



IDC MarketScape

IDC MarketScape: Worldwide Mobile Application Development, Testing, Management, and Infrastructure Services 2014 Vendor Assessment

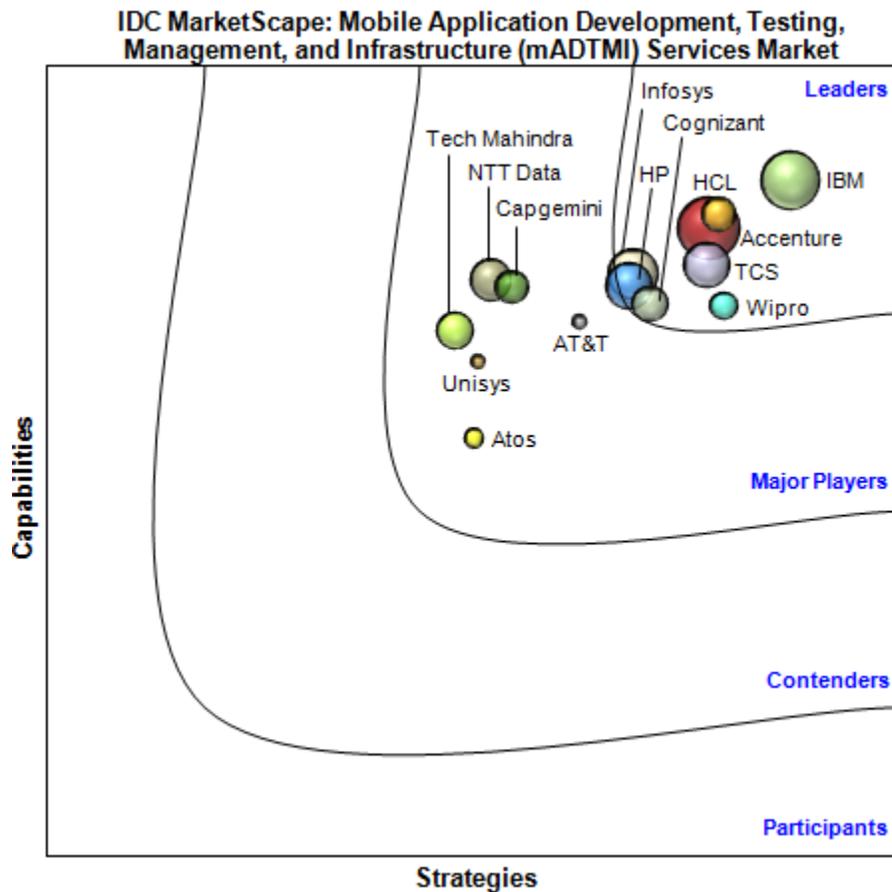
Peter Marston

This IDC MarketScape Excerpt features: IBM

IDC MARKETSCOPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Mobile Application Development, Testing, Management, and Infrastructure (mADTMI) Services Vendor Assessment



Source: IDC, 2014

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape Worldwide Federated Identity Management and Single Sign-On Vendor Assessment (Doc # 247097). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

Using the IDC MarketScape Model, IDC compared 14 organizations that offer mobile application development, testing, management, and infrastructure (mADTMI) services to enterprise-class firms. IDC found significant similarities between the players, and through more than 28 customer interviews, IDC learned that all providers possess the necessary capabilities to suit enterprise customer needs for mobile application services. Digging more deeply and granularly in the evaluation against 117 criteria, IDC found that each provider possesses some unique sets of strengths and weaknesses when compared with its peer group. At a high level, the major differences centered on their strategies in the next two to three years. At a more discrete level, the major differences between the players centered on use of modern and traditional technologies as well as levels of automation to deliver their services. As a result of IDC's evaluation, IDC found a tightly knit group of Leaders with Accenture, Cognizant, HCL, HP, IBM, Infosys, Tata Consultancy Services (TCS), and Wipro earning leadership stripes. A large group of Major Players consisted of AT&T, Atos, Capgemini, NTT Data, Tech Mahindra, and Unisys. With the tsunami of mobile application activity surging through most enterprise organizations, buyers certainly face complex choices in selecting a vendor to partner with. However, despite those complexities in vendor selection, enterprise-class firms purchasing mobile application services have plenty of options.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

IDC collected and analyzed data on 14 service providers within its 2014 mADTMI IDC MarketScape assessment. While the market arena for mobile application services is vast and there's an abundance of suppliers that offer mobile application services in application development, application testing, application management, and application infrastructure, IDC narrowed down the field of players that participate in the mobile application services market based on the following criteria:

- **Multifunctional services capability across mobile application life cycle.** Each service provider was required to possess full-service delivery capabilities including and spanning mobile application development, testing, management, and infrastructure.
- **Revenue.** Each service provider was required to have 2012 total revenue in excess of \$20 million.
- **Geographic presence.** Each vendor was required to have services delivery capability (i.e., feet on the ground) in the Americas, EMEA, and APAC.
- **Completed mobile application projects to date.** Each vendor was required to have completed at least 25 mobile application projects before 2013.
- **Global head count and regional minimum criteria.** Each vendor was required to have a minimum of 200 mobility services professionals worldwide, with at least 20 professionals in each of IDC's three macroregions: the Americas, EMEA, and APAC.

ESSENTIAL BUYER GUIDANCE

The mADTMI services market continues to be highly fragmented, pervasive, and evolving. The variety of technology stacks seems to grow annually, and mobile device manufacturers are constantly upgrading their hardware and operating systems to meet consumer demands of performance, reliability, and usability. All of these elements can be both a blessing and a curse. The constant change forces service providers to make strategic decisions and investments on what service offerings to focus on and what expertise their resources should possess, while buyers face similar investment decisions on which technologies help enable agility, which ones offer flexibility, and which ones best support business needs over the short and long terms.

With a growing set of suppliers in the mobile application services markets, buyers face complex choices in selecting a third-party service provider to support their mobile application life-cycle initiatives. Added to the complexities of increased suppliers, the pace of technology change can undermine buyer organization financial objectives of keeping costs low and operating margins in check. As a result, IDC suggests buyer organizations:

- **Think about mobile application service provider relationships over the long haul.** Before engaging with a service provider to begin discussions over a mobile application development project, buyers need to think long term about their service provider relationship. Increasingly, IDC witnesses buyer organizations looking to streamline the number of vendors they utilize (see *2014 U.S. Outsourced-Managed Cloud Services Buyer Study*, IDC #246991, February 2014). While buyers shouldn't consolidate their vendors down to one, they should evaluate an optimal mix that avoids disrupting ongoing operations. In conversations with buying organizations over lessons learned about their mobile application projects, many buyers shared perspectives that their projects were ongoing, and not simply one or two project phases to complete the application. Instead, building application functionality was a continuous process that spanned multiple years and multiple application releases. To this end, buyers of mobile application services shouldn't approach the strategy and selection process as a onetime exercise. Rather, they should think about the longer-term relationship and vendor positioning as an asset within their organization for a multiyear relationship.

- **Align mobile application needs with provider strengths.** Key to ensuring a successful mobile application rollout is understanding your organization's needs for mobile. While there certainly are several examples of organizations going through a trial and error process with mobile applications to discover what they need, those organizations quickly learn that application funding dries quickly unless some sort of business value wrings from mobile applications. As such, buyer organizations should first outline business goals and objectives with mobility before developing their first mobile application. Based on initial goals and objectives definition, buyer organizations can begin to define and dissect deeper-level requirements to what the applications need to do to support their business processes as well as build a requirements framework where buyers can begin to size and understand the complexity of their application development initiative. From there, buyers can determine where they may have capabilities to execute their goals and where they may need to complement those capabilities with third-party expertise to reach their ultimate mobility objectives.
- **Keep vendors down to a shortlist.** As evidenced through this evaluation, there are plenty of service providers that offer enterprise-class mobile application services. And honestly, delineating among the strengths and weaknesses of each provider is highly involved and significantly complex because they all possess similar capabilities. Avoid complicating the selection process with vast amounts of vendors. It wastes your time and the vendors' time. To ease the selection process, focus vendor procurement on a distinct few providers and narrow providers down to criteria focused on delivery capability, forward-looking strategy and, most importantly, cultural fit with your organization.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of one vendor's strengths and opportunities.

IBM

IBM's capabilities and forward-looking strategy positioned the service provider as a Leader in the mADTMI services IDC MarketScape.

Strengths

IBM showcased key strengths against IDC's delivery model appropriateness and execution, training and knowledge sharing, range of services capabilities, innovation/R&D pace and productivity, employee management, and customer satisfaction criteria. More specifically, IBM achieved high scores for its global delivery capability and the use of mostly commercially available tools to build, test, and manage mobile applications. IDC found that IBM dedicated more portions of overall project time teaching and coaching clients on their newly developed mobile apps. Separately, IBM's percentage of mADTMI services resources with business requirements gathering, analysis, and definition skills outweighed the competitor peer group average. The percentage of user experience personnel with creative design and information architecture skills was higher than the competitive peer group average too. Additionally, IBM earned high marks for its high level of R&D investment in mobility services, as well as IDC's customer satisfaction ratings. In customer interviews, IDC learned that customers held IBM in high regard over its technical expertise in mobile, global scale, and flexibility to work with the

client's application development methodology (e.g., agile, waterfall, hybrid). Other remarks of vendor strengths centered on IBM's professionalism, punctuality, customer service, and overall project management capabilities.

Challenges

Overall, IBM fared well against the 117 IDC MarketScape criteria. However, one area where the company was on par with most of its competitors was its level of investment in marketing for mobile application development services. A few key competitors are investing upward of 20% of their mADTMI services SG&A into marketing to increase awareness of their capabilities and capitalize on the surge in mADTMI services growth opportunities. While IBM's level of investment in marketing isn't small by any means, limited marketing investment could adversely affect target growth geographies that are outside of IBM's traditional geographic presence.

APPENDIX

Reading an IDC MarketScape Graph

The mADTMI services IDC MarketScape vendor assessment represents IDC's opinion on key vendors that not only possess the key capabilities today to serve customer needs in mobile application development, testing, management, and infrastructure services but also possess the strategies to serve evolving customer needs in the next few years. As part of the IDC MarketScape model, IDC defines measures for success by two primary categories:

- **Capabilities.** Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well it is aligned to customer needs. The capabilities category focuses on the capabilities of the company and services today. In this category, IDC reviews how well a vendor is building, pricing, positioning, and/or delivering services capabilities that enable it to execute its chosen strategy in the market. On the y-axis, a position toward the top (north of center) indicates a strong set of differentiated capabilities to be successful in today's market.
- **Strategy.** Positioning on the x-axis, or strategy axis, indicates how well the vendor's future strategy aligns with what customers will require in the next few years. The strategy category focuses on high-level strategic decisions and underlying assumptions about road maps for service offerings, customer segmentation, business, and go-to-market plans for the next few years. In this category, IDC reviews whether or not a vendor's strategy in various areas are aligned with projected customer requirements. On the x-axis, a position toward the right (east of center) indicates a strategy that is not only well aligned with customer requirements but also agile and differentiated from the pack.

The IDC MarketScape figure (refer back to Figure 1) shows each vendor's position in the vendor assessment chart. Vendor market share is represented by the size of the circles.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and

interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Scoring Scale Criteria and Definitions

IDC's application outsourcing survey, conducted in 4Q13, helped shape many of the scoring scale criteria and definitions in the mADTMI services IDC MarketScape. The study probed buyers on maturity levels, interests, and preferences for a variety of mobile application services. The survey findings highlighted several key areas where buyers expect mobile application service providers to possess and excel at a range of capabilities, and IDC utilized that survey data to help structure and shape evaluation scoring. Additionally, results of the survey also influenced criteria weightings for various categories reviewed in the evaluation.

Service Provider Customer Interviews

As part of this IDC MarketScape, IDC conducted interviews with vendor-provided client references. IDC utilized these customer interviews to learn about the customers' project backgrounds, how customers approached the service provider selection process and what critical criteria they used to select their vendor, what sort of results customers were able to generate from their mobile applications, what lay ahead for their mobile applications, key lessons learned, and what customers felt were the differentiating and key strengths their chosen mobile application service provider possessed. IDC then leveraged the results of the interviews to establish weightings that were most meaningful to the customers.

Weightings

Criteria weightings used in this IDC MarketScape were sourced and derived primarily through the 28 customer interviews. Customer interviews revealed roughly 101 aggregate criteria that customers cited as critical in their selection processes. IDC distilled and consolidated the criteria into 13 categories and weighted criteria based on volume of responses within the 13 categories across the IDC MarketScape Model.

This mADTMI assessment is designed to evaluate the characteristics of each firm and each firm's global presence in terms of head count and share of their revenue coming from IDC-defined macroregions. Many specialty technology services organizations as well as traditional consulting services firms compete in various elements of the mADTMI services market. As such, this evaluation is not an exhaustive list of the players to consider for a particular project in each and every phase of the mobile application development life cycle. Instead, this evaluation reviews the primary players that offer capabilities spanning the development, testing, and management of mobile applications, as well as the associated infrastructure services that are part of executing a mobile application delivery. Factors like business and information technology (IT) objectives, business and IT requirements, and the business and IT culture of an organization play integral roles in determining which firms should be considered as potential candidates for a mobile application services engagement, as well as a longer-term application outsourcing agreement.

Market Definition

Mobile Application Development, Testing, Management, and Infrastructure Services

Mobile application development, testing, management, and infrastructure services are professional services activities around building and operating mobile applications for buyer organizations. It is the delivery of application construction services to customers aimed at developing mobile applications to support business functions and needs and can be broken down into the following areas:

- **Mobile application development services.** These professional services revolve around the use of third-party services to build mobile applications. This includes the range of activities involved in defining customer application requirements, translating requirements into technical application functionality through user experience design and creative design concepts, developing a technical architecture schematic and design for the mobile application based on design and business requirements, and ultimately engineering the mobile application.
- **Mobile application testing services.** These professional services revolve around the use of third-party services to test mobile applications across areas like application functionality, security, performance, mobile device operability, integration, and usability. Services can span and include test planning and advisory, test scope definition, test case development, test case execution, testing/quality assurance process remediation, regression testing, system testing, environment testing (including cloud), end-to-end testing, user acceptance testing, automation testing, and other testing areas.
- **Mobile application management services.** These professional services revolve around the use of third-party services to manage and operate mobile applications on a 24 x 7 basis. This includes activities related but not limited to: ongoing application maintenance, upgrades/modernization, and functionality enhancements.
- **Mobile application infrastructure services.** These professional services revolve around the use of third-party services to build and set up the application environments where mobile applications reside and operate.

Exceptions and Exclusions

Mobile application development, testing, management, and infrastructure services exclude all of the consulting and advisory activities defined under enterprise mobility consulting and systems integration services. As such, this study does not assess the IT consulting or systems integration components of enterprise mobility life-cycle services.

LEARN MORE

Related Research

- *Application Outsourcing Trends – How to Win Next-Generation AO Deals* (IDC #247173, March 2014)
- *Atos Frames Strategy for North American Growth* (IDC #244547, November 2013)

- *Worldwide and U.S. Application Management Services 2013-2017 Forecast Update: November 2013* (IDC #244361, November 2013)
- *Worldwide and U.S. Custom Application Development Services 2013-2017 Forecast Update: November 2013* (IDC #244470, November 2013)
- *Accenture 2013 Analyst Conference: Analytics, Cloud, and Mobility Catalyze Accenture's Future for Application Development and Application Management* (IDC #244278, November 2013)
- *Capgemini: Driving to the Future But in Need of a More Definitive Path* (IDC #243173, September 2013)
- *Infosys' Pursuit for Relentless Innovation* (IDC #242973, September 2013)
- *Worldwide and U.S. Application Management Services 2012 Vendor Shares: IDC's Top 10 Vendors* (IDC #242298, July 2013)
- *Worldwide and U.S. Discrete Testing Services 2013-2017 Forecast: Cloud and Mobility Drive Growth* (IDC #241998, July 2013)
- *Tech Mahindra: Enabling the Digital Enterprise in a Connected World* (IDC #241645, July 2013)
- *Unisys: Putting Focus on Driving Customer Transformation, But Challenges Remain* (IDC #241514, June 2013)
- *Worldwide and U.S. Application Management Services 2013-2017 Forecast* (IDC #240686, April 2013)
- *Worldwide and U.S. Hosted Application Management Services 2013-2017 Forecast* (IDC #240680, April 2013)
- *Worldwide and U.S. Custom Application Development Services 2013-2017 Forecast* (IDC #240678, April 2013)
- *Will HP See a Comeback for Custom Application Development, Hosted Application Management, and Application Management Services?* (IDC #240677, April 2013)

Synopsis

This IDC study represents a vendor assessment of providers offering enterprise mobile application development, testing, management, and infrastructure (mADTMI) services through the IDC MarketScape model. The assessment reviews both quantitative and qualitative characteristics that define current market demands and expected buyer needs for mADTMI services. The evaluation is based on a comprehensive and rigorous framework that assesses how each vendor stacks up to one another, and the framework highlights the key factors that are expected to be the most significant for achieving success in the mADTMI services market over the short and long terms.

"The surge of mobility continues to engulf enterprise activities when it comes to applications. Many early adopter organizations of mobile applications have achieved business benefits from their mobile applications, and a frenzy has ignited other organizations to mobile enable their business applications to enhance employee productivity, enhance customer service, and reduce activity costs." – Pete Marston, research manager, Application Development, Testing, and Management Services (ADTMS)

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For more than 48 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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