

TALKING HEADS

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35m NFC handsets shipped in 2011



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What's ahead in

2012

We have asked a few of the braver souls in machine-to-machine communications to put their reputations on the line and hazard a guess at what 2012 has in store for us in the business of M2M, connected devices, near-field communications, mobile enterprises and smart services.

“2012 will be the year rural carriers begin to benefit from the wireless M2M market.”
- Globecomm Network Services



James Brehm, Compass Intelligence: Industry requires an ecosystem

James Brehm, senior strategist and consultant, Compass Intelligence

Compass Intelligence is an Arizona-based decision analytics research and consulting firm.

Compass Intelligence predicts that the next generation M2M and connected device market will reach 87 million endpoints by 2015, with a compound annual growth rate (CAGR) of more than 25%.

“We are on the cusp of an era where every device that can benefit from being connected via a cellular connection to the internet will be connected to the internet and other devices,” said James Brehm of Compass Intelligence. “These devices already include cars, electricity meters, health and wellness devices, surveillance systems and many other complex systems; and the process isn’t always a simple one.

“To meet the promise that M2M holds, the industry requires an ecosystem that enables non-traditional companies to look for new business models, simplify and accelerate the ‘onboarding’ process, hide the complexity from the end user, and thus provide a simple and seamless customer experience,” said Brehm.

Andy Silberstein, vice president & general manager, Globecomm Network Services

Globecomm Network Services is a global provider of satellite-based managed network solutions, offering comprehensive system integration, system products, and network services.



Andy Silberstein, Globecomm Network Services: Rural operators will leverage M2M wireless

Globecomm predicts that rural operators will leverage M2M wireless in 2012. As the number of mobile devices continues to multiply, there is no doubt, says the company that the wireless M2M market will continue to grow. But, what role will the rural operator play?

2012 will be the year that rural carriers begin to benefit from and leverage growth across the wireless M2M market, says Globecomm. The wireless M2M market itself is ripe for vertical applications including those in the energy, healthcare, telemedicine, automotive, agriculture, maritime and shipping industries. “In the energy and mining industries specifically, companies with locations across the US have the opportunity to integrate significant OpEx efficiencies into their operational information flow with the use of M2M communications,” says Andy Silberstein.

“Rural operators are also well positioned to benefit from these services. Although it will take time for rural operators to fully establish their own M2M value proposition, they are realising that they can get involved now. For example, as M2M rolls out in the automotive and health industries, rural operators will benefit from an increase in roaming revenue associated with roaming M2M devices. There will also be new M2M service providers that bundle service offerings to address specialised markets such as the energy sector in more rural areas,” he adds. →



John Horn, RACO Wireless: More M2M player consolidation

John Horn, CEO, RACO Wireless
RACO Wireless provides wireless connectivity for M2M applications via T-Mobile USA's network.

In 2012 John Horn expects, "more M2M player consolidation and increasing M2M expansion into very specific market niches, like asset management. We are working with more than 100 companies developing M2M products that have the potential to revolutionise the way entire industries manage their infrastructure. It's an exciting time to be in M2M."



Pat Carroll, ValidSoft: The year of the mobile attack

Pat Carroll, CEO of ValidSoft
ValidSoft provides multi-layer, out of band, mobile-based identity verification solutions to secure a range of online and mobile transaction methods.

"Following a flurry of developments in mobile payments, NFC and mobile banking in 2011, already 2012 is heading to be the year of the mobile attack. Trojans such as Zitmo and Spitmo – versions of Zeus and SpyEye which attack mobile devices – are already well known, and other terms such as 'Pseudo Device Theft', 'SIM swapping', 'mobile malware' and 'AppPhishing' are all starting to make their way into the tech dictionary," says Pat Carroll.

"Consumer awareness of threats is increasing, so security is going to be key to the success of any major project in this area. But to get it right, security needs to be considered from the outset (by design) so that it doesn't affect usability. There is no silver bullet solution here – what's needed is a layered approach, combining visible and invisible security checks, and using out-of-band, real-time, voice-based authentication and transaction verification processes to combat all types of Pseudo Device Theft, such as SIM Swap and Call Forward Unconditional," Carroll adds.



Kevin Mahaffey, Lookout Mobile: Credible field of Android malware

Kevin Mahaffey, co-founder and chief technology officer, Lookout Mobile
Lookout is a mobile security company offering protection from the growing threats facing mobile users today, including malware, phishing, privacy violations, and data loss.

"Like any business, malware writers are continually inventing new ways to expand their reach and profit. The potential 'addressable market' is enormous: while the (electricity) grid serves 80% of the global population, the wireless grid already reaches 85% of individuals worldwide. In addition to size and growth, the market also has an attractive

attribute that can make fraud simpler to conduct: a built-in payment mechanism."

Kevin Mahaffey continues, "2011 has seen the emergence of a credible field of Android malware, with a 4% yearly likelihood of an Android user encountering malware, which was a significant increase compared to the beginning of the year. In the beginning of 2011 we measured a 1% yearly likelihood. In total, we have identified more than 1,000 instances of infected applications, which is a doubling since the beginning of July 2011."

"Because web-based threats, such as phishing, can carry over from the PC, the likelihood is higher than that of malware, which needs to be redeveloped for mobile devices. The global yearly likelihood of an Android user clicking on an unsafe link is 36% (6% higher than July 2011). In the US, the likelihood is higher than the global average at 40%."



Bo Zhang, Senior Analyst, IMS Research

Bo Zhang, Senior Analyst and Jon Cropley, Principal Analyst, IMS Research
IMS Research is an independent supplier of market research and consultancy to the global electronics industry.

"One trend which is unlikely to have a big impact on the video surveillance market in 2012, but will receive more publicity and have a longer term impact is the Internet of Things (IOT). Individual objects are electronically identified and categorised virtually, in an internet-like structure. For this they need to contain a tag, such as an RFID tag. Once categorised, supply can more easily meet demand, waste can be reduced and it is possible to find objects when they become lost.



Jon Cropley, Principal Analyst, IMS Research

"IOT is receiving a lot of attention in China," says IMS Research. "The Chinese government is strategically focusing on the development of seven emerging industries. These industries are expected to enjoy preferential policy treatment in a number of respects. The New Generation of Information Technology (NGIT) is one of these industries. And IOT is one of the most important parts of NGIT."

"China has installed millions of video surveillance cameras over the past 10 years and these cameras could provide a source of information to verify the categorisation of objects for IOT. IOT includes three layers: the perception layer, the network layer, and the application layer. Video surveillance cameras would provide a source of information for the perception layer. The expected benefits of IOT will help justify public expenditure on video surveillance equipment," IMS concludes.

M2M Jargon Buster

NFC = Near-Field Communications

OpEx = Operational Expenditure

RFID = Radio Frequency Identification