

Economic Crisis and Corporate Mobility



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January, 2009



The mobile telecommunications world will celebrate its most important annual gathering on February 16-19. As in previous years, hundreds of providers from around the world will descend on Barcelona to show their wireless products, equipment, networks and services. These items are increasingly fast, simple to use, versatile and accessible. They are the fruits of an industry whose dynamism is matched by few. Unlike the monoculture that prevails on desktop planners, here the competition is real, and innovation is a must. During the past few years, the worldwide mobile telecommunications market has been the growth motor for IT companies, whose most important figures include a nearly 2 trillion-dollar turnover with over 4 billion existing terminals in the world (including 50 million in Spain).

The smart phone sector is lead by the Symbian operating system promoted by Nokia, currently the system's sole owner. According to Canalys consultants, Symbian owns 38.9% of the market, and Apple is in second place with 17.3%. These two are followed by Blackberry, with 15.2%, and Windows Mobile, with 13.6%.

One other aspiring company with potential is Android, maker of the open code system promoted by Google that, according to Gartner, could capture 11% of the market by 2011. In addition, the **GSMA Mobile World Congress** will be a showcase for another system that has created high industry expectations: namely, WebOS, the product that Palm hopes will spark a recovery of the leadership position it enjoyed during the PDA market.

The smart phones showcased in Barcelona now function or will function using one or more operational systems, as multiplatform development is becoming nearly obligatory. The other large avenue opened by mobile Internet and corporate mobility involves computers equipped with data cards. According to the CMT, in last year's third quarter there were over a million such units in Spain. This figure is higher than the country's 574,000 UMTS lines and the 482,000 HSDPA lines. Such figures demonstrate that at least until last year's third quarter, economic uncertainty had not slowed the clear progress of mobile broadband use.

All this being said, this year's mobile phone extravaganza will be marked by a far less optimistic atmosphere than last year's edition. IDC has just published low growth forecasts for the information technology market in general. The consulting firm fears that the Spanish IT market will stagnate or even fall by 1% this year and that 2010 will bring meager 1 or 2% growth rates. Mobile phone manufacturers such as Nokia are expecting the world demand for mobile phones to drop overall by between 5 and 6%. In fact, there are already signs of problems among certain providers, especially Motorola and Sony Ericsson. Nortel, the Canadian network equipment provider has already declared bankruptcy, and layoffs are returning to the overall sector.

Despite this pessimistic outlook, there are good reasons to expect the demand for broadband mobile lines to continue increasing. This will be especially true if subsidized offers become widespread and flat rate, no-nonsense contracts become available. Both of these trends would allow small and middle-sized companies to invest in mobile applications without fear. It is true that prices for mobile data communication have decreased in the past few years, but this realm is still perceived by many companies as a major pending frontier in the telecommunications liberalization process. In 2008, we have also finally seen the takeoff of mobile applications development. Apple, for example, has succeeded in making 15,000 applications available through its virtual store, AppStore.

The question is how to ensure that the tangible technological advances achieved by mobile Internet and demonstrated at the 3GSM don't suffer setbacks in their implementation because of the unfavorable economic climate. Ironically, it may

just be that mobility is one of the best weapons for helping companies gain efficiency, alleviate the effects of the crisis and emerge more competitive than before.