

## Mobile Phones - US - January 2013

Report Price: £2467 | \$3995 | €3108

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



*“Four OS compete in the smartphone segment, but only three OS typically survive in hardware markets, given that each must be supported by independent software vendors (ISV), and ISVs are attracted to OS by a large audience for potential sales. This gives the most popular OS the advantage.”*

– Billy Hulkower, Senior Technology Analyst

### In this report we answer the key questions:

- Did the Maps flap hurt Apple?
- Is BlackBerry 10 DOA?
- Will software and hardware brands continue to be distinct?

Mintel's research for this report finds that 53% of phone owners were smartphone owners as of September, 2012. Only 9% of phone owners express intent to continue to own feature phones, suggesting that over 2013-14 there will be a massive adoption of smartphones by the late majority. The focus of this report is on courting these first-time smartphone buyers, as well as maintaining the loyalty of current smartphone owners, both from a hardware and OS perspective. The report coverage includes the following aspects of phone ownership and purchase: average spend and attitude to future spending, interest in remaining on the contract system, loyalty to Apple, feature usage, attitudes to OS, and interest in the new Windows Phone and BlackBerry OS.

Insights exploring the best ways to sell phones in the current environment are developed from a close analyses of key demographic differences, as well as an examination of the current OS owned. Other significant insights are developed from an examination of which OS is most desired by demographics as well as how current smartphone owners, Android owners, iPhone owners, and feature phone owners differ in their attitudes to their current and future cell phones. Social media activity including hardware and software brand marketing is analyzed, with a dedicated section of the report covering how, where, and what consumers are discussing online in regard to the leading manufacturers and OS.

This report builds on the analysis presented in Mintel's *Mobile Phones—U.S., February 2012*. The report covers mobile phone hardware and operating systems (OS). Adults age 18+ are the focus of the report, though kid and teen ownership is also presented.

BUY THIS  
REPORT NOW

VISIT:  
[store.mintel.com](http://store.mintel.com)

CALL:  
EMEA  
+44 (0) 20 7606 4533

Brazil  
0800 095 9094

Americas  
+1 (312) 943 5250

APAC  
+61 (0) 2 8284 8100

EMAIL:  
[oxygen@mintel.com](mailto:oxygen@mintel.com)

### DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

# Mobile Phones - US - January 2013

Report Price: £2467 | \$3995 | €3108

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### Scope and Themes

What you need to know  
Definition  
Data sources  
Sales data  
Consumer survey data  
Advertising creative  
Abbreviations and terms  
Abbreviations  
Terms

### Executive Summary

The market  
The end of adoption  
Figure 1: Fan chart forecast of mobile phone sales, 2007-17  
Smartphones drive market sales  
Feature phones becoming niche market  
Figure 2: U.S. market share: smartphones vs. feature phones, at current prices, 2013  
Rising tide for smartphones swells only three ships  
Figure 3: Brand of cell phone owned, July 2007-March 2012  
Android top smartphone OS, iOS most desired  
Figure 4: Current mobile phone OS and most desired OS, September 2012  
Figure 5: Interest in new Windows and BlackBerry OS, September 2012  
The consumer  
Cell phones reaching universal ownership  
Penetration growth among kids and teens, stalled  
Voice, text, and photos top features  
Figure 6: Select functions used on phone in past 30 days, by age, August 2011-March 2012  
Increased number of high-income households to keep high-end units afloat  
Figure 7: Spend on last cell phone purchase, by household income, August 2011-March 2012  
35-44s sweet spot for new OS  
Figure 8: Interest in new cell phone OS and uncertainty about desired OS, September 2012  
Feature phone owners yet to be swayed about top OS  
Most Android and iPhone owners loyal to OS  
Blacks and Hispanics favor Android . . . for now  
Hispanics highest spenders  
Photos and video central to Hispanic usage  
What we think

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)  
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100  
EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Mobile Phones - US - January 2013

Report Price: £2467 | \$3995 | €3108

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Issues in the Market

Did the Maps flap hurt Apple?

Is BlackBerry 10 DOA?

Figure 9: Interest in new cell phone OS, by intent to purchase cell phone in next six months, September 2012

Will software and hardware brands continue to be distinct?

## Trend Applications

Inspire Trend: Many Mes

Inspire Trend: Rise of the Screenager

Figure 10: Cell phone ownership among teens, April 2009-June 2012

2015 trends

Trend: Old Gold

Figure 11: Interest in having the largest cell phone screen size, by age, September 2012

## Insights and Opportunities

Growing 4G

Figure 12: 4G phone ownership, by age, September 2012

Figure 13: 4G phone ownership, by household income, September 2012

Late majority adoption of smartphones

Protecting prepaid purchases

First-time smartphone buyers price sensitive

Growing the kid and teen market

Phablets for all ages

Stressing reception quality

Toppling Android

Hispanics and videography

## Market Size

Best years of growth behind the market

Figure 14: U.S. sales of mobile phones, at current prices, 2007-17

Figure 15: U.S. sales of mobile phones, at inflation-adjusted prices (base year 2012), 2007-17

Fan chart forecast

Figure 16: Fan chart forecast of mobile phone sales, 2007-17

## Market Drivers

Key points

Limited penetration growth

Household income

Figure 17: Spend on most recent cell phone purchase, by household income, August 2011-March 2012

Figure 18: Household income distribution, 2010-11

Carrier subsidies

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)  
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100  
EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Mobile Phones - US - January 2013

Report Price: £2467 | \$3995 | €3108

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Segment Performance

### Key points

#### Smartphones to carry 92% of market in 2013

Figure 19: U.S. mobile phone sales, by segment, 2010 vs. 2012

#### Pace of smartphone sales growth sliding

Figure 20: U.S. sales of smartphones, 2007-2013

#### Feature phones in rapid decline

Figure 21: U.S. sales of feature phones, 2007-13

## Innovations and Innovators

Google Glass

Nokia City Lens

Motorola gets fit

No more lost iPhones

## Leading Companies—Brand Ownership

### Key points

#### Hardware

#### Nokia, BlackBerry banking on new OS

Figure 22: Brand of cellphone owned, July 2007-March 2012

Figure 23: Brand of cellphone owned, by household income, August 2011-March 2012

#### Software

Figure 24: Current cellphone OS, by age, August 2011-March 2012

Figure 25: Current cellphone OS, by generation (online sample only), September 2012

Figure 26: Current cellphone OS, by household income, August 2011-March 2012

## Marketing Strategies

### Overview

#### Online initiatives

Figure 27: Screenshots, online marketing for Samsung Galaxy S III, 2012

#### Windows Phone marketing highlights personalization

Figure 28: Screenshot, Microsoft online marketing for Windows Phone, 2012

#### Motorola targets Samsung's dominance in Android market

Figure 29: Screenshot, Motorola online marketing for Droid Razor HD, 2012

#### TV campaigns

##### iPhone 5

Figure 30: Apple iPhone 5, "Your thumb" television ad, 2012

##### Samsung faces iPhone head-on

Figure 31: Samsung Galaxy III, "The next big thing" television ad, 2012

##### Google Nexus 4

Figure 32: Google Nexus, "The playground is open" television ad, 2012

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

# Mobile Phones - US - January 2013

Report Price: £2467 | \$3995 | €3108

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Windows Phone

Figure 33: Windows Phone 8, "Cupcake in the oven" television ad, 2012

Figure 34: Windows Phone 8, "Guess that famous person" television ad, 2012

## Droid does Spanish

Figure 35: Verizon/ Motorola Droid RAZR MAXX HD, "Droid powers through" spanish language television ad, 2012

## Social Media

### Key points

### Key metrics

Figure 36: Key brand metrics, mobile phone and OS brands, December 2012

### Brand usage and awareness

Figure 37: Usage and awareness of selected mobile phone and OS brands, October 2012

### Interaction with brands

Figure 38: Interaction with mobile phone and OS brands, October 2012

### Motivations for interacting with brands

Figure 39: Why people interact with mobile phone and OS brands, October 2012

### Online conversations

Figure 40: Percentage of consumer conversation by select mobile phone and OS brands, August 1, 2012-December 1, 2012

Figure 41: Online mentions, selected mobile phone and OS brands, percent of daily mentions, by day, August 1, 2012- December 1, 2012

### Where are people talking about mobile phone and OS brands?

Figure 42: Mentions by page type, selected mobile phone and OS brands, August 1, 2012-December 1, 2012

### What are people talking about?

Figure 43: Mentions by type of conversation, selected mobile phone and OS brands, August 1, 2012-December 1, 2012

Figure 44: Major areas of discussion surrounding mobile phone and OS brands, August 1, 2012- December 1, 2012

Figure 45: Major areas of discussion surrounding mobile phone and OS brands, by page type, August 1, 2012-December 1, 2012

### Brand analysis: iPhone

#### What we think

### Brand analysis: Android

Figure 46: Android, key social media indicators, December 2012

### Key online campaigns

#### What we think

### Brand analysis: Windows Phone

Figure 47: Windows Phone, key social media indicators, December 2012

### Key online campaigns

#### What we think

### Brand analysis: Samsung

Figure 48: Samsung, key social media indicators, December 2012

### Key online campaigns

#### What we think

### Brand analysis: Nokia

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)  
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100  
EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

## Mobile Phones - US - January 2013

Report Price: £2467 | \$3995 | €3108

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 49: Nokia, key social media indicators, December 2012

Key online campaigns

What we think

Brand analysis: BlackBerry

Figure 50: BlackBerry, key social media indicators, December 2012

Key online campaigns

What we think

### Cell Phone Ownership

Key points

One point of growth per year

Figure 51: Cell phone ownership, July 2007-March 2012

Figure 52: Cell phone ownership, by age, August 2011-March 2012

Figure 53: Cell phone ownership, by household income, August 2011-March 2012

Penetration among teens and kids at a standstill

Figure 54: Cell phone ownership among teens, April 2007-June 2012

Figure 55: Teen cell phone ownership, by gender and age, April 2011-June 2012

Figure 56: Kids' cell phone ownership, April 2007-June 2012

Figure 57: Cell phone ownership among kids, by age, April 2011-June 2012

### Cell Phone Usage and Attitudes

Key points

Select group of features to drive smartphone adoption

Figure 58: Features used on cell phone in past 30 days, by age, August 2011-March 2012

Voice vs. other features

Figure 59: Attitudes to cell phone features, by age, August 2011-March 2012

Room for growth in unsubsidized phones

Figure 60: Attitudes to cell phone price and subsidies, by household income, September 2012

Bigger sometimes better

Figure 61: Attitudes to screen size, by age, September 2012

Figure 62: Attitudes to screen size, by household income, September 2012

Loyalty to Apple

Figure 63: Desire for the iPhone, and purchase of the iPhone 5, by age, September 2012

Hardware vs. OS

Figure 64: Attitudes to cell phone OS, by age, September 2012

### Ownership of and Attitudes to Cell Phone Operating Systems

Key points

Four in 10 undecided about OS

Android softer target than Apple for Windows and Blackberry

Figure 65: Current and desired cell phone OS, September 2012

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)  
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100  
EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

## Mobile Phones - US - January 2013

Report Price: £2467 | \$3995 | €3108

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 66: Desired cell phone OS, by gender, September 2012

Figure 67: Desired cell phone OS, by age, September 2012

Figure 68: Desired cell phone OS, by household income, September 2012

### Interest in new Windows and BlackBerry OS

Figure 69: Interest in new cell phone OS, Windows Phone 8 and BlackBerry 10, September 2012

Figure 70: Interest in new cell phone OS, Windows Phone 8 and BlackBerry 10, by age, September 2012

### Custom Consumer—Impact of Current OS and Phone Purchase Plans

#### Key points

#### OS preferences: Smartphone owners vs. feature phone owners

Figure 71: Desired cell phone OS by current OS, September 2012

#### Eying demand for low-end smartphones

Figure 72: Attitudes to cell phones, by current OS, September 2012

#### Upgraders seek latest OS, iPhone, largest screens

Figure 73: Attitudes to cell phones, by intent to acquire new phone in next six months, September 2012

Figure 74: Desired cell phone OS, by intent to acquire new phone in next six months, September 2012

### Impact of Race and Hispanic Origin

#### Key points

#### Hispanics capture images, Asians play games

Figure 75: Features used on cell phone in past 30 days, by race and Hispanic origin, August 2011-March 2012

Figure 76: OS on cell phone, by race and Hispanic origin, August 2011-March 2012

Figure 77: Spend on most recent cell phone purchase, by race and Hispanic origin, August 2011-March 2012

Figure 78: Features used on cell phone in past 30 days, by language spoken in home, August 2011-March 2012

### Appendix: Teen and Kids Ownership and Usage Data

#### Teens

Figure 79: Brand owned among teens, April 2007-June 2012

Figure 80: Features used on cell phone in past 30 days by teens, April 2007-June 2012

Figure 81: Attitudes to cell phone usage among teens, April 2009-June 2012

Figure 82: Features used on cell phone in past 30 days among teens, by gender and age, April 2011-June 2012

Figure 83: Attitudes to cell phone usage among teens, by gender and age, April 2011-June 2012

Figure 84: Brand owned among teens, by gender and age, April 2011-June 2012

#### Kids

Figure 85: Features used on cell phone in past 30 days by kids, April 2009-June 2012

Figure 86: Features used on cell phone in past 30 days among kids, by age, April 2011-June 2012

### Appendix – Additional Consumer Tables

#### Features

Figure 87: Features used on cell phone in past 30 days, by household income, August 2011-March 2012

Figure 88: Features used on cell phone in past 30 days, by gender, August 2011-March 2012

Figure 89: Attitudes to features, by household income, August 2011-March 2012

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)  
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100  
EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

## Mobile Phones - US - January 2013

Report Price: £2467 | \$3995 | €3108

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

### OS

Figure 90: OS on cell phone, by gender, August 2011-March 2012

Figure 91: Attitudes to OS, by household income, September 2012

### Trended attitudes to cell phones

Figure 92: Trended attitudes to cell phone usage, July 2008-March 2012

Figure 93: Attitudes to price and subsidies, by age, September 2012

### Brand owned

Figure 94: Brand owned, by age, August 2011-March 2012

### Responses by race and Hispanic origin

Figure 95: Brand owned, by race and Hispanic origin, August 2011-March 2012

Figure 96: Spend on most recent cell phone purchase, by language spoken in home, August 2011-March 2012

Figure 97: Type of phone I would most like to have, by race/Hispanic origin, September 2012

Figure 98: Brand owned, by languages spoken in home, August 2011-March 2012

### Responses by cell phone service provider

Figure 99: Attitudes to price and subsidies, by current provider, September 2012

Figure 100: Acquisition, 4G, and screen size, by current provider, September 2012

Figure 101: Attitudes to OS, by current provider, September 2012

Figure 102: Current cell phone, by current provider, September 2012

Figure 103: Type of phone I would most like to have, by current provider, September 2012

## Appendix – Social Media Metrics

### Brand usage and awareness

Figure 104: Usage and awareness of the iPhone brand, by demographics, October 2012

Figure 105: Usage and awareness of the Android brand, by demographics, October 2012

Figure 106: Usage and awareness of the Windows Phone brand, by demographics, October 2012

Figure 107: Usage and awareness of the Samsung brand, by demographics, October 2012

Figure 108: Usage and awareness of the BlackBerry brand, by demographics, October 2012

Figure 109: Usage and awareness of the Nokia Brand, by demographics, October 2012

### Interaction with brands

Figure 110: Interaction with the iPhone brand, by demographics, October 2012

Figure 111: Interaction with the Android brand, by demographics, October 2012

Figure 112: Interaction with the Windows Phone brand, by gender, October 2012

Figure 113: Interaction with the Samsung brand, by demographics, October 2012

Figure 114: Interaction with the BlackBerry brand, by demographics, October 2012

Figure 115: Interaction with the Nokia brand, by demographics, October 2012

### Motivations for interacting with brands

Figure 116: Reason for interaction with the iPhone brand, by gender, October 2012

Figure 117: Reasons for interaction with the Android brand, by demographics, October 2012

Figure 118: Reasons for interaction with the Windows Phone brand, by gender, October 2012

Figure 119: Reasons for interaction with the Samsung brand, by demographics, October 2012

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)  
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094  
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100  
EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)

## Mobile Phones - US - January 2013

Report Price: £2467 | \$3995 | €3108

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 120: Reasons for interaction with the BlackBerry brand, by gender, October 2012

Figure 121: Reasons for interaction with the Nokia Brand, by gender, October 2012

### Online conversations

Figure 122: Percentage of consumer conversation, by mobile phone brands, August 1, 2012-December 1, 2012

Figure 123: Online mentions, by mobile phone brands, by day, August 1, 2012- December 1, 2012

Figure 124: Mentions by page type, selected mobile phone brands, August 1, 2012-December 1, 2012

Figure 125: Online mentions, by selected mobile phone brands, by type of conversation, August 1, 2012-December 1, 2012

Figure 126: Major areas of discussion surrounding mobile phone brands, by day, august 1, 2012-December 1, 2012

Figure 127: Major areas of discussion surrounding mobile phone brands, by type of website, August 1, 2012-December 1, 2012

### Appendix – Trade Associations

BUY THIS  
REPORT NOW

VISIT: [store.mintel.com](http://store.mintel.com)

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: [oxygen@mintel.com](mailto:oxygen@mintel.com)