

**Wireless Panel
May Survey
Two-way Messaging Devices
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Cellular Carriers Help Propel Two-way Messaging Device Market

Despite the fact that the paging market has been in a decline state for years, primarily due to the rapid adoption of cellular telephones, the market for two-way messaging devices that support e-mail (like Blackberries) is on the rise. RIM jump-started the upward momentum when it announced its Blackberry service many years ago. These devices provide access to e-mail when people are away from their desk (e.g., in company meetings), and when people are away from the office.

Initially, these devices were used to allow people to check for important messages from their bosses and customers, etc., and to send messages. Increasingly, new functionality is being built into them. Many devices now allow users to view attachments (e.g., Word, Excel documents), and even to use them as cellular telephones. The devices themselves have also improved in design. Early versions were monochrome only, but more recent versions support color.

While RIM might be said to be the mother of the wireless e-mail market, other companies have also stepped in. Now, Good Technology and Danger also provide two-way messaging devices, software and services, in addition to traditional pager device providers such as Glenayre and Motorola.

To make the market somewhat blurry, wireless e-mail services such as those provided by RIM, Good and Danger, also work on other platforms, such as the Palm platform. Therefore, wireless e-mail services are also available on products such as Handspring Treos and the PalmONE Tungsten-W. While current users paid an average of \$242 for their devices, planned users intend to spend about \$218 on their devices.

The market for these devices was further expanded when RIM began to establish reseller agreements with carrier partners such as AT&T Wireless. Other suppliers are now doing the same – for example, Danger is working with T-Mobile and Good Technologies is working with Cingular Wireless. This study shows that many current users subscribe through cellular companies, and far more planned users intend to subscribe through cellular companies in the future as well. Two-way messaging service ARPU of about \$45 would clearly look very attractive on top of a cellular user's phone bill.

The shift in service providers has a secondary impact in terms of distribution channels used. The majority of current users received their devices through their companies, but this will not be the case for planned users. While a percentage of people who intend to acquire these devices will get them through their company, many will go to cellular phone stores and electronics stores to purchase these products.

The change in service providers is also causing a change in which features are used. An increasing amount of subscribers are now using these products for voice services (as a cellular telephone). PIM applications are still used most often.

Current users' satisfaction levels with both the device and service are not astoundingly high; in fact, there is a significant amount of room for improvement. Since both current and planned users care less about brand name than they do about ease of use and functionality, the market is ripe for the taking.

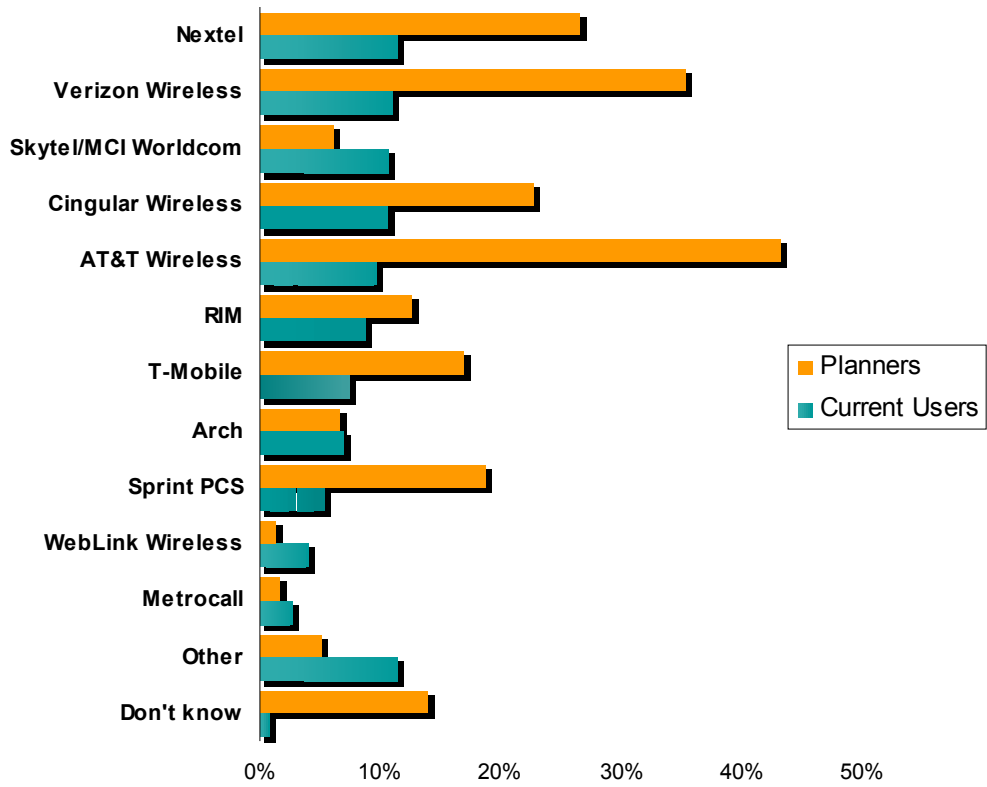
About the Panel

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 composed 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 that use cellular phones (the Wireless Panel) — were e-mailed invitations to participate in a Web-based survey that was conducted from May 21st – 25th, 2003. Responses from 1,063 people are included in this research, including 227 people that currently use two-way messaging devices, and another 229 people that do not currently use a two-way messaging device, but who plan to purchase one in the next six months. Additionally, responses from 607 people that do not currently use a messaging device and have no plans to purchase one in the next six months are also included.

If you are interested in joining the Technology Adoption Panel and/or learning more about it, please go to <http://www.instat.com/panels>.

And which company provides the service (are you considering) for your two-way messaging device ?



Source: In-Stat/MDR's Wireless Panel - 11/03

n = 227 current users; 229 planners