SUMMARY

Appcelerator surveyed 770 enterprise leaders, ranging from CEOs and CIOs to Mobile Application Development Managers, from November 15 - December 1, 2012 on their perceptions about current debates in mobile, social, and the cloud, as well as their development priorities. In this first Mobile Enterprise Report from Appcelerator, we enable enterprises to compare their mobile investments with those of their peers, and to understand major mobile trends emerging in the enterprise.

Our mission with this survey is to provide a report on the state of the mobile enterprise and to identify the most important mobile initiatives that are transforming businesses, in order to forecast where organizations will prioritize their mobile investments in 2013.

MOBILE PREDICTIONS 2013

87% of enterprise respondents predict that more mobile applications will be developed than new desktop applications
Enterprises predict that 2013 will be the year when the number of new mobile applications will surpass the number of new desktop applications.

None of the major traditional IT and software vendors are showing leadership in mobile.

While most enterprises have cleared the first mobile application hurdle, the majority are still targeting to build 5 apps or more in 2013.

Enterprises view mobile apps as transformative and believe they will have substantive impact on:

- Customer and employee relationships
- The enterprise's ability to compete
- Top line revenue growth
- Bottom line asset efficiency

2013 will be the year of the cloud-connected, UI/UX-driven, employee-facing mobile app.

**KEY FINDINGS**

Mobile App Development More Important Than Desktop and Will Outpace It, Yet Mega-Vendors Unprepared

While traditional enterprise application development has been focused on the desktop and the web, 72% of enterprises surveyed think it is “likely to very likely” that mobile development will outpace web and desktop development in 2013. Moreover, 87% of respondents state that more mobile apps will be delivered than desktop apps in the next year. These findings have huge implications for the vendors that service those desktop and web applications. However, respondents stated that none of the major IT vendors are showing leadership in the mobility space.

In fact, of the top five vendors, Microsoft (as a company, not just its OS) was viewed as demonstrating the most leadership, but still only a meager 28.3% of respondents stated that Microsoft is showing leadership in mobile. The other four mega-vendors have even worse leadership perceptions in mobile, being viewed as leaders only by 15.8% for SAP, 10.8% for Oracle, 7.3% for IBM, and 4.6% for HP.

Nearly 50% of respondents believe that HP doesn’t understand mobility and 44% think that Oracle doesn’t understand the space either. We believe those vendors will have to move fast just to catch up with their customers’ needs. Our expectation is that they will continue to make acquisitions to accelerate their mobile strategies; however, piecemeal approaches, technology siloes, and individual acquisitions will not give them a comprehensive leadership position. Instead they should first articulate a strong, sustainable vision, then make the appropriate investments to execute that vision. Remaining behind in mobility will render them unable to participate in 80% or more of the application projects that enterprises will undertake in the coming years.
Of the traditional mega-vendors, who is showing leadership in the mobile technology space?

Enterprise Adoption of Mobile Apps in Early Days

While mobile apps have become ubiquitous in the consumer world, the majority of enterprises are just getting started building them. 73% of enterprises stated that they have built and launched fewer than five apps total, and of those, 38.5% have built zero apps or one app only.

When asked how many apps their company plans to build within the next year, 44.4% said they planned to create two to five apps in 2013. Adding that to the 20.1% of respondents whose companies plan to build fewer than two apps, we see that almost 65% of enterprises plan to build five or fewer mobile apps in the next year. Many of these companies that have not fully embraced mobility are at risk, particularly as their competitors are able to deliver more intimate and focused services to their customers and/or to make their employees more efficient through the use of mobile apps.

However, a small percentage of companies are showing that they are increasingly serious about their investments in mobile apps, with 10.8% of those surveyed stating that their company plans to build more than 20 apps in the next year.

Total mobile apps built and launched:

0-1 (38.5%)
2-5 (35.5%)
6-10 (11.5%)
11-20 (6.9%)
21+ (7.6%)
Mobile-first enterprises are already transforming industries as diverse as taxicabs, carwashes, and social networking.

**80% of enterprise leaders think that mobile first companies will disrupt mature industries in 2013**

Increasing numbers of enterprises are ranking mobility at the top of their technology priorities. In this enterprise survey, 55% of companies rank mobility at the top or near the top of their list of strategic priorities. When asked why mobility is such a high priority, they answer as follows:

However, despite this high prioritization of mobility and the recognition of the impact it will have on the bottom line, very few companies are actually treating it as a strategic priority. Few have established a centralized body for ideation and oversight of mobile projects. Even fewer are adding mobile-specific job titles to their payrolls.

Without investment and centralized governance, it is not very surprising that 63% of the companies surveyed believe they are behind or on par with their competition in mobile. The question an enterprise must ask is: Given the speed of growth of mobile applications (which all agree is inevitable), how long can a strategy of reactive prioritization and desperate development be viable? It is likely that these enterprises will drop precipitously behind their competition and be unable to catch up. We saw this happen with the web and are beginning to see the same trend in mobile.

### Mobile innovation is critical to the business because of:

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
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<tbody>
<tr>
<td>The opportunity to transform relationships</td>
<td>52%</td>
</tr>
<tr>
<td>The demand for better solutions</td>
<td>48%</td>
</tr>
<tr>
<td>Competitive pressures</td>
<td>42%</td>
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<tr>
<td>Increasing revenue</td>
<td>39%</td>
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</table>

### 7 mobile-specific jobs that most companies DO NOT plan to create in 2013

1. Chief Mobility Officer (95%)
2. VP of Mobility (93%)
3. VP of Mobile Apps (91%)
4. Director of Mobility (87%)
5. Director of Mobile Apps (83%)
6. Mobile Manager (79%)
7. Mobile Strategist (76%)

% = Percent of companies surveyed that have no plans to hire for these mobile-specific titles/roles

21% of companies plan to establish a MCoE but the timeline is unclear

60% of companies have no plans to establish a MCoE
Enterprises are most interested in developing applications for the iOS and Android platforms. Apple’s iOS reigns as the top platform of choice, with 80.1% of respondents “very interested” in developing for the iPhone and 79% “very interested” in developing for iPad tablets. Interest in developing for the Android platform is also high, with 64.4% “very interested” in developing applications for Android phones and 52.4% for Android tablets. HTML5 Mobile Web applications are also popular in the enterprise, with 56.1% “very interested” in developing those types of applications.

Appcelerator ran a survey of mobile developers as well, in which we asked them the same question about platform preferences. We compared the findings from this enterprise survey with that developer survey, and found that platform preferences are fairly consistent across developers and enterprises, despite slightly lower interest for Android and iOS among the enterprise respondents.

75.6% of enterprise respondents plan to build consumer-facing mobile apps across two or more operating systems, while 53.8% of respondents said they will be developing for two or more operating systems when building employee-facing apps. As consumers and employees have an increasing number of devices to choose from, the ability to build a mobile app that is available cross-platform is a must to satisfy user expectations and drive adoption.
MOBILE PREDICTIONS 2013

64% of enterprise respondents predict that mobile development projects will out number web development projects and will move primarily in-house
As with many fast-moving and transformational technologies (web, Wi-Fi, tablets, etc.), mobile app penetration has begun with consumer- and customer-facing activities, but is quickly moving into the employee realm, with 66% of respondents stating that their companies are planning to build employee-facing apps in 2013. This has a significant impact not only on the connectivity of the application and the complexity of its integrations, but also on how the enterprise will administer and secure those connections.

In the employee-facing applications built on the Titanium platform, we have seen increasing complexity, as most enterprises want to extract data from multiple back-end systems to use within the context of a single application.

In addition to connectivity, the question of how enterprises will distribute their employee-facing applications to the wide variety of different operating systems and devices they build them for (some employee-owned, others enterprise-owned) remains open, with 42% of respondents stating they will use an enterprise app store. As enterprises increasingly move to a centralized methodology for the development, delivery, security, and administration of mobile applications, we believe this app store functionality will have to be integrated into the application development platform.

What types of enterprise back-end data systems are you connecting your mobile applications to?
MOST NOT STANDARDIZING OR PRIORITIZING

We asked enterprises where the prioritization or ideation of their mobile application projects comes from. Respondents answered that 39% of the app projects are CEO- or BOD-driven, with the remainder coming from marketing, sales, and IT. However, only 25% of enterprises have a formal prioritization framework, and 21% are simply reactive. This not only exposes the enterprise to a significant amount of risk from the lack of alignment of mobile priorities, it slows down the enterprise’s ability to maintain, update, and initiate enterprise mobile application projects. Due to the importance of these application projects and their impact on the bottom line, a formalized prioritization framework and centralized governance body represent the best way for enterprises to maintain strong governance while still providing innovative applications.

LAYERS OF MOBILE SECURITY

Mobile security remains a concern, but at the moment most enterprises are concerned with the first-order problem of authentication and authorization. Ideally, mobile security embraces a holistic approach (see our mobile security white paper), even if the first problem the enterprise looks to solve is authentication and authorization for mobile apps.

What layers of security are you concerned about for mobile apps?

- **Authentication and authorization**: 79.1%
- **Data in the cloud**: 47.7%
- **Data at rest**: 35.3%
- **Data in motion**: 32.8%
- **Application code**: 29.6%
- **App distribution and management**: 29.2%
DO YOU HAVE A COMPREHENSIVE MOBILE STRATEGY?

Less than half the companies surveyed have a comprehensive mobile strategy, despite their above-mentioned reasons for investing in mobility.

44% have a comprehensive mobile strategy

22% are unclear on the business case for one

30% lack the time or resources

We asked those enterprises what the biggest obstacles are to creating and implementing a mobile strategy. The responses were not surprising:

54% Resources

41% Lack of tech standards

26.5% Lack of clear direction or strategy

Qualified mobile leaders, particularly those with a lot of experience in implementing mobile strategy within enterprises, are quite scarce, as are developers, architects, UI experts, and other technologists. However, an enterprise cannot ignore this staffing requirement. Ideally, technologies that provide centralization, consistent application development practices, and lifecycle management will enable those limited human resources to be stretched further. The first steps in this process are to identify the strategy that will accomplish this and to create a centralized body to implement it.

6 OBSTACLES TO ENTERPRISE MOBILE SUCCESS

54.3% Resourcing mobile efforts

40.9% Lack of technology standardization

26.5% Lack of clear direction or strategy

24.9% Integration with enterprise data

14.4% Limited goals

14.2% Mobile efforts are decentralized

MOBILE PREDICTIONS 2013

81% of enterprise respondents predict that traditional companies in mature markets will be disrupted by mobile-first startups
ABOUT THE APPCELERATOR Q1 2013 MOBILE ENTERPRISE REPORT

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ABOUT APPCELERATOR

Appcelerator is the leading mobile development platform of choice for thousands of enterprises including eBay, Merck, Mitsubishi Electric, NBC, PayPal and Ray-Ban, as they become mobile-first organizations. With more than 50,000 mobile applications deployed on 100 million devices, Appcelerator’s award-winning open source development platform, Titanium, and Appcelerator Cloud Services are used to create native apps across multiple devices including iOS, Android, Windows and BlackBerry, as well as hybrid and HTML5 mobile web. Customers who standardize on Appcelerator’s solutions get to market 70 percent faster and achieve a significant competitive advantage. Appcelerator’s worldwide ecosystem includes 400,000 mobile developers and hundreds of ISVs and strategic partners including SAP and Cognizant.

For more information visit www.appcelerator.com

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