

Smartphones to make up over half of Asian sales by 2015

August 23 2010



A man tries out a Blackberry mobile phone in Singapore. Smartphones, like Research in Motion's BlackBerry and Apple's phenomenally popular iPhone, will make up over half of Asian mobile phone sales by 2015, with 477 million units likely to be sold, an industry report said.

Smartphones will make up over half of Asian mobile phone sales by 2015, with 477 million units likely to be sold, an industry report said Monday.

Consultancy Frost and Sullivan said smartphones would account for 54 percent of the Asia-Pacific mobile market in five years, up sharply from five percent in 2009.

The sharp take-up rate for smartphones will be a huge revenue boost for [telecom operators](#) as it means a surge in demand for data services, the consultancy said.

The consultancy said data usage from smartphones would generate over 38 billion US dollars for the region's telecom operators by 2015, from slightly over 1.3 billion dollars last year.

Smartphones are high-end mobile devices providing faster access to data connections such as e-mail and Internet browsing than so-called feature phones, which have less computing ability.

Subscribers usually pay more for mobile data services, translating into higher average revenue per user (ARPU) for operators keen to make up for flat or declining earnings growth from feature phones.

"Smartphones are critical to every operator's mobile broadband business case, as a smartphone user's ARPU typically increased by 25 to 100 percent after adoption depending on the market," said Marc Einstein, the consultancy's industry manager.

"The Asia-Pacific market is particularly interesting for smartphones as there has been significant uptake in emerging markets like China, India and Indonesia, even among prepaid users," he said in the report.

Apple's phenomenally popular [iPhone](#) and Research in Motion's BlackBerry, a favourite with corporate users, are largely credited with sparking consumer interest in smartphones in the last few years.

Despite the upbeat assessment, telecom operators still need to overcome a few hurdles, Frost and Sullivan said.

"Eighty percent of Asian [mobile users](#) use prepaid cards, and in fact in

many markets are as high as 97 percent, making smartphone subsidies impossible for most users," said Einstein.

"Furthermore, there is a lack of public Wi-Fi, particularly in emerging markets, which has been a smartphone saviour in the US and other developed markets."

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