Liberate Your Enterprise Content

PHARMICA CONSULTING

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Introduction

The corporates have various hardware options available when it comes to implementing mobile solutions in today's scenario; but as they look to implement or scale up their mobile installations, they feel stuck as certain decisions need to be made.

The choice boils down to have some quick wins with showcase mobile applications to ensure initial momentum with maximum number of users within their organization. During the process they have to keep in mind the changing mobile landscape, so that the applications they develop for today do not get outdated or become redundant as the new devices enter the market.

It is therefore important to understand the dynamics of current Device Market Space.

Evaluating the Current Market Space

Nielsen Mobile, formerly Telephia, does most of the service quality monitoring for the operators, so it has much more direct access to mobile usage information than people like IDC and Canalys, the ones usually quoted for smartphone share.

Though they have not covered the Windows Mobile market Share their data illustrate that Palm is constantly heading downward, which is quite noteworthy (but not a news in fact). It's important to note the increasing traction for Apple iPhone in the corporate marketplace even as RIM maintains a big market share lead.

The data is further reinforced from the latest survey results published by ChangeWave Research which measures the market based on the IT purchases of the corporates for the current quarter so far and for the next 90 days going forward.

Though Blackberry has been able to retain the interest of corporate smartphone buying, the interest in it has subsided a bit in the last quarter whereas Apple iPhone has been showing a consistent growth in interest for the last two quarters.

This might be an impact of the recent 3G iPhone launch, but what I would like to highlight is the bigger picture of iPhone beginning to gain real traction in the corporate market as well.

The first surprise is that Nielsen shows Apple in fourth place in smartphone share. That's wildly different from what Canalys, the source usually reported, has been saying. Here's how they compare for Q4 2007:

The results from Canalys on fourth quarter smartphone sales put the Apple iPhone, which has only been in the market for less than half a year, in the second place behind Research In Motion (RIM) and its BlackBerry for U.S. market share. Given the short time frame, this is pretty amazing, but the iPhone also beat out all of the Microsoft-Windows-Mobile-equipped phones, which came in third place with a 21 percent share of the market.

Please note that the reports from all these sources are quite varied but this is perhaps due to the different approaches they take while measuring the smartphone market share.

Canalys doesn't directly measure market share, it receives self-reported shipment reports from the manufacturers and then adds them up. That means Canalys measures shipments into the channel rather than sales, and it depends on the reliability of the reports from hardware companies.

Nielsen Mobile, on the other hand, is apparently using a mix of survey results and the usage data it gathers from the operators. So its numbers should reflect the actual current usage of phones rather than shipments. If Nielsen is measuring installed base share, rather than share of current sales, that might explain the difference.

The crux of the results is that even today Blackberry leads the preference list followed by Windows Mobile. Palm is declining whereas iPhone is quickly getting the mind share of most of the enterprises.

Ever since the iPhone was released, RIM has been increasing its share even though we had predicted that the iPhone was going to take the smartphone market away from RIM. Instead, at least in the first round of competition, we see what was expected from a segmented market - RIM appeals to a group of customers, Apple appeals to a different group, and both companies do well.

Technology Strategy

Realistically, the enterprises have the following enterprise mobile platform choices available to them:

Near Term

*RIM Blackberry
*Microsoft Windows Mobile

Long Term

*Apple iPhone

While there are these options as the enterprises look to implement or scale up their mobile installations, some obvious choices have to be made. One of them, particularly for those in larger enterprise environments, very often boils down to deciding between the BlackBerry Enterprise Server (BES), the dominant player in this space, and the rapidly evolving native capability of Microsoft Exchange, typically coupled with Windows Mobile devices.

Let me therefore compare here the two most likely platforms that vie for attention.

RIM vs Microsoft

The RIM solution has the twin advantages of maturity and security - it's been around for a long time now and the feedback suggests that compared to lots of other components in the average corporate IT infrastructure, the BES is pretty solid, secure, and robust.

As a natural price to pay for its ubiquity, the BlackBerry solution has suffered from a bit of an image problem in that many regard it as proprietary, closed, limited to just email, and perhaps, representing an

unnecessary layer in the messaging architecture when the general view is that mobile access should ideally be a native part of the core email server environment.

That considered, the native Microsoft Exchange proposition looks very attractive - it simplifies the architecture (no third party middleware), reduces the software license burden, and of course as an integral part of something already in place, there is less to worry about in terms of skill sets, coordinating systems administration, and so on.

Device vs Device:

There is also the argument that Windows Mobile devices themselves are inherently more capable and more attractive and natural to end users as the interface has some similarities with the Windows desktop, and includes bells and whistles to aid productivity. Of course as others quickly point out, the counter punch to this is that Windows Mobile devices are too cluttered, complex, and distracting, and that the tools and infrastructure required to manage and support them, as well as to administer the mobile messaging relay functionality itself, are relatively immature.

Overall

At 30,000 feet, the picture we see is one of a solution from RIM that is clearly very mature, secure, and robust, having been designed from the outset to meet the needs of large scale deployments, competing against a rapidly evolving solution from Microsoft.

iPhone's Disruptive Influence

Around the end of 2007 the market research firms had begun singing the obvious note of how while the iPhone was a good plaything it was hardly a competitor in the enterprise mobility space. The chief reasons cited were lack of enterprise connectivity (read Microsoft Exchange) and remote device management (security issues).

So much so that Gartner's Ken Dulaney went on record to state, "This is basically a cellular iPod with some other capabilities and it's important that it be recognized as such." Further, Gartner advised enterprises to stay away from the iPhone.

As often happens in the technology world, particularly in mobility, views like these do not take too long to boomerang.

Watch Out

March 2008. The iPhone SDK 2.0 was released and many of the initial arguments against iPhone began to fade away. New arguments were being voiced, most notably the lack of multi-threaded application support and application distribution.

It is worth noting that in its first year offering the iPhone, Apple took the number three slot in worldwide smartphone sales. And recent surveys also have found that corporate iPhone users are more satisfied with

their devices than BlackBerry folks. But it should also be pointed out that the same survey also suggests RIM has nearly 75 percent of enterprise smartphone users, compared to Apple's 5-10 percent range.

Recommendation

Enterprises should watch the trajectory that Apple is creating for iPhone and not be swayed by the reactionary comments of the market. We believe that iPhone holds important lessons for us to predict the nature of things to come. We also predict that by 2010 iPhone (or a similar family of devices) adoption in the industry will begin to match the incumbent mobile platforms.

I also recommend the enterprises to closely watch the delicate balance between BES, king of mobile enterprise market, and Exchange, the king of the enterprise market. Though we concede it is more a possibility than probability, Microsoft may not choose to play ball with BES in an attempt to give Windows mobile a lift. In such a scenario, organizations will have little choice other than to go the Windows Mobile way. Even if that didn't happen Microsoft could always up the ante by providing closer integration between Exchange and Windows Mobile. So from this perspective as well we would choose to advise the enterprises to keep an eye on Windows Mobile in 2009.

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