

Appeal of social networking phones limited without additional features – Survey shows music, instant messaging and web browsing are a must for the youth segment

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In a recent survey conducted by Canalys with more than 2,400 mobile phone and PC users in EMEA, 79% said that they were users of social networking sites on both platforms. Surprisingly, only 15% of respondents in Portugal do not access social networks, while in Sweden the figure was as high as 26%. Leading handset vendors have integrated social networking elements into their portfolios and this has been an area of increasing focus for manufacturers. Just last week, Microsoft unveiled the KIN ONE and TWO, while Nokia announced three new devices (the C3, C6 and E5) optimized for messaging and social networking.

Significantly, 90% of those aged 16 to 25 access social networking services (SNSs). 31% of this group do so via both mobile phones and PCs, compared with just 8% of those aged 46 to 55. The results seem to be a justification for the vendors that have targeted phones with a strong focus on social networking at the youth market.

When looking in detail at this demographic group, however, the most popular activity (excluding voice calling and text messaging) conducted solely on the phone, as well as both on the phone and PC, was listening to music. Instant messaging, browsing web sites and accessing social networks were the next most popular activities, while downloading applications, playing games, mapping and location-based services also featured highly. To offer a complete solution to this group, an application store will be important, as it opens up the possibility for third-party developers to provide the diverse functions that individual vendors may not be able to offer. Furthermore, for the same age group, the results showed that for those who downloaded applications, the top categories were games, entertainment and social networking clients. These results suggest that a fully dedicated SNS phone that doesn't take other sought-after functions into consideration will only have very limited appeal. 'Vendors that intend to target this demographic must note that interests among young people are varied and go beyond social networks,' advised Chris Jones, VP and Principal Analyst at Canalys, 'and other features and functionalities must be provided in addition to integrated SNS clients, possibly through the availability of an application store.' The KIN phones from Microsoft are designed to provide a tightly integrated SNS experience and support Zune Pass, but the lack of application and games support may limit appeal among its target audience. At the same time, besides focusing on social networking, the additional bundling of 'Comes With Music' on the newly announced Nokia devices may be required to attract this market segment.

Of the group that accesses SNSs via both mobile phones and PCs, the majority (61%) stated that they do so more on the PC because they find it more difficult on the phone. This is expected, as it is a big task to enable all the social networking features in a mobile client where the screen is going to be much smaller than that of a PC. ‘Vendors must understand that the mobilization and ease-of-use of commonly used features will determine their success,’ said Pete Cunningham, Senior Analyst at Canalys, ‘and it will be crucial to concentrate on perfecting the experience with a limited set of these features rather than to enable everything.’ Users have come to expect the fully fledged features of social networking sites with their PC browsers but while on the move, access to news feeds, photos and status updates are far more useful. Vendors must consider such customizations for the phone by working with the leading international social networking sites, and engage their developer communities to do the same for other regional and localized SNSs. Another 29% found cost to be a factor for the lower level of use on the phone when compared with the PC. But with operators already including data bundles in both pre-pay and post-pay packages to attract users, cost concerns are being addressed and increasing SNS use on the phone is certainly expected.

While phone vendors look to take advantage of the social networking phenomenon with customized SNSs and messaging clients to appeal to the youth market, they must also seek to improve the user experience of other features, such as music playback, web browsing and gaming on their devices. Canalys expects to see more social networking-focused phones in the future, but only those vendors that can balance the right set of functions with competitive pricing will appeal to budget-conscious young people. Competition will be strong, with many vendors expanding their services capability from their smart phone portfolios into feature phones to fulfil this market potential.

About the service

The research results discussed in this release come from the Canalys Consumer Mobility Analysis EMEA service, which provides clients with analysis of results from a continuous programme of large-scale consumer surveys. Each quarter, different mobility topics and country markets within EMEA are covered by the survey to provide monitoring of trends and reaction to new initiatives, products and services. In addition to analysis of the survey results, clients receive regular reports, supporting databases and direct access to Canalys analysts.

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Canalys specialises in delivering high-quality market data, analysis and advice to the world’s leading technology vendors. It is recognised as a key provider of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms, navigation and consumer electronics companies. It has unrivalled expertise in routes to market for all kinds of high-technology products and services and provides worldwide market data and trends analysis.

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