

July 27, 2011

CIAJ Releases Report on the Study of Cellular Phone Use

CIAJ conducted an annual study of cellular phone use and announces the release of this year's study as follows.

This year's report enhanced the coverage of smartphones, identifying intentions to switch to a smartphone and dissatisfaction expressed by purchasers. Interest in purchasing a smartphone is high, and the results indicate that its demand will pump new energy into the market.

Summary

This study has been conducted since 1998 to capture on-going changes in the domestic mobile communications market.

CIAJ mailed questionnaires to 1200* cellular phones users (100 male & 100 female users in each of the following age groups: under 20, twenties, thirties, forties, fifties, sixties) residing in the larger Tokyo and Osaka metropolitan areas from the end of March through April of this year.

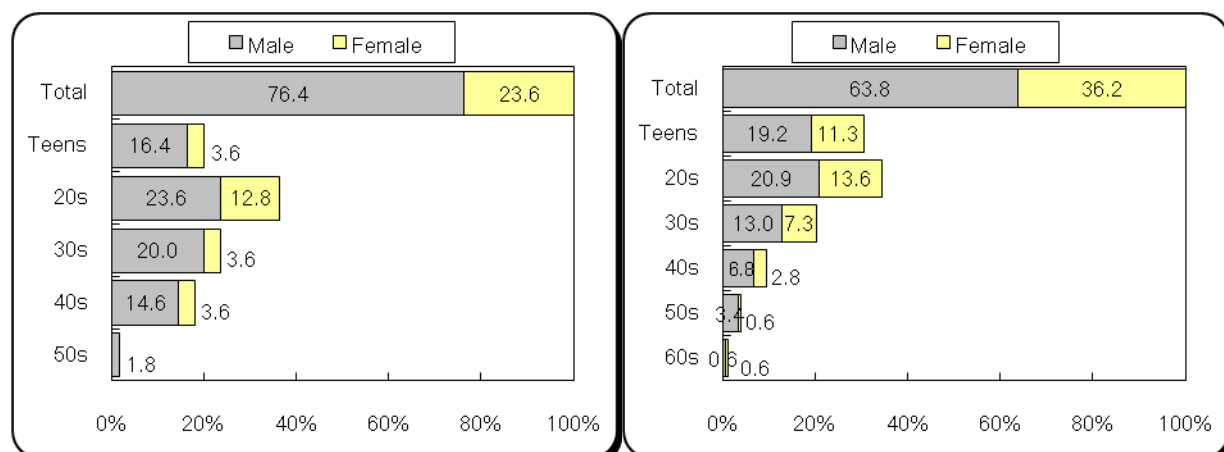
Unique findings from this year's study are as follows.

* In order to gain a more precise reflection of actual trends, the number of samples was doubled from previous years.

(1) Handset Trends and Actual Purchases

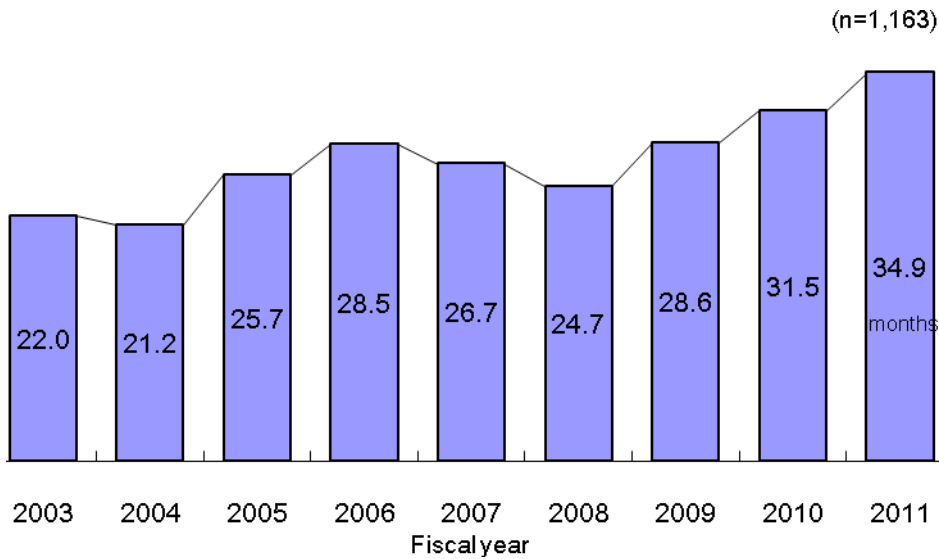
<Significant jump in smartphone users>

The ratio of smartphone users jumped from 9.2% (55/600) in the 2010 study to 14.8% (177/1200) in 2011. The growth was especially strong among female teens.



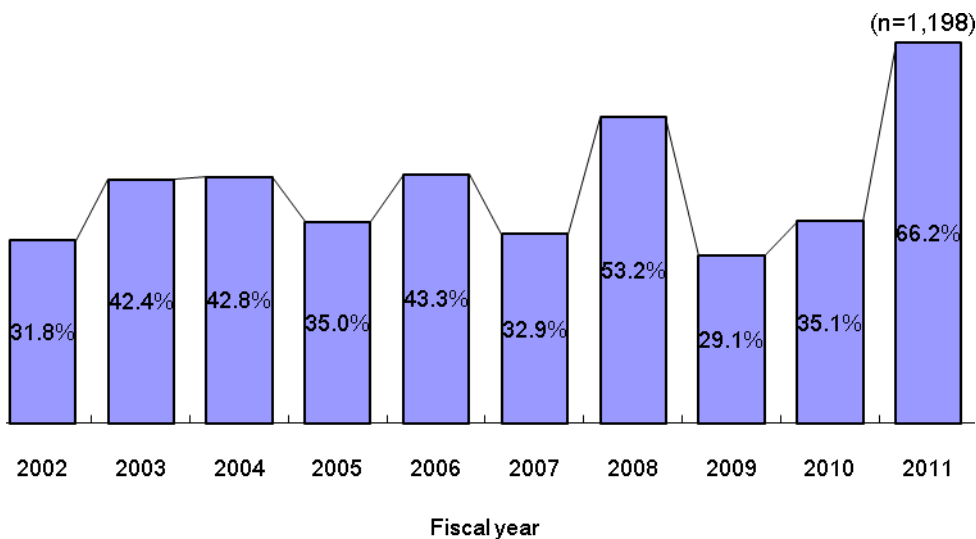
<Even longer purchasing cycles - about 3 years>

The average use of respondents' previous model (the one before the handset currently in use) rose 3.4 months over last year to 34.9 months.



<Huge growth in intent to purchase replacement. Strong interest in new purchases>

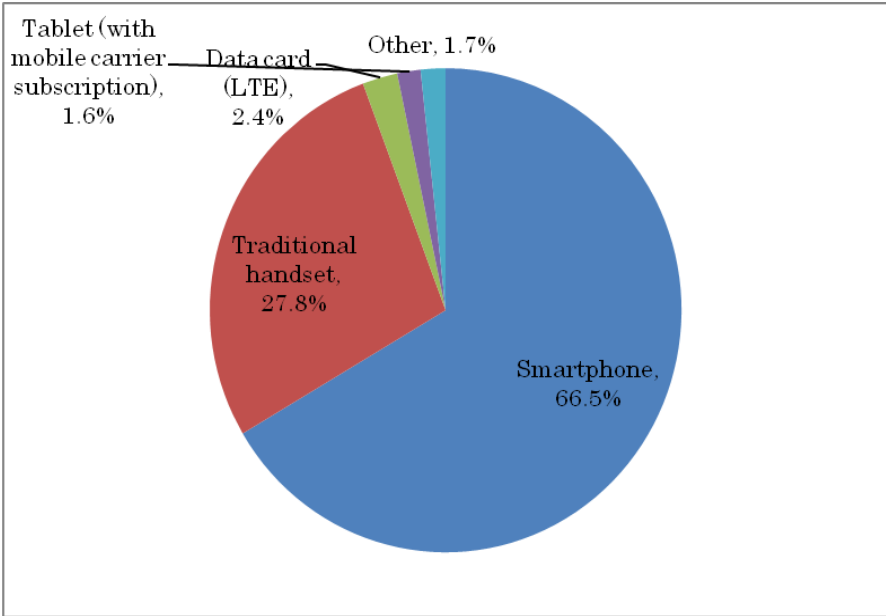
- 66.2% of respondents said they intended to purchase replacement handsets. This is a 31 point jump over the previous year, and an indication that the market is about to see a surge in demand. If this becomes an actual trend, purchasing cycles may become shorter.



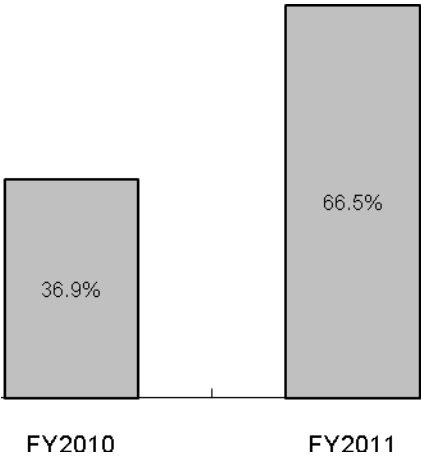
<Clear interest in smartphones>

- 66.5% of respondents who indicated intention to purchase a replacement indicated intent to purchase a smartphone as their next device. This is approximately a 30 point surge over the 2010 results. This is clear indication that the popularity of smartphones is fueling user interest in making new purchases.

Intended type of device to be purchased as primary handset (n=792)



Ratio of respondents intending to purchase a smartphone among all respondents intending to purchase a new handset



- The important considerations at the time of replacement purchase are the same in 2011 as in 2010, but the weight of the responses were different. There was a greater emphasis on design, while less importance on size. Both are likely the impact of the popularity of smartphones.

<p><u>2010(n=597)</u></p> <p>Focus on design 72.0%</p> <p>Focus on price 70.2%</p> <p>Focus on size (dimension, weight, thickness) 47.2%</p> <p>Focus on color 25.1%</p> <p>Focus on advanced functions 20.1%</p>

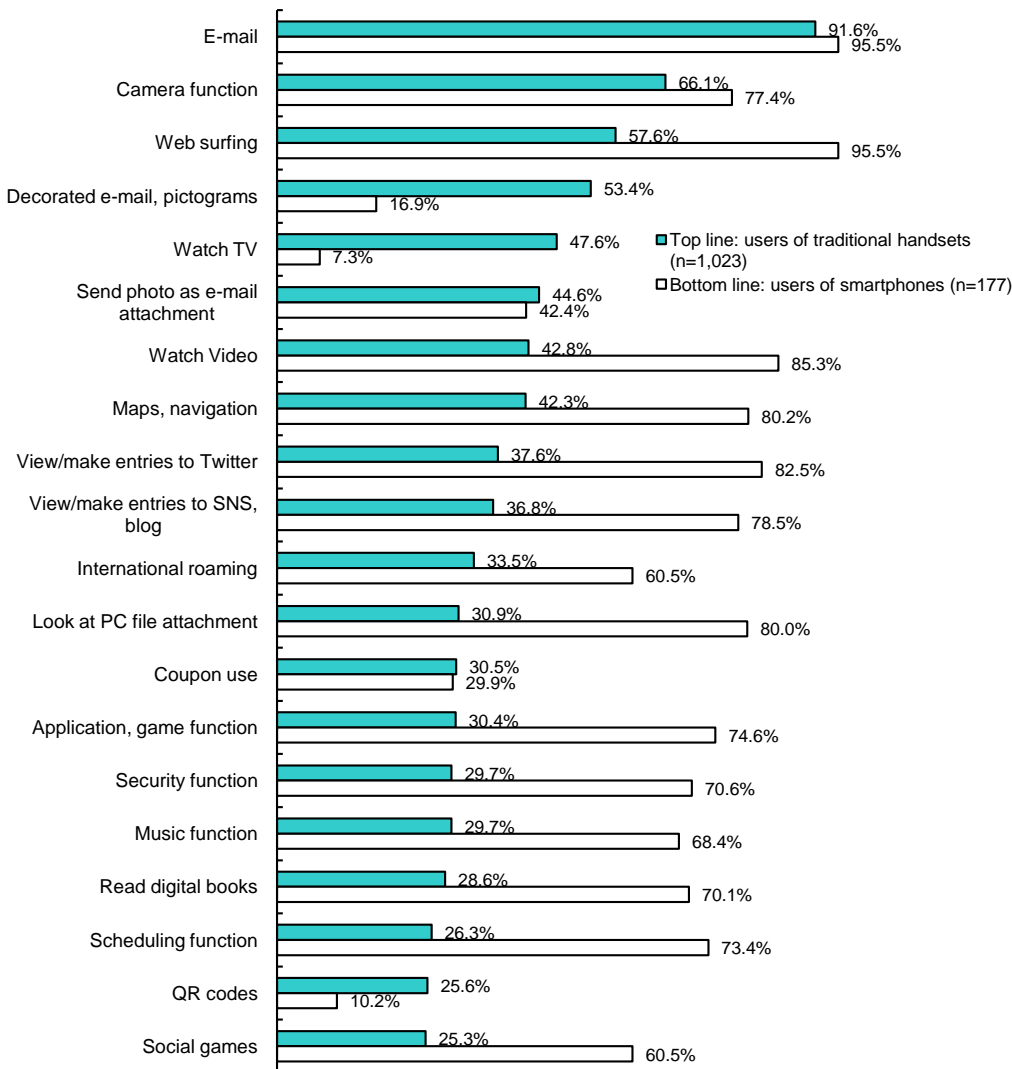
2011(n=1,170)

- Focus on design 76.6%
- Focus on price 65.4%
- Focus on size (dimension, weight, thickness) 29.1%
- Focus on color 26.9%
- Focus on ability to add new applications after purchase 20.5%

(2) Use of Services and Functions of Cellular Phones

<Smartphone users showed a higher tendency to use all of the services and functions >

- Of the cell phone functions and services used, “e-mail” was approximately 90%, “camera function,” “web surfing” and “decorated e-mail” were about 50% each.
- On the other hand, smartphone users showed a higher tendency to use all of the services and functions mentioned in the survey. There was an especially greater use of certain services and functions not used by owners of other types of handsets, such as scheduling and social games.



The full Japanese edition of this report is available for ¥59,000 (postage extra) as CD-R with the input data. TEL:03-5403-9351 FAX:03-5403-9360 E-mail: kawai[at]ciai.or.jp