

Wireless Handset Survey
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Price and Features Drive New Handset Purchases

In-Stat/MDR conducted a survey of its Wireless Panel in August 2004 regarding the usage and purchase of cellular handsets. On average, users in the United States purchase new handsets every 18 months. Device manufacturers need to understand that factors that are driving these purchases to experience the greatest sales.

In the study, it was found that one-third of respondents obtained their phones through a cellular phone store (e.g. Verizon Wireless or Sprint PCS store) or mall kiosk, but business distribution of devices is increasing. About 17% said they received their phone through their employers.

Nokia handsets were most popular, used by more respondents (30%) than any other brand of device. Motorola handsets were used second most often, by 25% of respondents. Only one-quarter of respondents said that brand was extremely or very important in their selection of a handset provider. The primary factors driving sales of handsets included purchase price, the features that came on the device, that it came included in their service plan, or was provided by their employer.

Users of LG and Samsung phones are most satisfied with their devices – 72% of users say they are extremely or very satisfied with their handsets. Kyocera users are least satisfied with their devices. Motorola and Nokia phones are thought to have the best quality and the best features. More respondents believe that Nokia phones have the lowest price/commodity products.

The average price paid for a phone was \$82. Users who plan on purchasing a new device in the next 12 months plan to spend an average of \$100 on their next handset. Half of respondents who plan to purchase a device in the next twelve months will consider Motorola and Nokia devices. Users who will look at specific brands say they will do so because they either have previous experience with the brand or because they like the features that come on those devices.

The most important feature to the majority (78%) of cellular phone users is battery life. Other important features include easy-to-use menus, clear/legible screens, small size and ruggedness/durability. Another feature of great interest is speakerphone/hands-free/voice-activated dialing capability. More respondents plan to purchase their next device either from a cellular phone store or mall kiosk, than from any other channel.

About the Panel

In-Stat/MDR's Technology Adoption Panel (TAP) is a dynamic online group of thousands of technology users and decision-makers interested in contributing opinions and insights about technology usage and issues in the workplace. The panel is recruited from many different sources and is comprised of a diverse group, representing a wide range of company sizes, industries, and expertise.

Data for this report was collected via a brief Internet survey. Participants — members of In-Stat/MDR's Technology Adoption Panel — were e-mailed an invitation to participate in a Web-based survey conducted in August 2004. Responses from 685 wireless phone users are included in this research. If you are interested in joining the Technology Adoption Panel and/or learning more about it, please go to <http://www.instat.com/panels>.

Which, if any of the following describe why you purchased this brand of phone? (Please select no more than three)

