LBS Fact Pack

The Hottest Predictions for 2012

3rd ANNUAL

Location Business Summit Europe

Conference & Exhibition

May 22-23, Amsterdam, 2012

LBS industry evolution: Your roadmap to sure-fire market share
The 3rd annual Location Business Summit Europe is the biggest meeting place for hands on knowledge and networking for the mobile and location industry. Following our blockbuster events in Silicon Valley and Amsterdam last year, the biggest and best companies in the community will come together at the most influential LBS focused summit in the world.

TheWhereBusiness are proud to bring you the stats and facts you need to know for 2012 for the mobile, location and navigation industry in association with the launch of the Location Business Summit Europe.

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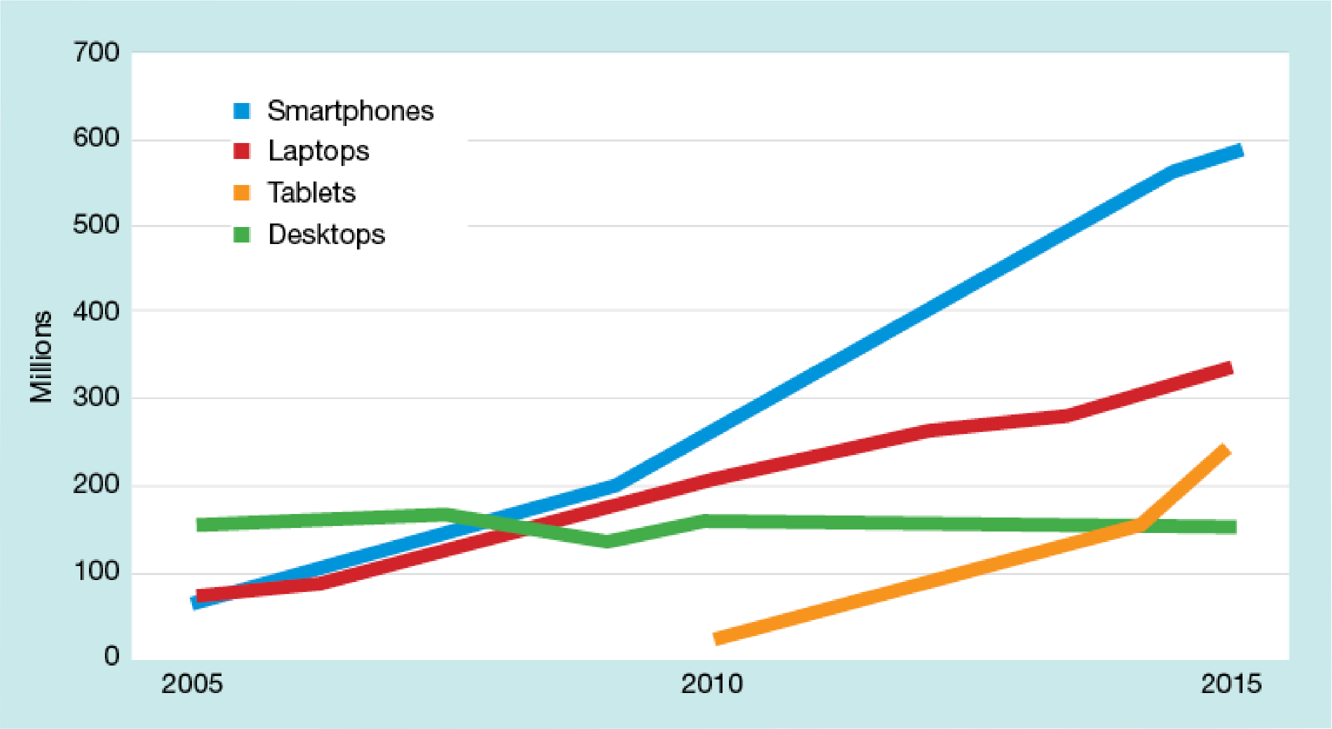
"Current top ten **global media** brands: Google, Apple, Microsoft, Mercedes-Benz, Ford, Yahoo!, Sony, Intel, Canon, Panasonic"

Source: http://www.generalsentiment.com/mvreport/q2-top-global-brands-report.html

"Average devices owned by the mobile audience – 2.4"

Source: JiWire, Q2 2011

Global Annual Device Sales



Sources: IDC, Yankee, Gartner, Strategy Analytics, McKinsey Estimates

“Worldwide smartphone sales stretched from 468 million units in 2011, a 57.7% boost from 2010”

Source: Gartner, April 2011

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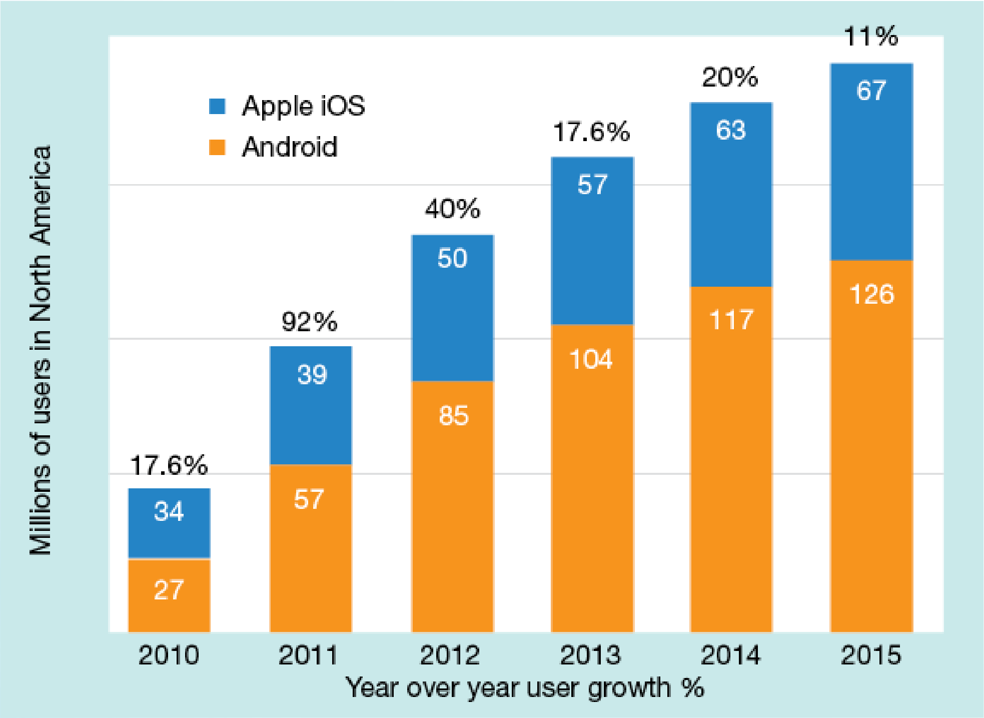

"40% is Largest Year On Year Increase in Users in Next 4 Years"

"iOS & Android Will Reach About Half of Adults in North America by 2012"

Source: Strategy Anaytics

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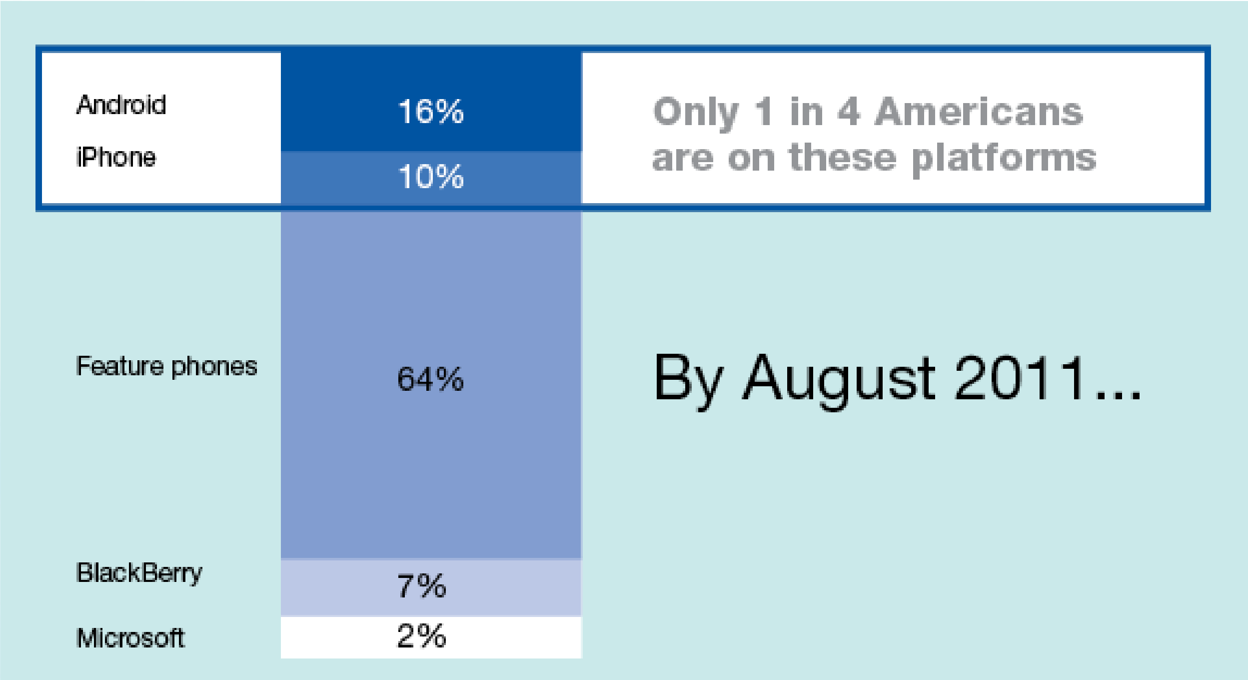

August 2011 Source: Comsco

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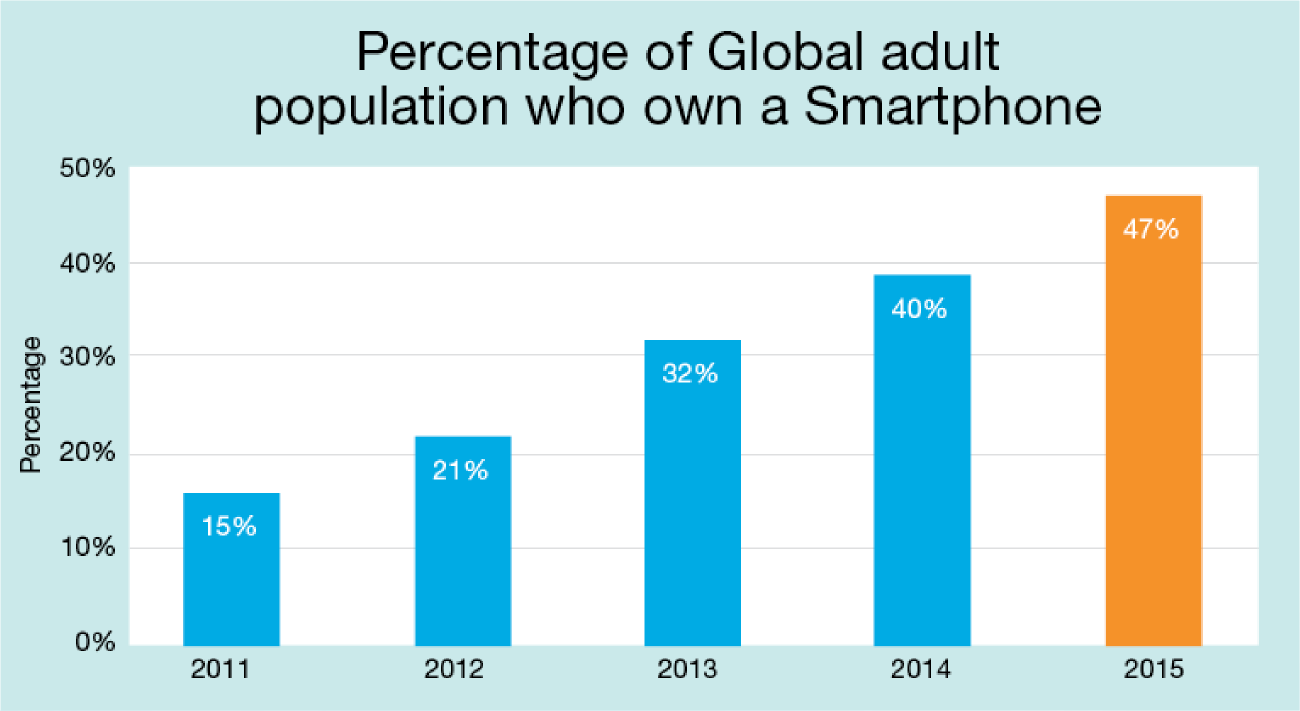

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Sources: IDF, Gartner, McKinsey, Yahoo! Research

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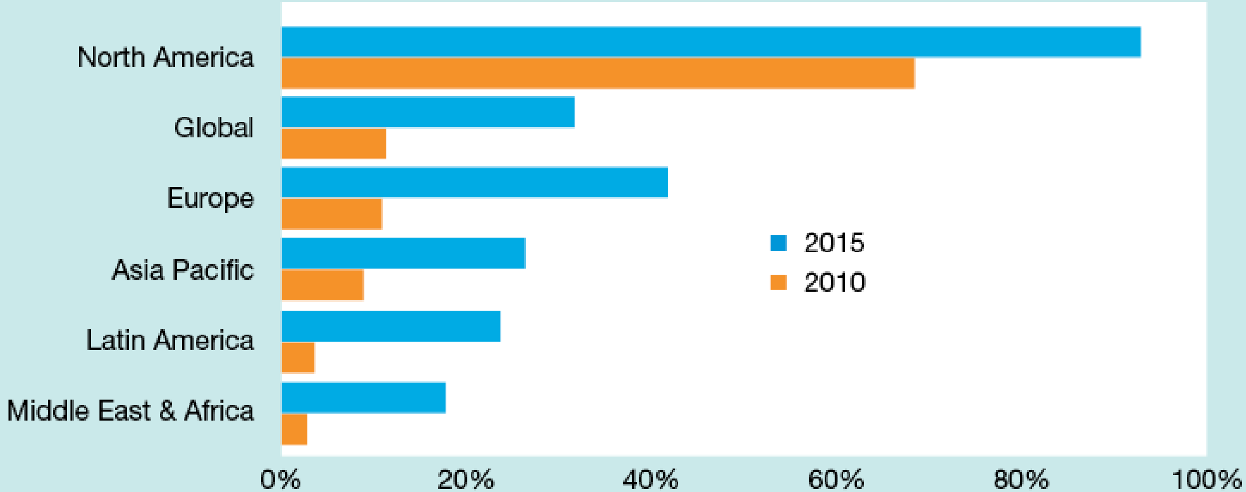
North America GPS penetration is by far the highest and is expected to remain the largest location based services market through 2015

GPS penetration of subscriptions by region, 2010 and 2015



Source: Pyramid Research, Market Report 2011 - 2015

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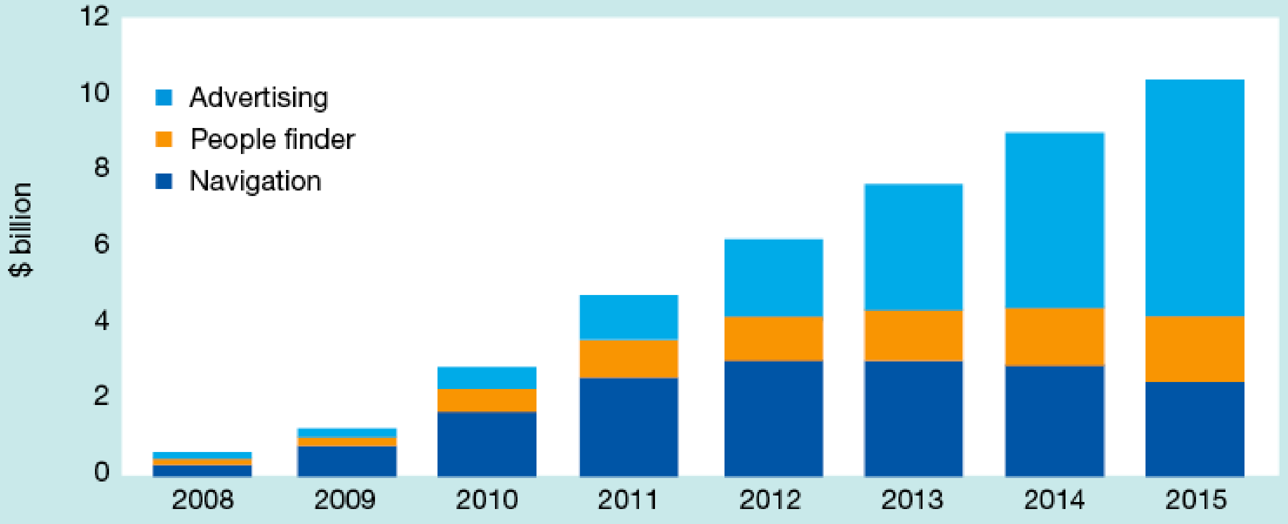
Location based service (excluding business market) revenues are forecast to increase from $2.9bn to $10bn between 2010 and 2015

Mobile location based service revenue forecast 2008-2015



Source: Pyramid Research, Market Report 2011 - 2015

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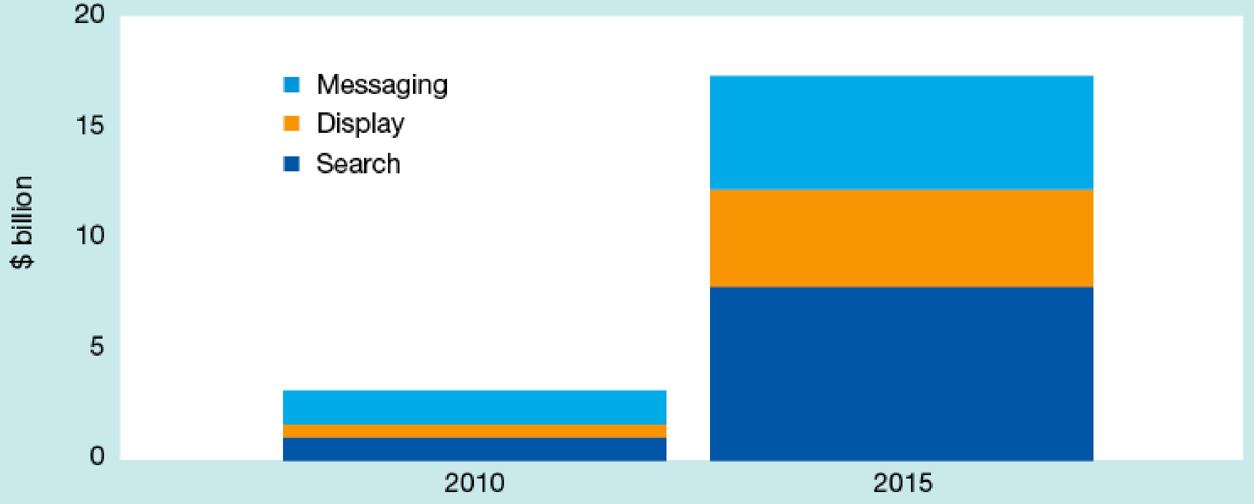
Mobile search is the fastest growth segment in mobile advertising; local search will be an important element of mobile advertising

Mobile advertising growth forecast by segment: 2010 and 2015



Source: Pyramid Research, Market Report 2011 - 2015

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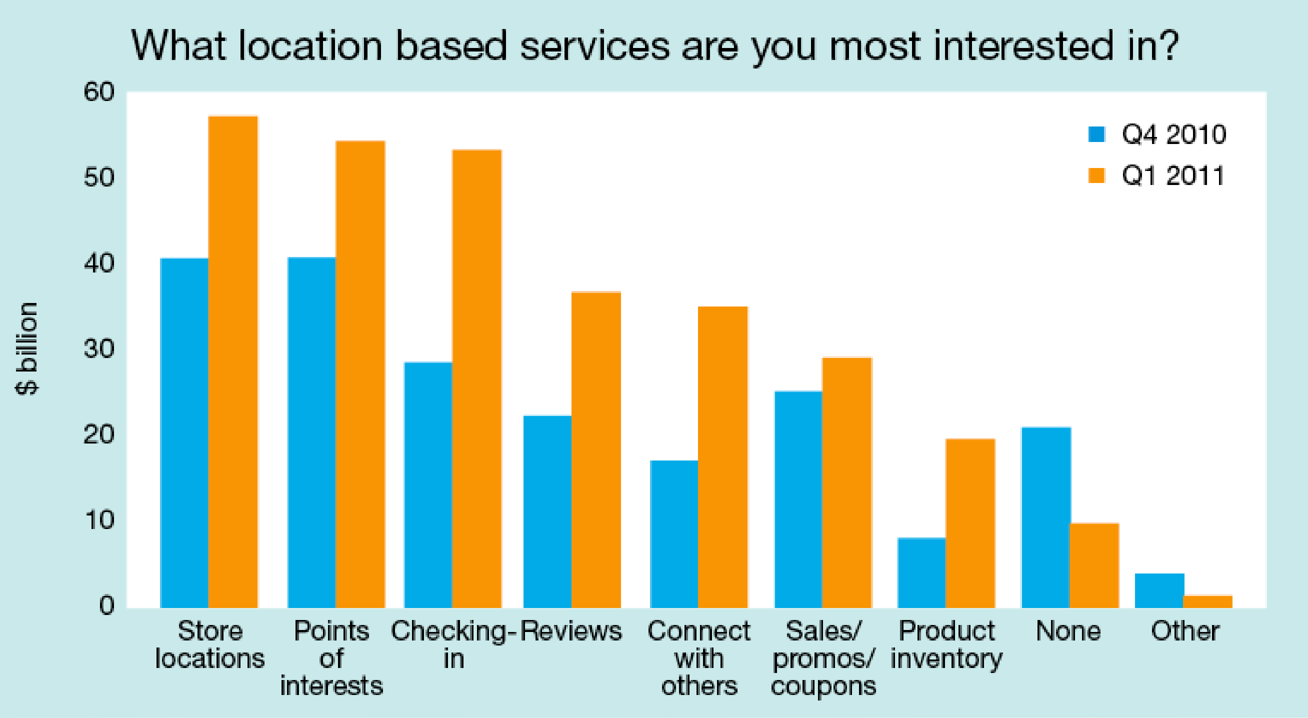

Source: JiWire, Q1 2011.

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"53% of consumers are willing to share their current location to receive more relevant advertising"

"57% are more likely to engage with location-based advertising"

Source, JiWire, 2011

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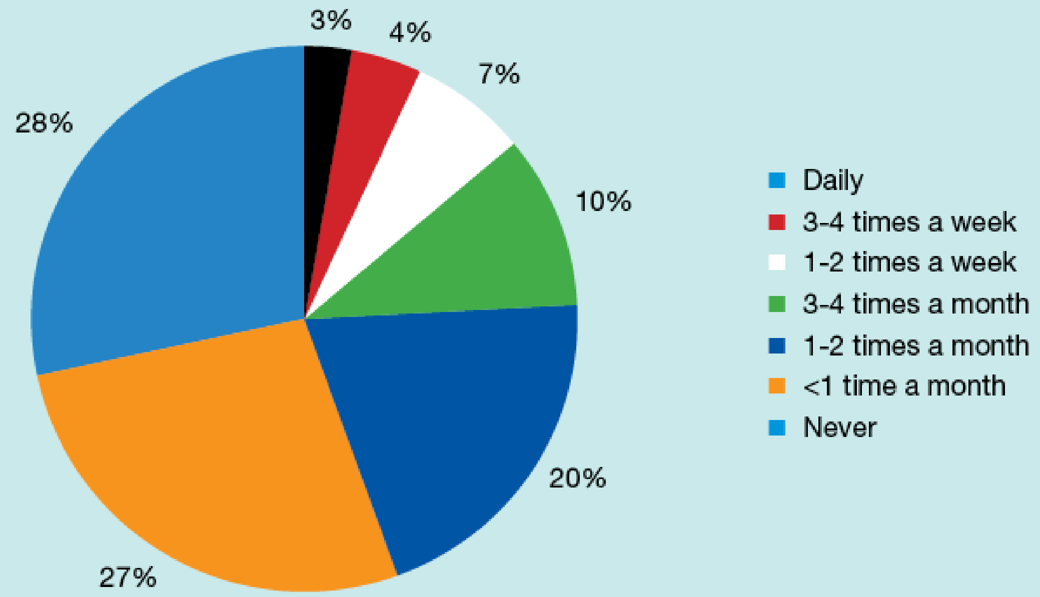
43% of the 'On-the-go audience' purchase a deal at least once a month



Source: JiWire, Q1 2011.

"62% share local deals with friends"

Source: JiWire, Q1 2011.

"63% of consumers feel a coupon is the most valuable form of mobile marketing.

Current redemption rate is between 5-25% - a significant increase from the 1% redemption rate of paper coupons"

Sources: ABI, MMA, bCode, IPSOS Place Based Dynamic Content Products and Advertising Research

Top consumer growth areas for mobile applications 2011-2012

Area/App type	CAGR Growth
Money transfer	64%
Location based services	53%
Mobile advertising	51%
Mobile browsing	44%
Mobile payment	43%

Source: Visiongain 2011

Mobile Advertising Revenue by Region, Worldwide

	2010	2011	2015
North America	304.3	701.7	5,791.4
Western Europe	257.1	569.3	5,131.9
Asia/Pacific and Japan	868.8	1,628.5	6,925.0
Rest of the World	196.9	410.4	2,761.7
Total	1,627.1	3,309.9	20,610.0

2008-2015 (Millions of Dollars)
Source: Gartner, June 2011

"Search ads and location ads (paid-for positioning on maps and augmented reality apps) will deliver the highest revenue, while video/audio ads will see the fastest growth through 2015."

Source: Gartner (June 2011)

“The top mobile ad networks in the US are Google, Millennial Media, Apple, Yahoo!, Microsoft and Jumptap.”

Estimates IDC, December 2011

> Google's gross annual revenue from mobile advertising is over US$2.5 billion per year

Source: Google's Q32011 earnings call

"29 billion apps were downloaded in 2011, up from 9 billion in 2010.

In 2011 Q2 Android overtook Apple in terms of app downloads with 44 percent of downloads, compared to Apple's 31 percent."

ABI Research, October 2011

"Global mobile transactions were predicted to be US$241 billion in 2011 growing to more than $1 Trillion by 2015."

Yankee Group, June 2011

> EMEA is the mobile money hot spot accounting for 41 percent of mobile transactions value in 2011, compared to 35 percent in North America, 22 percent in Asia-Pacific and just 1 percent in Latin America.

Yankee Group, June 2011

"Total value of mobile payments for digital and physical goods, money transfers and NFC (Near Field Communications) transactions will reach $670bn by 2015, up from $240bn in 2011."

Juniper Research, July 2011

"1.8 billion consumers globally bought digital goods via their mobile in 2011, this will rise to 2.5 billion in 2015."

Juniper Research, June 2011

"Global NFC m-payment transactions will be almost US$50 billion worldwide by 2014. 20 countries are expected to launch NFC services in the next 18 months."

Juniper Research, June 2011

"On eBay, in 2011, people purchased $5 billion of goods using their mobile. In 2012, eBay projects this will rise to $8 billion."

eBay, January 2012

“PayPal expects to see $7 billion in mobile payment volume in 2012.”

PayPal, January 2012

"Smartphones are not just about High-End

Open OS devices will reach price points below $75 by 2012 mainly driven by Android OS and Whitebox Vendors"

Source: Gartner Forecast, 1Q11

> 41% of consumers take action, such as redeeming a coupon or entering the store advertised, due to location-based ads on their phone or web browser.

Jan. 2011 Cross-Tab Marketing Services Report. Microsoft, “Location Based Services Usage & Perceptions Survey”

Future developments – LBS general/automotive

W. Europe only	Auto systems	Mobile devices
Total in use	Autos in use: 250m+ Head units: 240m+ Telematics: 85m+	Mobile phones: 195m+ Smartphones: 190m+ Pad devices: 35m+
LBS-enabled	PNDs: 35m+ Telematics: 80m+ Navigation: 27m+	Mobile phones: 130m+ Smartphones: 190m+ Pad devices: 35m+
Navigation enabled	PNDs: 35m+ Telematics: 60m+ Navigation: 27m+	Mobile phones: 100m+ Smartphones: 150m+ Pad devices: 25m+
Communication enabled	PNDs: 16m+ Telematics: 85m+ Navigation: 27m+	Mobile phones: 195m+ Smartphones: 190m+ Pad devices: 35m+

Source: IHS iSuppli 2011

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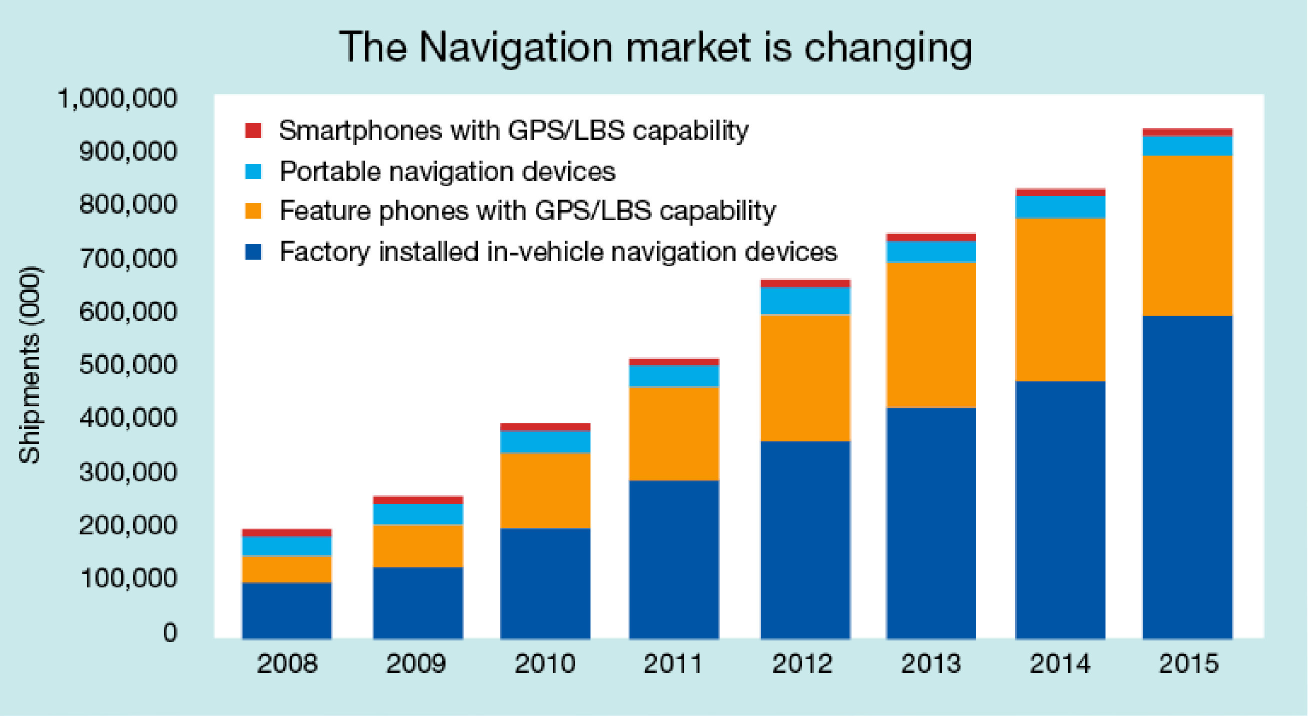
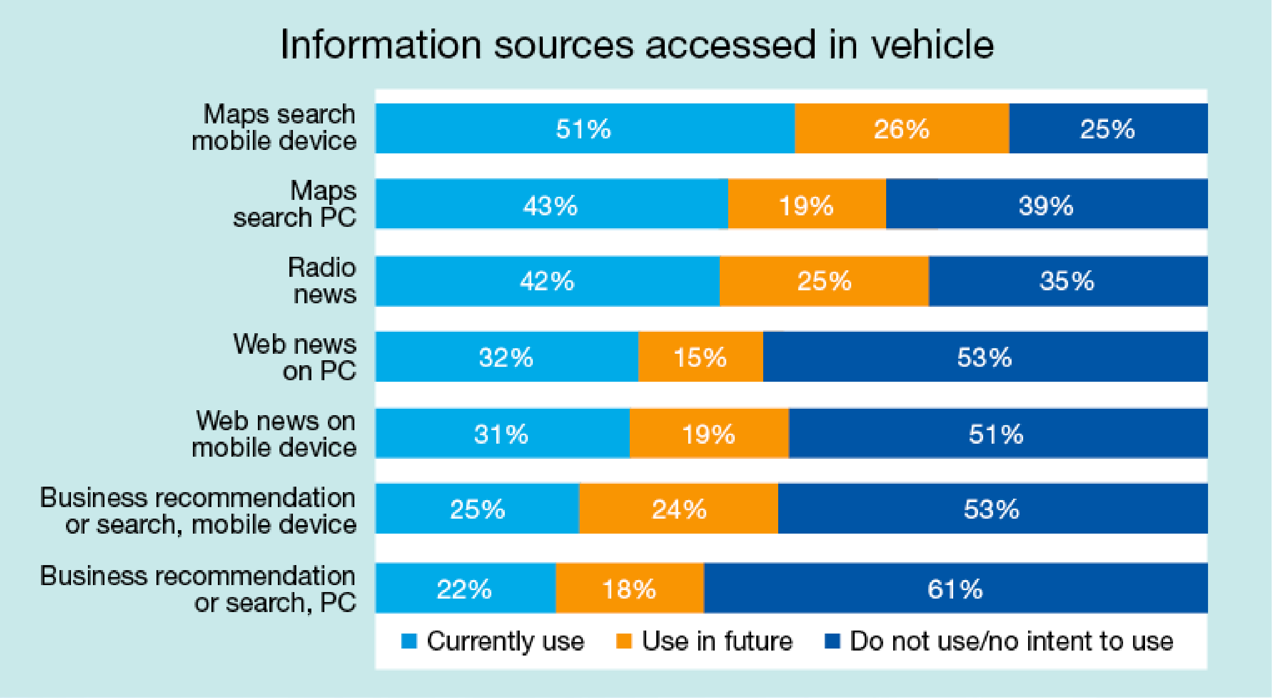


50% indicate they currently access map searches on a mobile device in their vehicle, while another 25% would like to in the future



Source: Pioneer survey with Morpace, Aug 2011

“ % Reporting Daily Usage of Smartphone Applications While Driving

81% report accessing mapping and navigation applications while driving, most likely driven in part by real-time traffic services.

70% also report accessing music applications. ”

Source: Strategy Analytics 2011

“% Interested or Very Interested in Accessing Applications While Driving

Navigation and mapping applications are on the top the list, with 85% of all respondents (smartphone and non-smartphone owners) interested in accessing these applications in the car.”

Source: Strategy Analytics Automotive Consumer Insights May 2011

"Only 12% navigation consumers over 45 years of age use their devices every day, 6% do not use them"

Source: Strategy Analytics Automotive Consumer Insights May 2011

"All age groups under 45 show similar usage of navigation products: daily usage between 29% and 32%, weekly usage between 73% and 75%"

Source: Strategy Analytics Automotive Consumer Insights, May 2011

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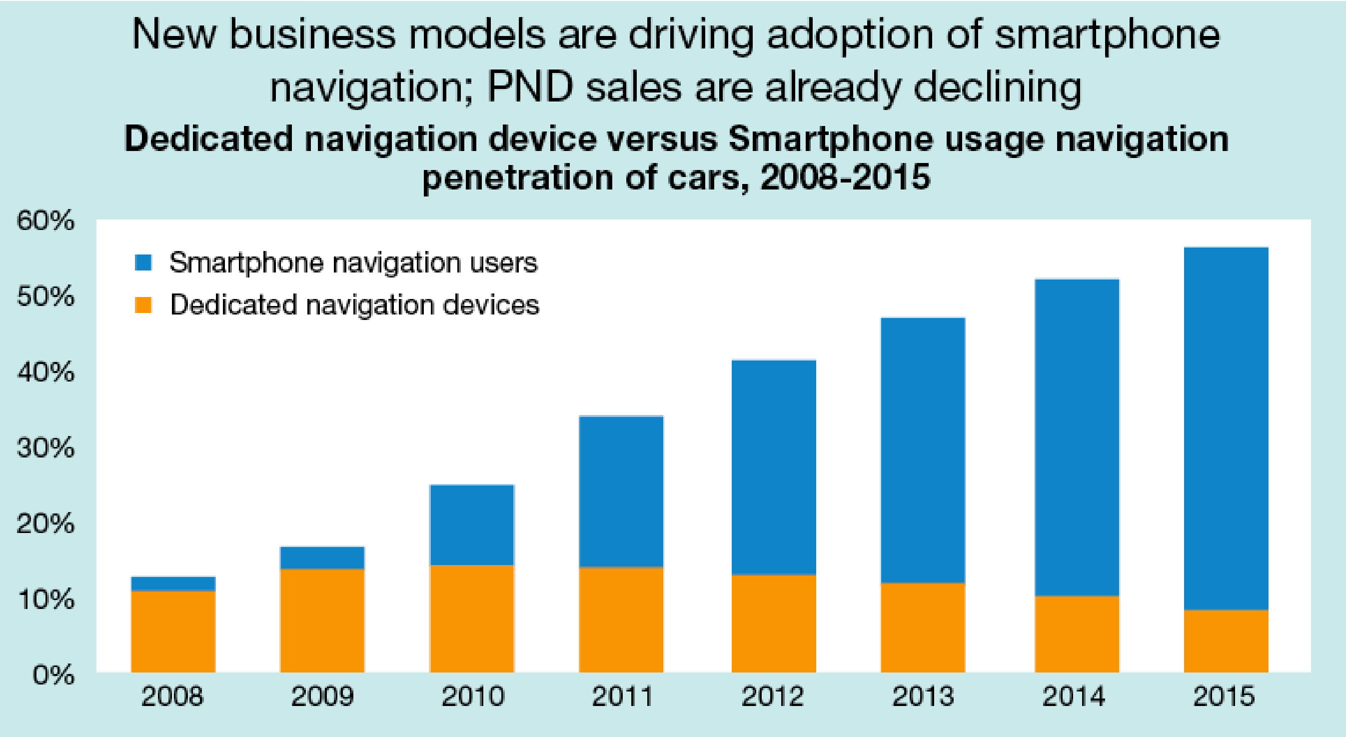

Source: Pyramid Research, Market Report 2011 - 2015

Conclusion:

For many years we have seen the figures and predictions for LBS and mobile marketing set very high. One of the questions that needs to be addressed, is why the predictions over the last 5 years haven't been achieved, and what is holding the industry back from the rapid growth that has been foreseen?

With the fast uptake of smart phones and tablet devices, we can only assume that the penetration of the adoption of this technology will rise and therefore engage more and more consumers.

There is still a lack of viable business models, and with app developers and solution providers changing their business models to focus more on ad-funding revenue streams, we have to ask the question how long will it last before consumers become oversaturated. This area, however does seem to be the one where most growth is predicted, and it's feasible to say that it is most likely to be the focus for 2012.

Another key area where challenges still lie are related to privacy and location data, and the role of the Mobile Network Operators within the space, especially with the giants such as Google, Facebook, Nokia and Foursquare all pitching in to stake their claim in the social location and location-based marketing arena.

All this and more will be covered in much greater depth at the Location Business Summit Europe, May 22-23, Amsterdam.

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