

For Immediate Release
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Mobile Handset Global Roundup: China and India capture 30%, USA and UK experience polarisation

Emerging markets now account for over two thirds of all mobile phone handset shipments with China and India leading the charge, according to a new global tracking service from Futuresource Consulting.

“The global handset market will decline by around 3% in 2009, with consumers and businesses alike keeping hold of their handsets for longer,” says David Sidebottom, Digital Media Consultant at Futuresource Consulting. “However, China and India continue to buck the global trend, and our forecasts show year-end growth in both these countries, giving them a combined share of almost 30% of the total global handset market by the end of the year, compared to just 20% in 2006.

“The USA has also performed better than anticipated, bolstered by strong smartphone and pre-pay sales. Conversely, Japan has been severely hit this year, largely due to new pricing regulations; and looking to Europe, the UK market has been one of the hardest hit, with the mid-range sector taking the biggest hit, and aggressive SIM-only campaigns from all the UK operators severely impacting the handset business.”

However, despite the poor start to the year, many markets across the globe are now seeing signs of recovery, which will help alleviate the extent of this year’s decline.

Key market movements at a glance

- Global market continues to be polarised between high-end smartphones and low-end devices, particularly in the USA and UK, adversely affecting the mid-range market.
- Smartphones continue to outperform the marketplace, connecting with the mass market in 2009, despite tough economic conditions.
- Increased competition between RIM and Apple, combined with lower priced smartphones from Nokia and Android-based devices, will continue to drive the market in 2010 and beyond.

“The US and the UK have seen a groundswell of smartphone sales this year, accounting for around 30% of handsets sold,” continues Sidebottom, “and the iPhone has been instrumental in changing consumer perceptions of the market, not only in terms of its

business models, design, simplicity and content, but also through promoting a software-based solution rather than one based purely upon the hardware.

“As the landscape continues to focus on soft features and apps, with all major handset vendors now launching app stores, consumers are able to keep their handsets fresher for longer, potentially lengthening the product replacement cycle. Combine this with heavy investment in software and services, saturated markets and an emphasis on operating systems such as Google Android, and the role of the network operator in some countries could be heavily challenged as we move forward.”

The 60+ page mobile tracker from Futuresource Consulting highlights the changes, developments and dynamics in the mobile handset market, both globally and drilling down into the key territories. For more details or to buy this report, contact David Sidebottom on +44 (0) 1582 500127 or via email to david.sidebottom@futuresource-hq.com.

Save the date

The Futuresource Entertainment Summit 10-11 June 2010, London, UK

Covering all business opportunities presented by new home entertainment technologies, platforms and delivery systems, this year's conference focuses on the strategic impact of 3D, the rise of IP connected devices and the changing face of retail, plus revenue stream development and optimisation for Blu-ray and online content services.

Find out more at www.futuresource-consulting.com/events.htm

Notes

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