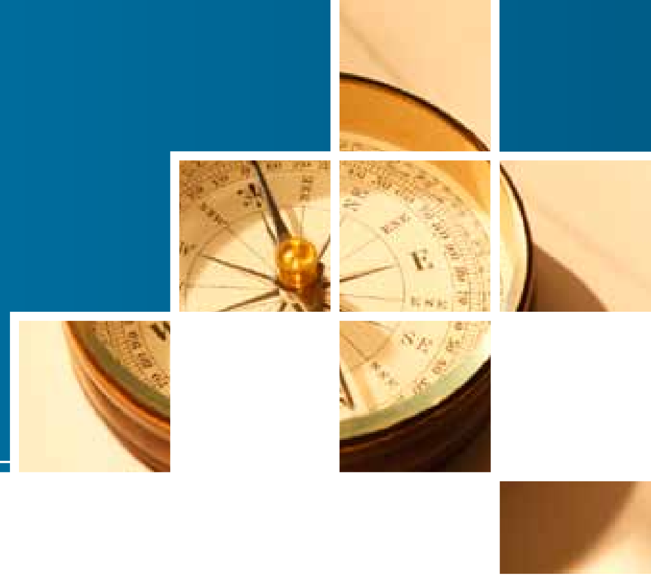
LBS Research Series

Mobile Location-Based Services



Mobile Location-Based Services is the sixth consecutive report from Berg Insight analysing the latest developments on the European and North American LBS markets.

This report in the LBS Research Series from Berg Insight provides you with 140 pages of unique business intelligence including 5-year industry forecasts and expert commentary on which to base your business decisions.

This report will allow you to:

- **Learn** about the LBS strategies of major telecom operators in Europe and North America.
- **Profit** from 30 new executive interviews with market leading companies.
- **Identify** key players on the European and North American mobile LBS market.
- **Understand** the opportunities and challenges for location-based advertising.
- **Benefit** from valuable insights about the most successful LBS propositions on the market.
- **Comprehend** how location technologies affect the user experience of LBS.
- **Predict** future business opportunities for mobile industry players in LBS.

Order now!

Please visit our web site to order this report and find more information about our other titles at **www.berginsight.com**

See inside for further details →

Berg Insight's LBS Research Series

What are the real business opportunities for LBS on the global market? Berg Insight's LBS Research Series is a unique series of market reports published on a quarterly basis. Each title offers detailed analysis of the most interesting LBS topics such as handset-based satellite positioning technology, mobile personal navigation services and location-enabled content services. Once per year we also publish a summary of our research with detailed forecasts for the major regions.

www.berginsight.com

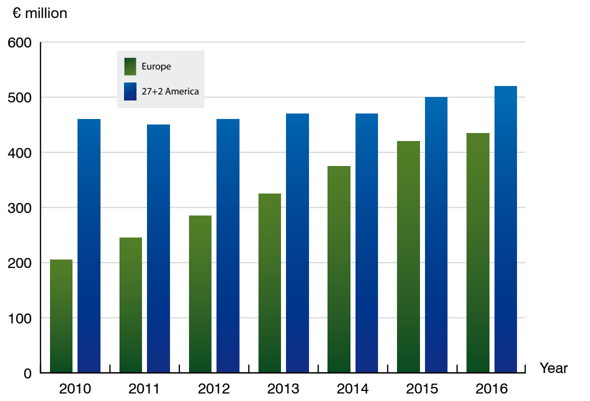
BERG INSIGHT

Business models for LBS shift to freemium and advertising

Mobile location-based services (LBS) are gradually achieving mainstream market acceptance. Popular service categories include mapping and navigation, search and information, social networking and entertainment, recreation and fitness as well as tracking. Mapping and navigation is the leading segment in terms of revenues and the second largest in terms of number of active users. Despite continued growth of active users driven by rising adoption of smartphones, revenues for mapping and navigation services are only growing slowly as competition from free and low cost services has intensified. White-label navigation developers are now working with mobile operators to create unique localised offerings and attractive service bundles. Some navigation service providers are focusing on freemium apps where the core turn-by-turn navigation service is free and users have the option to purchase additional content and features. Usage of search and information services is growing fast as more subscribers adopt mobile Internet services and handsets with improved capabilities. Local search is now the leading LBS category in terms of unique users. The popular social networking services are also experiencing rapidly growing uptake from mobile users. Increasingly, these services add various forms of location support.

Berg Insight estimates that the number of active users of location-based services and apps more than doubled in 2011. At the end of the year, about 20 percent of mobile subscribers in Europe are frequent users of location-based services. In North America where adoption of smartphones and GPS-enabled handsets is higher, an estimated one third of all handset users now access location-based services regularly. However, the significant growth in usage and number of active LBS users have not yet resulted in substantial growth in revenues. Total LBS service revenues in the EU 27+2 reached € 205 million in 2010 and Berg Insight forecasts LBS revenues to grow to about € 435 million in 2016. In North America, revenues are forecasted to grow from US$ 620 million in 2010 to an estimated US$ 710 million in 2016.

Ad-funding is already the main source of revenues in many consumer LBS categories. Notable exceptions include the mapping and navigation as well as tracking service categories where ad revenues now account for less than 10 percent of total revenues. Along with increasing usage and a maturing advertising ecosystem, ad revenues will grow both in absolute terms and as a share of total revenues also in the mapping and navigation segment. Many actors in the mobile value chain show great interest in location targeted ads. Although location can be a very valuable targeting attribute for some brands and campaigns, many other attributes are available that can be more relevant. Moreover, several issues – such as user privacy and pricing of location data – need to be resolved before location-based ad campaigns can leave the trial stage and contribute significantly to overall revenues.



Mobile LBS revenue forecast, € million (2010–2016)

Historically, mobile operators have been key partners and the main distribution channel for app and service developers. Operators have had a unique position with a direct relationship with a large user base, allowing them to market services, pre-install applications on new handsets, present links to services from their portals and handle end-user billing. This central role is now being challenged by the rising smartphone ecosystems such as Android, iOS and Windows Phone that in many cases integrate key location-based services and give developers access to location data, distribution channels in the form of on-device app stores as well as billing and advertising solutions for monetisation. Developers can also access location data from numerous independent Wi-Fi and cellular base station location database providers. These location services are well suited for a range of consumer-oriented services primarily targeting smartphone users.

Many operators are now opening their location platforms to third party developers and location aggregators that play an important role as intermediaries between mobile operators and developers. Network-based location data is valuable for developers and third parties that need to locate any device, not only GPS-enabled smartphones, without the need to install a client app that collects location data on each device. Most operators' location platforms have a limited capacity and operators therefore maintain relatively high prices for each location look-up. This is a justifiable cost for services where a successful location look-up adds significant value and the developer can charge their customers accordingly. This is the case for a range of enterprise and B2B services including asset tracking, workforce management, authentication and fraud prevention.

This report answers the following questions:

- What is the current status of the European and North American mobile LBS market?
- How are free navigation offerings affecting the market dynamics?
- What are the mobile strategies of search engines and directory publishers?
- How is location technology used by mobile social networks and communities?
- How is GPS-technology altering the conditions for tracking services?
- Which operators have introduced branded location-based services?
- How is location being used to add value in mobile advertising?

Table of Contents

About the Author

André Malm is a senior analyst with a Masters degree from Chalmers University of Technology. He joined Berg Insight in 2006 and his areas of expertise include location-based services, personal navigation services and wireless M2M markets.

Berg Insight offers premier business intelligence to the telecom industry. We produce concise reports providing key facts and strategic insights about pivotal developments in our focus areas. From time to time we also perform custom research assignments. Our vision is to be the most valuable source of intelligence for our customers.

Who should buy this report?

Mobile Location-Based Services is the foremost source of information about the European and North American mobile LBS market. Whether you are a vendor, telecom operator, investor, consultant or government agency, you will gain valuable insights from our in-depth research.

Related products

- Fleet Management in Europe
- Personal Navigation Devices
- The Global Wireless M2M Market
- Mobile Navigation Services

Order form — TO RECEIVE YOUR COPY OF MOBILE LOCATION-BASED SERVICES

You can place your order in the following alternative ways:

1. Place your order online in our web shop at www.berginsight.com
2. Fax this order sheet to us at fax number: +46 31 711 30 96
3. Mail this order sheet to us at: Berg Insight AB, Viktoriagatan 3, 411 25 Gothenburg, Sweden
4. Email your order to: info@berginsight.com
5. Phone us at +46 31 711 30 91

Choose type of format

☐ Paper copy .... 1500 EUR
☐ PDF 1-5 user license .... 2250 EUR
☐ PDF corporate license .... 4500 EUR

Family/Surname	Forename	Position	Company

Address	Country	Postcode

Telephone	FAX	Email

VAT is chargeable on all orders from Sweden. Orders from all other countries in the European Union must include the buyer's VAT Registration number below in order to avoid the addition of VAT.

Your PO number	Your VAT/TVA/IVA/BTW/MWST number

Please charge my credit card

☐ VISA ☐ Mastercard

Card number	Expiry date (MM/YY)	CV code
	/	

Cardholder's name	Signature

Billing address

Postcode	Country

☐ We enclose our cheque payable to Berg Insight AB
☐ Please invoice me

Signature	Date

Reports will be dispatched once full payment has been received. For any enquiries regarding this, please contact us. Payment may be made by credit card, cheque made payable to Berg Insight AB, Viktoriagatan 3, 411 25 Gothenburg, Sweden or by direct bank transfer to Skandinaviska Enskilda Banken, 106 40 Stockholm, Sweden.

Account Holder: Berg Insight AB
Account number: 5011 10 402 80
BIC/SWIFT: ESSESESS
IBAN: SE92 5000 0000 0501 1104 0280