

## INCREASED INTERNAL EFFICIENCY, NOT CONSUMER DEMAND, WILL BE THE GREATEST BENEFIT OF MOBILE COMPUTING, SAYS A NEW REPORT FROM THE ECONOMIST INTELLIGENCE UNIT AND INFOSYS

October 31, 2001 -- A new research report on mobile computing from the Economist Intelligence Unit, and Infosys Technologies Ltd, finds that internal efficiency, rather than customer demand, is the greatest driver of mobile computing investments. In the survey, 60 percent of respondents report that increasing the efficiency of business processes is the main driver of their mobile computing plans. By contrast, only 31 percent cite customer pressure.

"We believe that mobile computing will indeed create value, but not in the area that most assume. To date, it has been the prospect of selling directly to customers over mobile devices that has fuelled the most excitement. However, our research has found that most companies will derive the greatest benefit from using the technology to become more productive," says Don Durfee of the Economist Intelligence Unit, editor of the report.

The report, **Mobile Computing: Uncovering the Real Value**, looks at the future of wireless technology in North America and Europe and explores how companies should incorporate it into their operations. The report draws on survey responses from 172 senior executives in retail and financial services companies (these two industries were chosen because they are early users of mobile computing), 22 in-person interviews as well as peer group meetings in New York and London.

### Other key findings of the report are:

**Mobile computing is a growing priority.** One-fifth of survey respondents say that mobile computing is a top priority today, while 86 percent believe that within three years it will be vital. The challenge will be to focus wireless investments on areas that will yield the greatest benefit. **Companies expect significant cost savings.** Financial service respondents expect mobile technology to increase e-business savings by 15 percent in the next three years, while retailers expect an increase of 14 percent. North Americans are more optimistic than Europeans, expecting 16 percent savings compared with 12 percent.

**Alliances will be an essential component of a mobile strategy.** Sixty-one percent of those who view mobile computing as a priority say that alliances will be highly important or essential. These partnerships will be used mostly to gain access to technological expertise, to develop new products and services and to share costs.

**Mobile computing will transform customer relationships.** Although customer pressure for wireless services is not yet strong, around 75 percent of respondents believe that within five years mobile computing will make their companies more responsive to customer needs.

**Mobile initiatives should be integrated into the corporate structure.** When companies spun off e-business operations in the 1990s, most found that they missed the opportunity to integrate the Web into the parent company's operations. However, few plan to let this happen with mobile computing - in fact, only 24 percent of respondents believe that wireless technology calls for a separate unit within the company.

"Mobile computing is not an end in itself. Rather, like the Internet, it is a helpful tool that will make many of a company's current activities easier and better," says Jan DeSmet, vice president of Infosys business consulting services. "With the right application, mobile computing has the potential to change the very nature of a company: It will streamline and improve the productivity of the workforce;

produce efficient business processes that bear little resemblance to those of today; and improve the way companies reach and service consumers.

**Mobile Computing: Uncovering the Real Value** also reports on the present and future applications in the retail and financial services industries, and the challenges of adoption including security, ease of use and cost. In addition, case study examples from industry leaders such as Williams Sonoma and Charles Schwab along with comments from JP Morgan, ING Group, Barnes & Noble, Texaco and many others are included in the report.

Mobile Computing: Uncovering the Real Value is available from the Economist Intelligence Unit on +44(0)20 7830 1007 or direct from our online store at [www.store.eiu.com](http://www.store.eiu.com) PRICE: US\$495/£295

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