

M2M as an engine of GROWTH

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Agenda

- M2M Barometer, getting to the heart of M2M
- Who is buying?
- What are buyers' drivers and barriers?
- Catching the growth
- How about the Italian market?
- An excellence in Smart Car: OCTO





M2M Barometer

It's a huge opportunity for us

Where else can you find numbers like this?

\$50

billion

**M2M mobile network
connections by 2020**
(Cisco)

25%–30%

**annual growth in
worldwide M2M
revenue (Logica)**

\$35 billion

**in M2M revenue for
mobile operators by
2016**
(ABI)



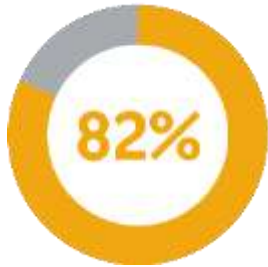
Getting to the heart of M2M

We conducted our own in-depth research with M2M buyers.

Let's explore our key findings to help you focus on the right M2M opportunities.



M2M has captured the imagination of buyers



of respondents agreed that early adopters of M2M will gain competitive advantage.



of respondents rank M2M as a key priority, and 9% go even further — they rank it as their number one priority.



of organisations say that M2M will be relevant to their organisation in three years' time; 87% today.



But how does the opportunity break down?

Not every business is ready for M2M. Who do you focus on?

- Which industries, geographies and sizes of organisation are adopting fastest?
- Which executives and functions are involved in purchase decisions?

M2M is not a one-size-fits-all proposition. What approach do you take?

- What do buyers want and need?
- What's holding them back from spending?
- Which competitors are they considering?



2

Who's buying?



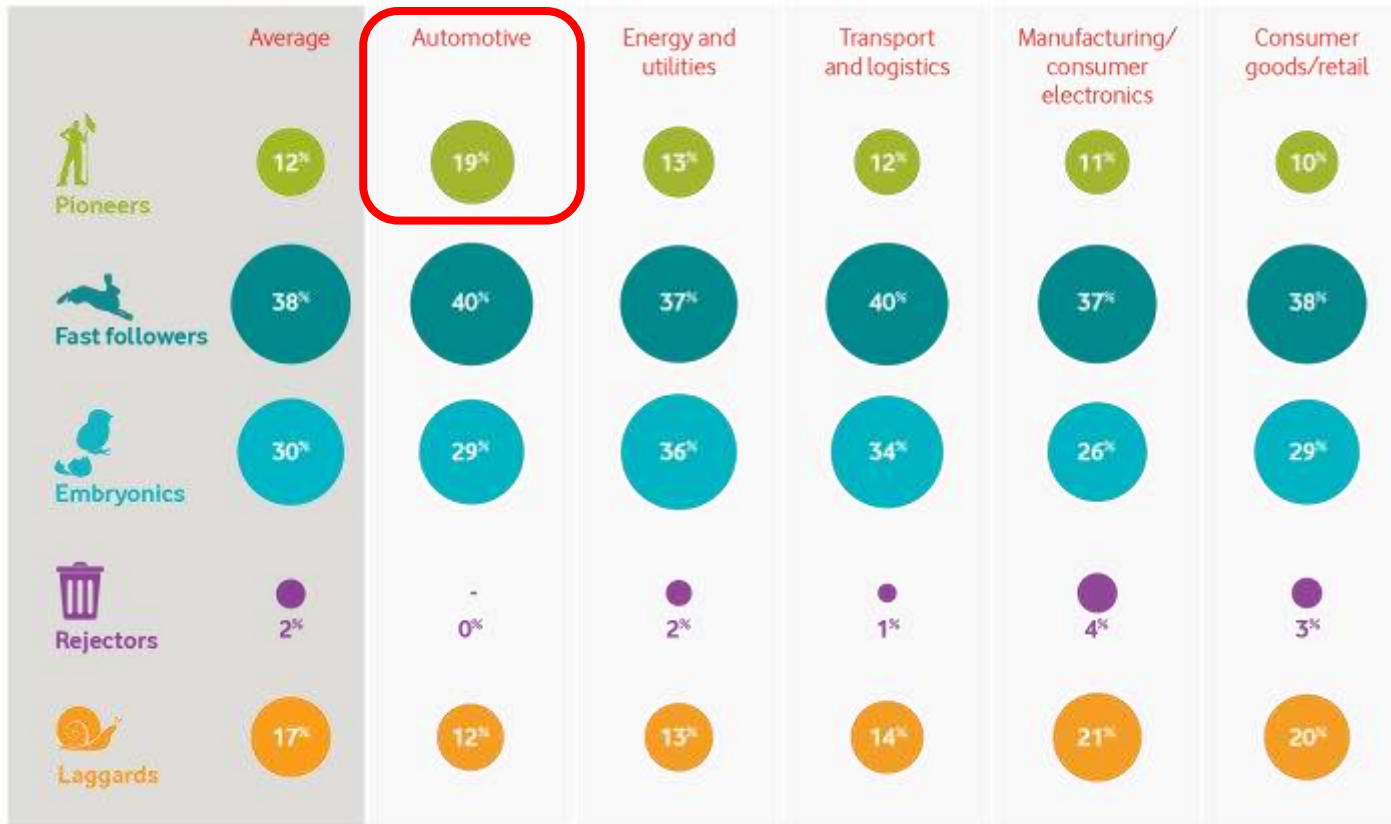
The tipping point is just around the corner



More than half of businesses will have some M2M solution in place by 2015.



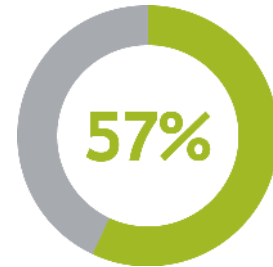
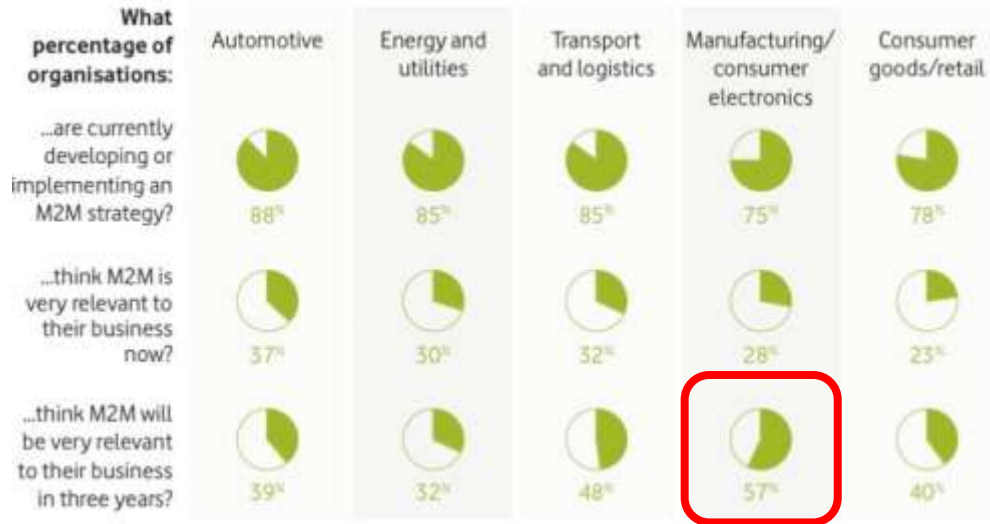
Automotive edges ahead today



Automotive has nearly twice the share of pioneers as consumer electronics.



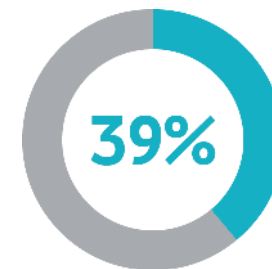
Manufacturing and consumer electronics is a long-term bet



More than half of manufacturing and CE respondents see **M2M** as relevant by 2016.



Smaller organisations are a big growth target



of large organisations are still considering their plans — **small firms are much closer to launch**





3

**What are buyers' drivers
and barriers?**



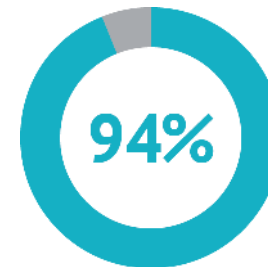
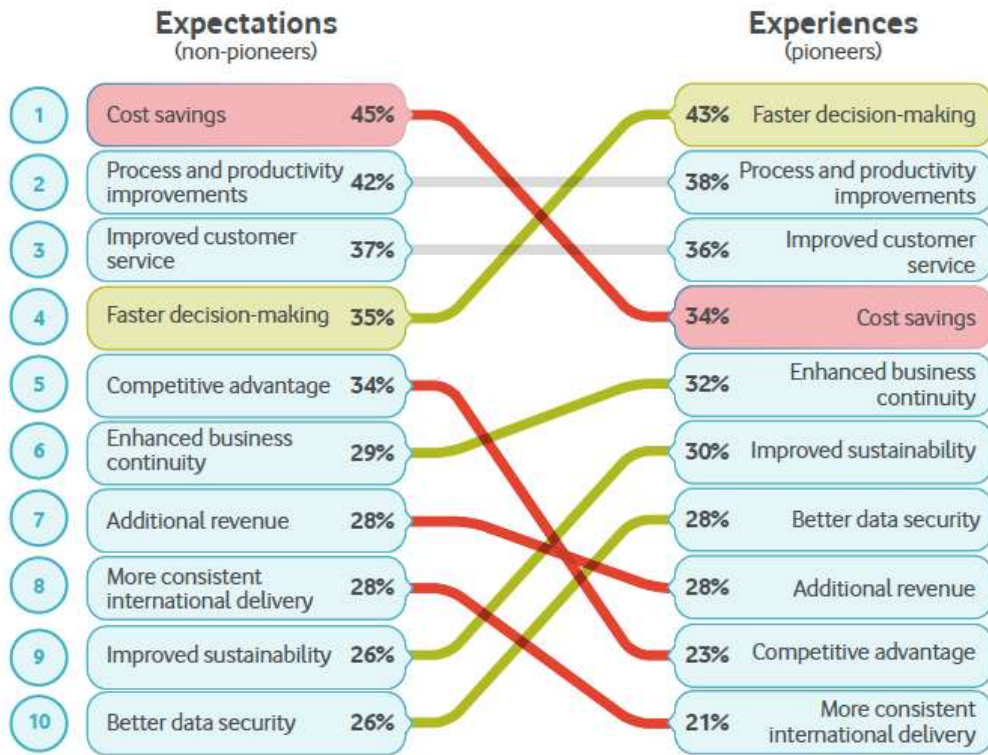
Cost savings and process improvements are top goals



Businesses identified many **objectives** — improving processes is expected **to reduce costs and raise productivity**.



Expectations vs realities



of businesses see some return from M2M — but not always where they expect.

Cost savings isn't the top result, despite being the top goal.





4

Catching the growth

Growing up the value chain

Vodafone's M2M end-to-end solution



Vodafone combines technical hardware expertise, managed connectivity and software applications to offer an end-to-end, single point of contact solution for M2M capacity

Hardware/device

- Device and connectivity – bundled offering
- Partnerships with device vendors



Managed M2M connectivity service

- Network
- Global SIM
- Logistics
- Global M2M platform
- SLAs
- Customer support



Applications

- Asset tracking
- Smart metering
- Telematics
- Fleet management
- Remote monitoring





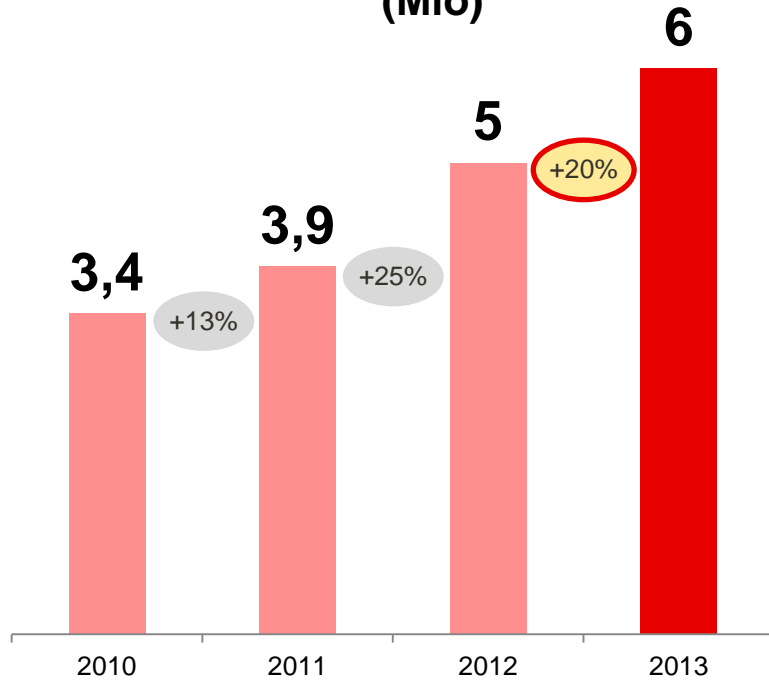
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**How about the
Italian market?**

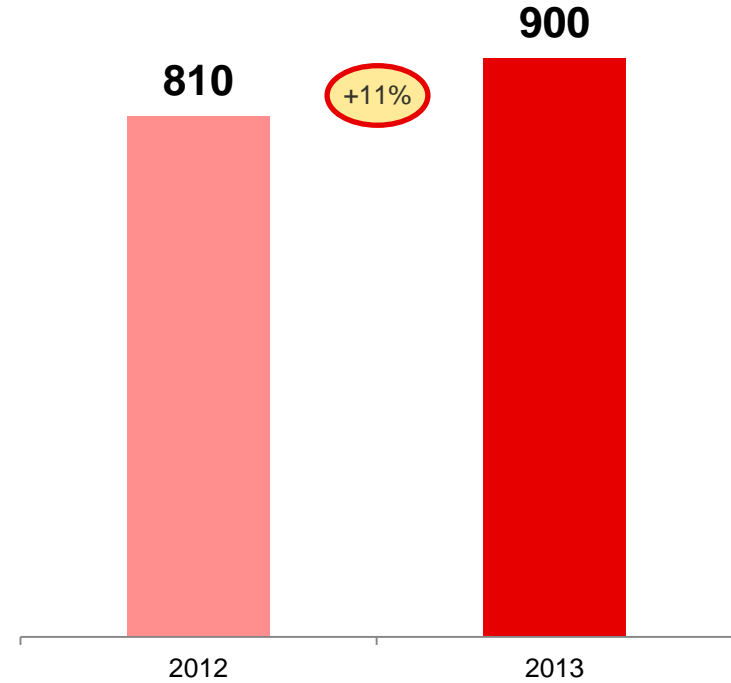


The Italian market

Number of connected devices
(Mio)



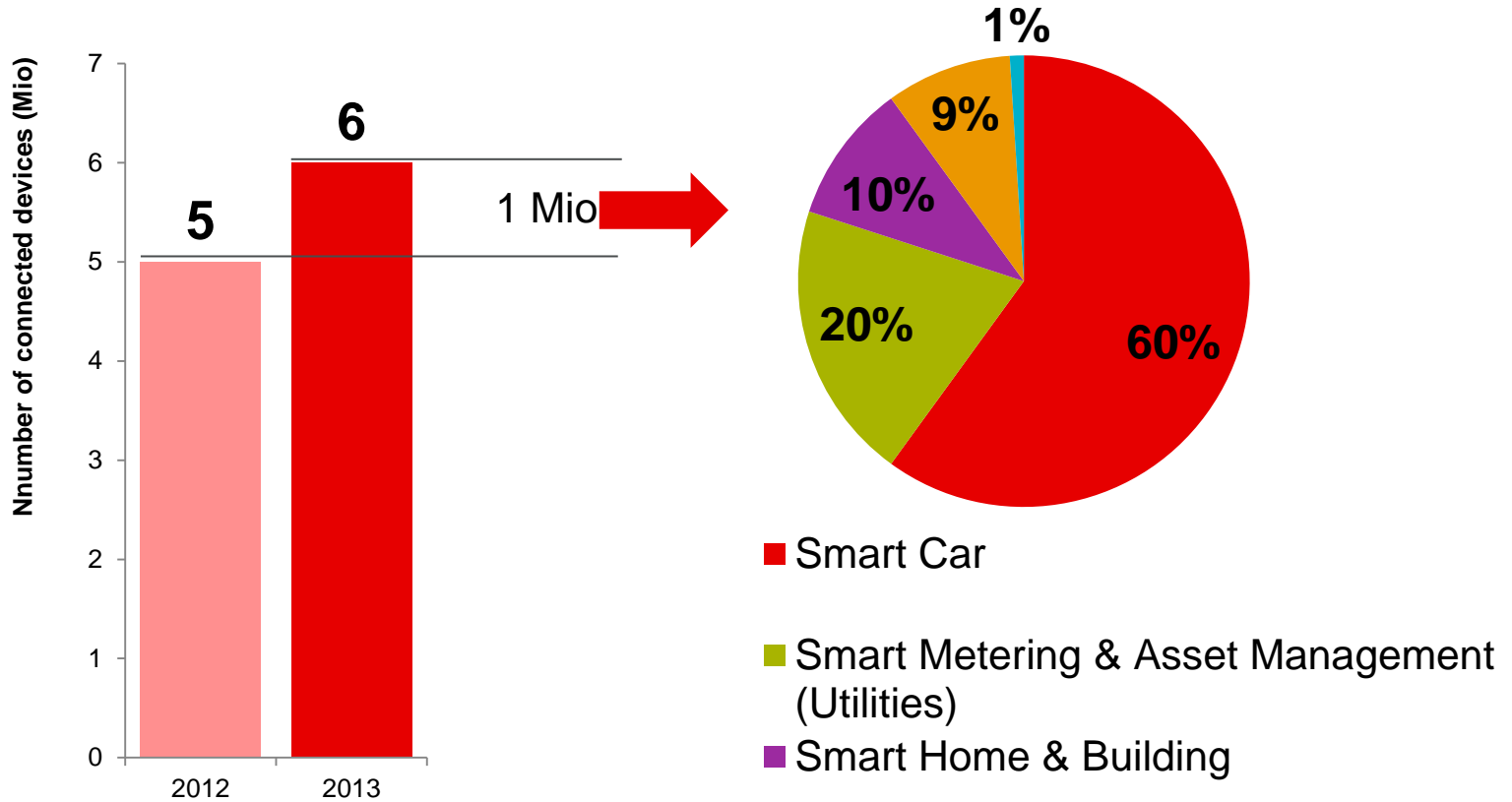
Revenues (€M)



source: MIP, Osservatorio "Internet of Things" 2013



The main growth contributors





An excellence in Smart Car: OCTO

OCTO

The reliable way

Federico Santini
Chief Operating Officer

Octo at a glance ...

Octo is the global brand leader in providing insurance telematics services as well as pioneering applications in motor rental and fleet management, car manufacturing, governmental sectors and a fast growing range of specialist applications. Founded in 2002 Octo is the largest Insurance Telematics provider in Europe and with **122** worldwide Insurance partners, Car Markers and Rental companies.

11 years of flawless execution in the Insurance Industry

Over **2.5 millions** active vehicles

110 billions data points

72.000 data points recorded, processed and stored every minute.

Up to **151.000** new customers/month

33 TB of data

13 millions of km of traffic / hour

7,3 millions of accumulated driving history



OCTO



Vodafone e Octo

- **Octo Telematics Business Model**
- **L'esigenza di una unica soluzione utilizzabile in ogni paese**
- **Capacità tecnologica e di gestione dei volumi**
- **Pricing**





Thanks!