Machina Research

The Connected Life

25 Billion Connections by 2020

Jim Morrish, Director
June 2013
• The Connected Life 2011-2013

• Next steps in the Connected Life
The Connected Life: 25 billion connections in 2020

Significant growth over the period to 2020
- +1.2bn handsets
- +2.0bn tablets, eReaders, laptops
- +11.3bn M2M connections

Machina Research defines M2M as “Connections to remote sensing, monitoring and actuating devices, together with associated aggregation devices”
Does the reality match the hype ...?

Connected device forecasts, 2011 and 2013
Source: Machina Research 2013

- Connected devices
- Mobile connected devices
- Non-Handset mobile connected devices

Billions

- 2011 Forecast
- Actual (2011, 2012)
- 2013 Forecast

Machina Research
Does the reality match the hype ...?

Connected device forecasts, 2011 and 2013
Source: Machina Research 2013

Billions

Connected devices
Mobile connected devices
Non-Handset mobile connected devices


2011 Forecast
Actual (2011, 2012)
2013 Forecast
... it seems to, so far.

Connected device forecasts, 2011 and 2013
Source: Machina Research 2013

Billions

- 35
- 30
- 25
- 20
- 15
- 10
- 5
- 


Connected devices
Mobile connected devices
Non-Handset mobile connected devices

2011 Forecast
Actual (2011, 2012)
2013 Forecast
Leading lights of the Connected Life

- Tracker (South Africa)
- Coyote (France)
- TollCollect (Germany)
- Fleet management
- Asset tracking
- Tablets
• The Connected Life 2011-2013

• Next steps in the Connected Life
M2M connections: more than a number

Machina Research Hierarchy of M2M
Source: Machina Research 2013

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reactive information</td>
<td>• Devices can be polled for information, or provide information according to a set timetable</td>
</tr>
<tr>
<td>2</td>
<td>Proactive information</td>
<td>• Devices communicate information as necessary</td>
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<tr>
<td>3</td>
<td>Remotely controllable</td>
<td>• Devices can respond to instructions received from remote systems</td>
</tr>
<tr>
<td>4</td>
<td>Remotely serviceable</td>
<td>• Software upgrades and patches can be remotely applied</td>
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<tr>
<td>5</td>
<td>Intelligent processes</td>
<td>• Devices built into intelligent processes</td>
</tr>
<tr>
<td>6</td>
<td>Optimised propositions</td>
<td>• Use of information to design new products</td>
</tr>
<tr>
<td>7</td>
<td>New business models</td>
<td>• New revenue streams and changed concept of ‘ownership’</td>
</tr>
<tr>
<td>8</td>
<td>The Internet of Things</td>
<td>• Publishing information for third parties to incorporate in applications</td>
</tr>
</tbody>
</table>

Device centric

Process centric

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The M2M platforms environment is complex and changing fast.

- Solution provider
- Application support
- Device management
- Service enablement
- Connectivity support

Solution/device specific capabilities
Any access technology
Generic M2M capabilities
Cellular connection support

Services
Products
In-house IT department
M2M Application Platforms

Data
Data
Data
Data

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Hot growth areas in the Connected Life

• Usage Based Insurance
• Connected home
• Healthcare
• Fleet management
• Asset tracking
• The Internet of Things
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