

UMD Connectivity: Add 3G Cellular, WiMAX, or Punt

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Report Summary

Ultra-mobile PCs (UMPCs) are a rapidly growing part of the mobile market, offering an even higher degree of mobility than full-sized laptops. All UMPCs currently on the market have embedded Wi-Fi. Of these, about one-quarter embed a wide-area wireless broadband modem. These are primarily one of the cellular 3G offerings, but some also support WiMAX. Embedding a wide-area wireless modem into a device addresses the frustration many users have with the coverage of Wi-Fi. However, supporting the multiple cellular protocols is difficult and costly. The newcomer, WiMAX, makes this difficult decision even more complex.

In-Stat forecasts that significantly more UMPCs will embed cellular and WiMAX modems into the devices and projects the unit sales out to 2012. More wide-area communication will result in more sales for this class of device. This report examines the pros and cons for the different combinations of communications.

What is in the Report?

- Global forecasts by communications technology to 2012
- A quick reference chart of mobile communications technologies
- End-user preferences for UMPC communications issues
- Projections on the future for UMPC communications and associated applications
- Strategic guidance for UMPC and laptop manufacturers

Who Will be Interested in This Report?

- Wireless operators (cellular and WiMAX)
- Laptop manufacturers
- UMPC manufacturers
- Cellphone component manufacturers
- Laptop component manufacturers
- WiMAX component manufacturers

HIGHLIGHTS

- UMPCs will increasingly add support for wide-area wireless to supplement Wi-Fi. The percentage will grow from 20% today to almost 50% by 2012.
- For the most part, only large PC manufacturers that also offer UMPCs are expected to support WiMAX because of its limited geographical adoption.
- While US cellular and WiMAX operators want to avoid subsidies for UMPCs, this will eventually be a part of the marketing mix.

What Questions Does This Report Answer?

- What is the size and growth of the UMPC market and how do the wireless connectivity options compare?
- What are the business cases for UMPC manufacturers to incorporate different combinations of wireless?

Table of Contents

Executive Summary..... 1

Introduction..... 4

What Customers Say They Want 7

The Justifications for Different Wireless Broadband Technologies..... 10

 The Case for Embedding Wide-Area Wireless Broadband Into a UMPC..... 10

 Rationale for Expecting More Frequent Device Replacement..... 10

 The Case for Embedding Cellular 3G and 4G 11

 The Case for Embedding WiMAX..... 14

 The Case for Embedding Both WiMAX and 3G Modules..... 17

 The Case for Not Embedding Wireless Broadband..... 17

Implications for Wireless Operators..... 20

 For Cellular Operators..... 20

 For WiMAX and Other Non-Cellular Wireless Operators..... 21

The Future of Communications for UMPCs 23

Device Forecasts..... 25

Methodology 27

Glossary..... 28

[List of Tables 29](#)

[List of Figures 29](#)

Related In-Stat Reports 30

Appendix..... 31

 Factors Affecting Data Speed 31

Methodology

Much of the qualitative information in this report is based upon 23 interviews with participants in the UMPC, cellular, and WiMAX businesses conducted in the autumn of 2008. Their information was collected, verified, and put into context in this report. This information was then supplemented by earlier interviews with another 35 organizations involved in the wireless industry that were drawn from a different report. Interviews conducted for this report include those with mobile applications developer organizations, wireless operators, and cellphone manufacturers.

The qualitative parts of this report are supplemented with some quantitative data derived from In-Stat surveys. The data used for Figures 1 through 5 are from an In-Stat survey that used a structured web-based questionnaire to the In-Stat Technology Adoption Panel (TAP). The TAP is a dynamic, online panel of just fewer than 18,000 technology users. The panel is comprised primarily of North American members. This survey approached the panel from an end-user perspective.

The reader should understand that the results of this survey would differ slightly from the average results obtained from similar questions fielded to the general public. The TAP group is made up of more male respondents, more managers, and older individuals than would be found at random in the general public within the United States. They also tend to be more tech savvy.

These surveys took place in 2008 unless otherwise specified. Respondents who passed the initial screening criterion of using a wireless phone were invited to take the rest of the online survey, which took under 15 minutes to complete. Over 1,000 individuals completed each survey. The actual number of respondents is included within each figure. There were no quotas for any particular demographic measurement. Respondents represented a wide variety of industries, job titles, and company sizes.

List of Tables

Table 1. Dominant Global Wireless Data Connectivity Options With Theoretical Maximum Data Speeds..... 4

Table 2. Current UMPCs That Embed Wide-Area Broadband Options..... 5

Table 3. Currently Available UMPCs Built With Intel Processors 15

Table 4. Baseline Global UMPC Forecast by Connectivity Options (Units in Millions)..... 25

Table 5. Dominant Global Wireless Data Connectivity Options With Theoretical Maximum Data Speeds..... 31

List of Figures

Figure 1. US Laptop Users Expressing Frustration With Coverage When Using Wi-Fi or Cellular Broadband Service 1

Figure 2. Laptop Frustrations for US Respondents—2006 and 2007 (Multiple Answers Allowed) 7

Figure 3. US Laptop Users Expressing Frustration With Coverage When Using Wi-Fi or Cellular Broadband Service..... 8

Figure 4. Capabilities US Respondents Want From Mobile Devices That They Do Not Currently Have (Multiple Answers Allowed)..... 9

Figure 5. Timeframe to Replace Their Smartphone or Laptop Among US Device Owners 11

Figure 6. Sales Channel Preferences Among US Respondents for New Mobile Devices, by Device Category..... 18

[Return to Table of Contents](#)

Related In-Stat Reports

- #IN0804253MBM *Converged Devices 2007: Road Warriors Start Cord Cutting*, January/2008
<http://www.instat.com/abstract.asp?id=229&SKU=IN0804253MBM>
- #IN0804299UMD *Here Come UMDs: A Worldwide UMD and PC Forecast for 2008*, May/2008
<http://www.instat.com/abstract.asp?id=310&SKU=IN0804299UMD>
- #IN0804123UMD *Competing Mobile Device Visions for the US: UMPCs, MIDs, and Smartphones*, May/2008
<http://www.instat.com/abstract.asp?id=310&SKU=IN0804123UMD>
- #IN0803986WBB *2008 Global Hotspot Market—A Time of Change and Growth*, August/2008
<http://www.instat.com/abstract.asp?id=281&SKU=IN0803986WBB>
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<http://www.instat.com/abstract.asp?id=310&SKU=IN0804128UMD>
- #IN0803980WS *Wi-Fi in Consumer Electronics: The Swiss Army Knife Technology*, September/2008
<http://www.instat.com/abstract.asp?id=167&SKU=IN0803980WS>
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