



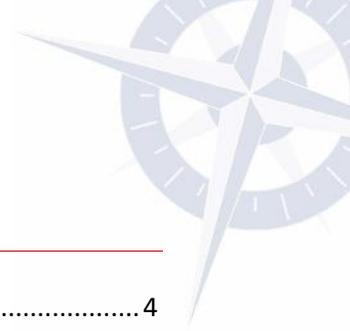
# Controlling Enterprise Mobile Costs:

New Business Models Arise Including Unlocked Devices, Wi-Fi First, and Enterprise MVNOs

Executive Summary

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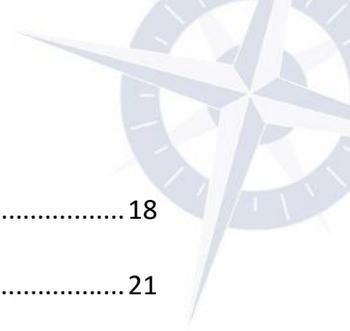
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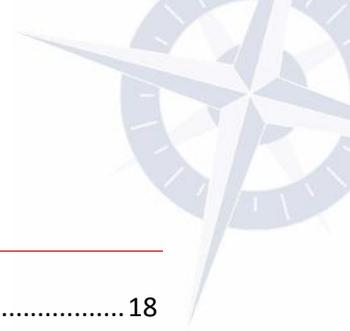
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## About Compass Intelligence

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This report was prepared by Mark Beccue for Compass Intelligence, LLC



### **About Compass Intelligence**

Compass Intelligence is one of the leading market analytics and consulting firms specializing in metrics-driven market intelligence and consulting focused on the entire mobile ecosystem, device recommerce and recycling, IoT, and emerging technology markets. Compass Intelligence provides a number of key services including strategic advisory, market sizing/modeling, competitive benchmarking, executive-level consulting, and turn-key survey services. Providing quality services over 11 years, many of the top technology vendors rely on Compass Intelligence's expertise and insights to make better and more informed planning, strategy, and development decisions. Visit us at <http://www.compassintelligence.com> to learn more.

## Methodology

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Compass Intelligence conducts ongoing research by utilizing some of the following research methodologies to complete market forecasting, uncovering the top trends, sharing the latest market drivers and challenges, and performing competitive analysis:

- Ongoing top-down (evaluating market revenues) and bottoms up (evaluating users or units) market sizing of the U.S. and Global IT market expenditures and revenues, as well as user, subscriber, unit, shipments, installed base, and other end-user metrics tracking
  - The Compass Intelligence database of forecasts, metrics tracking, and financial modeling is upwards of 100s of individual and detailed segmentation analysis of the top industries impacting the mobile industry today.
  - Forecasting may be validated using existing market data that falls in a relevant market or has relatable metrics to further refine trending and benchmarking
  - Compass Intelligence may also share informal forecasts and metrics with industry participants to gather feedback and confirmation, which support in validation or refinement of the model or key forecasts.
  - Compass Intelligence often makes assumptions given our market experience around segmentation and modeling to further segment forecasts by key demographic or other industry characteristic
- Continuing vendor analysis through 3<sup>rd</sup> party sources including earnings report, financial reports, website review, social media, and secondary sites that analyze key vendor or competitive analysis
- Use of existing, internal, and recent survey research collected using the Thought Leaders research and panel owned and managed by Compass Intelligence. These surveys may be conducted with end-users or decision-makers in the consumer or B2B market.
- Conducting briefings, interviews and meetings live, by phone, over chat, via email, web conference, and other tools with managers, owners, and executives of key industry participants, companies, financial investors, and other industry thought leaders.
- Industry trade shows, conferences, events, and organizations. Compass Intelligence is a member, board advisor, and participant in many of the top trade shows and conferences. Leveraging the meetings, sessions, presentations, and relationships at these events, supports in additional market intelligence gathering that is often used in our reporting and final write-ups.
- Additional resources may be used or unique for key reports depending on the topic and experience of our Senior staff.



## Introduction

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Anytime, anywhere connectivity is becoming a critical requirement for almost any American business, large or small. Every day, businesses are finding new ways to leverage connected devices to meet their goals, but mobility comes at an increasing cost. The company-issued (or Corporate Liabile=CL) mobile device is experiencing flat to declining growth rates and BYOD is king. Despite price reductions and declining voice communications, mobile services costs are rising.

According to Compass Intelligence recent research, U.S. enterprise spending on telecommunications services and equipment will increase year-over-year at between 5-6% from 2014 through 2020. Driving that increase is wireline and wireless data costs, particularly wireless data costs. Spending by U.S. businesses on wireless data will increase from \$31.8 billion in 2014 to more than \$48.5 billion by 2018. Shouldering the worst of the increase are smaller businesses with between 5-99 employees, where mobile data costs are projected to grow 14% year over year in 2017 and 12% in 2018.

U.S. businesses will increasingly look for ways to better manage mobile costs. Some believe steering user devices to low-cost and free Wi-Fi could be a potential solution, but there are QoE (Quality of Experience) issues and Wi-Fi calling remains a challenge. “Wi-Fi First” MVNOs from players such as cable operators might provide relief. Enterprise-focused MVNOs could hold potential, as could Wi-Fi connection platforms or OTT Wi-Fi/Cellular steering apps/services. Compass Intelligence believes initiatives to curb mobile costs for enterprise users will lead to significant disruption for incumbent mobile service providers.

This report was developed using both primary and secondary research. Included in the primary research were interviews with Stephen Stokols, CEO of FreedomPop, independent technologist Richard Hodges and Dave Fraser, CEO of Devicescape, and secondary research on other key players in the market including cable operators, MVNOs, and others.



## Market Indicators

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This report will dive into a number of primary market questions and provide commentary and analysis on the market indicators influencing enterprise mobile connectivity strategies. A few of the key areas explored include the following:

- What solutions have the most potential for curbing cellular data costs for U.S. businesses?
- What solutions have the least potential for curbing cellular data costs for U.S. businesses?
- How much will U.S. businesses save by finding alternative solutions to cellular data service?
- What impact will mobile cost reduction solutions have legacy mobile service providers?
- When will mobile cost reduction be recognized in the marketplace?
- Who will be the winners and losers around mobile cost reduction solutions?



## List of Definitions and Acronyms

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**QoE** – Quality of Experience

**MVNO** -- Mobile Virtual Network Operator

**OTT** -- Over The Top

**EMM** -- Enterprise Mobility Management

**MEM** – Mobile Expense Management

**QoS** – Quality of Service

**BYOD** – Bring Your Own Device

**SIM** – Subscriber Identity Module

**GB** – Gigabyte

**Carrier-grade** -- In telecommunications, refers to a system, hardware or software component that is extremely reliable, well-tested and proven in its capabilities.

**Connected Car** -- Car equipped with Internet access for various purposes.

**GM** -- General Motors

**GSM** – Global System for Mobile

**MNO** – Mobile Network Operator

**SMB** – Small and Medium Business

**MB** – Megabyte

**UI** – User Interface

**MSO** – Multiple Services Operator, typically used to describe cable and broadband providers

**OEM** – Original Equipment Manufacturer



## How to Access this Report

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### **Controlling Enterprise Mobile Costs: New Business Models Arise Including Unlocked Devices, Wi-Fi First, and Enterprise MVNOs Report**

**Fee:** \$3,495.00 (USD)

**Published:** May 2016

#### **Description:**

U.S. enterprise spending on telecommunications services and equipment will increase year-over-year at between 5-6% from 2014 through 2020. Spending by U.S. businesses on wireless data will increase from \$31.8 billion in 2014 to more than \$48.5 billion by 2018. Withstanding the worst of the increase are smaller businesses with between 5-99 employees, where mobile data costs are projected to increase 14% year over year in 2017 and 12% in 2018.

U.S. businesses will increasingly look for ways to better manage mobile costs. But how? Some believe steering user devices to low-cost and free Wi-Fi could be a potential solution. “Wi-Fi First” MVNOs from players such as cable operators might provide relief. Enterprise-focused MVNOs could hold potential, as could OTT Wi-Fi/Cellular steering apps/services.

Compass Intelligence believes initiatives to curb mobile costs for enterprise users will lead to innovative new solutions, new players and significant disruption for incumbent mobile service providers. This report explores the drivers for mobile cost reductions, the challenges, good and bad potential solutions, key players, winners and losers, and forecasts for the total amount of mobile costs successful solutions will save U.S. businesses between 2016 and 2020.

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