

# **Multi Megapixel Camera Phones – Past user camera phone experience and future expectations**

## **Executive Summary**

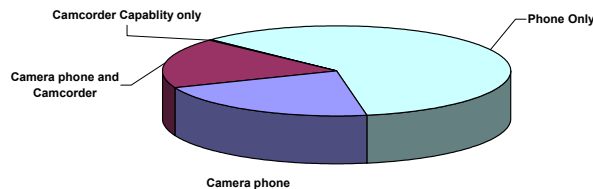
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Cameras have become a popular feature on wireless handsets since their introduction to the US market in 2002. The first camera phones were introduced with 0.3 megapixels and in 2004-2005 carriers began introducing multi-megapixel handsets with Sprint and Verizon introducing 2.0 megapixel handsets mid-year 2005. All carriers are also now offering handsets with combination camera and video capture capabilities (cam/corders).

In October 2005 In-Stat conducted a survey of 1,171 wireless subscribers to gain a better understanding of user adoption of camera phones, cam/corder phones and their interest in multi-megapixel camera phones and cam/corders.

Among respondents to this survey about 40% indicated that their handsets included either a camera or a combination camera and camcorder with 64% saying they had owned their camera or cam/corder phone for less than a year. Most indicate that they take between 1 and 10 pictures with their camera phone each month and the number of respondents taking that many pictures monthly stays constant over time.

**Figure 1: Does your wireless phone include a camera or a combination camera/camcorder? n=1,171**



Source: In-Stat, 10/05

Overall picture taking, however, declines over time. The number of respondents taking 11-30 pictures per month drops from about 25% in the first month of use to 9% in the current month. Likewise, the number of respondents who take no picture nearly doubles going from 14% to 26%.

When respondents are asked what they dislike about their camera phone and attendant service they say picture quality and the cost of forwarding pictures to friends, family, colleagues or even home computer. On the other hand, about 20% of the respondents indicate there is nothing they dislike about their camera phone or service. They cite the convenience of having two devices in one which allows them to have a camera with them all the time and the ability to forward pictures on the spur of the moment.

Among the 60% of respondents who do not yet have a camera included in their handset, about 20% say they are highly likely to include that feature in their next wireless phone. Fewer than 5%, though, indicate they are highly likely to include a cam/corder. Age is a key factor with the youngest age groups more interested in both products. Ease of use and removable media are the most important issues to these potential buyers.

The number of pixels offered will also be an important feature among respondents who don't know have but are likely to include a camera or cam/corder in their next handset. Less than 4.0% of these respondents say that the number of megapixels will not be a factor and nearly 30% indicate they will consider all megapixel resolutions. However, fewer than 2% say they will consider a camera phone with less than 1 megapixel while nearly 40% say they would like to have from a handset with 1 to less than 2 megapixels of resolution.

Price does not seem to be much of an issue and fewer than 15% believe that the cost of either a multi-megapixel camera phone or a cam/corder phone should be included in the cost of the service.