



Press information

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NEW PRODUCT DEVELOPMENT CRITICAL TO US WIRELESS MARKET

TNS study reveals smartphones and new wireless devices critical drivers to mobile growth

New York, NY – April 20, 2009 – Smartphones and other cutting edge wireless devices will be integral to driving growth in the U.S. wireless market, according to the TNS Global Technology Index (GTI) study. Despite the recession, the GTI study reveals that consumers will demand new and improved products as early as 2010. The TNS GTI study monitors more than 20,000 consumers in 32 markets and was fielded in January 2009.

Touch Screen and Keyboard Devices Attract Consumers

Even in today's economic climate, consumers appear unwilling to downgrade from their current device. When asked about how much they intended to spend on their next mobile phone, the average consumer globally claims to be willing to pay a significant \$52 (\$25 in the US) more for their next handset than they paid for their last one. This is being driven by excitement over the latest devices in the market. While only eighteen percent of US consumers (five percent globally) own a miniaturized QWERTY keyboard or touch screen device, 35 percent of Americans anticipate they will buy such a device for their next purchase. 13 percent of global consumers said they would buy a touch screen or QWERTY device.

Consumers' Must-have Features Changing

Over the past 12 months, the features consumers view as priorities when selecting a mobile phone have shifted. From 2008 to 2009, touch screen functionality has increased in importance to consumers by 12 percent (from two percent to 14 percent) and QWERTY keyboards have

increased by 14 percent. In 2009, many consumers point to SMS messaging as the most important functionality, with 38 percent citing it as an important feature in their purchase decision in 2009 –a nine percent increase since 2008. Bluetooth and MP3 functionalities have also increased year-over-year, experiencing increases of six percent and seven percent respectively. Meanwhile, consumers' requirements to have a mobile device equipped with a still camera have declined six percent (from 38 percent to 32 percent) in the same period.

“The mobile phone plays such an integral part of consumers' everyday lives and consumers are unwilling to compromise on their current experience,” said Charles White, senior vice president, Telecom Segment Leader, TNS North America. “Likewise, new products in the market are fueling consumers' desires to own a top-of-the line device. When the economic situation improves and consumer confidence is restored, the market will be flooded with buyers looking for new and exciting products. With product development cycles of 12 to 18 months, it is the companies that are investing now that will reap the benefits of this upsurge and be best poised for financial success. Companies that are too cautious during this difficult time could miss a huge opportunity if their product portfolios are not relevant to the 2010 consumer.”

Regardless of consumers' aspirations to buy state-of-the-art mobile phones, they are often troubled by “unplanned” purchases, (e.g. lost, stolen and broken phones), which account for 45 percent of all mobile phone purchases in the U.S and 60 percent worldwide. These “distress” purchases restrict consumers' ability to upgrade. This is a particular issue in emerging markets where most consumers need to save for a period of time to support a mobile phone purchase.

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About GTI

TNS completed analysis of the results of its Global Technology Insight in 32 markets with more than 20,000 consumers in January 2009. The study looked into some of the most pressing themes in the telecoms industry such as the purchase process, brand commitment, usage, opportunities in the emerging markets and convergence.

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