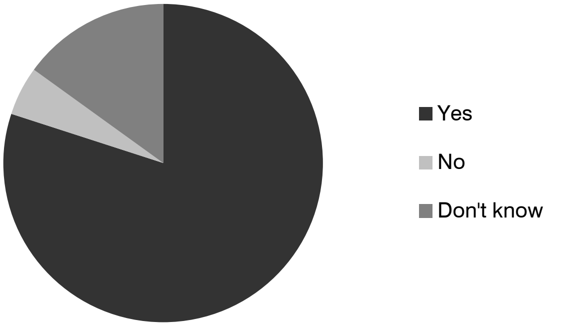
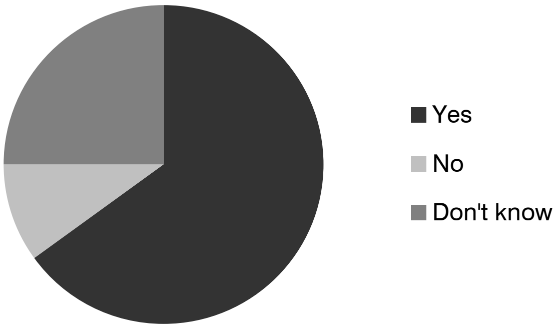
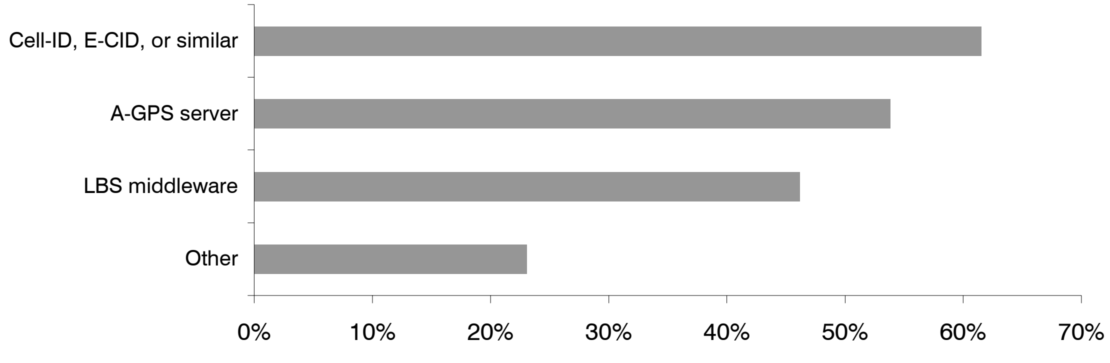


Figure 5: Do you plan to invest in a new LBS platform of technology this year?



The 2008 survey also asked what platform or technology operators plan to invest in. Slightly more than 60 percent plan to invest in a network-based positioning platform, such as Cell-ID or E-CID. More than half plan to invest in an A-GPS server and about 45 percent intend to invest in LBS middleware.

Figure 6: What platform or technology does your company plan to invest in?



Most operators, 60 percent, believe that a combination of two or more technologies will be the most important positioning technology in the coming years, followed by A-GPS/Galileo at 20 percent. This result is well in line with the 2006 survey.

Figure 7: The most important positioning technology in the coming years

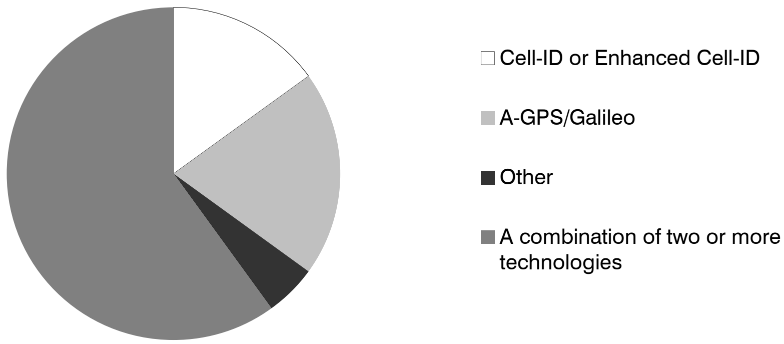
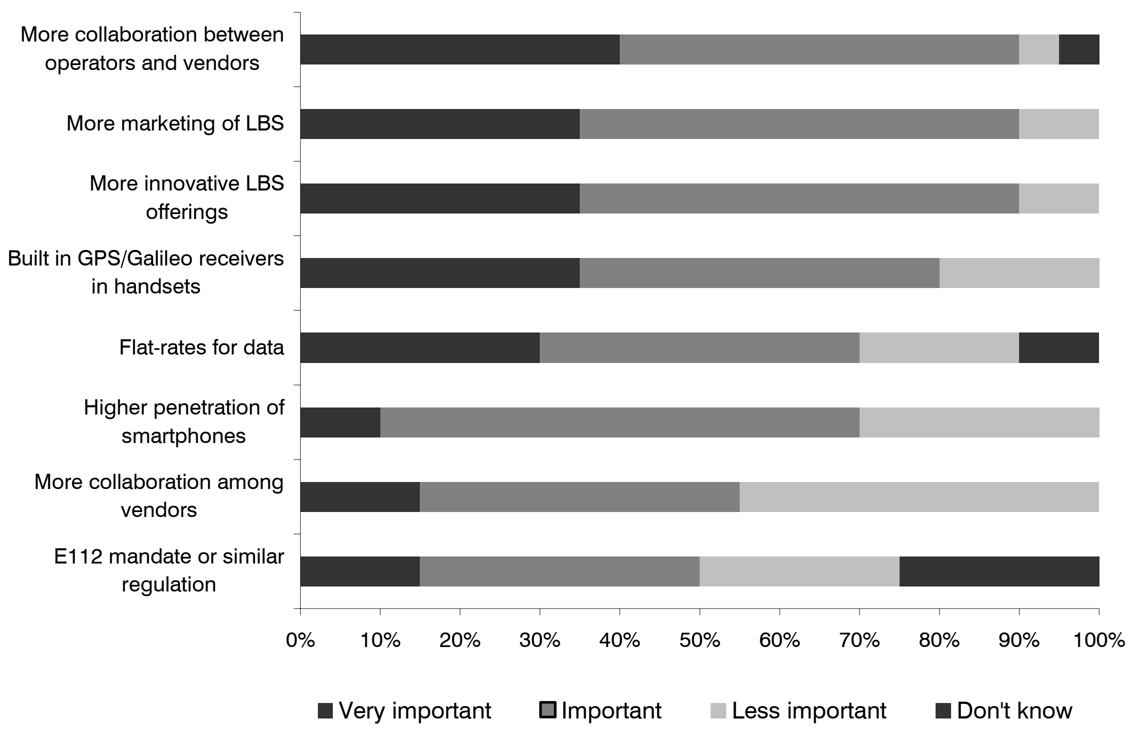


Figure 8: How important are the following factors for the growth of the LBS market?

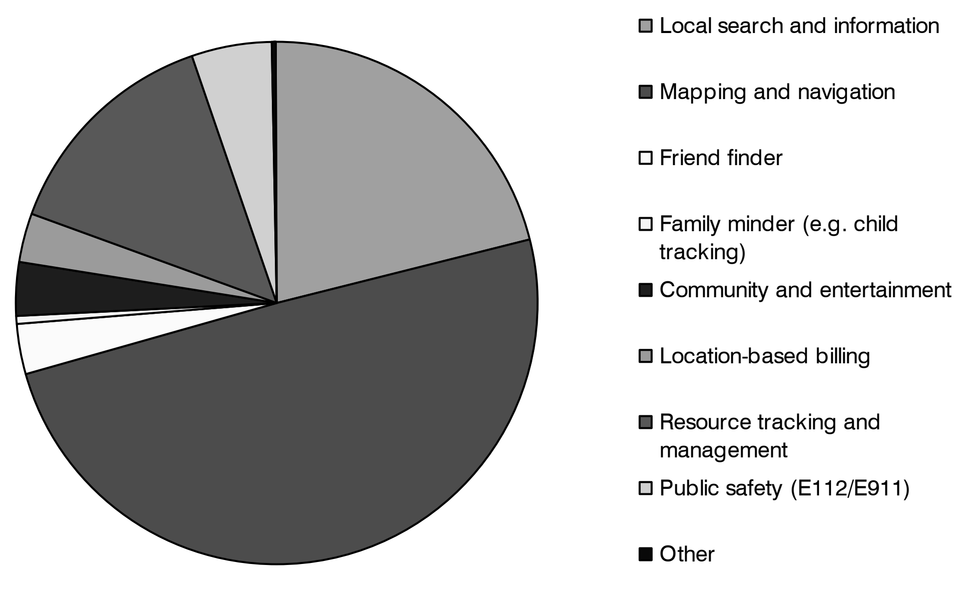


The last question for the operator representatives regarded the importance of several factors for the growth of the LBS market. 90 percent of respondents considered more collaboration between operators and vendors to be important or very important. The other factors deemed most important include more marketing and more innovative LBS offerings. Compared to the previous survey, handsets with built-in GPS/Galileo receivers are considered to be of slightly less relative importance. An E112 mandate or similar regulation is also considered relatively less important today.

Questions to other LBS professionals

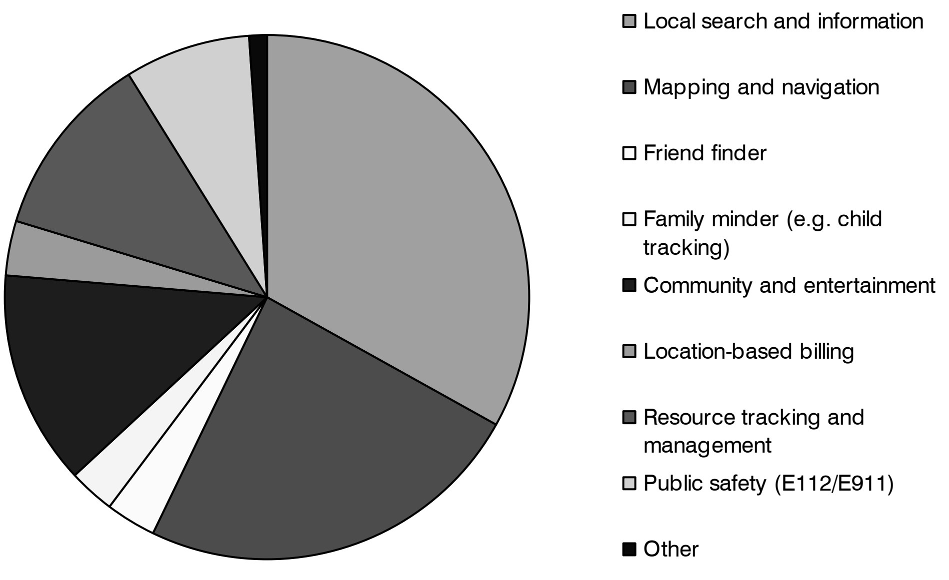
The second set of questions was addressed to representatives of equipment and platform vendors, software developers, service providers, content providers etc. When asked which LBS offerings will be the most successful in 2008, turn-by-turn navigation services along with mapping and routing services gained most votes. When compared to the answers from operators, especially friend finder services are considered relatively less successful by LBS professionals outside the operator community. Resource tracking services are also predicted to be relatively less successful. Turn-by-turn navigation together with mapping and routing services are predicted to be relatively more successful in 2008 than what the respondents in the 2006 survey predicted three years into the future.

Figure 9: Most successful LBS applications and services in 2008



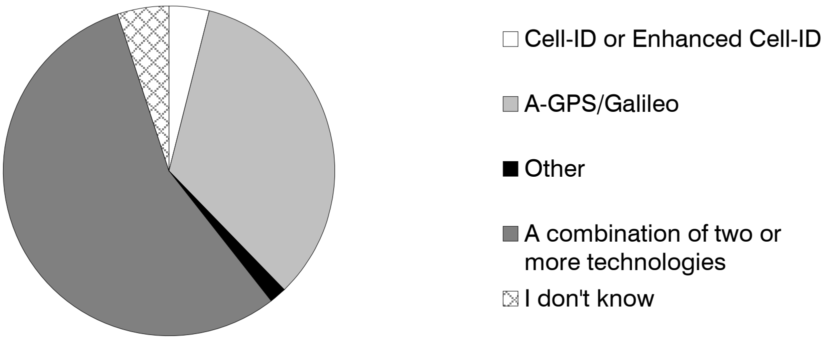
In three years time, the respondents believe that location-enhanced local search and information services will be the most successful services, ahead of turn-by-turn navigation services. The biggest change, however, is community services, which are predicted to become the fourth most successful category compared to the seventh position in 2008. This result is not surprising considering the recent success of community services on the Internet. Compared to the 2006 survey, resource tracking services, which at the time were considered the second most successful future services, are not considered to gain importance to the same degree when looking ahead from 2008. When compared to the responses from operators, other LBS professionals believe local search and community services will become the most successful services in the future to a higher degree, whereas resource tracking and mapping and routing services will become relatively less successful.

Figure 10: Most successful LBS applications and services in three years time



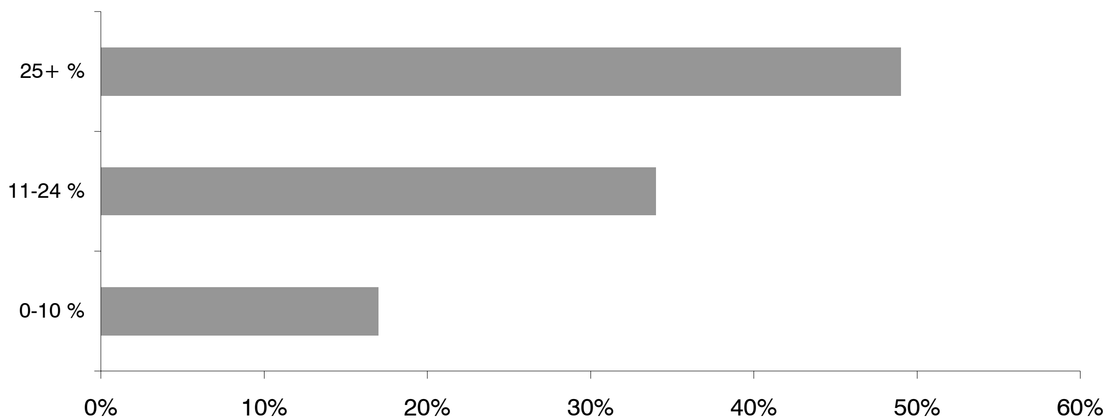
The LBS community agrees that a combination of two or more technologies will most important in the coming years. However, slightly more non-operator respondents consider A-GPS/Galileo to be the most important technology. Cell-ID or Enhanced Cell-ID technology is considered most important by operator respondents, 15 percent versus 4 percent of non-operator respondents.

Figure 11: The most important positioning technology in the coming years



There is considerable optimism among LBS professionals. As many as half of the respondents believe that the LBS market will grow 25 percent or more in 2008.

Figure 12: Predicted LBS market growth rate in 2008



LBS professionals believe that most LBS application developers and service providers will market their services directly towards end users, bypassing operators. 70 percent of the respondents consider that the direct to end user marketing to be the most used channel in three years time.

Figure 13: Main marketing channel of LBS applications and services in three years time

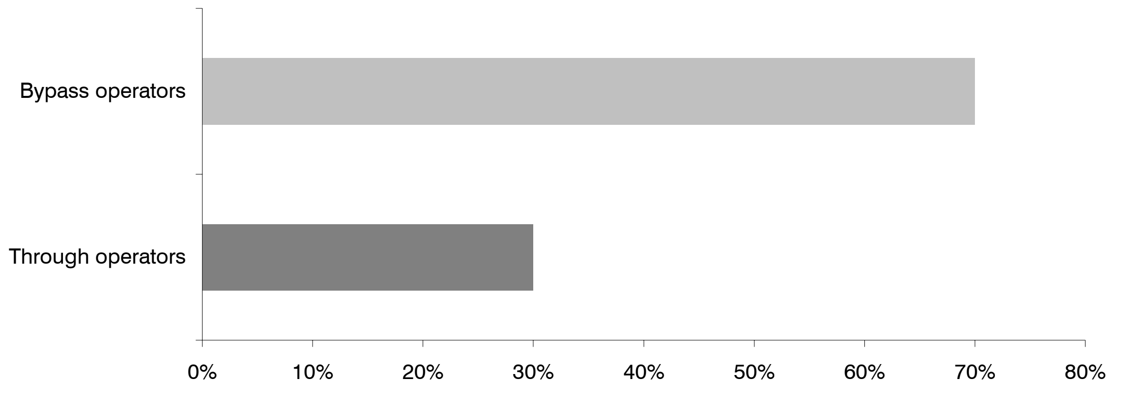
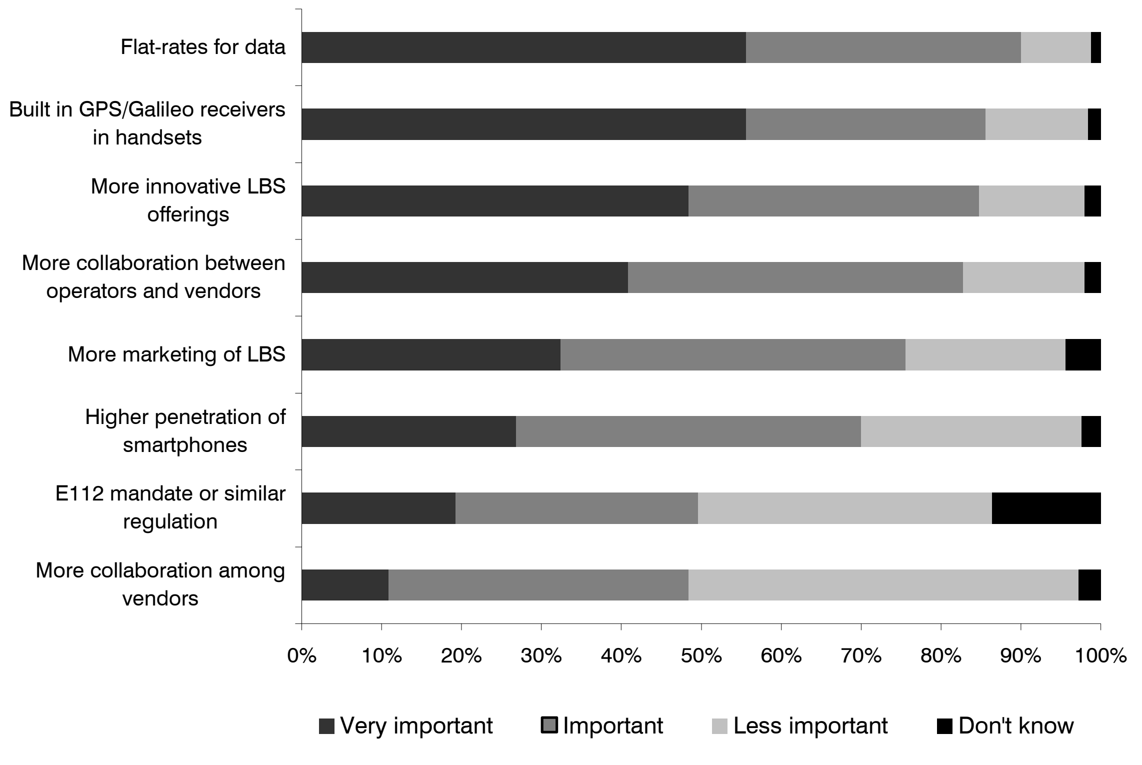


Figure 14: How important are the following factors for the growth of the LBS market?



Non-operator LBS professionals consider flat-rate data plans to be the most important factor for the growth of the LBS market, followed closely by built in GPS/Galileo receivers in handsets. When compared to responses from operators, flat-rates for data is considered much more important for future success of LBS. In addition, more non-operator LBS professionals consider built-in GPS/Galileo receivers in handsets to be very important. The results are broadly similar to those in the 2006 survey with the exception that flat-rate data plans have moved from fourth position to first in 2008.

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