

Hot Buttons—Driving Wireless Handset Sales in the American Market by Understanding User Replacement Motivations

Competition for consumer expendable income dollars is growing more intense and fierce in the slowed American economy. Replacement sales for high-end multi-functional wireless handsets, however, are reliable revenue and conveniently tap into seemingly unlimited demand for wireless data in the United States. As the projected overall worst Christmas season in 10 years approaches, wireless handset manufacturers and carriers can capture consumer interest and drive sales by understanding American user replacement motivations.

Four hundred and sixty web-based survey responses from mostly professional American wireless handset users shed light on key replacement motivations in this market. **Users make replacement purchases primarily to 1) upgrade hardware feature sets or 2) change calling plans.** Manufacturers and service providers can exploit short-term profitability and advance next generation infrastructure evolution by aggressively driving high-end unit replacement sales.

Following are **other key insights** from this survey to help manufacturers and service providers drive replacement sales in the U.S.:

- Compelling hardware feature sets and/or calling plan options can **accelerate replacement purchases down to 6-12 month.**
- **Instant messaging** was the feature most desired by users replacing their phone to upgrade hardware feature sets.
- **E-mail** capability was the new feature most expected to be used within the next 12 months by all respondents.
- New **games** were a significantly lower feature set incentive in replacement purchases than they have been in the past.
- **Preference of data input device correlated with age.** 55- 64 year-old users are more likely to prefer **attachable keyboards**, 45-49 year-olds are more likely than other users to want a **replicated mouse** device on multi-purpose wireless handset units, and 35-39 year-olds prefer **pen or stylus input devices.**
- A significant portion of respondents indicated “don’t know” for new feature capability within the next 12 months, as well as data input device preference. This indicates **user openness to exploring new features available on replacement phones** as well as experimentation with **input options or alternatives** to the traditional keypad.
- **Younger users** have newer phones and are more likely to currently have **m-Internet** capability.
- Users that upgraded their handsets in order to change service providers indicated that **calling plan options** was their primary motivation.
- Calling plan preferences center on **simplified plans.** Users want better **roaming** capabilities and **free long distance, one-rate plans.**

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