

Faster smartphones spark race for ways out of data crunch

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Smartphones on display in Singapore in 2010. Lighter, faster and even smarter smartphones will premiere at the world's biggest mobile fair next week, sparking a race for ways to prevent network overload from rendering the phones "dumb".

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Mobile phone giants Nokia, LG and Sony are among a long list of manufacturers which will show off their latest offers during the four-day Mobile World Congress, which opens in Spain's Barcelona on Monday.

"We are likely to see a number of high-end Android phones with very fast, light, quad core processors," IHS Global Insight analyst Ian Fogg said.



"There will be an innovation towards the high-end, with larger screens, they'll be very fast, enabling gaming," he added.

Most smartphones run on dual core at the moment, but quad core would essentially make them run at least twice as quickly.

But even though smartphones are getting even smarter, with 3-D screens or higher resolution cameras, analysts warn that their potential can hardly be unleashed as <u>network infrastructure</u> is not keeping pace.

"Quad core is useful when it comes to <u>mobile gaming</u>, but in reality it is just hype, because the bottleneck at the moment is data usage," said Loo Wee Teck, Euromonitor's head of consumer electronics research.

"If you don't have the supporting bandwidth, then it is just academic."

Magnus Rehle, managing director of Greenwich Consulting, also pointed to network overload as an "increasing problem, not just on data caused by smartphones but also by the applications on the phones."

With mobile <u>data traffic</u> estimated by Digiworld Institute to grow 33 times between 2010 and 2020, all eyes will be on telcom executives attending the congress to detail plans on rolling out or popularising the ultra-fast fourth generation (4G) network.

Beyond a data crunch provoked by insufficient bandwidth, Rehle said the functions of numerous phones were also being deliberately turned off by travelling consumers for fear of overly high <u>roaming charges</u>.

"How can we find a new business model for roaming so that the smartphone doesn't become a dumb phone once you cross the border -- too many people switch off their iPhones or Android phones due to data charges," he added.



His research shows that freeing up the data roaming market in Europe alone could bring in some 1.5 billion euros in revenues.

The issue is expected to come up during a wider debate during the congress on how operators can generate more revenues, as voice calls are no longer a money spinner with more consumers turning to free online options.

Even if consumers are doing more with their phones, revenues are going straight to the applications' developers or directly to the phone manufacturer, such as Apple with its own Appstore, which bills the user directly.

One thing is clear, everyone wants a share of the smartphone market.

Microsoft will launch a test version of its latest Windows operating software, a product largely designed for mobile devices including phones and tablets.

With Apple traditionally absent from the congress, and Samsung not holding a press conference this year, other manufacturers, such as China's Huawei and ZTE as well as Japan's Panasonic and Fujitsu are eagerly seeking a share of the pie.

After all, the smartphone market potential remains massive.

Smartphone sales grew 53.5 percent in 2011, and made up 34 percent of all mobile handsets sold in the year, said Informa Telecoms and Media research agency.

"Continued growth means that more than one billion people will have a smartphone by 2013," it added.



Not just the premium smartphone sector is up for grabs: audit giant Deloitte expects more than half a billion smartphone handsets at the low price bracket of less than \$100 each to be sold by end-2012.

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