

CHETAN SHARMA

Technology & Strategy Consulting

Mobile Predictions 2015

<http://www.chetansharma.com/MobilePredictions2015.htm>



[Download](#)

A very happy, healthy, and prosperous 2015 to you and your family. My thanks to all who participated in our 8th annual Mobile Predictions Survey. It is a unique polling of the insiders to get a glimpse into what the ecosystem is thinking about the future.

[2014 was without a doubt an awesome year for the mobile industry.](#) Not only the ecosystem perform well on almost metrics, it has started to open up the tent to bring in other industries as well which is where lot of the action is going to be in the next 5-10 years. As we discussed in the [Connected Intelligence Paper](#), the Golden Age of Mobile is here and we are in for one heck of a ride.

They were so many milestones that it is hard to capture them in a short note but it is worth noting the steady climb of subscriptions past the human population, the continuous of apps and data revenue, and the disruption of vertical industries like transportation, travel, and health were probably the defining highlights of the year. The [4th wave](#) is indeed in full-effect. Many incumbents are struggling to adjust and the torrent of startup innovation is changing the global landscape of how new revenue is generated in the ecosystem. By our count, there were at least 38 companies generating a billion dollars of more from 4th wave services. This is a whopping 442% jump from 2012. The average amount of data consumed by smartphones doubled in most LTE markets and we can expect a similar jump in 2015.

Just consider the amount of change we have seen in the first half of this decade: 483% growth in digital information, 12,816% growth in mobile data traffic, 339% growth in smartphone sales, 1,344% growth in tablets sales, 73% growth in data revenues, 433% growth in OTT revenues, 50% growth in mobile industry revenues, and 341% growth in mobile apps revenue. Can you imagine what the next 5 years will be like? Stay with us and we will keep you posted ☺

Our annual survey is a way to engage our knowledgeable community on the trends we are likely to see the next year. We put some of the pressing questions to our colleagues and industry leaders from all corners

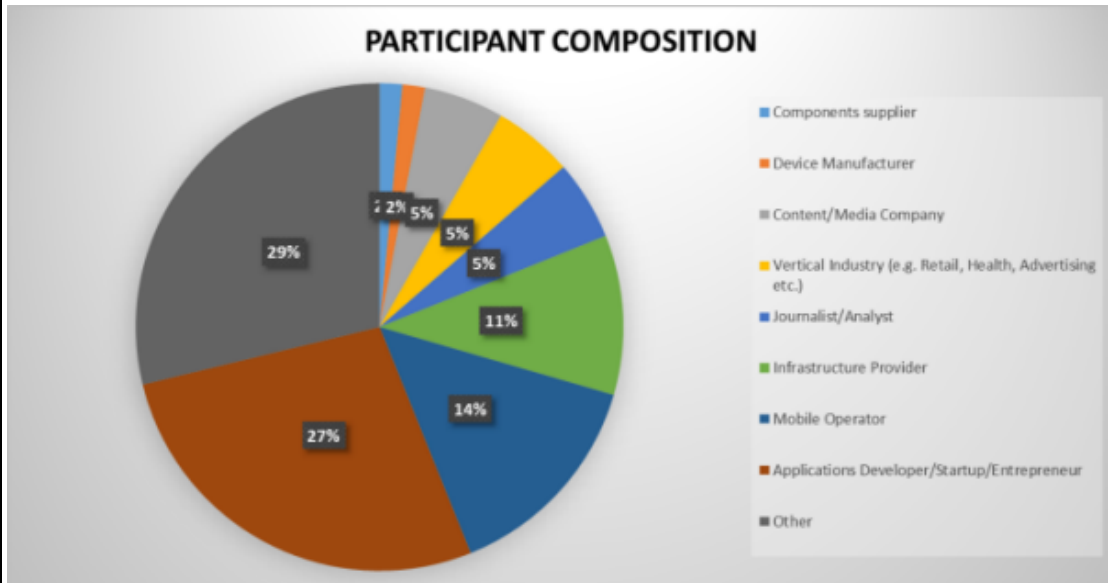
of the world. The aggregated view and the nuances help us in getting a sense of what's to come. Executives, developers, and insiders (n=175) from leading mobile companies and startups from across the value chain and from around the globe participated to help see what 2015 might bring to surprise us. The survey draws upon the unique collective wisdom of the folks who are the center of the mobile evolution. Thanks for being part of our annual ritual.



25 names were randomly drawn for the limited edition of Mobile Future Forward 2014 Book and they have been notified. Welcome 2015!

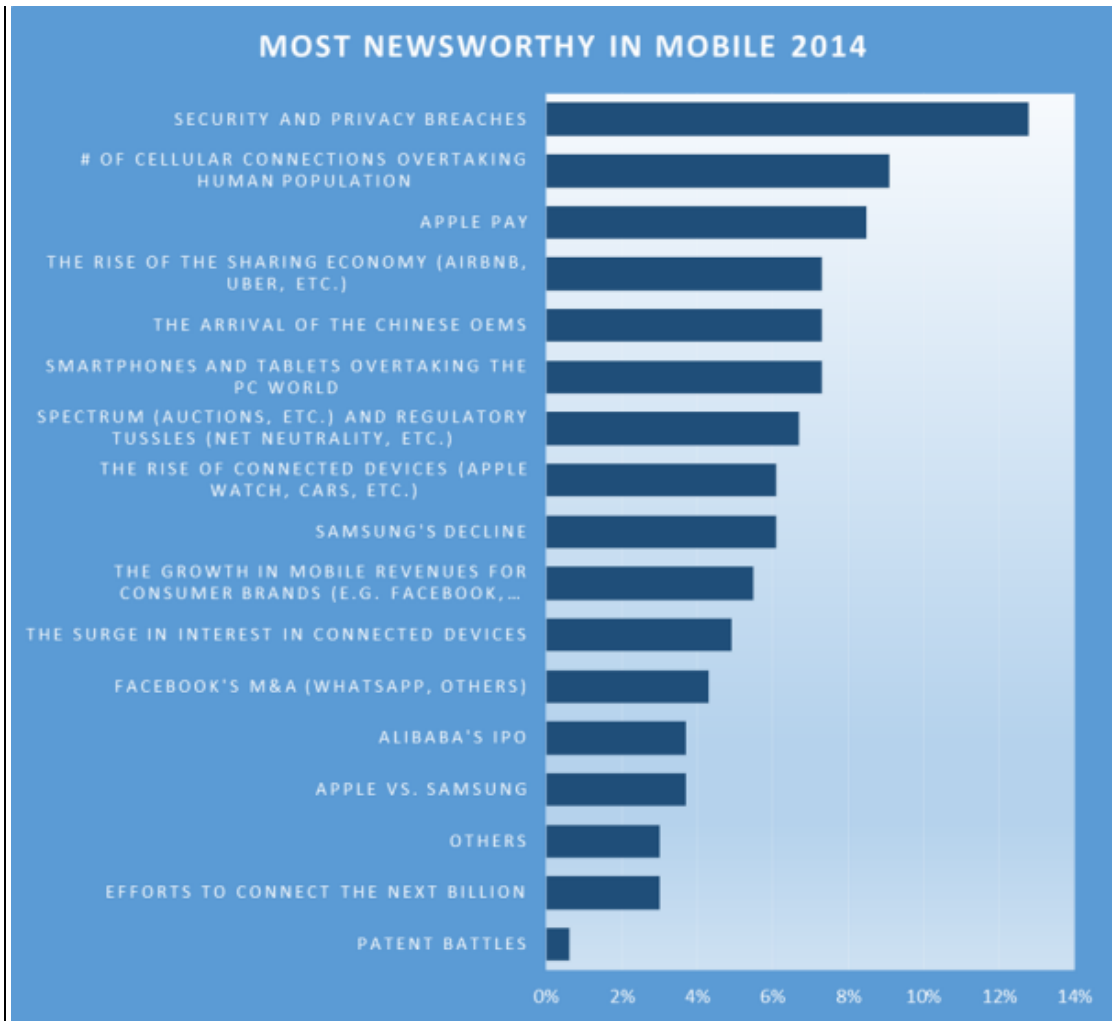
Kind regards,

Chetan



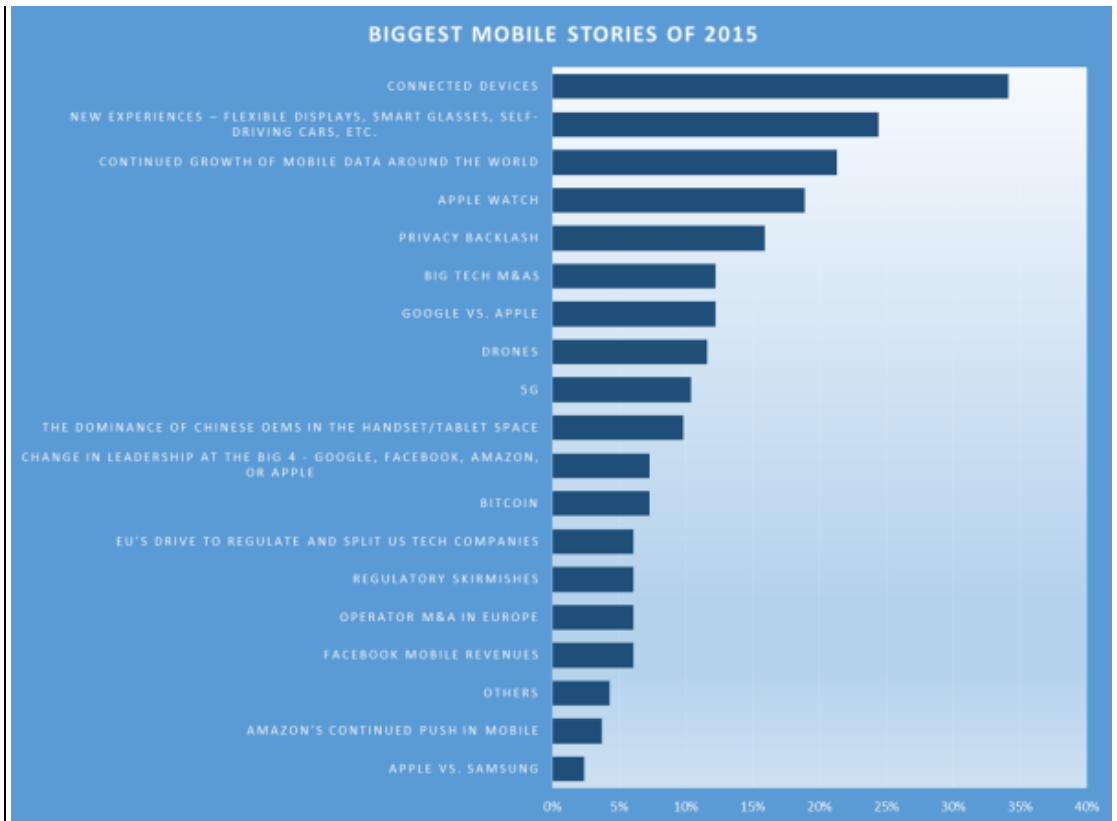
1. What was most newsworthy in Mobile 2014?

The security and privacy breaches were rampant throughout the year, especially in the US so it is no surprise that it topped the big stories in 2014. The long awaited milestone of the number of mobile subscriptions passing the human population finally happened though it was anticlimactic. Apple Pay was a big story as well and the company has executed it perfectly so far. The likes of Uber and Airbnb continued to shake up the regulators and the logistics industry worldwide. The silent story of the year was the dominance of the Chinese OEMs who now control 40% of the smartphone sales. Samsung's decline was quite predictable with competition on both ends. Will the company find a way to claw back to former prominence? The growth of a number of new 4th wave companies was also a big story for the year.



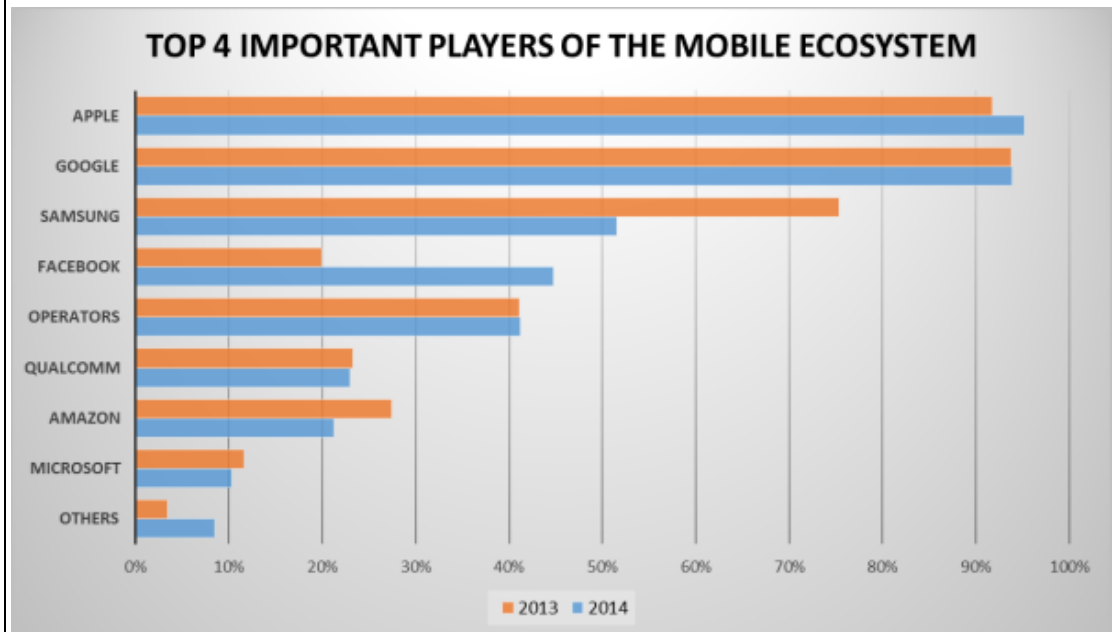
2. What will be the biggest mobile stories of 2015?

The connected devices are everywhere from our wrists to homes to streets. We might see some new device experiences in 2015. Foldable devices are rumored to be in the works. Will we grow past the rectangular screen in our hands? Mobile data will continue to define a bulk of the industry revenues. Will Apple watch be a big tipping point for the wearable market? 5G discussions have certainly heated up as we closed 2014 and we will see more noise and progress in 2015. Apple vs. Samsung has become an old story. Folks are expecting a change in leadership at the big 4. Net-neutrality is likely to be a big story in the first half of 2015.



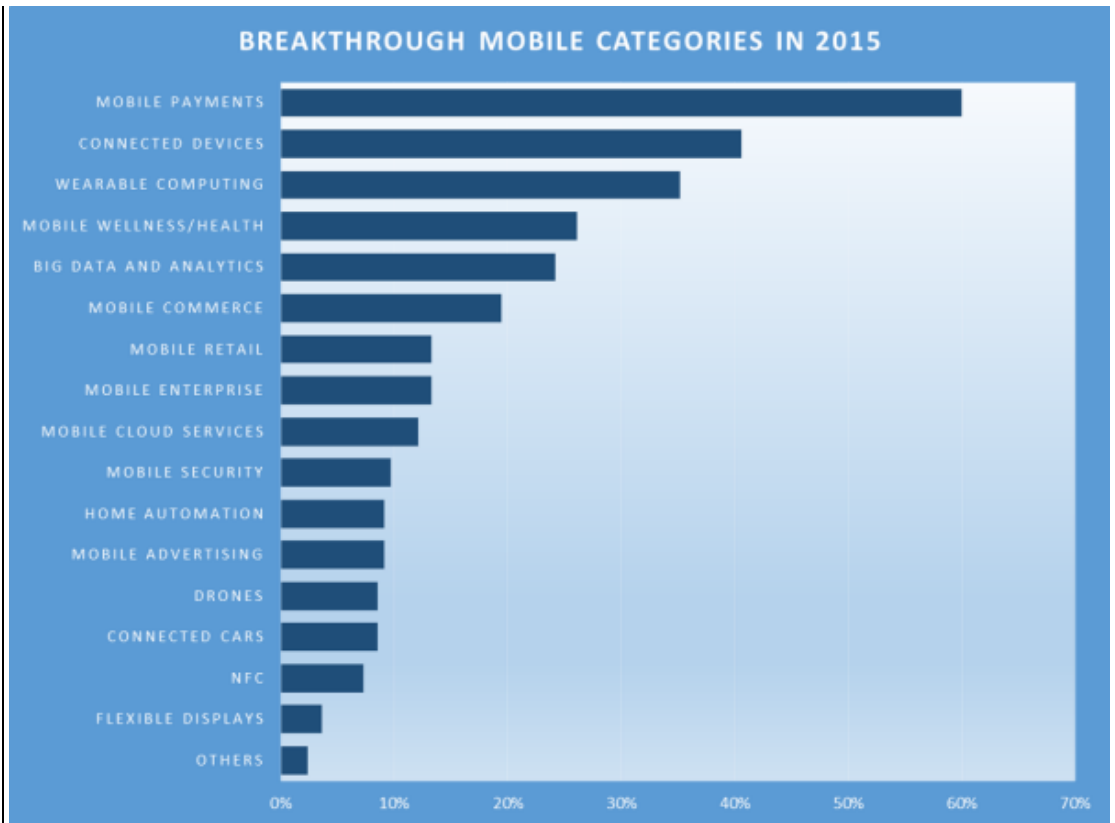
3. Who are the top 4 important players in the mobile ecosystem?

Apple and Google continue to dominate the top two positions. While Samsung was still ranked #3, its influence waned a bit in 2014 while the stars of Facebook rose on the back of its mobile performance. Operators rounded out the top 5. Amazon and Microsoft suffered minor declines.



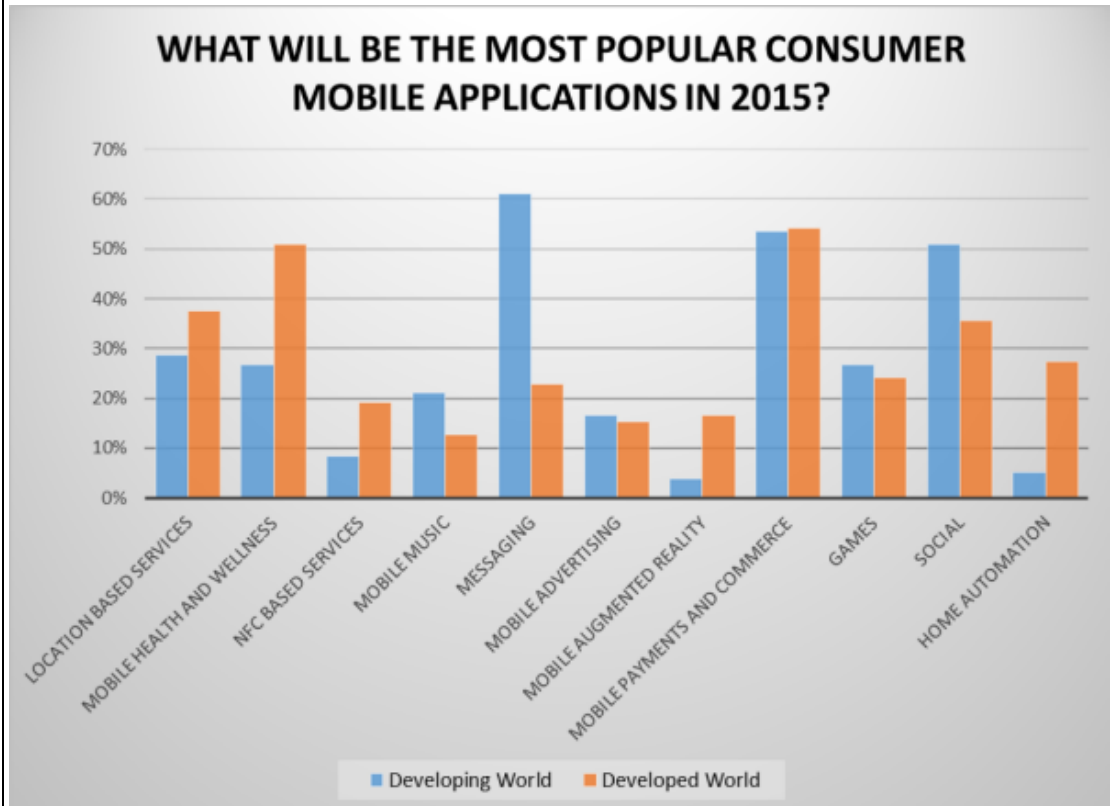
4. What will be the breakthrough categories in mobile in 2015?

Given the introduction of Apple Pay, there are a lot of expectations around mobile payments and commerce in 2015 and we could finally see the puncturing of the decade's old financial system with some new energy and innovation. Other categories of interest are connected devices, wearables, health and fitness, and big data.



5. What will be the most popular consumer mobile applications in 2015?

Messaging continues to dominate the developing markets while there is more action around home automation, health, location in the developed world. Commerce and social remains hot everywhere.



6. What is likely to happen in the wearables category in 2015?

Will the wearables category stay niche or will the whole ecosystem grow? We are about to find out in 2015. Can Apple define the category like it did with the smartphones and can anyone besides make any money? Lot of questions, too early for the answers.

Thought Leadership

Consulting Services

Clients

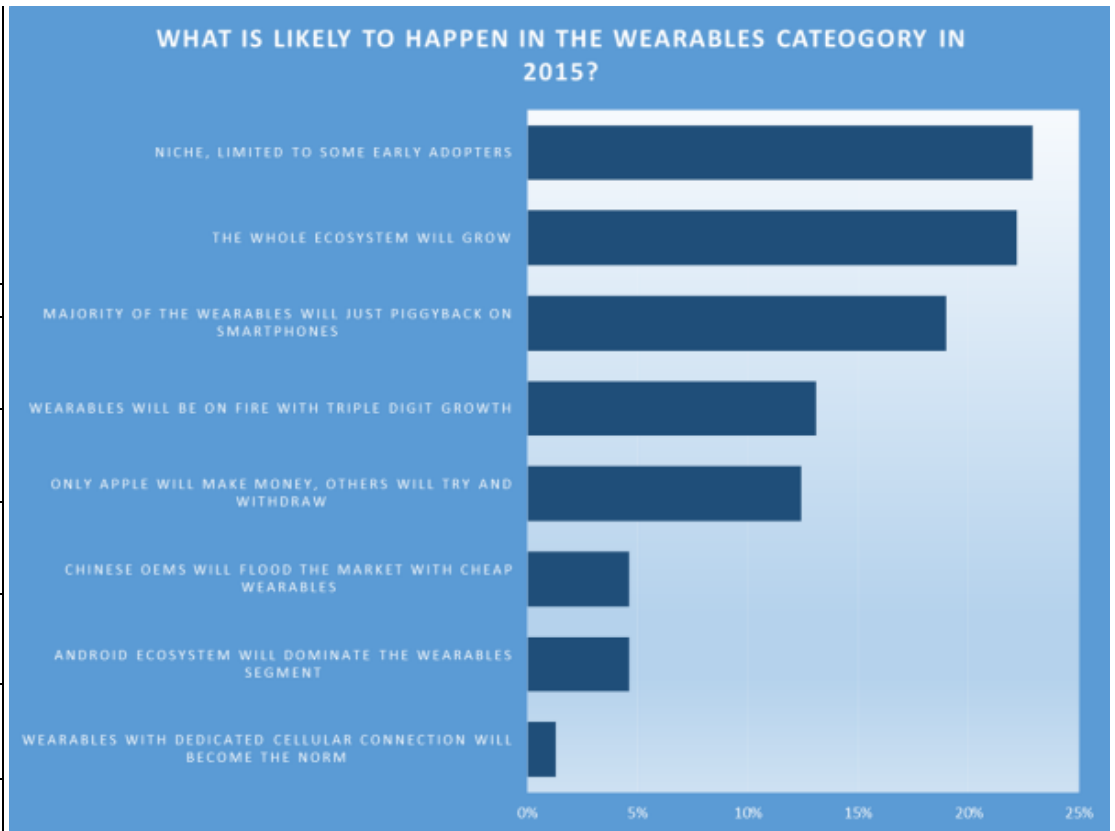
Expertise

Resources

Bio

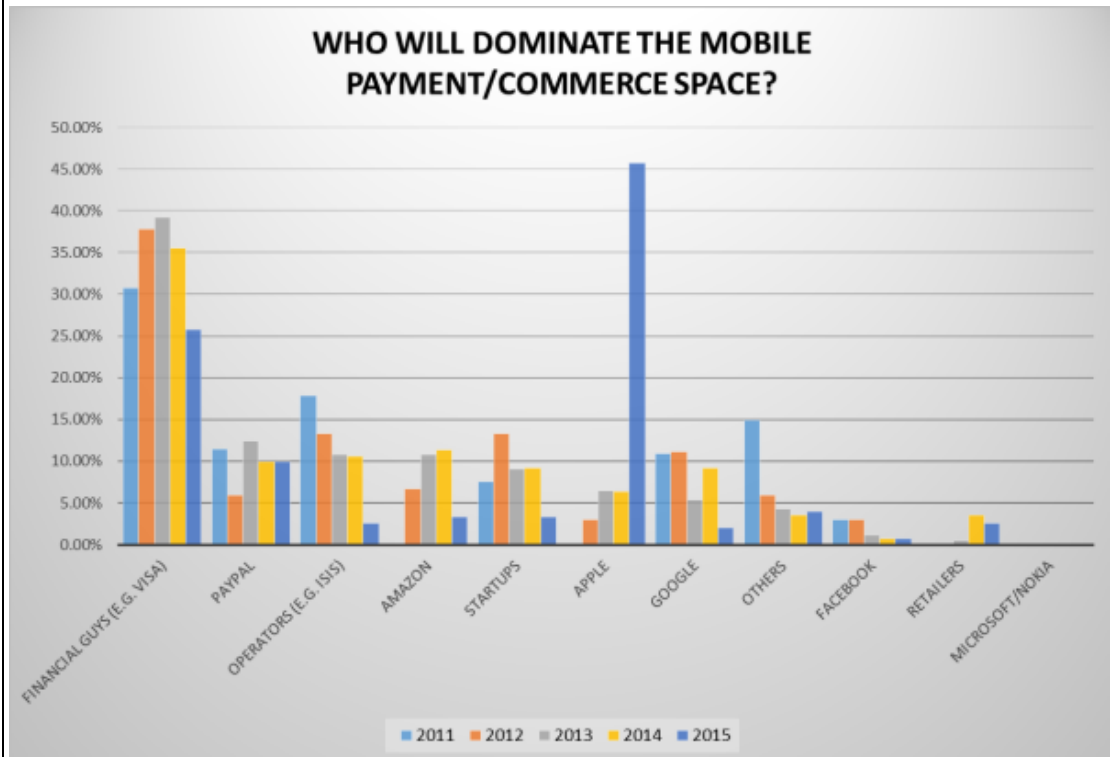
Affiliations

Contact Us



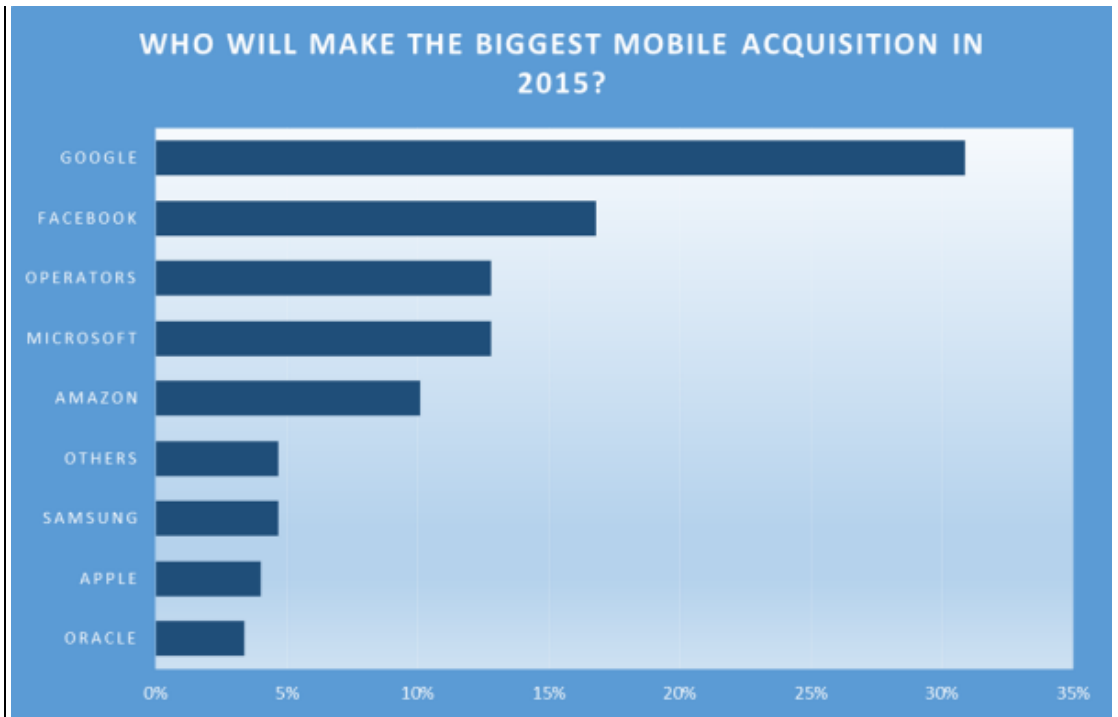
7. Who will dominate the mobile payment/commerce space?

We have been asking this question for the last 5 years and the financial institutions have always come out ahead. However, this year, Apple surged to the #1 position on the back of Apple Pay. Will Google, Facebook, Paypal, Amazon, Startups cede the category to Apple? Some M&As are coming up in the space.



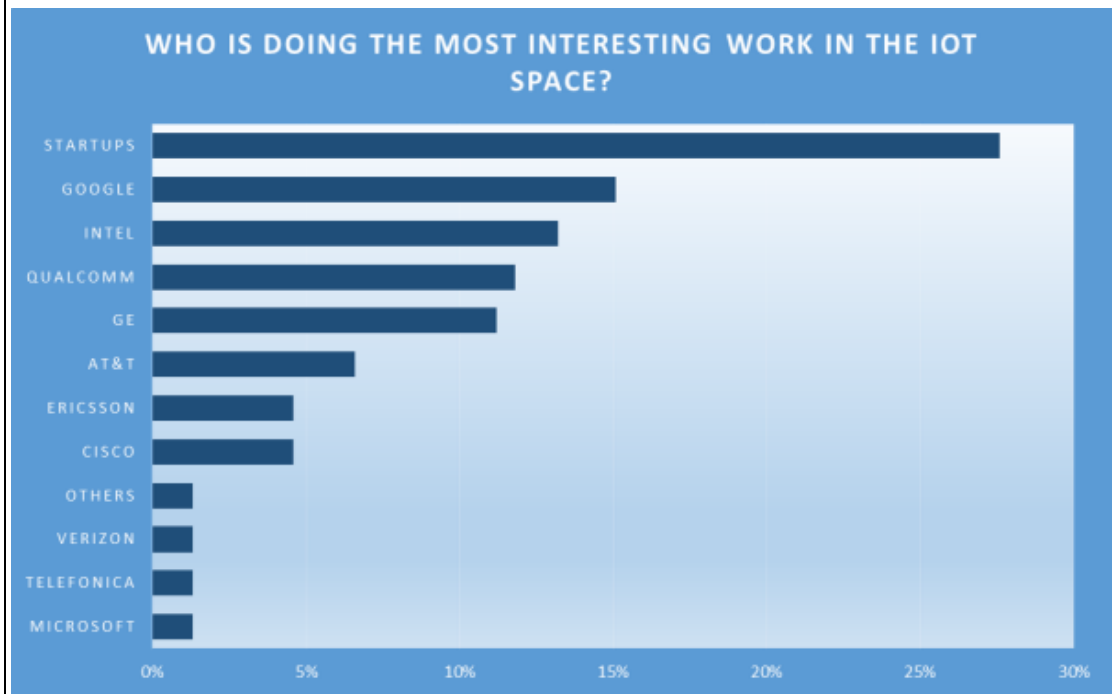
8. Who will make the biggest mobile acquisition in 2015?

Facebook surprised many with their blockbuster acquisition of Whatsapp and many think that Google and Facebook will continue to duel it out for big acquisitions in the same. They could be easily trumped by any Operator M&As which tend to have gazillion dollar valuations.



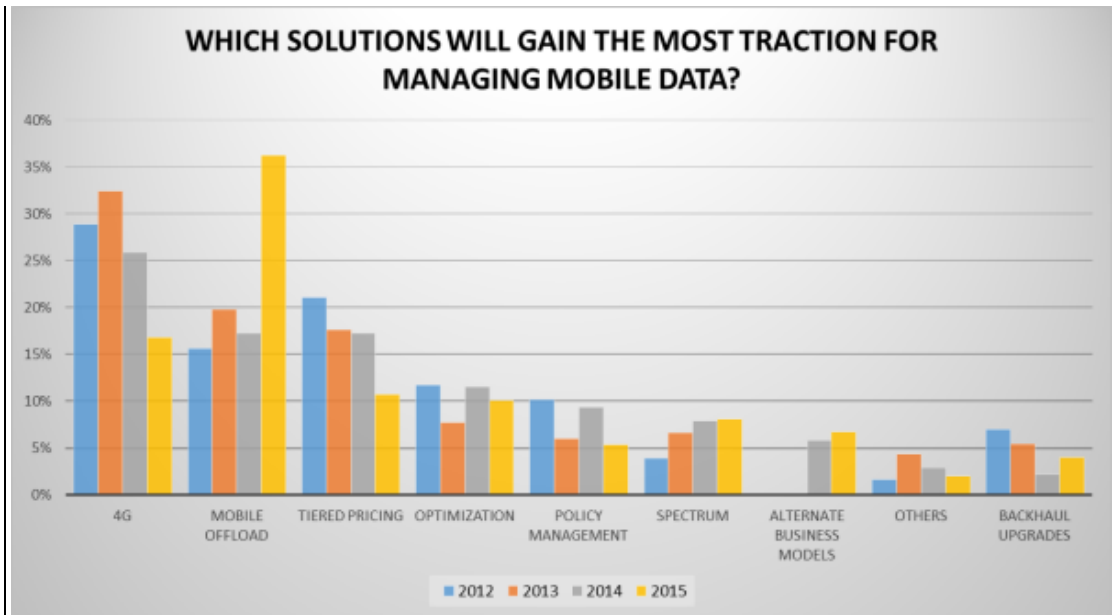
9. Who is doing the most interesting work in the IoT space?

The space is fairly new and clearly startups are tinkering out with the most interesting stuff. Amongst the big companies – Google, Intel, Qualcomm, GE and AT&T are ahead of the curve.



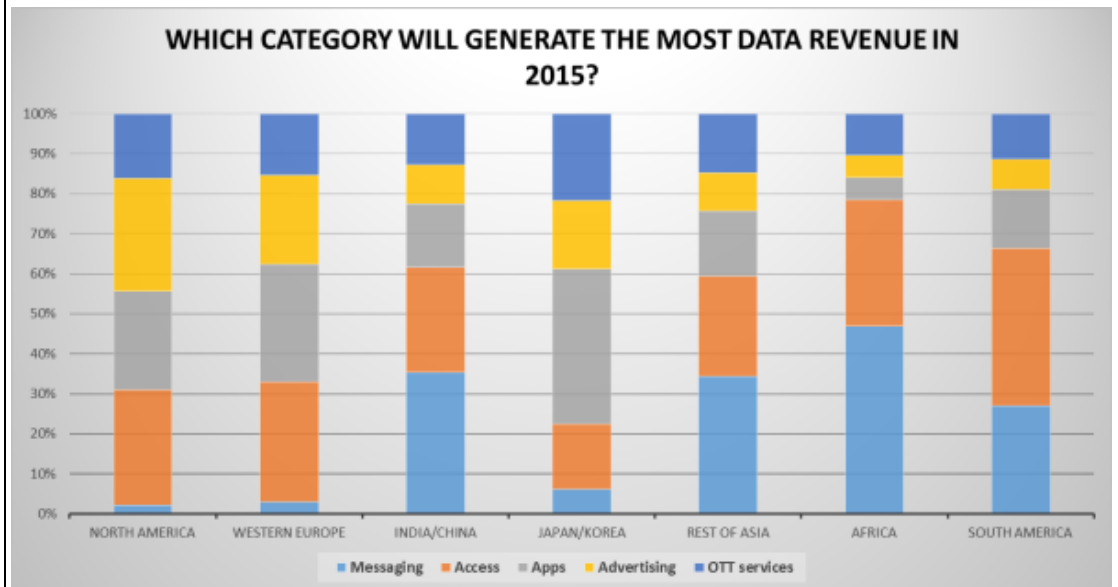
10. Which solutions will gain the most traction for managing mobile data broadband consumption?

Wi-Fi accounts for bulk of the mobile data traffic in almost all major markets hence the rise of mobile offload as the preferred solution for managing data growth. But, LTE deployment, spectrum acquisition, and tiered pricing remained the top solutions for the operators.



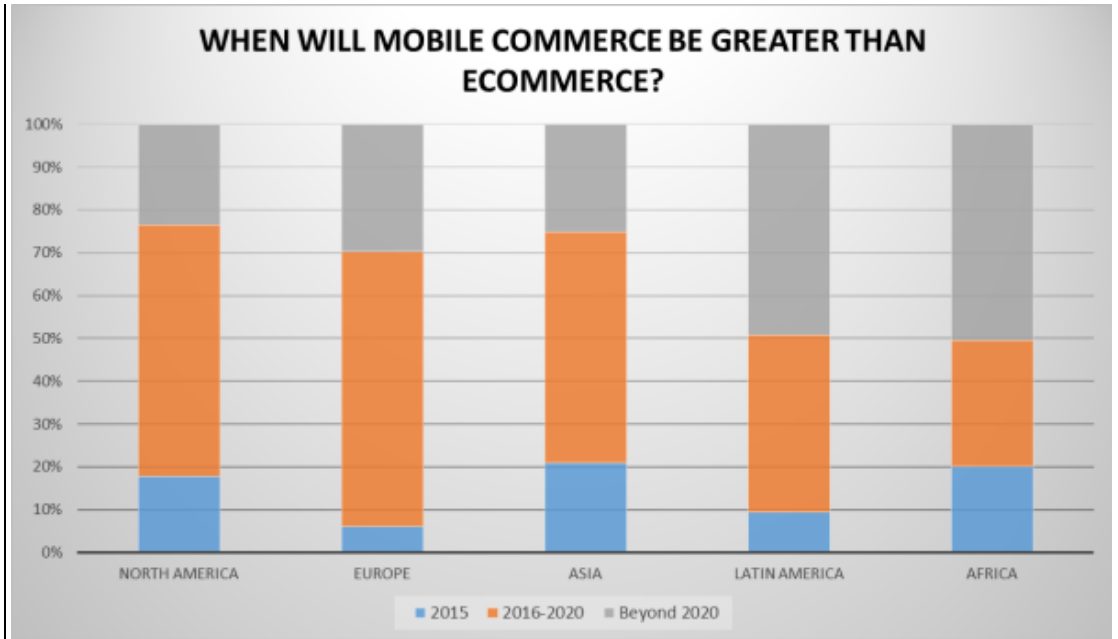
11. Which category will generate the most mobile data revenue in 2015?

Messaging tops in Asia and Africa. Apps and advertising do well in rest of the world. OTT services are starting to have a meaningful impact everywhere especially in Japan and Korea.



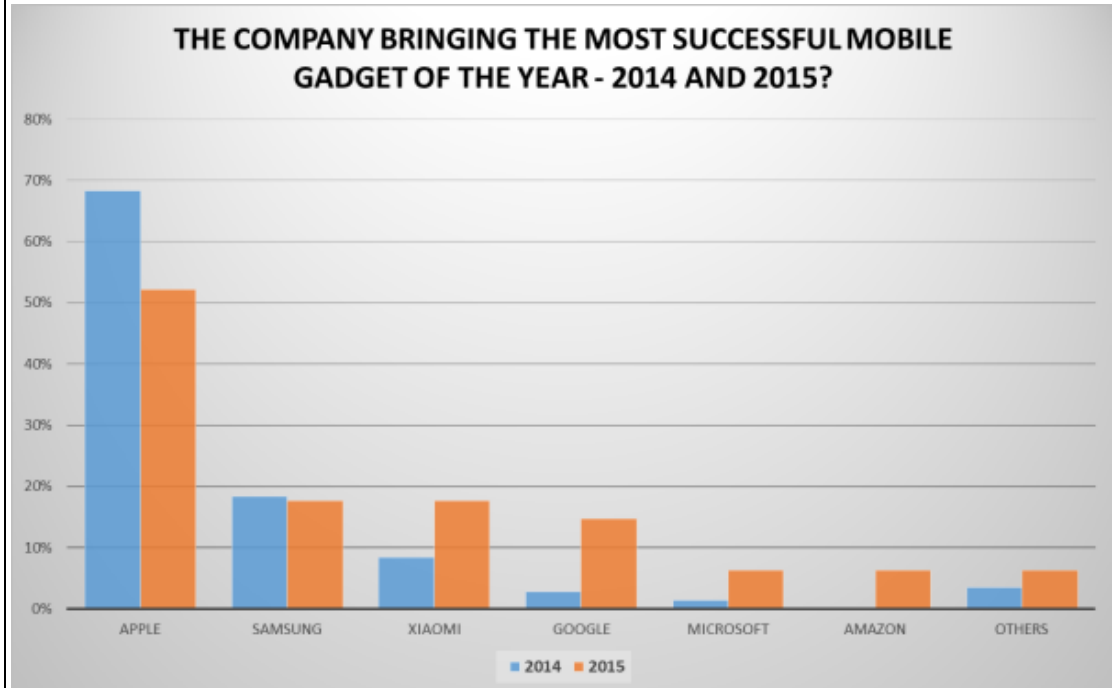
12. When will mobile commerce be greater than ecommerce?

The tipping point is coming sooner than you think.



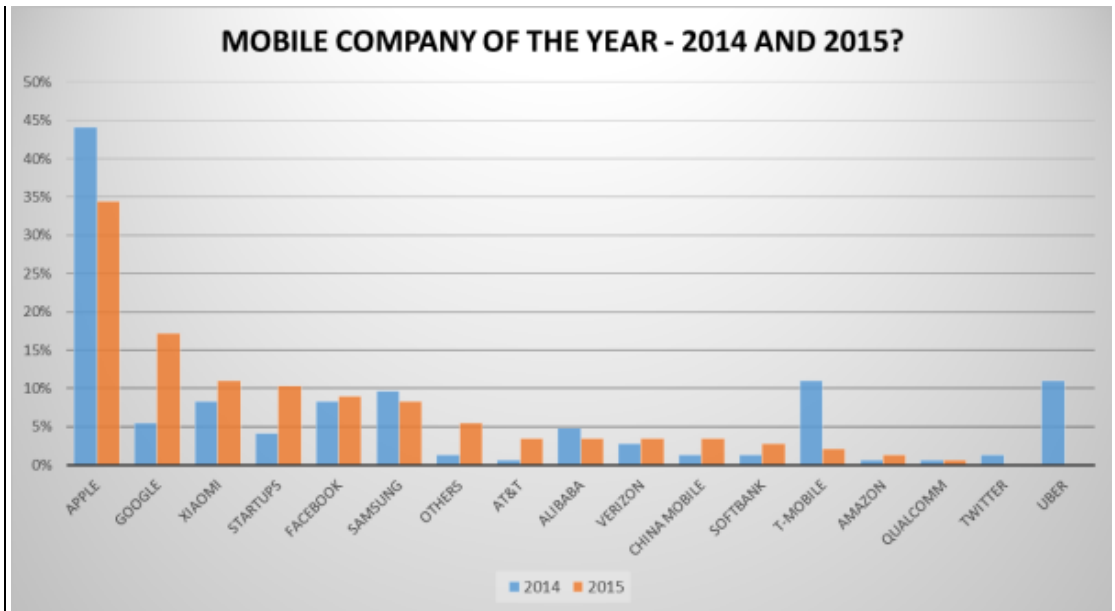
13. The company bringing the most successful mobile gadget of the year - 2014 and 2015?

Apple and Apple. Xiaomi's stars are on the rise and Samsung's in decline. Can Xiaomi find success beyond Asia? Can Samsung muster innovation to challenge Apple and swat the challengers at the bottom?



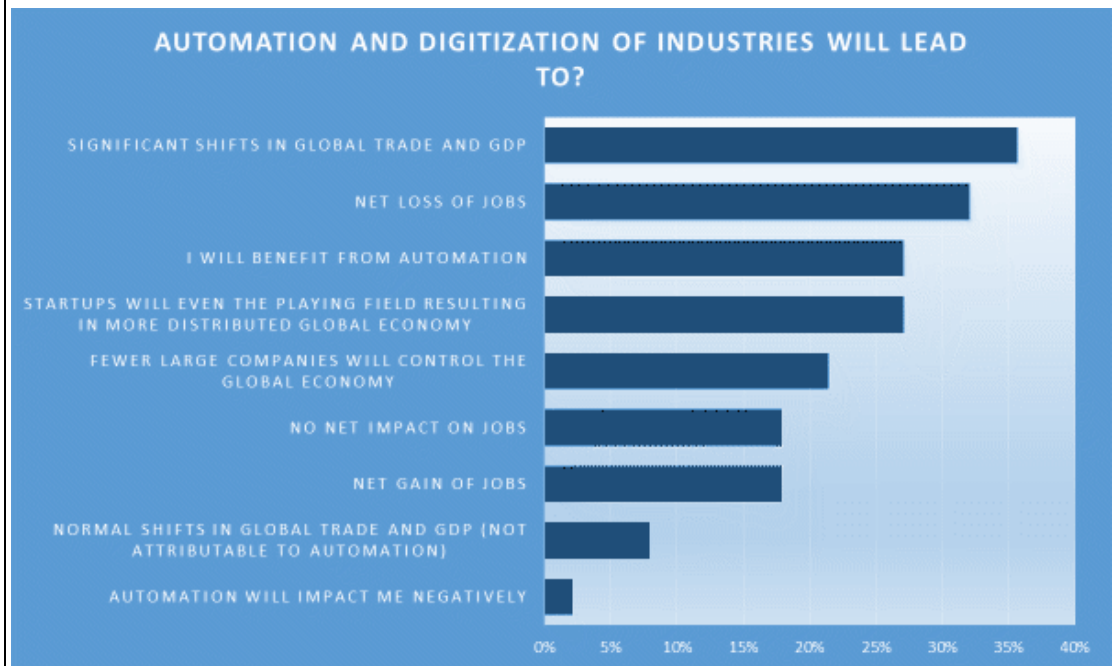
14. Mobile company of the year - 2014 and 2015?

There was no argument that Apple rebounded with vigor and was clearly the mobile company of the year. T-Mobile and Uber won honorable mentions for being #2. For 2015, folks expect Google to surge and Xiaomi might surprise.



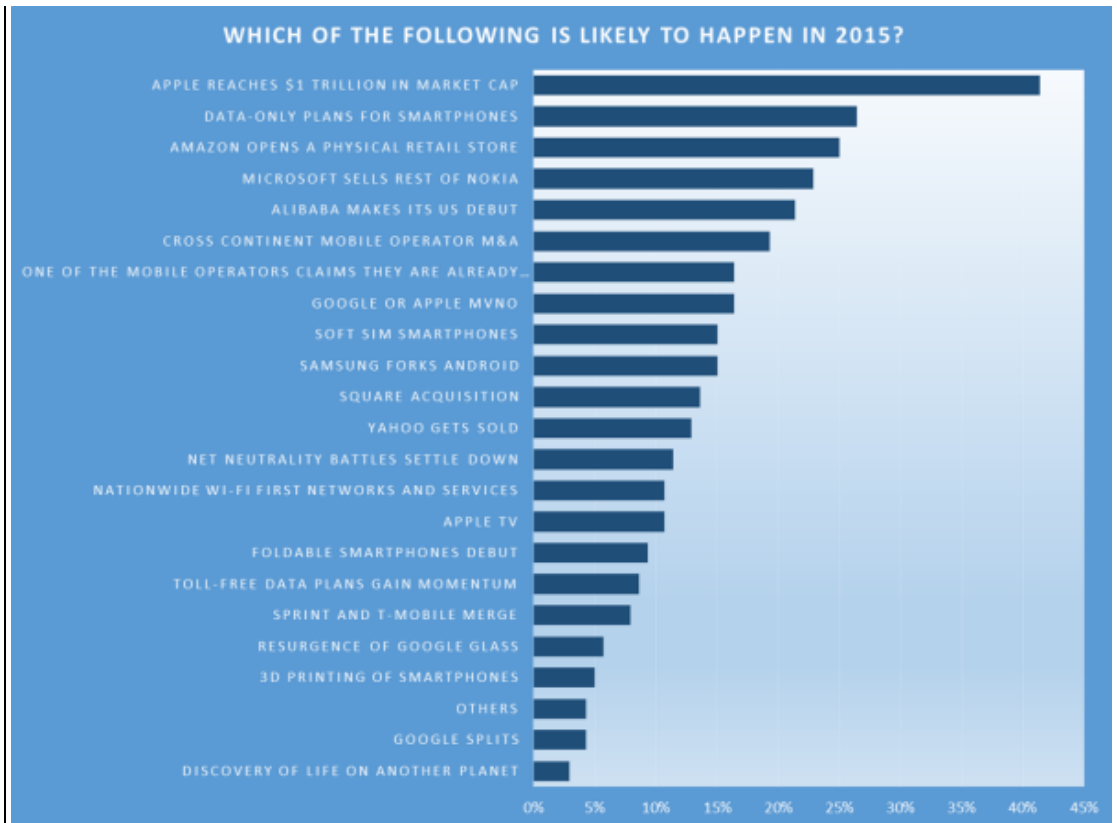
15. Automation and Digitization of industries will lead to?

I have been thinking about the question of impact from automation and digitization. As we discussed in our Connected Intelligence Era paper, there is no clear consensus on which way things might proceed. Historical evidence suggests net-growth in jobs but will enough high-end jobs be created to counter the decline the services industry jobs? It will be fascinating to watch and study the impact over the course of the next decade. More people thought there will be net-decline in jobs than those who thought we will gain the number of jobs from automation.



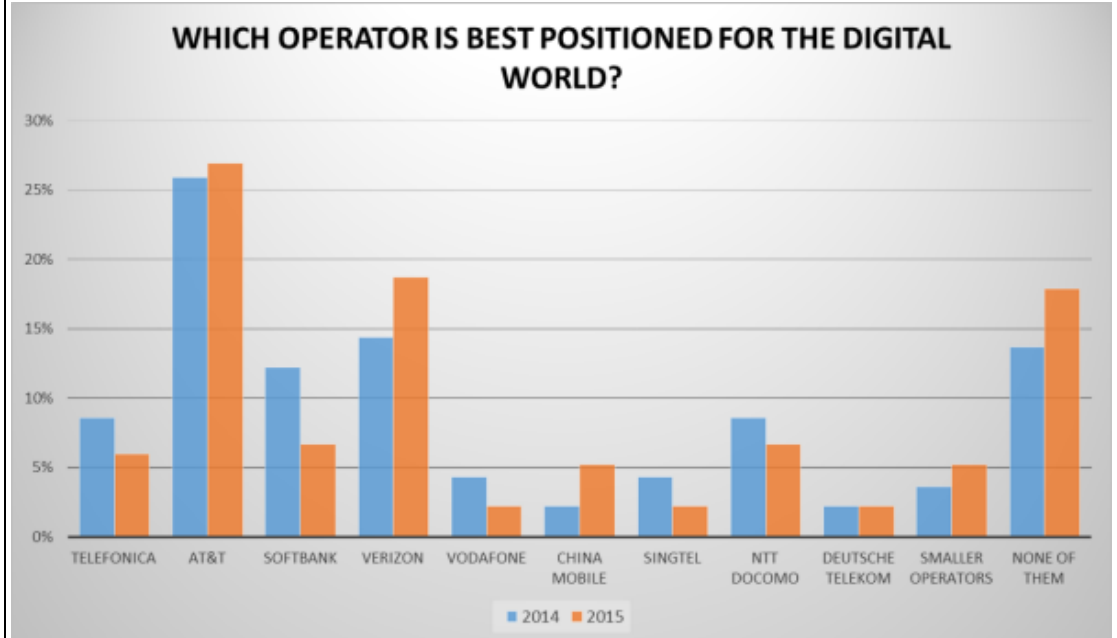
16. Which of the following are likely to happen in 2015?

A trillion dollar company was sheer fantasy until recently but can Apple defy odds to become the first company to achieve the milestone? In 2015? Many people thought so. We data rollover plans before they became reality this year. Expect data-only plans to start surfacing this year. Microsoft might sell rest-off Nokia and Alibaba is likely to make its US debut frightening the retail industry. Soft SIM M2M and Tablets are already a reality, will the trend move to Smartphones? A number of companies are up for grabs in 2015 so we can see a fairly active M&A season right away.



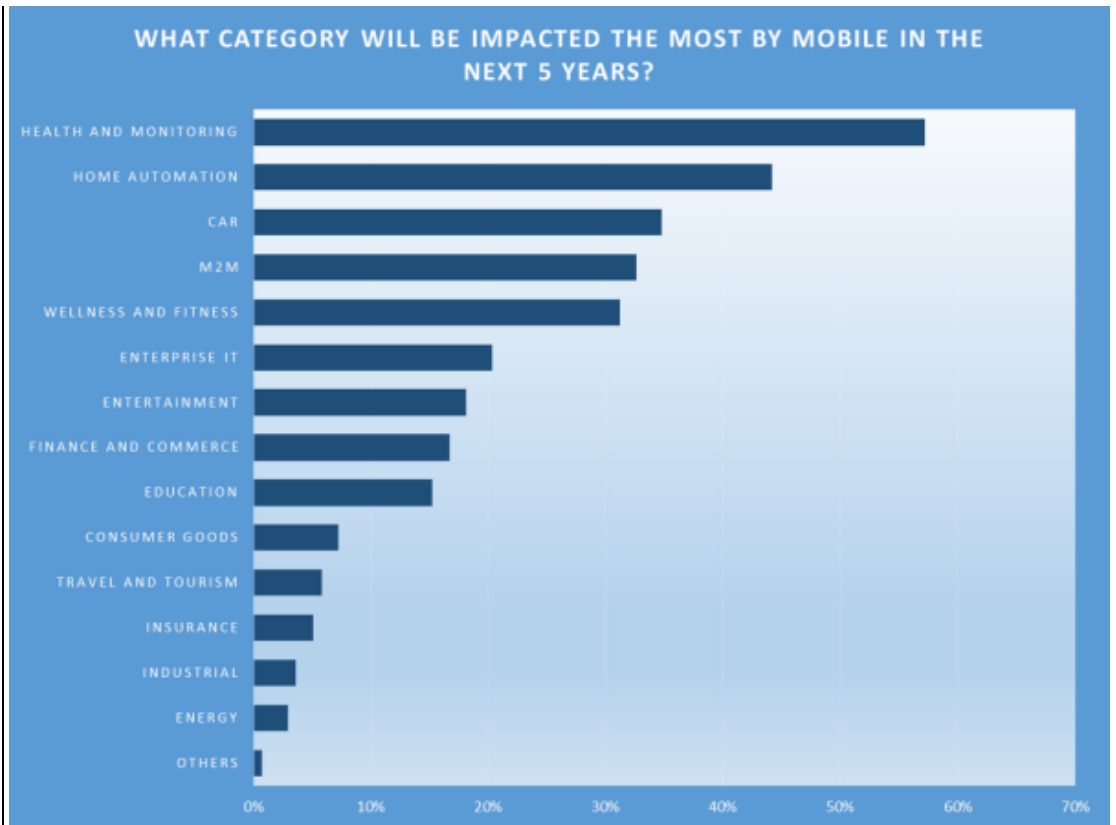
17. Which operator is best positioned for the digital world?

AT&T continues to be viewed as the leading operator in the digital space with Verizon, Telefonica, Softbank, and DoCoMo also investing heavily for their share of the 4th wave economy.



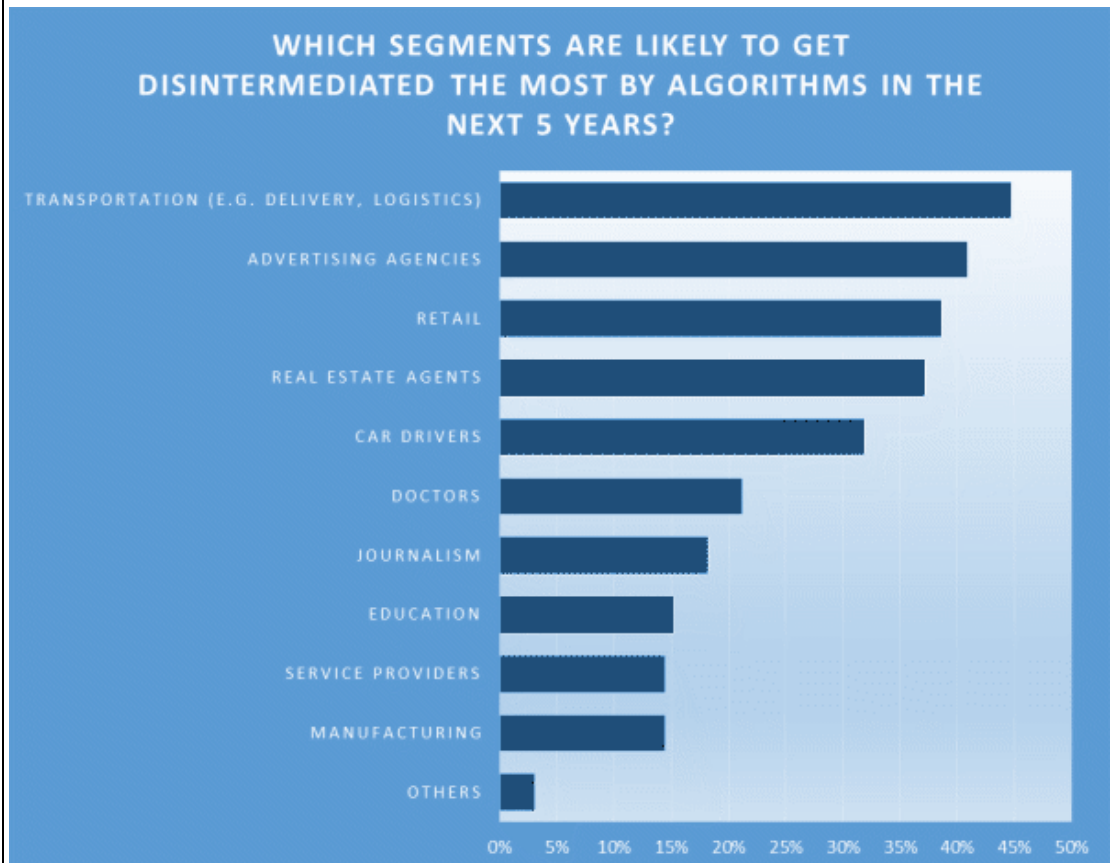
18. What category will be impacted the most by mobile in the next 5 years?

Mobile is impacting pretty much every major vertical. Our panel picked health, home, auto, M2M, fitness, and enterprise as the top disruption categories.



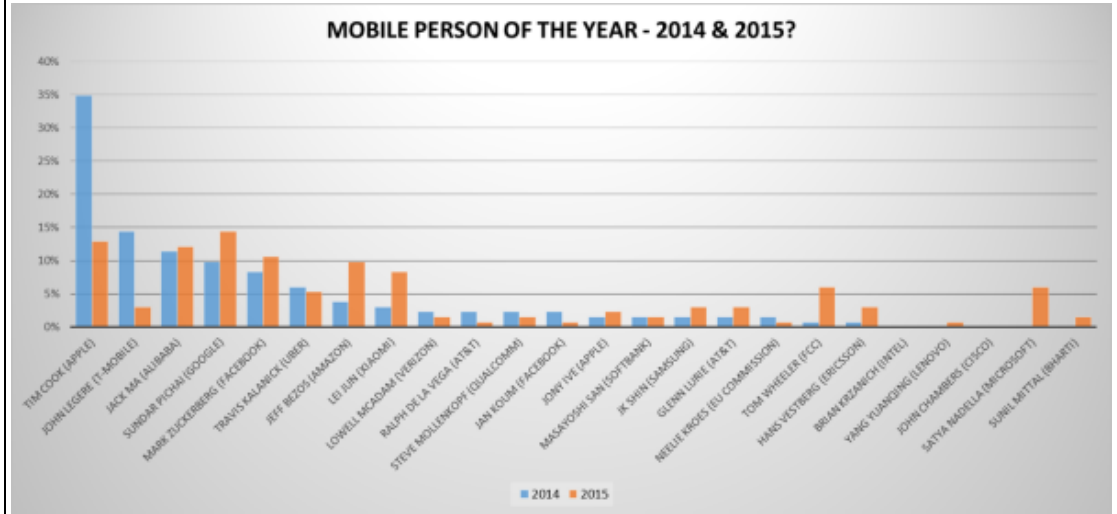
19. Which segments are likely to get disintermediated the most by algorithms in the next 5 years?

Disruption disintermediates incumbents as Uber and Airbnb showed so valiantly in 2015. The top categories for disintermediation were: transportation, advertising, retail, real estate agents and car drivers. Doctors and journalists are also on the list.



20. Who was and will be the mobile person of the year?

2014 was no contest for Tim Cook as he brilliantly led Apple to unprecedented growth. Apple ended the year with the market cap of \$656 billion. Q4 is going to be darn impressive with probably the best revenue quarter in its history on the back of a record breaking iPhone quarter. John “uncarrier” Legere came in second, followed by Jack “IPO” Ma, Sundar “Android” Pichai, and Mark “Internet.org” Zuckerberg. Honorable mentions were: Travis Kalanick, Jeff Bezos, Lei Jun, Lowell McAdam, and Ralph de la Vega. For 2015, folks are expecting Sundar Pichai to edge out Tim Cook who was closely followed by Jack Ma, Mark Zuckerberg, Jeff Bezos, and Lei Jun. Honorable mentions for 2015 went to Tom Wheeler, Travis Kalanick, Satya Nadella, Glenn Lurie, and Hans Vestberg.



So there you have it. Clearly a very exciting year on the cards.

Thanks again to everyone who contributed. Warm wishes for a terrific 2015. Look forward to seeing you around.

Your feedback is always welcome.

Chetan Sharma

We will be keeping a close eye on the trends in the wireless data sector in our [blog](#), [twitter feeds](#), [future research reports](#), [articles](#), and our annual thought-leadership summit – [Mobile Future Forward](#). The next US Wireless Data Market update will be released in Feb 2015. The next Global Wireless Data Market update will be issued in Mar 2015.

Disclaimer: Some of the companies mentioned in this paper are our [clients](#).

Follow us on | [AORTA Blog](#) | [Twitter](#) | [Facebook](#) | [LinkedIn](#) |

Recent Publications/Media Interviews/Mentions

Missed an article? All articles can be found here.

Events

Feb 17, 2015 Mobile Breakfast Series, Seattle (Mobile Commerce and Payments)
Sept 2015 **Mobile Future Forward**, Seattle (**Best Speakers, Best Ideas**)
In addition, Chetan Sharma Consulting will be doing some private briefings to carriers, content providers, vendors, VCs, and enterprise solution providers

Upcoming Research

Jan G2 Mobile Markets
Feb US Mobile Market Update 2014
Feb 5G

Missed an update? All research notes can be found here.

© Chetan Sharma Consulting 2001-2015. All Rights Reserved.

Chetan Sharma Consulting is a management consulting and advisory firm helping companies in the mobile and voice communications sector. Our expertise is in developing innovation-driven product, business, and IP strategy. We've helped companies like NTT DoCoMo, China Mobile, Samsung, KDDI, Motorola, Alcatel-Lucent, Sony, Microsoft, Virgin Mobile, KTF, Sprint Nextel, Google, Facebook, Mozilla, Reuters, Disney, Qualcomm, Reliance, BEA, HP, Merrill Lynch, Cincinnati Bell, Bain, SAP, Vulcan, American Express, and many others. What can we do for you?
www.chetansharma.com

If you have questions or suggestions or feedback on this subject or on the wireless & mobile industry at large, please contact us at feedback@chetansharma.com - we look forward to hearing from you.

Subscription Information

We provide research and analysis on a regular basis to anyone interested in the mobile communications industry. Please feel free to pass along this email message in its entirety to friends and colleagues who you think might find it useful. Anyone wishing to be added to the email list can [subscribe here](#). To unsubscribe, please send an email to unsubscribe@chetansharma.com.

