

Global connected devices to exceed 24 billion in 2020, generating EUR1.3 trillion in data revenue according to new research from Machina Research

Machina Research announces the first results from its comprehensive forecast of the market for global connected devices plus a tie-up to support the GSM Association's Connected Experiences campaign

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Machina Research, the world's leading advisors on M2M and mobile broadband today announced the first findings from its Connected Intelligence database, its comprehensive forecast of global connected devices¹. According to Machina Research:

- Overall connected devices will treble over the next ten years, from 9 billion in 2011 to 24 billion in 2020.
- The lion's share of the growth will come from machine-to-machine connections², which will grow from two billion at the end of 2011 to 12 billion at the end of 2020. The majority are expected to be connected via short-range technologies such as WiFi. Machina Research expects 2.3 billion will be cellular connections in 2020, accounting for 19% of all cellular connections. Overall M2M revenue³ will grow to EUR714 billion in 2020.
- PC/laptop mobile broadband will grow dramatically, from 215 million connections at the end of 2011 to 1.5 billion in 2020 as device costs come down and network coverage and capacity improves. By 2020 most PC/laptop broadband connections globally will be mobile. Wireless wide-area connected tablets and eReaders will grow from 66 million in 2011 to 230 million in 2020.
- Growth in handset data users will also be significant, with 3G+ (i.e. 3G, 4G and potentially beyond) devices set to grow from 2 billion at the end of 2011 to 9 billion by 2020.
- The growth in PC/laptop, tablet and handset data usage will result in a massive increase in data. Machina Research forecasts that globally mobile data traffic will increase from 4 exabytes in 2011 to 42 exabytes in 2020, with 60% coming from PC/laptop connections and 37% from handsets.
- Total revenue⁴ from connected devices will grow from EUR420 billion in 2010 to EUR1.3 trillion in 2020. Machina Research expects mobile network operator data revenue to grow from EUR130 billion in 2011 to almost EUR500 billion in 2020.

¹ "Connected devices" comprises all devices used for transmitting and receiving packet data telecommunications via any wide-area or local area network. It includes PCs/laptops, mobile handsets, tablets and numerous M2M applications.

² Machina Research defines machine-to-machine (M2M) as "Connections to remote sensing, monitoring and actuating devices, together with associated aggregation devices". It includes all forms of short range and wide area technologies. It excludes personal mobile broadband devices in the form of mobile handsets, PC/laptop connections and tablets/eReaders.

³ "M2M revenue" includes device cost where connectivity is integral to the device, module costs where devices can optionally have connectivity enabled, installation and integration costs, monthly subscriptions, connectivity and traffic fees.

⁴ "Revenue" includes all M2M revenue (as defined above), PC/laptop, tablet and handset data service revenue (including both fixed and mobile) as well as associated device revenue (i.e. USB modems, tablets and PC/laptops sold through telco channels). It excludes mobile handset device sales.

Machina Research is also proud to announce that it is supporting the GSM Association by supplying detailed market forecasts to underpin the launch of its “Connected Life” Programme. Machina Research shared a platform at the CTIA Enterprise & Applications conference in San Diego with the GSMA, AT&T and Qualcomm to support the launch.

Talking about the results, Jim Morrish, Director at Machina Research said: “By the end of this year there will be nine billion connected devices in the world. By 2020, less than ten years from now, there will be over 24 billion. Most of that growth is coming from machine-to-machine. The way that telcos, device vendors, service providers and everyone else in the value chain reacts to that opportunity will have big implications for their future success.”

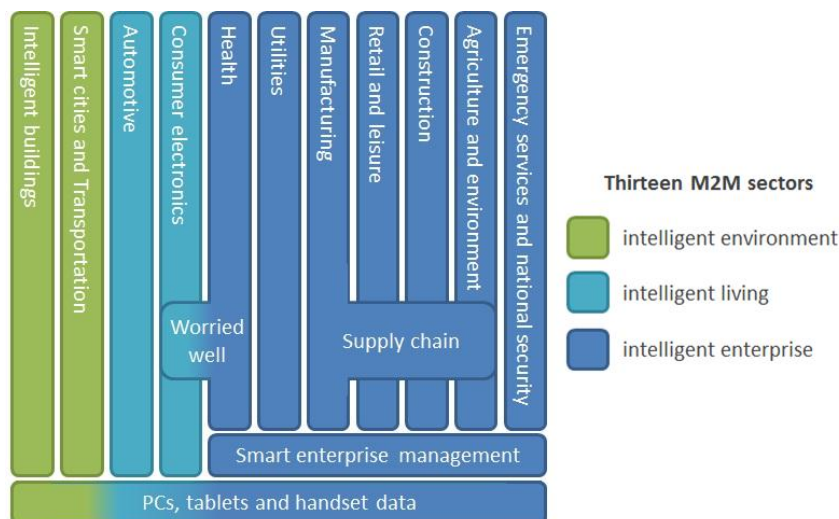
The other major trend is the growth in mobile data which represents both an opportunity and a challenge. Matt Hatton, Director at Machina Research, observes: “While the take-off in mobile broadband is an exciting opportunity for network operators to boost stagnating revenue, it also comes with a burden of supporting massive growth in data traffic. MNOs will need to be very clever in reducing costs, increasing efficiency and managing their subscribers if they are going to maximise their revenue from this opportunity.”

With regard to the Connected Intelligence database launch and the involvement with the GSM Association Morrish adds: “We’re very excited about this news. We think this is the most detailed forecast yet of the emerging opportunity for connected devices. We’re particularly excited about all of the work we’ve been doing around the emerging machine-to-machine (M2M) market. We’ve taken a fantastically granular approach to M2M, looking at every conceivable, and quite a few inconceivable, applications and examined the dynamics of each and every one. It’s little surprise that when the GSM Association was looking for data on connected devices they turned to us.”

About the Machina Research

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.

Machina Research's Connected Intelligence database tracks and forecasts 60 M2M application groups across thirteen sectors (see chart below) based on analysis of hundreds of individual applications. The comprehensive database comprises more than one million datapoints and includes ten year forecasts (2010-20) for each application group across 54 countries and six regions. For each application group and country it provides information on numbers of connections, technology type, revenue and traffic.



Contact

To discuss the findings, understand more about the Connected Intelligence database, or just to find out more about Machina Research, please contact:

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