

## Size and Service Provider Matter: What End-Users Really Want

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### Executive Summary

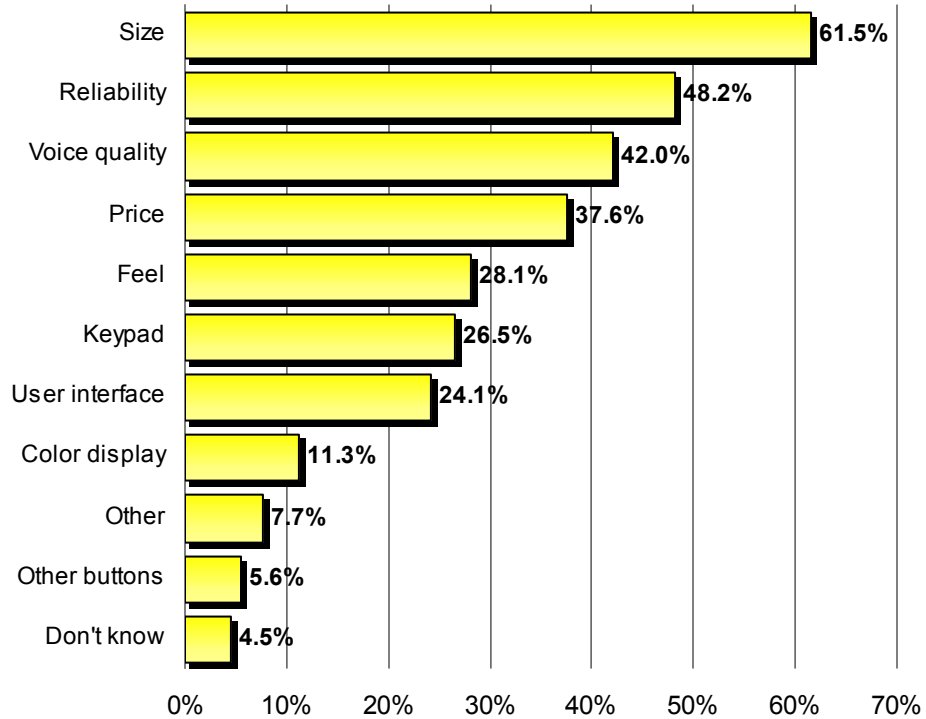
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The cellular phone market has held steady in recent years, despite a fall-off in overall IT spending. Shipments of these devices remained relatively strong while other products – PCs, PDAs, for instance – stagnated. Now the industry is on an upswing in 2003, and end-users have many new options from which to choose.

- What they are seeking is an affordable device that can handle e-mail, some location based services, and the taking and sending of photos.
- When choosing a cell phone, end-users look to the carrier first.
- The phone's brand is of secondary importance, following the choice of carrier.
- Respondents also would pay for new services but at a fairly low rate.
- Microsoft's operating system is just now getting into cell phones, and some end-users are open to these kinds of devices, while others are not.
- End-users are willing to spend for new cell phones, but not much beyond \$100.
- The number of cellular phone subscribers continues to grow at a steady pace, and the devices themselves have begun a transformation to more data-centric.
- Shipments have been growing this year...and are expected to top 450 million units worldwide, for a year-over-year increase of TKTKTK%.
- Carriers and manufacturers have been, or will be, deploying, handsets with new capabilities and features such as built-in cameras, color displays, wireless gaming, location-based technology, Bluetooth, audio functionality, e-mail services.
- These new devices and services will grow this year and into next, to include WiFi, etc. Also, an increasing number of manufacturers are building wireless phone functionality into more devices, creating "smartphones." Will end-users buy these devices?
- The latest cell phones will have some gee-whiz technologies, but the basic needs of end-users still apply: Reliable devices at the right size, and networks that deliver reliable services.

**Figure 1. Size matters, and so does reliability**

Which, if any, of the following do you like most about your cell phone? (Please check all that apply)



Source: In-Stat/MDR's Wireless Panel - 07/03

n = 966 (all respondents)

## Size Matters, and So Does Reliability

- Cell phone size matters most to these respondents, and the logical implication is that a cell phone be small enough to be easily carried – whether in a pocket, on a hip, or in a purse – yet still quite usable.
- Reliability in a cell phone also rates high with these respondents, and close behind that is voice quality. For manufacturers and carriers alike, this implies that in the push to deploy new data-centric phones (and related services) they not forget that end-users still want a solid phone.