Convergence 2020: Consumer roadmap and opportunities

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Top Ten Technologies Technologists Can't Afford to Ignore

Top 10 Strategic Technology Areas for 2010

1. Cloud Computing
2. Advanced Analytics
3. Client Computing
4. IT for Green
5. Reshaping the Data Center
6. Social Computing
7. Security — Activity Monitoring
8. Flash Memory
9. Virtualization for Availability
10. Mobile Applications

Top 10 Strategic Technology Areas for 2011

1. Cloud Computing
2. *Mobile Applications & Media Tablets*
3. Next-Generation Analytics
4. Social Analytics
5. Social Communications & Collaboration
6. Video
7. Context-Aware Computing
8. *Ubiquitous Computing*
9. Storage Class Memory
10. *Fabric-Based Infrastructure and Computers*

Modified for 2011 — *New for 2011* — Dropped for 2011

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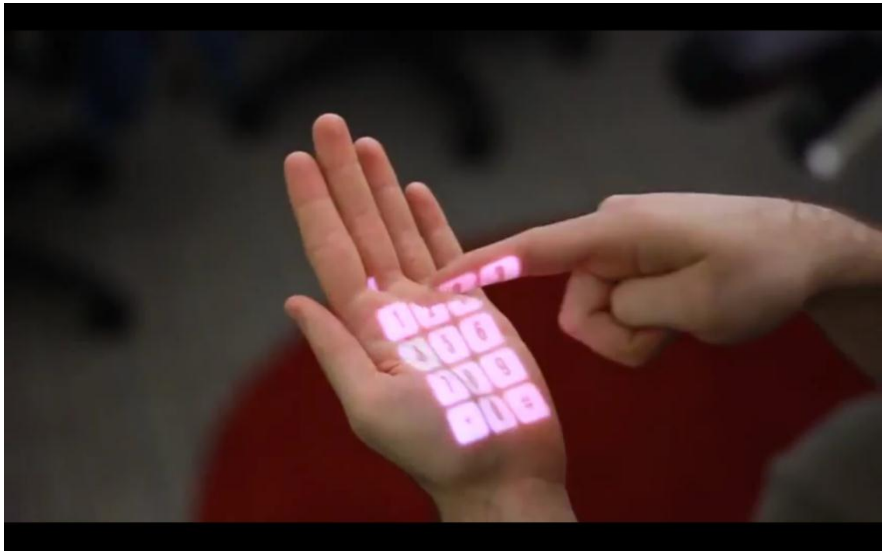
Consumer Technology Drivers for Convergence

- Mobile and web markets converging
- Consolidation of mobile OS
- IP Convergence: The big get bigger
- Social Graphing: The big get bigger
- Information isomorphism
- Ubiquitous access v The Internet of things
- Big data
  - audio and video analytics
  - augmented reality
- Convergence of consumer devices
- Human interfaces (gesture, speech, touch)



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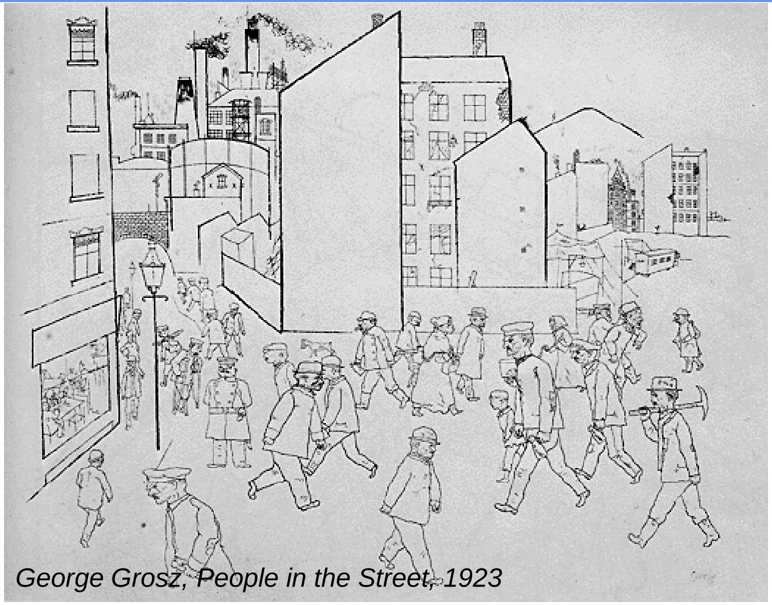
As Technologies converge, Fragmentation and Chaos become the New Normal

Consumer Trends

- ❖ Structural Acceleration
- ❖ Social & economic dislocation
- ❖ Changed values & buying environment
- ❖ Culture of informality
- ❖ Generational change
- ❖ Fluid space, timeless time
- ❖ Big society v virtual social capital



George Grosz, People in the Street, 1923

Supply side Trends

1. Enablers accelerate shift to ***mobile*** & ***video*** consumption: More choice
2. More technology “stuff”
3. Consumerization now driving technology evolution
4. Long tail, free and fremium business models

Tom Stoddart, Sarajevo, 1992

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Video Moves Into the Mainstream

- **Tipping Points 2011-2013**
  - Ubiquitous low-cost portable video record & playback devices
  - Consumer use and volume of user generated content exploding
  - Low-cost & high-quality software
  - Vendor investments ramp up
- **The Implications**
  - Self-reinforcing trend towards greater video & image consumption
  - Must address potential for out of context & unintended use
  - Need new design skills
  - New E-discovery challenges
  - Determine appropriate use of internal vs. cloud-based storage & delivery
  - Privacy issues and use policies must be addressed
  - Conference rooms recorded by default?

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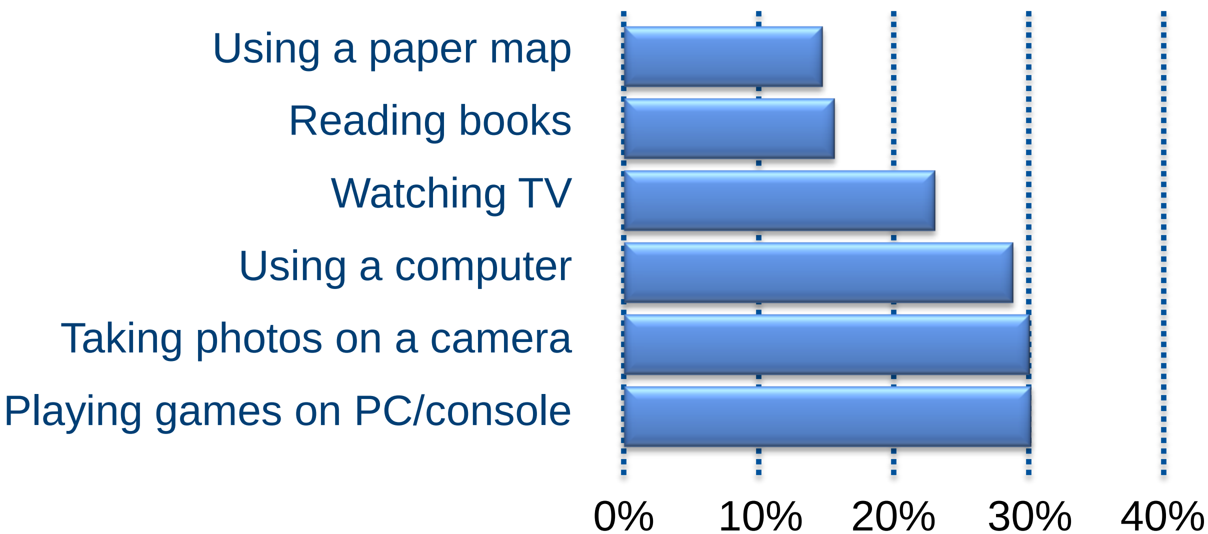
Smartphones Change Business and Consumer Strategies

Blurring roles, changing expectations

Consumers

Employees

Activities done less since having a smartphone



"…my PC and laptop usage have gone way down. [now] my laptop sits in the case sometimes for a couple of weeks…"

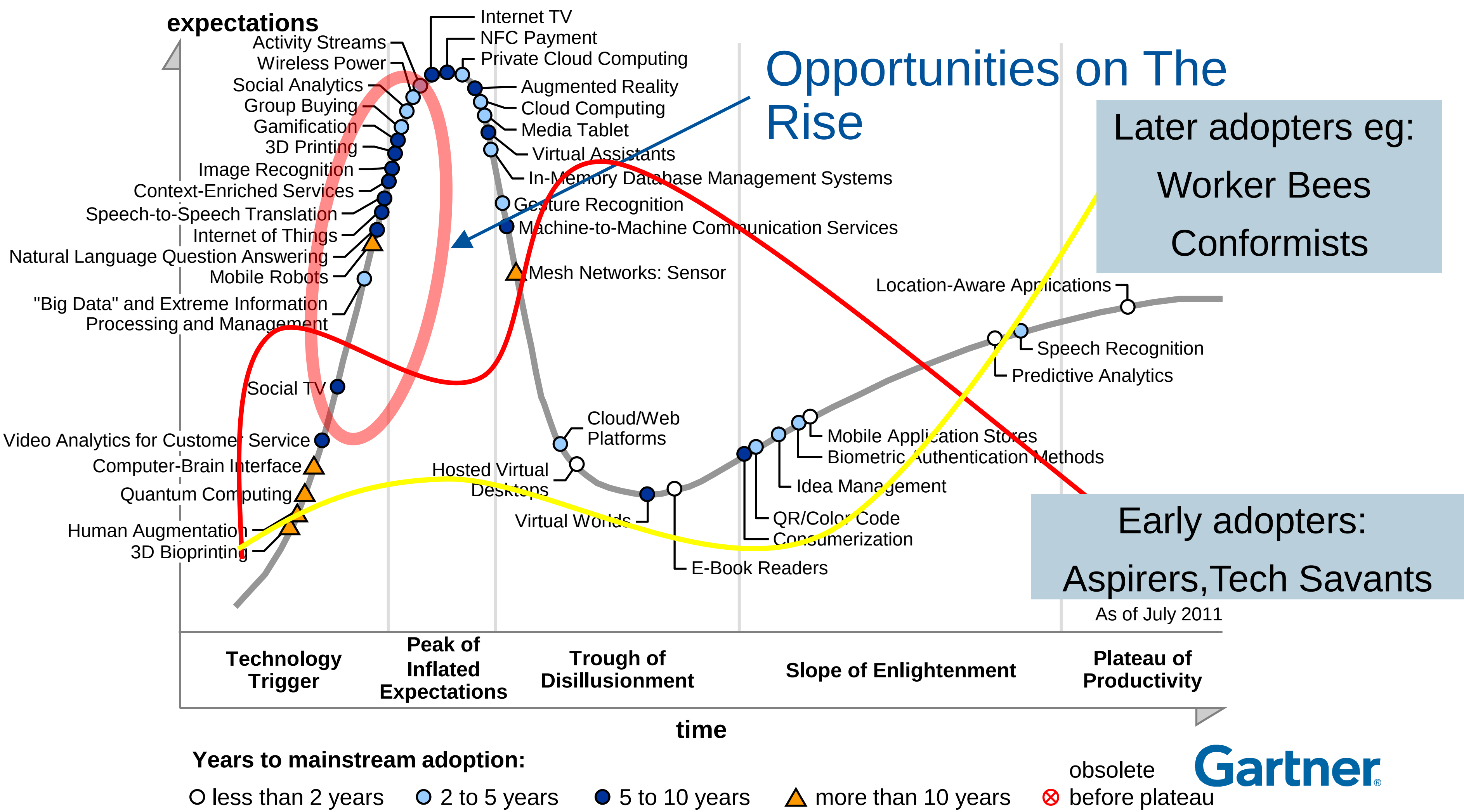
-male, 32, aspirer

"Tablets will probably replace laptops…"

-late adopter, San Jose

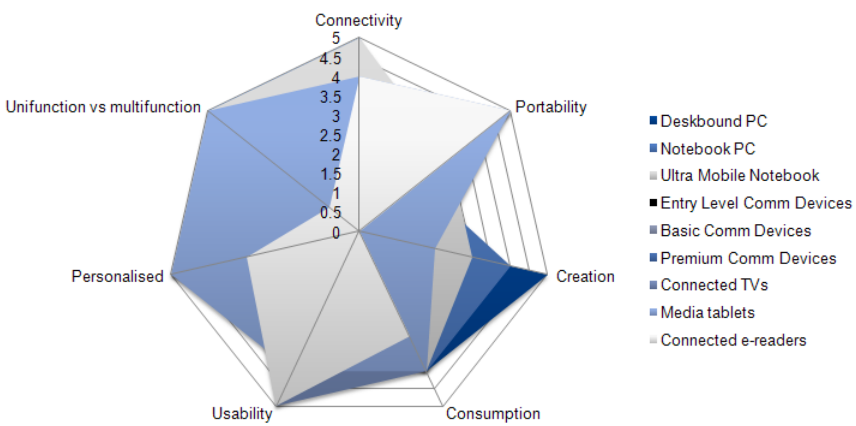
U.K. teens, OFCOM survey March 2011 Information courtesy OFCOM "Communications Market Report: UK, 2011"

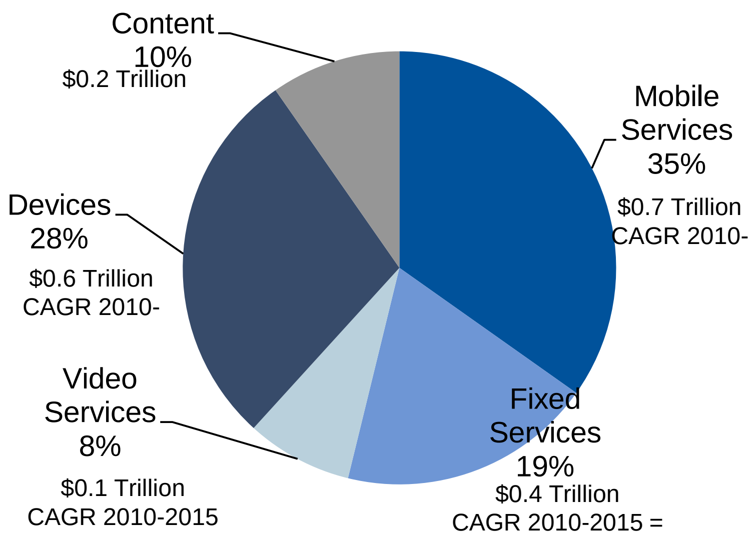
Opportunities at the Leading Edge



Convergence: Generating new consumer market opportunities in a world of scarcity

- Sell “Time”
- Sell Design that Works
- Sell “Certainty”
- Sell Attention





- Global Consumer Spending = US$ 18-20 Trillion of which 10% is consumer technologies, services content & media
- Women ‘control’ 70-80% of this spend
- Consumer confidence volatile and highly fragile
- Consumer technology wallet share: US$2 Trillion in 2010
- CAGR: 4%
- 2020: ~$3 trillion
- Total Services: 62%
- Biggest growth: Content and Video out of 44 Product categories covering: Communications, Consumer electronics, Services, Media & content

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Rolling it up: a 2020 perspective

- ❖Intelligence shifts further into the consumer cloud
- ❖Walled garden ecosystems break down: Think unthinkable marriages and business failures
- ❖ Trust is the critical currency of mainstream brands
- ❖New hygiene environment: instant on, contextual, social
- ❖ Collective societies more individualistic & individualistic societies more social
- ❖Technology resistance meets attention deficit
- ❖Extremely flat earth – but beware the potholes

Strategic Planning Assumptions

- Strategic Planning Assumption: By YE12, more than 30% of interactive videos invoked for collaborative purposes will be satisfied through cloud computing.
- Strategic Planning Assumption: By 2013, more than 25% of the content that workers see in a day will be dominated by pictures, video or audio.
- Strategic Planning Assumption: A surplus of existing monitors, low prices for new monitors, and easy connectivity will enable more than 60% of knowledge workers to routinely use at least three displays as part of their primary PC work spaces by 2015.
- Strategic imperative: Plan for less than 20% of employees being able to replace a laptop with a tablet through 2012.
- Strategic planning assumptions: Android will remain the top smartphone platform in shipment terms through 2015.
- By 2013, Microsoft will overtake RIM in smartphone shipments.
- Strategic imperative: Most CIOs should plan to support at least three mobile platforms by 2012.
- Strategic Planning Assumption: By 2020, mobile and web AD will have evolved into multichannel application development.
- Strategic planning assumption: By 2015, mobile Web technologies will have advanced sufficiently such that half of the applications that in 2011 would be written as native apps will be, instead, delivered as Web apps.
- Strategic Planning Assumptions: By 2013, mobile phones will overtake PCs as the most common Web access device worldwide.
- Strategic Planning Assumption: Fewer than 5% of handsets sold in 2014 will support LTE. 75% of tablets sold in mature markets in 2014 will have a screen size of approximately 10”.

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