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Market reports

Comparative Analysis of Australian Smartphones and Vendors, 3Q2008

October 2008

With a record number of smartphones being launched in the first nine months of this year, Telsyte sees 2008 as the year of the smartphone in Australia, following the rollouts of HSPA networks, which created excitement and drove much of the country's mobile market developments last year. This fast-growing and highly competitive market has been rejuvenated by the debut of the long-awaited Apple iPhone.

Produced annually as the flagship report in Telsyte's *Vendor Competitive Analysis Series*, this study provides a detailed comparative analysis of leading smartphones and vendors in the Australian market. It is an essential guide for organisations planning to mobile their workforce with smartphone technologies. Key findings from this study include:

- Annual mobile phone shipments in Australia have grown by nearly 60% in the past five years, with Telsyte projecting 10.8 million handsets shipped in 2008. Three million smartphones are expected to be shipped in 2008, constituting nearly 30% of this year's total mobile handset shipments.
- Since the inception of the smartphone market in Australia in 2003, over 140 models of smartphones have been introduced, led by Nokia with 81 models, and BlackBerry with 18 models.
- The Apple iPhone has redefined the smartphone market and heightened consumer awareness around next-generation smartphones – a move that has benefited both the vendor and its competitors alike. These next-generation smartphones are characterised by a large touch screen with highly intuitive gesture-based input mechanism and very few or no buttons.
- Smartphone users who make up 9% of Australia's overall mobile phone user base, spend considerably more (20-70%) on mobile services compared to their regular phone user counterparts.
- Telsyte's end user research suggests Australia's largest smartphone vendors by installed base are Finland's Nokia (33%), Canada's BlackBerry (17%), Taiwan's HTC including O2 and dopod (9%), US-based Palm (7%), Korea's Samsung (4%) and Dubai-based iMate (4%).
- Nokia is perceived very well in price competitiveness, ease to use, and reliability, but weak in technology innovation, multimedia, and PC/IT system compatibility.
- BlackBerry scores highly in technology innovation and security in the minds of business users, while being seen as prestigious by consumer users. It is seen as very strong in business offerings and PC/IT system compatibility, but not as a price competitive device.

- Handset features valued by business users include multi-mode connectivity (3G/WiFi) and mobile PBX functionality, while in-demand applications include mobile VoIP, IM, location-based services, social networking, and line-of-business applications, led by CRM in particular.
- For consumers, strong adoption trends are seen around mobile IM, search, maps, Internet browsing, wireless email and social networking as well as the concept of fixed-mobile convergence. They also prefer phones with a large touch screen, already a feature of many modern smartphones.
- While the smartphone OS market landscape remains unsettled, open-source platform momentum is building as user and carrier preferences slowly shift towards choice.
- Telsyte finds a large untapped market opportunity for entry-level, first-time smartphone users, a segment that can be effectively subsidised by mobile advertising.
- Telsyte suggests that smartphone vendors differentiate through form factor choice and latest features, convey the right image to the right target audience, and promote the products directly to users.
- They must also work with carriers to offer packages with exclusivity, educate users on usage and future applications, and open up their platforms to grow ecosystem partners while maintaining their unique competitive and secure features.
- Conclusion and recommendations.

Published simultaneously with this study are two other Comparative Analysis Series reports, namely:

- *Comparative Analysis of IP Product and Service Providers, 3Q2008* (Publication Number: 80512); and
- *Comparative Analysis of Enterprise Communications Sales Channel Strategy, 3Q2008* (Publication Number: 80514).

Comparative Analysis of Australian Smartphones and Vendors, 3Q2008 is a 39-page report costing \$2,995 (excluding GST) and includes 22 Figures and 2 Tables.

Table of Contents

Section	Description	Page
1	EXECUTIVE SUMMARY	5
2	INTRODUCTION	7
2.1	Methodology	7
2.2	Definitions	8
3	AUSTRALIAN SMARTPHONE MARKET OVERVIEW	9
3.1	Rapid Emergence of Smartphones	9
3.2	Smartphone Usage Penetration	11
3.3	Smartphone ARPU and Vendor Installed Base Shares	12
3.3.1	Smartphone ARPU carries significant premium over regular phone's	12
3.3.2	BlackBerry leads in business... by a narrow margin	13
3.3.3	Nokia clear leader in consumer market	14
4	REVIEWS OF RECENT PRODUCTS AND END-USER PERCEPTIONS OF LEADING AUSTRALIAN SMARTPHONE VENDORS'	15
4.1	Nokia	15
4.2	BlackBerry	17
4.3	HTC	18
4.4	Palm	19
4.5	Samsung	20
4.6	iMate	21
5	APPLE'S IPHONE AND GOOGLE'S G1	22
5.1	iPhone rejuvenates entire smartphone market	22
5.2	Here comes Google phone	23
6	SMARTPHONE OPERATING SYSTEM MARKET DEVELOPMENTS	25
6.1	Smartphone OS market remains unsettled	25
6.2	Rise of open-source platforms	25
7	DESIRED MOBILE HANDSET FEATURES AND APPLICATIONS	27
7.1	Convergence drives handset features and applications	27
8	COMPARATIVE ANALYSIS OF FEATURES AND APPLICATION CAPABILITIES OF AUSTRALIA'S LEADING SMARTPHONES, 3Q08	30
9	CONCLUSION AND RECOMMENDATIONS	35
10	RELATED RESEARCH	37
APPENDIX A	AUSTRALIAN SMARTPHONE LAUNCHES BY VENDOR, MODEL AND YEAR, 2002-3Q08	38

Figures

Figure	Page
FIGURE 1 – AUSTRALIAN MOBILE PHONE SHIPMENTS, REGULAR PHONES VS SMARTPHONES, 2003 – 2008	10
FIGURE 2 – NUMBER OF SMARTPHONE MODELS INTRODUCED IN AUSTRALIA, 2003 – 2008	10
FIGURE 3 – CUMULATIVE NUMBER OF SMARTPHONE MODELS INTRODUCED IN AUSTRALIA, 2003 – 2008	11
FIGURE 4 – SMARTPHONE PENETRATION AMONG AUSTRALIAN BUSINESS USERS, 2008	12
FIGURE 5 – SMARTPHONE PENETRATION AMONG AUSTRALIAN CONSUMER USERS, 2008	12
FIGURE 6 – BUSINESS AND CONSUMER SMARTPHONE VS REGULAR PHONE MONTHLY ARPU, 2008	13
FIGURE 7 – BUSINESS SMARTPHONE HANDSET VENDOR INSTALLED BASE PENETRATION, MID-2008	13
FIGURE 8 – CONSUMER SMARTPHONE HANDSET VENDOR INSTALLED BASE PENETRATION, MID-2008	14
FIGURE 9 – NOKIA'S LATEST SMARTPHONES FOR AUSTRALIA AS OF 3Q08, E71 AND N96	16
FIGURE 10 – AUSTRALIAN BUSINESS AND CONSUMER PERCEPTIONS OF NOKIA, 2008	16
FIGURE 11 – BLACKBERRY'S LATEST SMARTPHONES FOR AUSTRALIA AS OF 3Q08, BOLD 9000, PEARL 8220 AND STORM	17
FIGURE 12 – AUSTRALIAN BUSINESS AND CONSUMER PERCEPTIONS OF BLACKBERRY, 2008	18
FIGURE 13 – HTC'S LATEST SMARTPHONES FOR AUSTRALIA AS OF 3Q08, TOUCH DIAMOND AND TOUCH PRO	19
FIGURE 14 – PALM'S LATEST SMARTPHONES FOR AUSTRALIA AS OF 3Q08, CENTRO AND TREO PRO	20
Figure 15 – Samsung's Latest Smartphones for Australia as of 3Q08, i780 and i200	20
FIGURE 16 – IMATE'S LATEST SMARTPHONES FOR AUSTRALIA AS OF 3Q08, JAMA 201 AND ULTIMATE 9502	21
FIGURE 17 – APPLE'S 3G IPHONE AND HTC'S GOOGLE G1 SMARTPHONE	23
FIGURE 18 – SMARTPHONE OS STANDARDISATION PLANS BY AUSTRALIAN BUSINESSES, 2007-2008	25
FIGURE 19 – CURRENT AND PLANNED USAGE OF BUSINESS MOBILE TECHNOLOGIES, 2008	27
FIGURE 20 – CURRENT AND PLANNED USAGE OF BUSINESS MOBILE APPLICATIONS, 2008	28
FIGURE 21 – CURRENT AND PLANNED USAGE OF CONSUMER MOBILE APPLICATIONS, 2008	29
FIGURE 22 – CONSUMER INTEREST IN MOBILE HANDSET FEATURES, 2008	29

Tables

Table	Page
Table 1 – Estimated Smartphone Installed Base Units and Penetration, Mid-2008	15
Table 2 – Comparison of Australia's leading smartphone features and application capabilities, 3Q08	30

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