

Rivals bid to trump iPhone at Asia's biggest telecom fair

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Mobile phone manufacturers will show off their most advanced models at Asia's biggest telecommunication fair this week, hoping to prove they can rival or even better the phenomenal Apple iPhone.

CommunicAsia 2009 opens in Singapore Tuesday, a week after the US technology titan unveiled a new version called the [iPhone](#) S featuring a video camera as well as faster connection speed.

Analysts say competitors have been left playing catch-up to the iPhone, which has shaken up the industry and created a legion of new [Apple](#) fans drawn to the device's sleek design, touchscreen interface and myriad of

applications.

Phones featuring multimedia functions and Internet connectivity are known as smartphones. Together with fast 3G networks, they work like pocket-sized computers that keep users connected anywhere, anytime.

Thanks to the iPhone, Apple has emerged to become the world's third largest maker in the fast growing smartphone segment, selling 18.66 million units since the device hit stores in 2007, according to technology research house Gartner.

The stakes this week are high for mobile phone makers because the region is shaping out to be a key battleground as they jostle for a share of the burgeoning market for smartphones.

"If you look at the Asia Pacific, this is the biggest show in town," said Marc Einstein, industry manager for mobile and wireless communications with Frost and Sullivan consultancy.

"It's important for them to display their strengths," he said.

Samsung, the world's second largest phone maker behind Nokia, is among the heavyweights at CommunicAsia, where the South Korean electronics giant is expected to unveil its latest innovations including a new smartphone line-up.

LG, another South Korean player, ranked third globally behind Samsung in terms of overall mobile phone sales including lower-end models, is also expected to tout its most advanced wares at the show, as is Sony Ericsson.

Research in Motion (RIM), maker of the popular Blackberry, is also one of the exhibitors at CommunicAsia, but the Canadian company will not

be introducing any new products, a spokesman said.

Finnish giant Nokia is not part of CommunicAsia but will hold its own events outside the trade fair.

Smartphone sales are tipped to account for 26.5 percent, or 228 million units, of Asia Pacific's overall mobile phone market, up from 13.74 percent in 2008, Frost and Sullivan said.

"This rise is primarily due to the fact that the costs of smartphones are reducing tremendously across all individual markets in the Asia Pacific, with operators subsidising the price to entice subscribers to experience and use higher value-added data applications," it said.

Roberta Cozza, London-based principal analyst with Gartner, said the iPhone was a major reason behind the growing global interest in smartphones.

"It has been Apple that woke up the industry on the importance of the user interface and underlying operating system," said Cozza.

"Apple has been the new entrant that changed the rules of the game," she said.

Gartner expects the global smartphone market will grow 27 percent in 2009 to 107 million units, while the overall [mobile phone](#) sector is likely to decline four percent to 1.17 billion units for the same period.

"We still believe the area of growth is going to be smartphones," said Cozza.

Smartphones offer higher margins for the phone makers and for the telecom service providers, they ramp up data revenues because Web

surfing and transmission of files like pictures and videos are subject to additional charges.

"Where we are today is we are getting to the area where smartphone is becoming more of a reality," said Einstein from Frost and Sullivan.

"People want to be on the Web all the time," he said.

Within Asia Pacific, consumers in the more developed economies such as Australia and Singapore are jumping quickly on the smartphone bandwagon, according to Ovum consultancy.

"For the past two years, we have seen strong moves by consumers and business users towards higher-end devices," said Nathan Burley, a regional telecommunications analyst with Ovum's office in Melbourne.

"Consumers are seeing the value of having more connectivity in their pockets," he said.

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