

# Business Demand for Location-Based Services

## Executive Summary

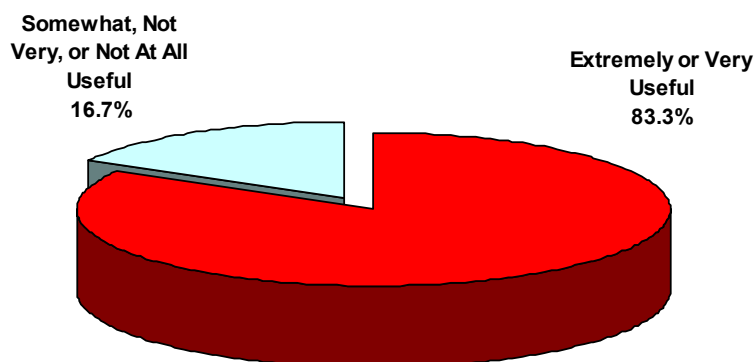
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Driven by strong demand and willingness to pay among business wireless subscribers, Location-Based Services (LBS) are poised to become a significant growth driver for the US wireless industry. While deployments have been slow, to date, carriers are now beginning to turn their attention to commercial LBS rollouts, including both the addition of location capabilities to existing services, as well as the launch of new applications.

In-Stat/MDR's recent Technology Adoption Panel (TAP) study, a survey of 914 business wireless subscribers, found that the great majority of respondents, representing virtually all industries and professional groups, is interested in using LBS applications. 83.3% of business users surveyed felt that one or more LBS applications would be useful to their company or organization, and 79.3% were interested in LBS for personal use.

**Figure 1. Overall Business User Interest in LBS for their Company or Organization**

### Perceived Usefulness to Business Users of One or More LBS Applications for their Company or Organization

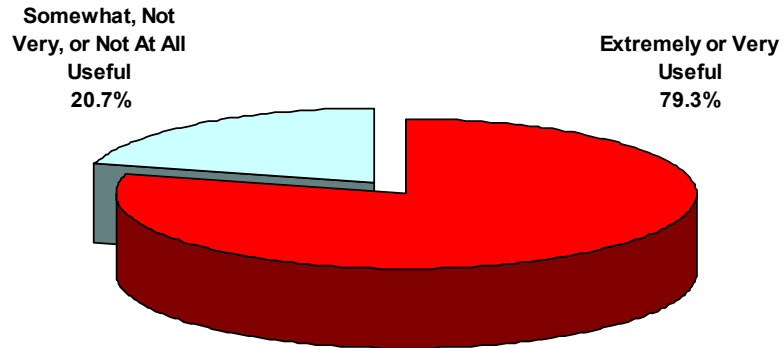


Source: In-Stat/MDR 10/04

n = 914

**Figure 2. Overall Business User Interest in LBS for their Personal Use**

**Perceived Usefulness to Business Users  
of One or More LBS Applications  
for their Personal Use**



Source: In-Stat/MDR 10/04

n = 914

Other key research findings include the following:

- Local information and navigation applications were the most popular LBS concepts for business users, both for their companies' use, as well as their own. The top five most popular service concepts were:
  - Turn-by turn driving directions
  - Local traffic information
  - Maps on the mobile phone display
  - Local weather information
  - Maps/directions for local stores, ATMs, etc.
- Other, less popular business LBS application concepts that are covered in the study included Mobile Yellow Pages, digital compass, pedestrian directions, asset monitoring & tracking, vehicle and driver tracking, colleague finder, and location-enabled 411 directory assistance.
- LBS has broad appeal that spans job categories, industries, and even work style attributes, including business travel. The characteristics of business users interested in LBS are virtually identical to those of the general business wireless subscriber base.
- Among carrier subscriber groups, T-Mobile and Nextel users are the most interested in LBS business applications.

- A significant number of business users are willing to pay for LBS. Of the survey respondents, 18.3% stated that they would pay extra for business-related applications even if their employer refused to, and an additional 34.1% would pay if their company would compensate them for the usage.
- E-911 location capabilities were popular among TAP respondents, with 82.3% stating that this service would make them feel safer since emergency personnel could find them more easily.
- Personal privacy is an issue for 31.2% of business subscribers surveyed, but more than three-quarters of those same users said that they would feel less uncomfortable if they could easily deactivate the location-tracking technology.
- When asked to rate the effectiveness of various LBS user interface options, the largest number of respondents said that they would prefer to request LBS information using a series of menu options on a mobile phone, and receive location data in the form of a 2D map. For purposes of both requesting and receiving information, live operator assistance was the least popular option.

While some key challenges remain for LBS players – including privacy issues, the need for compelling applications, and the challenge of creating easy-to-use interfaces – the foundational demand for location-capable business applications is very strong. In-Stat/MDR believes that 2005 will be a bellwether year for LBS, as carriers will ramp up their deployment activities and begin to see significant revenues.