# Mobile Ecosystems

## Command and Control

- Ecosystem relevance rising…
- …as the bloodbath in devices looks set to continue.
- Ecosystem users set to grow nicely for the next few years.
- RFM sees ecosystem owners moving to cement control…
- …resulting in series of proprietary ecosystems rather than open source.
- Developers and suppliers will have to contend with greater fragmentation
- Google, Yahoo! and Microsoft preferred to Samsung and the other device makers.

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**16th June 2014**

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**Ecosystem importance continues to rise. Handsets and tablets are commoditising fast and only those that have an ecosystem or can supply value-added-technology have a chance at sustainable profitability. RFM sees good user growth for the next few years but already the ecosystem players are moving to cement control of their ecosystems. The end result is likely to be a series of proprietary ecosystems meaning greater fragmentation to cope with for both application developers and technology suppliers.**

- **Handset hell.** Google has now taken complete control of its ecosystem leaving all of the Android makers with no way to differentiate other than hardware. This will ensure that better and better specifications are made available at lower and lower prices. The only beneficiary from this is Google and RFM continues to see a huge transfer of value from the handset makers to Google over the next 4 years.
- **Ecosystem heaven.** The other major ecosystem players either make their own handsets (Apple and Microsoft) or else implement their ecosystems on top of open source Android. Growth will be steady and returns will be earned by monetising traffic (Google and Yahoo!), charging users for software (Microsoft) or through premium device pricing (Apple).
- **Command and control.** Most of the major ecosystems are now tightly controlled and the chaos that reigns in Android is a major drawback for all the ecosystem players that base their offerings on it. RFM sees all of these players, and Google in particular, moving to gain more control over all aspects of their ecosystems. This is likely to result in Android becoming a series of proprietary ecosystems based on an open source Android kernel. This has significant implications for both application developers and component suppliers.
- **iOS.** Apple already has complete control of iOS but is very weak when it comes to Digital Life services. RFM sees Apple moving to define the future of Digital Life rather than trying to compete in an already crowded field.
- **Microsoft** is changing. The new broom is showing all the signs of turning Microsoft into an ecosystem company. This is good news for the long term outlook but there are still huge hurdles to overcome.
- **Others.** Sony and Yahoo! are ahead of the rest of the pack but still have a lot to do before they will begin to earn a return on the investments made to date.