

THE WIRELESS VANTAGE

A monthly view of the wireless consumer marketplace

By Sharon Bernstein

With the introduction of new high-end wireless devices into an already saturated marketplace, carriers should consider segment-specific messaging to get the most out of marketing spend, as well as viral marketing campaigns.

The Internet offers marketers the clearest view into the purchase intentions of more than 20 million wireless consumers each month. The providers they evaluate, and products they research, are indicative of future buying and switching decisions. Compete's wireless services analyze millions of wireless consumers as they research products or manage accounts online. These services provide clients with strategic guidance to make more informed tactical decisions.

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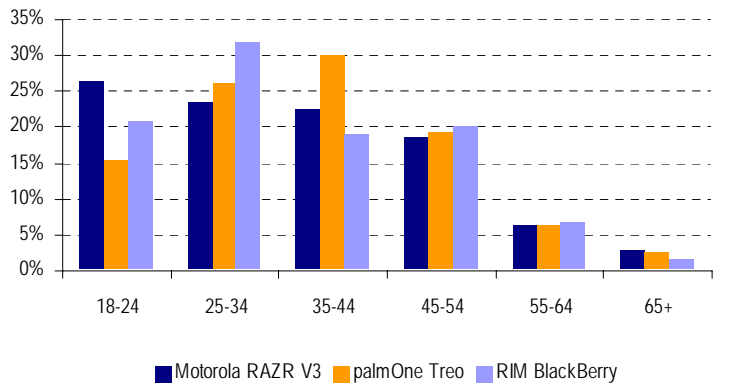
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CINGULAR'S MOTOROLA RAZR V3 HAS AN EDGE IN HIGH-END WIRELESS DEVICE INTEREST

With traditional voice services becoming commoditized, wireless carriers are now promoting **high-end handsets** to drive mass-market demand for advanced services on new high-speed data networks. Carriers are giving top billing to these devices, including the Motorola RAZR V3 (a Cingular exclusive), the palmOne Treo (Cingular, Sprint PCS, T-Mobile, and Verizon Wireless) and the RIM BlackBerry (Cingular, Nextel, T-Mobile, Verizon Wireless), some with price-points above \$500.

Compete analyzed **aggregate interest** across carrier sites in order to assess **segment-specific demand** for emerging high-end devices. We found that the sleek RAZR V3 had a slight lead in grabbing consumer interest; it garnered more than 200,000 unique views in April across carrier sites. This lead is particularly impressive since the RAZR V3 is only available on Cingular.com while the Treo 600 and 650 (with or without a camera) and the various BlackBerry models are available across multiple carrier sites.

High-End Wireless Device Interest by Age Segment
(Percent of aggregated interest in BlackBerry, RAZR V3, and Treo handsets on Big-5 carrier sites by age, April 2005)



The RAZR V3 has captured the attention of more than 25% of young adults (18-24). These consumers exhibit an appetite for fashion over functionality, forgoing some of the productivity tools of the stocky, computer-like Treo 600 and 650 and the various BlackBerry models (an all-in-one organizer/Internet device designed for "push" e-mail). The BlackBerry is popular among "new" professionals in their late 20s and early 30s, most likely due to its variety of models and range of price points.

HANDSET PRICE IS EVERYTHING, OR IS IT?

Competition for gross adds is intense among the Big-5 carriers and one way to beat rivals is with competitive **handset pricing**. The final cost (after rebates) of the palmOne Treo 600 smart phone ranges from \$249 to \$479. But it seems that the Treo's strong **handset reputation** for productivity, word of mouth and positive editorial reviews, not price, are driving interest.

In April, PalmOne.com generated 40% of total interest (among OEM and Big-5 carrier sites) in the Treo 600 even though the price was \$50 higher than on verizonwireless.com.

Treo 600 Handset Costs
(Final cost of the Treo 600 after rebates on Big-5 Carriers sites and palmOne, April 2005)

