



## How Industry Analysts View the Changing Tech Marketplace

April 19, 2012  
By Jeff Kagan

While it is true that every company, large and small, is at risk as the market changes, the other side of that coin is great opportunity. Right now, every company faces both enormous risk and enormous opportunity. To lead as the marketplace transforms itself again is a rare opportunity, but that opportunity is here once again.

Just like 10 years ago, and then again five years ago, the technology industry is changing. That means companies are enjoying new opportunities and wrestling with new challenges. Only some will win. I'll offer my perspective as an analyst on who is winning, who is losing and why. I believe you will find this column both interesting and valuable.

Let me explain my angle on this industry. I have been an analyst for more than 25 years. I am also a consultant for many different companies that want me both to watch and understand them, as well as help them understand the changing marketplace.

Over the years, I have worked with many wireless and local and long-distance telephone companies; cable and satellite television companies, Internet service providers, mHealth firms, and other assorted tech companies. This mix has helped me develop a unique insight into changing industry dynamics. Executives, analysts, PR reps and advertising agents regularly keep in touch with me to make sure I understand the direction they are heading. I try to stay on top of the shifting ground we call the changing industry as I share my thoughts and opinions through my speeches, columns and so on.

Companies of all sizes compete to get the attention of analysts and the media. They try to punch their way into the marketplace in many ways.

### **The Wave**

Every company wants to be a leader -- a key player as well as a competitor. That's why companies generally want analysts and the media to follow them. It helps them with marketing and building brand awareness. It also helps them understand the continually shifting sands of the marketplace.

Over time, we all have learned that some companies and sectors are growing and healthy, while others are declining. I call this "the Wave." Staying on the right side of the growth wave is key to every company's good health.

I have learned that everyone has an individual barometer for measuring the health of companies and the industry.

As I travel, meet with industry executives and speak at meetings. Some have always said things are getting better, while others have disagreed. That typically means some are on the growth side of the wave, while others are on the declining side.

Recently, however, I have been hearing much more consistently good news. Most executives and companies I have been talking with have expressed that things are getting stronger. Yes things are different, but they are stronger as well.

My personal barometer has been pretty accurate over time. It is based in part on how many calls I get from executives and companies wanting to get on my radar. In recent months, my phone and email have been getting busier. Good news?

I wanted to know if this was a wider industry trend. Did other analysts see this same uptick as well? So I asked.

### **'Everyone Is at Greater Risk'**

Rob Enderle, principal analyst with the [Enderle Group](#), said "most all of the metrics I'm seeing right now are pointing up. The overall trends are looking very positive."

That sounds good, but "we are also clearly at the front end of a massive change," continued Enderle. "We go through these nearly every decade where the market leaders fall and are replaced by either different companies or rapidly growing new entries. So from a macro point of view -- better, micro -- everyone is at greater risk during a massive market change."

Rob and I have plenty in common. We both cover tech broadly, talk with the media on a daily basis, share our opinions, and follow quite a range of companies and technologies in the space.

I have to say that I fully agree with what Rob has said, and want to add one more thing.

While it is true that every company, large and small, is at risk as the market changes, the other side of that coin is great opportunity.

Right now, every company faces both enormous risk and enormous opportunity. To lead as the marketplace transforms itself again is a rare opportunity, but that opportunity is here once again.

As an example, just look at how Apple transformed the music industry 10 years ago with the iPod, then the smartphone business five years with the iPhone, and now the computer business with the iPad.

Apple TV and Google TV are coming, which will challenge cable TV companies like Comcast, Time Warner and Cox. They will also challenge competitors like satellite television and IPTV -- including AT&T U-verse and Verizon FiOS.

Google, Facebook and countless others are also creating brand new segments.

Many of these companies started small just a few short years ago and are now giants. Others have been around for a while but have successfully shifted and have now become giants.

The same incredible opportunity is upon us once again. Are we ready?

Keep your eyes open for the small companies with great ideas that will start to pop up out of nowhere trying to punch their way into the marketplace -- or existing companies changing their strategy 🚗 and direction.

I am. In fact, I am getting many calls from company executives going to the upcoming [CTIAWireless 2012](#) show who want to introduce themselves to me.

### **'Ubiquitous Access to Information'**

On the other side of the same coin are companies on the declining side of the wave.

Companies like RIM and Nokia are two examples. Five years ago, they led the wireless handheld space. Today, they struggle against Google and Apple. The entire wireless space has completely reinvented itself in just a few short years and is getting ready to do so again.

Ten years ago, companies like AT&T and Verizon led the growing local phone business. Now that business is struggling with wireless and VoIP competition. New competitors like CenturyLink and Windstream are now part of this game as well. These two names are new to many. Which side of the Wave are they now on? Will they lead or follow in the transforming industry?

There are countless companies we will have to get familiar with as the marketplace transforms itself once again.

Charles King of [Pund-IT](#) Research told me, "I hesitate to roll out an old chestnut from the dot-com era, but I think we're seeing a convergence of multiple kinds of data and information across multiple platforms that is having a profound effect on consumers and businesses.

"This has happened before," King continued, "as specific technologies like PCs, laptops, Internet access and broadband became widely available, accessible and affordable. The key point this time around is how high-speed wireless technologies are enabling essentially ubiquitous access to information, including multimedia."

There are plenty of other analysts I will talk with, like Iain Gillott of iGR, Duncan Chapple of Lighthouse Analyst Relations, Ray Wang of Constellation Research, and many more. As I talk with them, I will share their thoughts with you -- so stay tuned.

### **The Revolution Is Here**

We've been through several peaks and valleys over the last 25 years, and we'll likely go through just as many in the next. It's the nature of the beast.

Companies are waking up and jumping onto this new Wave of opportunity. Others will do so during the next few quarters.

Remember, we will see both growing and shrinking sides of the Wave in the marketplace at the same time. Both sides are still active in the business. So depending on whom you ask, you may get two completely different opinions on the growth of the industry.

In fact, the same company can often participate in both sides of the industry at once -- like AT&T and Verizon. They compete both in the fast-growing wireless and Internet and television side and the declining telephone side.

So it often depends on whom you ask. Which side of the company do you talk with when you want to take the temperature of the growing and changing industry? Judge wisely.

That is part of what I like to discuss with the media so they have a better understanding of the changing industry. And it is changing.

This is an exciting time that happens once a decade. Are you ready? Another once-in-a-decade opportunity is beginning.

One piece of advice: Get ready for the next big revolution that is getting ready to roll across this industry and transform everything once again. Don't blink. It has already begun.

My Pick of the Week is the rollout of AT&T mHealth Solutions' [WellDoc.com DiabetesManager](#) mobile technology.

I wrote about WellDoc.com about a year ago, but now it is working with AT&T Mobility to bring its new technology to the next level.

The pace of these advancements seems slow, but WellDoc.com is heading in the right direction.

This DiabetesManager helps members better manage their diabetes health and healthcare costs. It is the first mobile health solution cleared by the FDA. Check it out.

Congratulations AT&T, AT&T Mobility and WellDoc.com on this advancement in healthcare technology. Tomorrow looks even better than today.