

Vodafone remains top of Machina Research's M2M Leaderboard, AT&T would be second but for its US technology choices

Machina Research updates its M2M Leaderboard, ranking MNOs on expected success between now and 2020. Vodafone, Deutsche Telekom and AT&T remain top, with Telefónica moving up one place to 4th

[London, UK 17th April 2012]

Specialist M2M research firm Machina Research today revealed the updated version of its M2M Leaderboard, a ranking of the top 20 global mobile network operators (MNOs) based on their expected revenue from mobile M2M in 2020. Between them, these top 20 global MNOs will secure approaching EUR25billion in revenue from M2M applications in 2020.

As ever, the period around Mobile World Congress has brought a plethora of announcements from mobile operators, and relating to M2M. Machina Research's latest Leaderboard takes into account the impact of these announcements on the relative placing of mobile operators on the Leaderboard.

Commenting on the result, Machina Research Director Jim Morrish said: *"Many of the MNOs that feature on Machina Research's Leaderboard are today able to put a more compelling case for competence in the M2M space than they would have been able to even in February. 'Standing still' in this market is clearly not an option."*

Machina Research's M2M Leaderboard, March 2012 [Machina Research, 2012]

Rank	Rank change vs February 2012	CSP
1	-	Vodafone
2	-	DTAG
3	-	AT&T
4	+1	Telefónica /O2
5	-1	Verizon
6	-	China Mobile
7	-	China Unicom
8	-	Orange
9	-	Sprint
10	-	Telenor
11	-	NTT DoCoMo
12	-	KPN
13	-	Singtel
14	-	KDDI
15	-	Softbank
16	-	Vimpelcom
17	+1	Everything Everywhere
18	-1	Telecom Italia
19	-	TeliaSonera
20	-	Etisalat

This ranking builds on the qualitative analysis of the global M2M opportunity, that Machina Research has identified in its M2M Forecast Database, and its qualitative analysis of the M2M-related capabilities of each of the global MNOs, as illustrated in its “Machine-to-Machine Communications Service Provider Benchmarking 2012” report published in January. The latter report analysed the capabilities of the top global M2M CSPs.

The most noticeable mover in the rankings was Telefonica, which climbed one place to 4th. In explanation Morrish commented: *“In late February Telefónica secured a deal to provide GM’s OnStar services outside of the United States, Canada and China. Because of this win we have revised upwards our view on the share of the Automotive and certain other regionally competed markets that Telefonica will win between now and 2020. As a result of this and a few other factors, Telefonica leapfrogs Verizon Wireless into fourth place.”*

The other dynamic that Machina Research will watch with interest relates to technology choices in the US. Morrish explains: *“There’s an interesting story developing in the US around 2G. AT&T’s decision to step back from 2G technologies has the consequence of making T-Mobile the only nationwide GSM operator in the US committed to (significantly cheaper) 2G technologies for anything other than the short term. Clearly any M2M user planning to deploy devices using the 2G GSM standard adopted by the vast majority of the world’s mobile operators has a relatively limited choice of operator partners in the US”*. Machina Research believes that this is holding AT&T back. If it were not for this factor, and in light of its positive moves elsewhere including with regard to roaming arrangements with its international partners, then we would have ranked AT&T second overall.

About the M2M Leaderboard

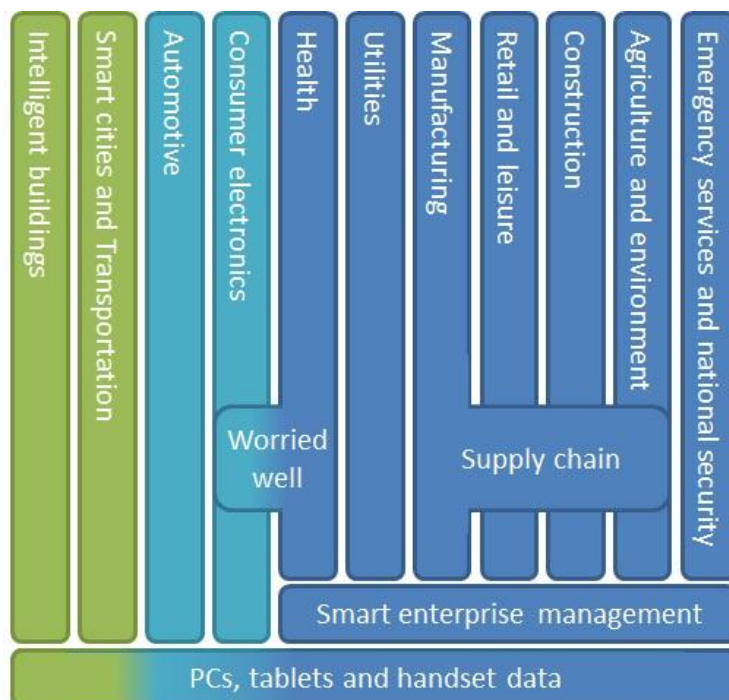
Machina Research is a UK-based telecoms research and consulting firm focusing principally on the emerging opportunity associated with new forms of connected wireless device, specifically machine-to-machine (M2M) and mobile broadband.

Compiling the M2M Leaderboard involved a detailed modeling and forecasting process. The starting point was the Machina Research Forecast Database. This forecast comprises detailed analysis of the opportunity for M2M across 12 sectors (see figure below), covering 60 M2M application groups and based on analysis of hundreds of individual applications. The forecast included analysis of connections, traffic and revenue in each of 54 countries. For the purpose of the analysis contained within the M2M Leaderboard we excluded our PCs, tablets and handsets data category, which we do not consider true M2M¹. Included within the CI database is a calculation of MNO expected revenue, which represents our expectations of the revenues that pure-play mobile network operators can expect to generate from each of the applications.

It should be noted that the MNO Expected Revenue figure does not represent the totality of the opportunity that exists in the M2M market. Certain CSPs have the opportunity to address additional revenue streams through systems integration capabilities or fixed-line operations. However, it does represent a good proxy for the contestable M2M market opportunity for mobile network operators.

¹ For clarity, we include eReaders within this category. Accordingly, revenue associated with eReaders are not included within the analyses

Machina Research's 13 application segments [Machina Research, 2011]



Machina Research then sought to identify the proportions of the MNO Expected Revenue that will be contested at a national, regional or global level. Certain applications are more naturally national, e.g. smart metering, while others generally tend to be regional or global, e.g. transport and logistics.

We then scored each of the biggest 36 global MNOs based on our understanding of their ability to address the M2M market in each country, region and globally. This was partly based on the qualitative analysis that Machina Research undertook for the Machine-to-Machine Communication Service Provider Benchmarking Report 2012, published in January 2012. In conducting this analysis we did not simply take account of where each MNO had facilities-based presence, but also the impact of strategic alliances and other forms of geographical focus that allow them to address out-of-footprint opportunities, or give them an advantage in addressing regional M2M opportunities.

For each application we then cross referenced the capability set of each MNO with each of the national, regional and global opportunities to identify a figure for what we expect the MNO to generate in revenue in 2020. That forms the basis of the Leaderboard above.

Contact

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