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MOBILE[™] WORLD CONGRESS **DAY 1** BARCELONA 2-5 MAR 2015



- **Safety. Regulation.**
- **Opening Keynote: Mark Zuckerberg**
- **Keys to the Connected Lifestyle**

The 28th Annual Mobile World Congress (MWC) opened in Barcelona, Spain on Monday with a strong showing by executives and innovators from around the world. While much of the latest in tech gadgetry was introduced earlier this year at the Consumer Electronics Show (CES) in Las Vegas, Nevada in the US, MWC represents global mobile operators, device manufacturers, technology providers, app developers, vendors and content owners.

SAFETY. REGULATION.

Internet security, safety and regulation were themes throughout the day's keynote and executive sessions. As usage of and dependence upon the Internet permeates devices across industries, the major thought on both consumer and corporate minds is that of protecting and streamlining the overwhelming data flow created with new innovations.

OPENING KEYNOTE: MARK ZUCKERBURG

Mark Zuckerberg was keynote speaker on opening night, and began the evening promoting his initiative, Internet.org, a partnership between Facebook and mobile phone companies dedicated to bringing affordable Internet to every part of every country by providing certain basic Internet services free of charge. He was joined on stage by some of those partners—Airtel Africa CEO Christian de Faria; Millicom Senior EVP, Latin America Mario Zanotti; and GSMA chairman and Telenor CEO Jon Fredrik Baksaas—who discussed the success of their collaborations.

Zuckerberg emphasized throughout the keynote that Internet.org is about connecting people with people and empowering businesses, governments and individuals to build the Internet worldwide. And while Facebook is used as a platform to ease barrier of entry for new Internet users, he reiterated that the real companies driving the change of mindset are the operators who are investing in the program and beyond. The conversation between Zuckerberg, de Faria, Zanotti and Baksaas centered on the value of data, the fact that apps drive data and the collection and usage of that data as the future of business.

Internet.org has been launched in Zambia, Tanzania, Kenya and Ghana in Africa; and Colombia in Latin America. Zuckerberg's biggest takeaway from the experience thus far is the lengths people will go to for connectivity. And while Internet.org currently offers services on a "free" (no fee added) basis, the idea is to educate people on the value of the Internet, and the advantages some paid Internet services could bring to a community in terms of health care, jobs and education.



Mr. Zuckerberg referred to a "cyber village" in Jakarta where citizens had organized around lobbying the government to allow broad Internet access, sending a global message about the importance of community effort. He also noted that the business of Internet has evolved, posing a challenge to businesses to evolve at the right speed to keep pace with it, while staying in line with regulatory issues.

When asked about the issue of cannibalizing revenue sources by offering free, basic access, Zuckerberg indicated that he and his partners had observed the opposite. Rather than trim down services, people were adopting more data. As Internet dependence grows, the influencing factors will be physical connectivity, affordability, and attractiveness of services.

Mario Zanotti of Millicom spoke of the success of quick adoption of Internet.org in Africa and Latin America, while Christian de Faria of Airtel Africa referred to Facebook as "a good, easy access point...for introducing people" to the Internet. Jon Fredrik Baksaas of Telenor said they had seen a 30% increase in use in Paraguay, and a growing penetration of data in their customer base. With the launch of Internet.org in Columbia—thus far, the only Latin American country—they saw a 50% increase in new data users in the first few weeks. In Tanzania, their number of sales of smartphones increased ten times since campaign launch.

While the panel mainly fielded questions regarding regulation and extended fee-driven services, the momentum of the conversation was that Internet.org has had the same positive effect on businesses across markets, because consumers' need to be connected and access the world is the same, even with varying market realities. The services that drive data usage will be reviewed by country, and specific partnerships will be built to service consumer needs by country, while driving revenue models.

KEYS TO THE CONNECTED LIFESTYLE

As expected, the Internet of Things (IoT) and the connected lifestyle dominated conversations during WMC's first day. We attended the "Keys to the Connected Lifestyle" session, panelled by Karsten Ottenberg, CEO, BSH Home Appliances; Carlos Ghosn, Chairman & CEO, Renault-Nissan Alliance; Ralph de la Vega, President & CEO, AT&T Mobility & Business Solutions; Hans Vestberg, President & CEO, Ericsson; and Bill McDermott, CEO, SAP. The conversation was broken up into three topics: automated cars, mobile and home.

Automated Cars

The question was asked: how is momentum being built in this space, considering that electric car drivers still represent a relatively small percentage of the market? Among the challenges being tackled are longer autonomy and battery life, a stronger infrastructure and a more competitive price.

In the US, one-third of the entire electric car market is in one city: Atlanta, Georgia. The next biggest market (outside the US) is Japan, followed by China. Infrastructure is based on regulations, and rather than gas prices being the main push or pull on the electric car market, significant changes in market growth will be determined by how strict governments become on regulating emissions.

Moving forward, all carmakers will be adopting autonomous solutions that resonate with their consumers and reduce human error, currently the cause of most accidents. Ultimately, innovators are moving toward the possibility of a driverless market.

Carlos Ghosn of Renault-Nissan Alliance anticipates the market will develop and be adopted in steps:

- 2016, Wave 1: Autonomous driving during traffic jams with the car advancing in limited ways by itself, based on regulations
- 2018, Wave 2: Automation for highway driving, include changing of lanes
- 2020, Wave 3: Autonomous city driving; more complicated ability of the car to recognize and act upon objects encountered and to make decisions between contradictory options
- 2025 or beyond: Fully automated, driverless car will be a reality, the industry having dealt with the bigger challenges of regulations and cyber security



Mobile

Ralph de la Vega, President and CEO, AT&T Mobile and Business Solutions predicted the smartphone is well on its way to becoming “the remote control of your life.” By 2020, 20 to 50 billion devices will be connected and controlled from personal data devices. The key challenges will continue to be safety, privacy and seamless integration. Advancements and adoption will also be heavily influenced by regulation.



SAP CEO Bill McDermott predicted that new business models will be formed based on real-time and networked businesses that will leverage devices across businesses for simplicity. Currently, almost 90% of big data is under-analyzed, but as investment continues to be made in innovation, companies will create seamless value chains by connecting personal and business networks.

Home

Karsten Ottenberg, CEO of BSH Home Appliances, expects all home appliances to be connected to the consumer by 2016, not simply with the functionality of controlling them remotely, but also of adapting them for convenience and simplification solutions. How far out until connectivity within the home fundamentally changes? That will depend upon the application of technology, most quickly adopted when applied in a utilitarian way. The biggest early adopters in this space are customers in the UK and in the US, but the fastest adoption is taking place in China.

One of the simpler solutions currently being implemented in new devices is that of cameras placed in new refrigerators, and connected to a smart device, so the consumer can monitor both stock and freshness of their produce. While this utilizes the simplest of technology, it indicates that the consumer needs clear value-added advancements in this space.

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