Why Enterprise AR Should Care About Consumer IT

Martin Reynolds, GTM Gartner Consumer Research
We are entering a new era of personal computing. The cloud will replace the PC as the location where users keep their personal content, access their services, and personal preferences and center their digital lives. It will be the glue that connects the web of connected devices they choose to use during the different aspects of their daily life.

Technology providers and IT organizations must align to this new reality of consumerization.
Our Consumer Research Team

- 40 analysts around the globe
- Covers devices, services and consumer dynamics
- Works across Gartner teams
- Resegmenting forecasts to common definitions
- Using economic and behavioral models
- Integrating social content through the research
How Our Consumer Research Can Help AR to Help the Business Grow

• Strategy
• Product development
• Marketing
• Market & Competitive Intelligence

Key Insights for Enterprise-only Providers:
- All applications must face consumers
- All tools must be “sticky”
- Security must be positive, not negative
- Behavior and needs, not features and speeds
Consumer Infotainment Spending Will Grow Past $2.2 Trillion in 2014

Megatrends
- A boost will come from mobile subscribers in emerging markets.
- Broadband will be available everywhere.
- Mobile Internet will hit the mainstream.
- Social apps will upend behavior and brands.

By 2015, consumers will spend $2.8 trillion annually on digital information, and entertainment products and services
Use Attitudinal Profiles to Target Buyers

Involvement = Consumer perception of importance or personal relevance of a product based on intensity of stated need across 10 parameters

Based on Gartner report: "Marketing Essentials: How to Segment the Consumer Market" (G00172815)

4,000 Survey Completes in 2011
Consumer Devices

Mobile Operating Systems, Tablets and Smartphones
There are 4 categories of devices that will compete for consumers’ budgets: Ultra Mobile Notebooks, Premium Comm Devices, Media Tablets and E-readers.

**Media Tablets’ strengths**

- Portability
- Multifunction
- Personalization

**Media Tablets’ weaknesses**

- Creation
Which Mobile OS Technologies Will Dominate the Market?

- New platforms" (e.g., augmented reality tools)
- Scriptable mapping tools
- Platform substitutes (e.g., Air, Qt, Flash, Silverlight, etc.)
- Mobile Browser + HTML5
- Mobile OS

Plan devices against platforms, apps and services.
Gartner’s insight into consumer behavior can help you succeed.
What Technologies Will Disrupt the Devices Market?

- Wireless Power
- Voice to Text on Mobile Devices
- High-Performance Multicore Application Processors
- Augmented Reality
- Solar Power Mobile Devices
- Photonic Crystal Displays
- Bio-Acoustic Sensing
- Mobile WLAN Access Points
- MEMS Gyrosopes
- Smartphone Hypervisors
- MEMS Displays
- Head-Mounted Displays
- Ensemble Interactions
- Dual Noise Cancellation
- Wi-Fi Remote Display
- Mobile High-Definition Link
- HD Voice
- Volumetric and Holographic Displays
- Quantum Tunneling Composite (QTC)
- Mobile Transphones
- 802.11ac
- Photonic Crystal Displays
- Bio-Acoustic Sensing
- Quantum Dot Displays
- Electrofluidic and Electrowetting Display Technology

Mobile Devices Technology Hype Cycle

- Bluetooth 3.0
- Pico Projectors
- Near-Field Communication
- Bluetooth 4.0
- Gesture Recognition
- Wireless Remote Display 60GHz and 5GHz
- Magnetometer
- Indoor Positioning
- Smartphone Hypervisors
- MEMS Displays
- Head-Mounted Displays
- Ensemble Interactions
- Dual Noise Cancellation
- Wi-Fi Remote Display
- Mobile High-Definition Link
- HD Voice
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Changes
Consumer Services and Social Platforms

Wireless Transport, Social Platforms, Context-Aware Services and Apps
What's the Value of the Social Consumer?

Reduced Cost of Operations
- Increased customer service
- Better and more efficient support
- Happier customers

Increased Revenues
- Engaging enthusiasts
- Reaching new consumers

Building Brands
- Increase brand value
- Increase value of goods and services sold

Social networking is critical to your business.
Context Is the "Killer App" for Mobility

Context = People + Place + Proximity + Activity

Types of context services:

• Location-based services — Vodafone Navigator, Foursquare
• Presence — Twitter, Instagram, Google, AIM
• Social networking — Facebook, Twitter, LinkedIn
• Mobile advertising — amAze, Mobile Posse, AdMob, iAds

By 2015, context will be more influential to mobile consumer services and relationships than search engines are to the Web.

Bottom line: Not offering context service may mean leaving one of the most effective ways of customer ownership to the competition.
Mobile Ads Monetize Context and Social Networking: "Hyperlocal" Is the Key

Driving Factors Falling Into Place, Ready for Strong Growth

2010: 0.5% of total worldwide advertising budget
2015: >4% of budget

Source: Mobile Advertising Forecast, March 2011
Consumer Applications and Services

Hype Cycle

- Rich Communication Suite
- Augmented Reality
- Internet TV
- Ultra-High-Speed Broadband Internet
- Mobile Coupons
- Mobile OTA Payment
- Socialcasting
- Ensemble Interactions
- Context-Enriched Services
- Mobile Sports and Fitness
- Mobile Virtual Worlds
- HD Voice
- Consumer Telepresence
- 3D TV Services
- TV Widgets
- Mobile Health Monitoring
- Mobile Money Transfer
- Mobile Social Networks
- Mobile VoIP
- NFC Payment
- Bar Code Marketing
- Indoor Positioning
- Mobile Advertising
- Mobile Ticketing
- Voice-to-Text Conversion Services
- Online Video
- FMC: Consumer Applications
- Mobile Learning
- Mobile Streaming
- IPTV
- Personal Navigation
- Full-Track Music Downloads
- Mobile TV Broadcasting
- Mobile E-Mail Services
- Mobile Instant Messaging
- Residential VoIP
- Mobile TV Streaming
- Location-Based Services
- Network DVR
- Mobile Search
- Mobile Application Stores
- Mobile Widgets
- Mobile Banking
- Mobile Instant Messaging
- Mobile Music Streaming
- Mobile TV Streaming
- Location-Based Services

Changes

- As of July 2010

- Years to mainstream adoption:
  - less than 2 years
  - 2 to 5 years
  - 5 to 10 years
  - more than 10 years
  - obsolete

- plateaus
Summary

• Cloud is personal
• Gartner has a serious consumer research effort
• Our new economic and behavioral approaches create new ways to understand products and markets
• Every technology provider and IT department has to deal with yet more new cloud realities
• We can help strategic planners, product managers and marketers align with consumer forces