ANDREESSEN HOROWITZ

MOBILE IS EATING THE WORLD

BENEDICT EVANS
@BenedictEvans
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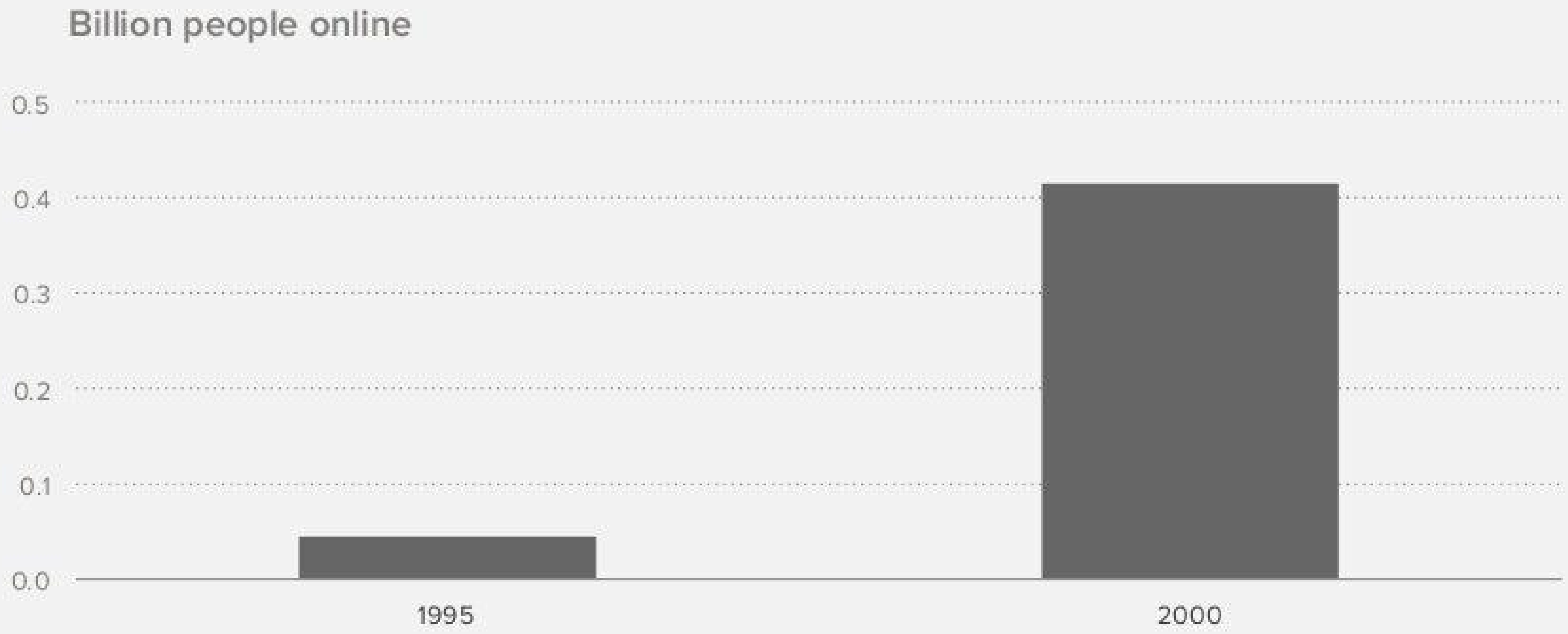
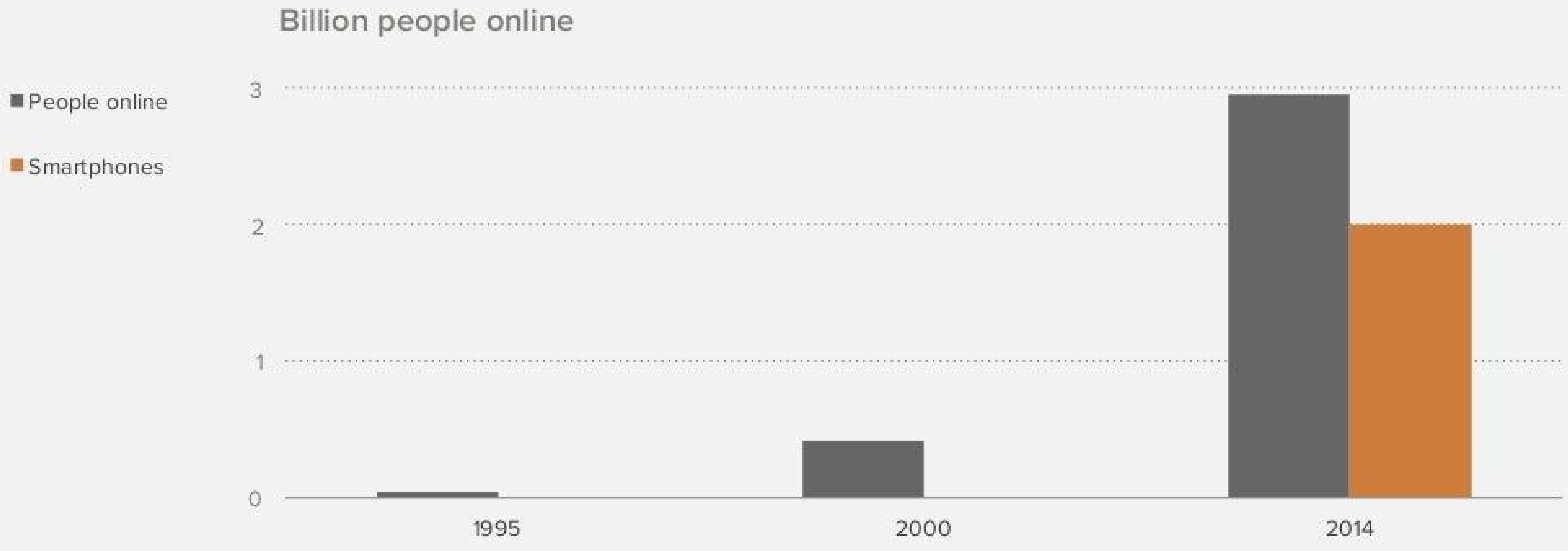
Mobile is making technology universal

Growth into the bubble



Source: ITU, a16z

Growth since the bubble



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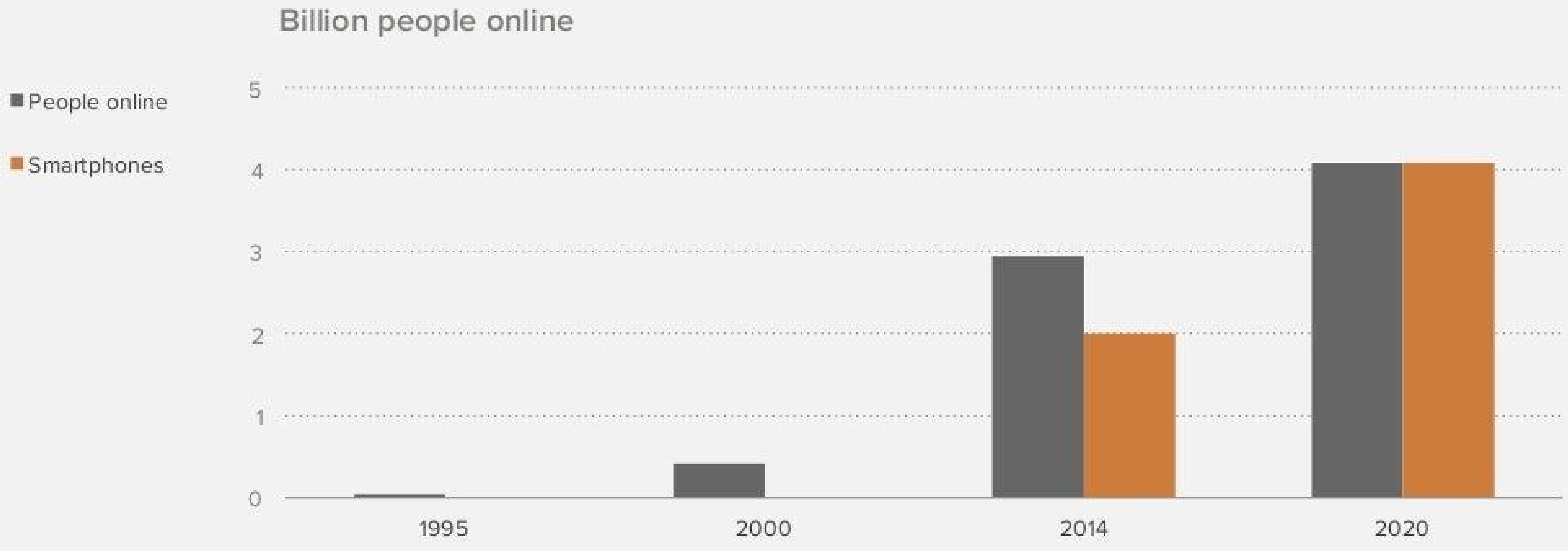
Source: ITU, a16z

Growth into the future - everyone

Another 1bn people will come online, all due to smartphones



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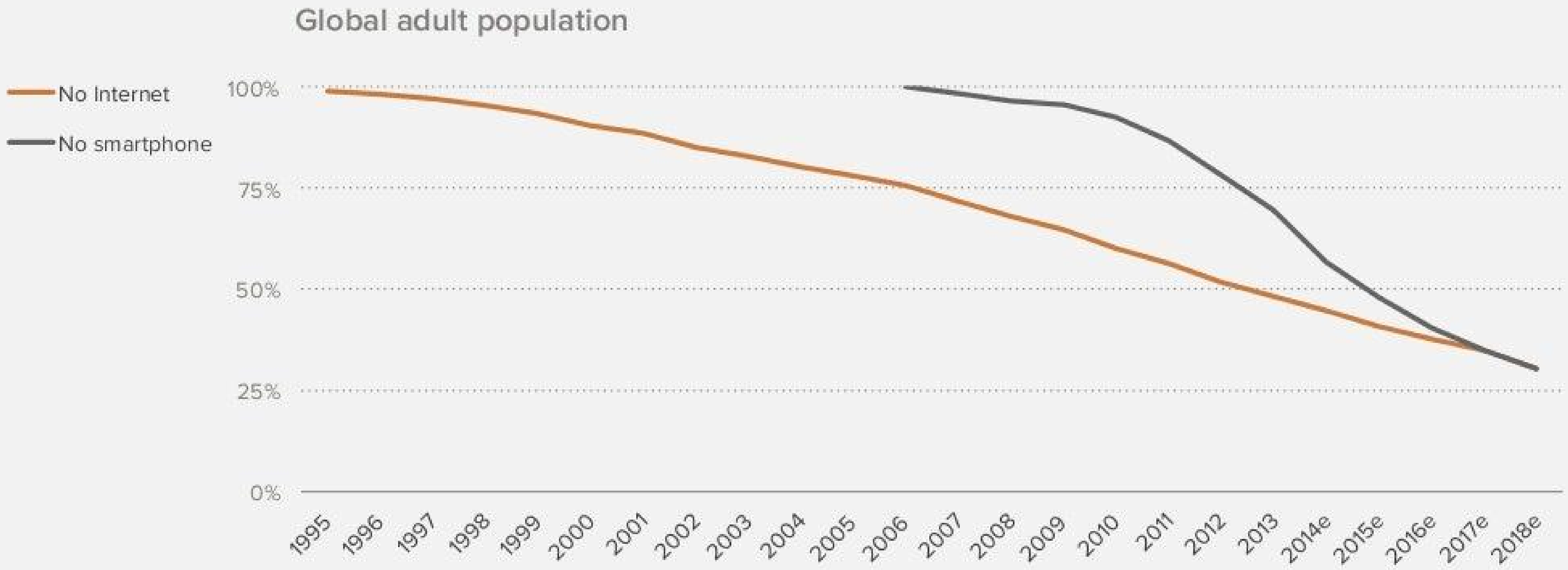
Source: ITU, a16z

The end of the unconnected

Smartphones drive much greater internet penetration



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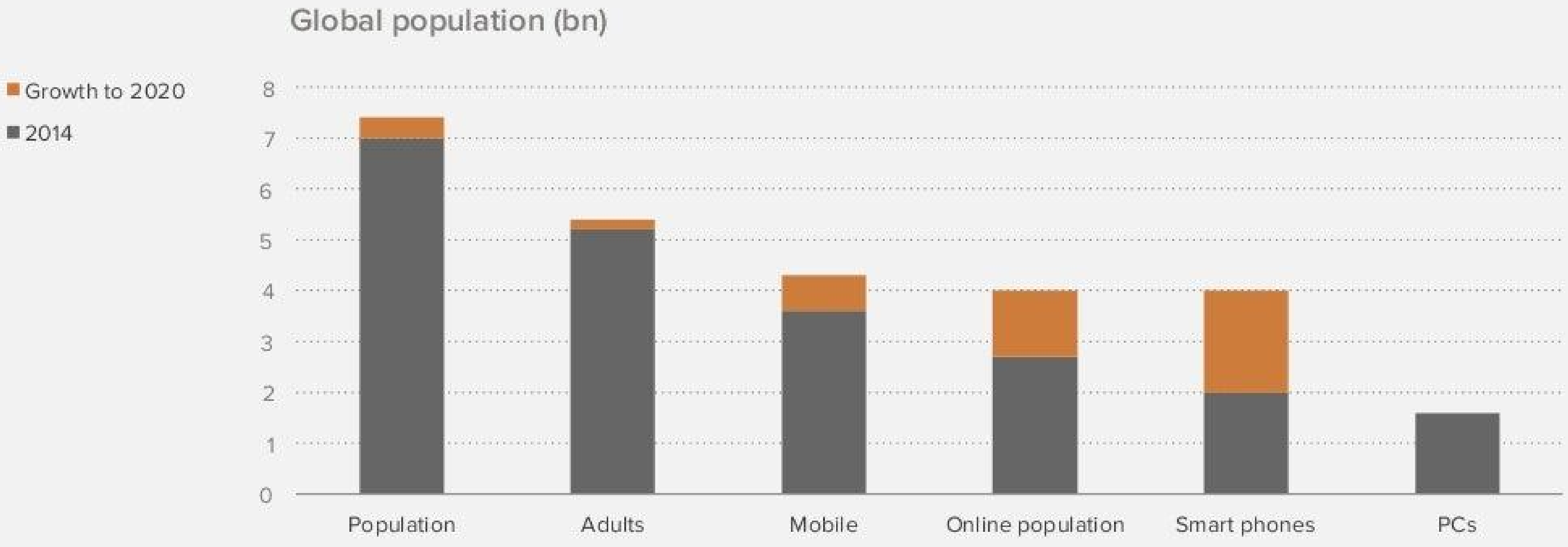
Source: a16z, World Bank, Apple, Google, Nokia

The world in 2020

By 2020 80% of adults on earth will have a smartphone



Source: World Bank, GSMA, a16z

An iPhone 6 CPU has 625 times more transistors than a 1995 Pentium.

iPhone 6 launch weekend: Apple sold ~25x more CPU transistors than were in all the PCs on Earth in 1995.

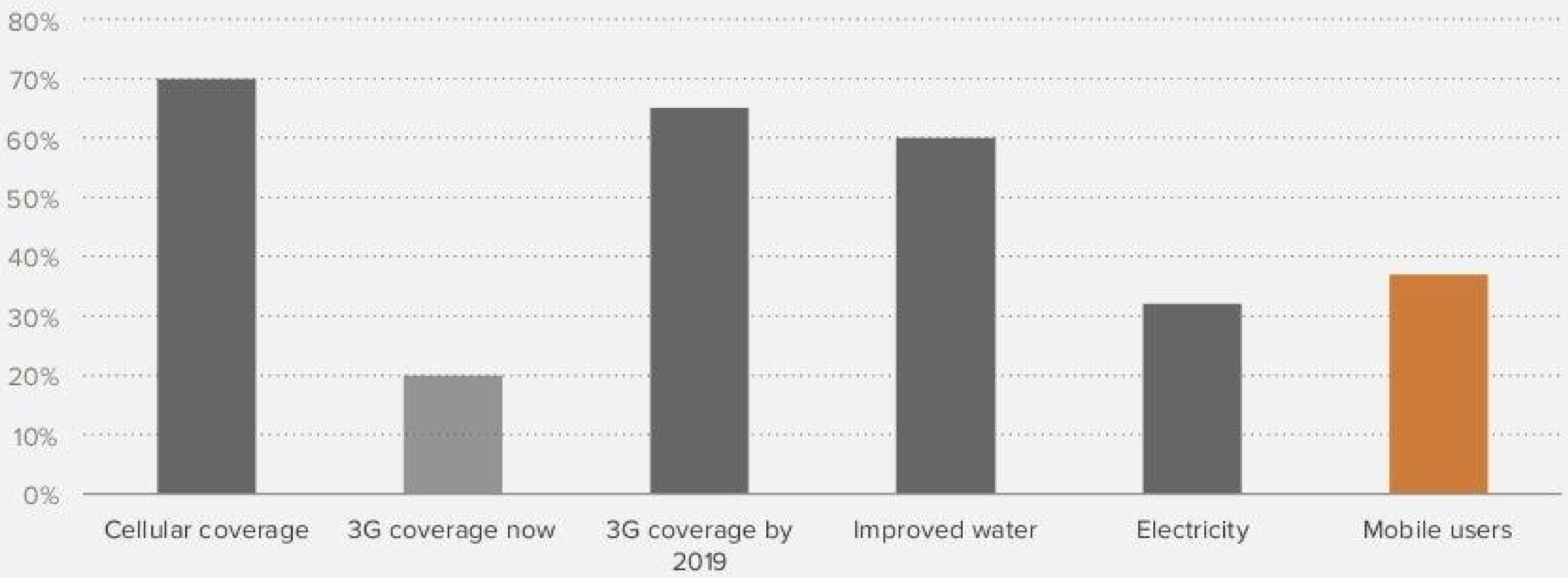
Everyone gets a pocket supercomputer.

Source: Apple, Intel, a16z

Yes, everyone

The utility of mobile increases as income falls

Sub-Saharan Africa population coverage



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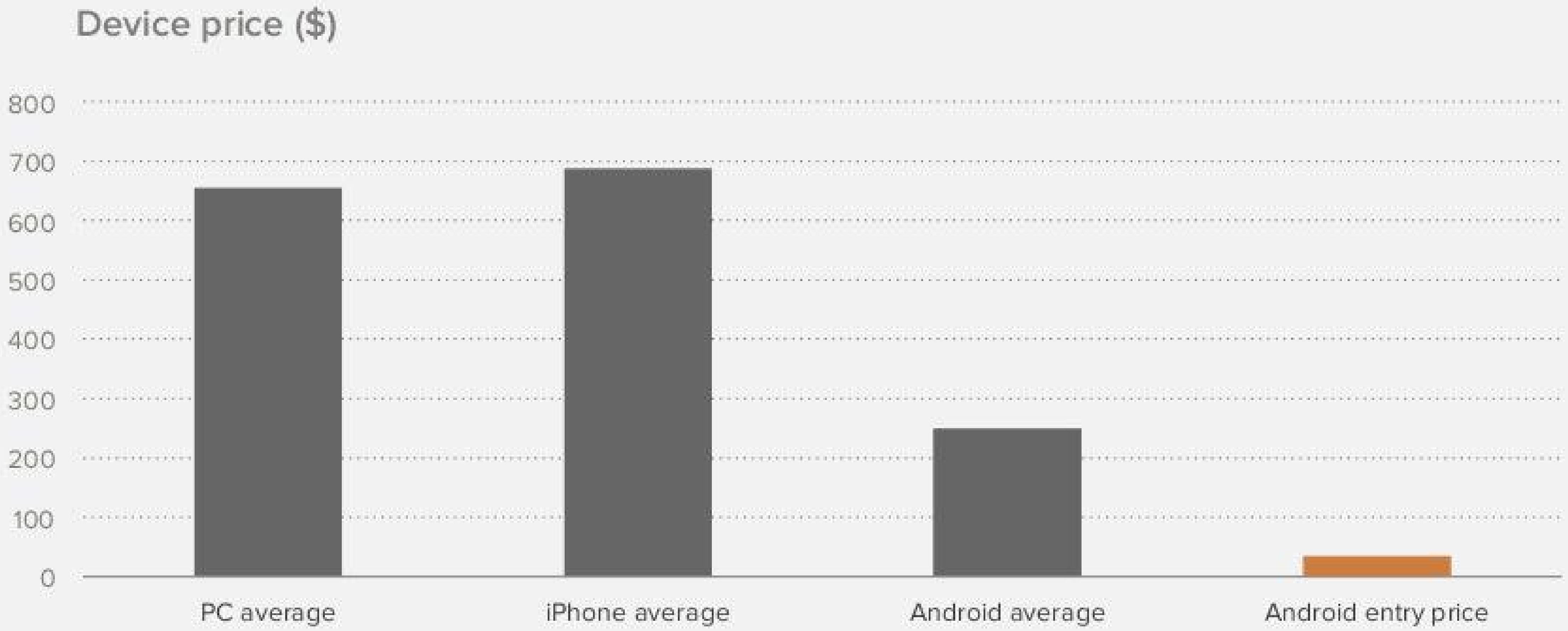
Source: Ericsson, McKinsey

$35 Android takes computing everywhere

Cost of power and connectivity becomes as material as the cost of the device



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Source: Barclays Capital, Apple, a16z

We go from this…

Source: James Cridland (https://www.flickr.com/photos/jamescridland/612782641)

… To this

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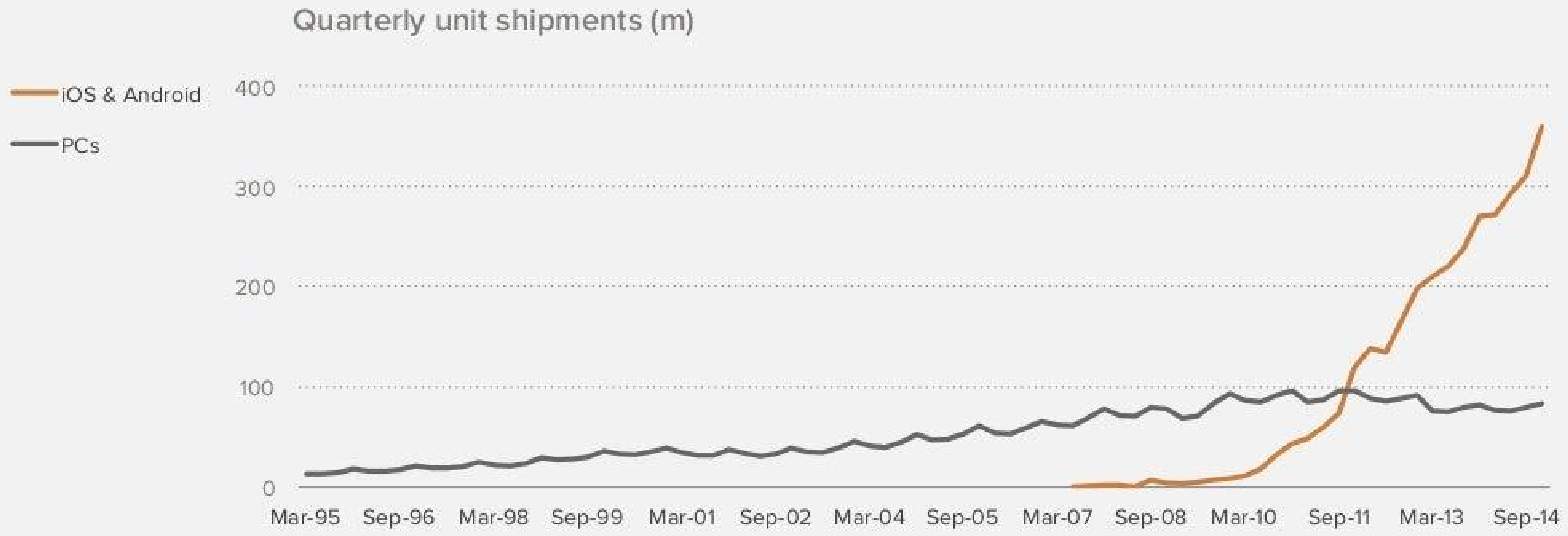
Source: Alan Knott-Craig

Mobile remakes the tech industry

The smartphone industry dwarfs PCs

4bn people buying phones every 2 years instead of 1.6bn buying PCs every 5 years



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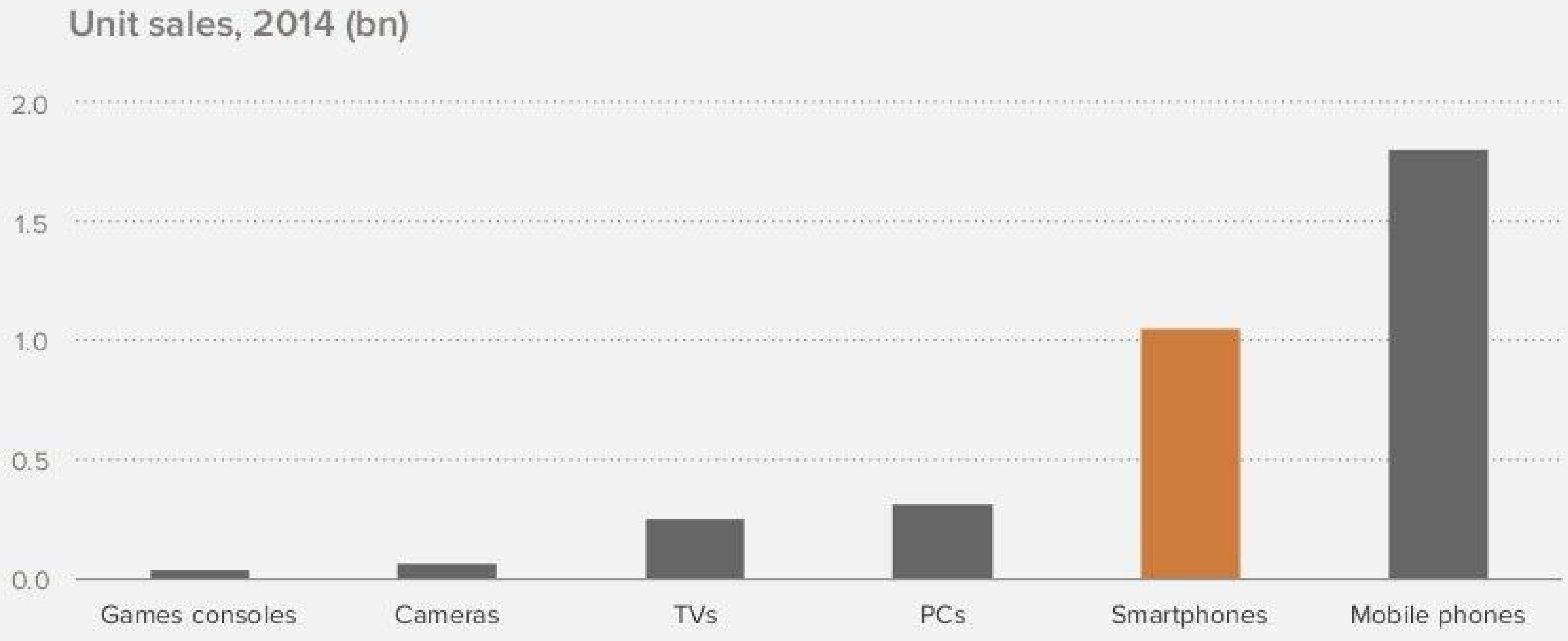
Source: Gartner, Apple, Google, a16z

Phones have scale that's unique in tech

The first tech product to be bought by almost everyone on earth, every 2-3 years



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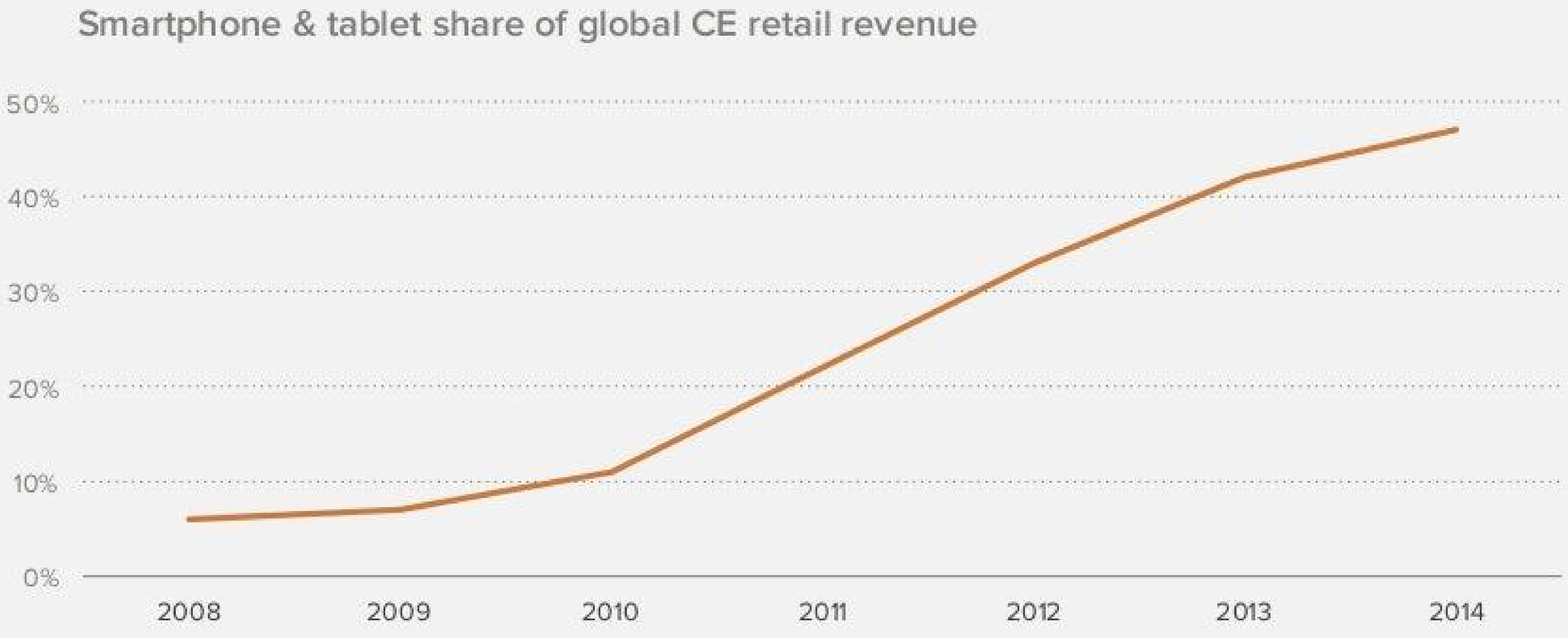
Source: CIPA, Displaysearch, Gartner, companies, a16z

Mobile scale eats consumer electronics

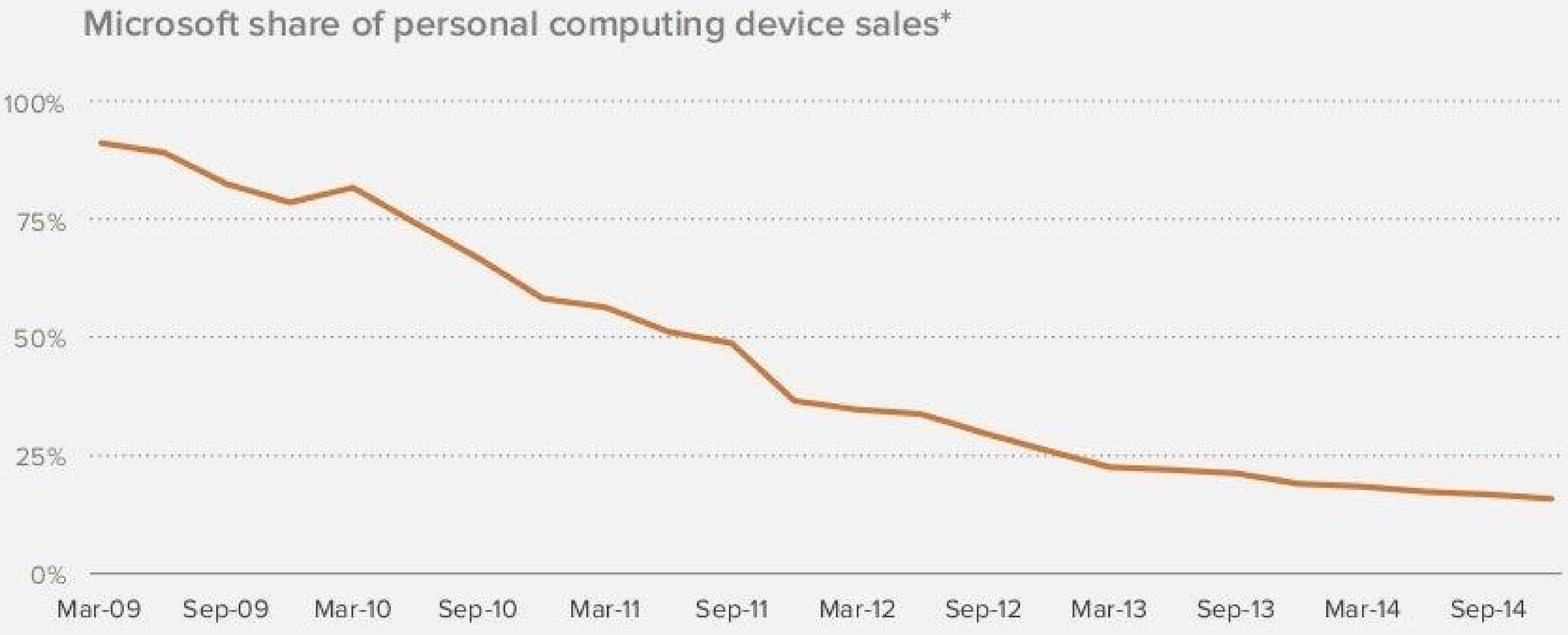
Smartphones & tablets are now close to half of the consumer electronics industry



Source: GfK, a16z

Shift away from Microsoft

Microsoft's near-absence from mobile has ended its dominance



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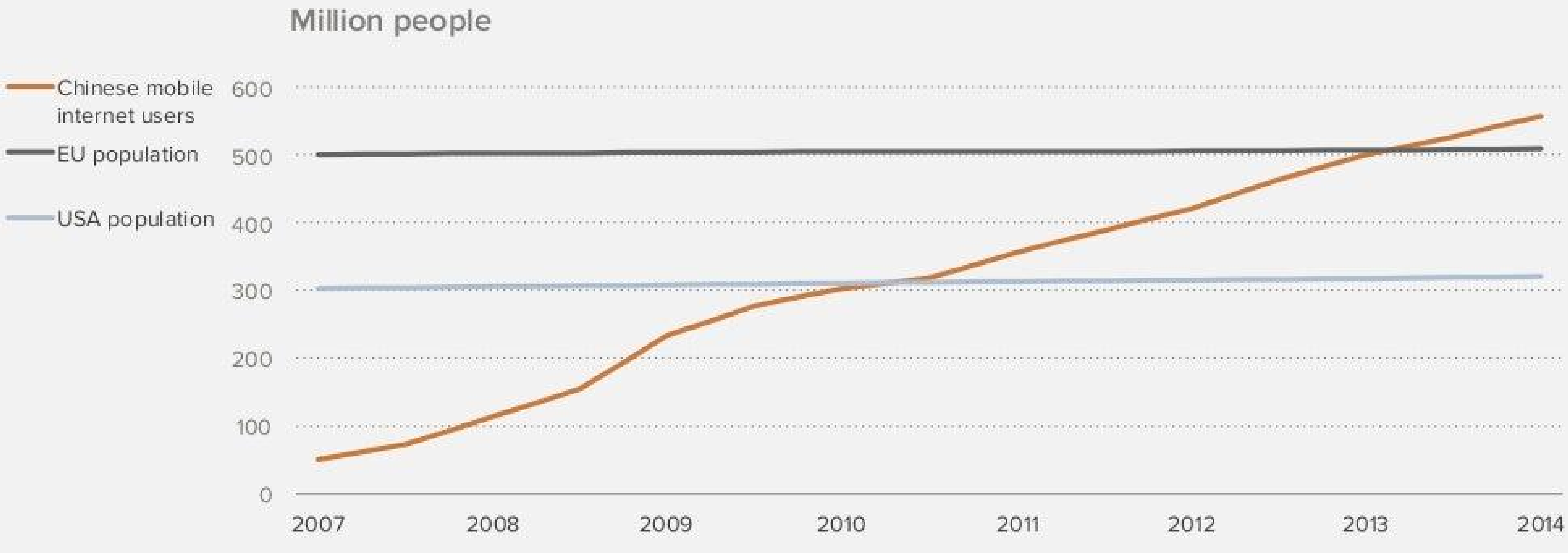
* Smartphones, tablets, PCs & Macs.
Source: Gartner, Apple, Google, Microsoft, Nokia, Blackberry, a16z

China is the biggest smartphone market

Historic dominance starting to shift

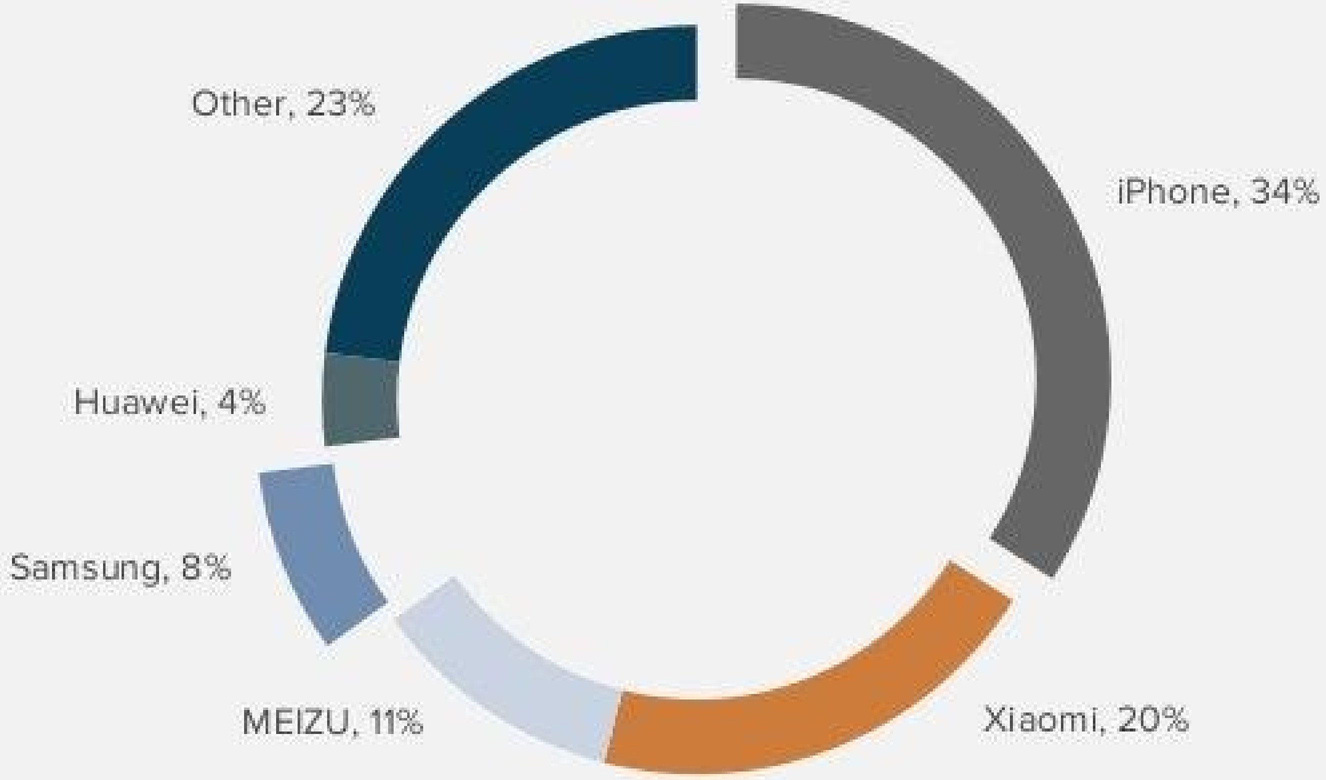


Source: CNNIC, US Census Bureau, Eurostat

Chinese handset players growing fast

Chinese brands are stronger than any foreign company – except Apple

What phone brands do Chinese teenagers want? (Q4 2014)



Apple has 15% of the overall market (same as global) - but much stronger brand appeal

New Chinese OEMs with premium positioning are growing fast

Source: Baidu

Tech center of gravity moves from Seattle and Finland (and Japan)

	Old	New
Computing platform	Microsoft	Apple & Google
Chips	Intel	ARM, Qualcomm, Mediatek
Mobile	Nokia & DoCoMo	China, San Francisco