



Converged Mobile Devices increasingly get into Indian consumers' hands in 2007 and beyond

Shift in the way converged devices were perceived, marketed and purchased results in higher adoption

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During CY 2007 the India converged mobile devices (smartphones) market showcased robust year-on-year growth of 31.4% (over 2006) to cross the 4 million shipments mark. The growth in this segment can be largely attributed to the launch of models with new and innovative features, innovative promotional schemes, attractive pricing and the entry of new converged device vendors. The data-centric converged device segment registered an yearly growth of 89%, whereas voice-centric devices grew by 26.3% year-on-year.

The data-centric converged device segment saw heightened activity during the year 2007 wherein two new vendors HTC and Asus entered the market with highly innovative offerings. Amongst the major handset vendors Motorola, Nokia and HTC were the major players during CY 2007; RIM, Sony Ericsson and iMate shipments also picked up. 2007 also witnessed a shift in market share by handset operating system. Windows OS based devices took the lead with a market share of 32.9% in unit shipment terms, pushing Symbian OS based devices to the second position.

Nokia, the traditional leader in the voice-centric converged device segment with the help of its very large product portfolio led the market with a 97.8% market share in CY 2007. During the year, Nokia extended its product portfolio, especially the N Series. Some of the models launched under N Series were N76, N77, N81, N82, and N95. The year also saw Nokia launching some of its models with different storage capacities to suit multimedia usage habits of consumers. At the same time, the vendor also reduced the prices of its models to make them more affordable to a larger set of customers.

Business executives and young consumers are likely to drive the growth of the converged mobile device segment in India as the need for connectivity for business users and higher disposable incomes amongst young consumers are on the rise. Also supporting the wave is growing availability of email solutions, richer multimedia experience and demand for faster connectivity, which will build the momentum for these devices in the times ahead.

Table 1: India Converged Device (Smartphones) Market

Form Factor	Year-on-Year Growth in unit shipment terms (CY 2007 over CY 2006)
Voice Centric Converged Devices	26.3%
Data Centric Converged Devices	89.0%
Grand Total	31.4%

Source: IDC India, 2008

The iPhone with Apple's brand equity, stunning looks and aesthetics has a 'fan following' in India as well. The phone featuring best-in-class music, first-of-its kind Graphical User Interface (GUI) and high-speed 3G capabilities is viewed and sought to be promoted as the 'ultimate consumer mobile device to own'. Market leaders Nokia and Samsung also rushed to unveil their own competing models.

However, the iPhone's limited availability through a binding service contract with mobile service operators like Vodafone and Airtel and its premium pricing have restricted the initial off-take to a large extent. IDC feels this may continue for some more time till either one or all of the following take place - the handset price is reduced to more acceptable levels, the phone is made available in the open market directly through retail stores, and launch of 3G services in India.