

WIRELESS VANTAGE™

A view of the wireless consumer marketplace

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FAMILY SERVICES: WOULD PARENTS RATHER SPEND LESS OR KNOW MORE?

To increase parents' comfort with children carrying mobile phones, three carriers have launched family service offerings focused on usage control or GPS location tracking.

Compete found that T-Mobile's usage-focused kidConnect service draws more than four times the proportional interest of Sprint and Verizon Wireless' GPS-based child locator services. Compete measured the percentage of visitors to each company's website who viewed pages highlighting these services. While all three carriers promote these services, T-Mobile more thoroughly highlights kidConnect on its website, making it easier for T-Mobile shoppers to research.

T-Mobile markets kidConnect as a plan that controls children's usage and works with any phone. Sprint and Verizon Wireless market their GPS-based child locator service as an add-on service for parents to monitor their child's location via the phone and the web rather than as a service to control phone usage. While, Cingular, Sprint and Verizon Wireless do offer parental control services, those services are focused on specific handsets, such as the child-oriented LG Migo. All of these services face competition from Disney Mobile, an early MVNO focused on family wireless services. Disney includes both parental controls and child locator services as part of its basic offer.

The lower interest levels in Sprint and Verizon's child locator services do not appear to be driven by lack of awareness. Seventy percent of wireless consumers tell Compete they are aware of their carrier's family locator services, and nearly 30% of carrier customers say child locator services are important to them.

The question remains whether parents worry more about controlling their children's cell phone costs than about locating their children. As providers sort through this, measuring online traffic to each carrier's offering allows marketers to quickly gauge interest in the different versions of these products and services. Through surveys, companies can further understand what drives this interest and how to best convert that interest into adoption.

PEARL, Q & E62 LAUNCHES SHOW GROWING CONSUMER INTEREST IN SMARTPHONES

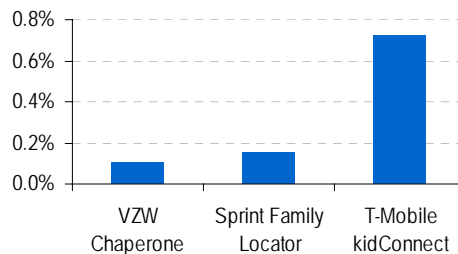
The recent launch of three prominent consumer oriented smartphones priced below \$200 shows the degree to which marketing can affect consumer interest patterns.

Compete measured post-launch consumer interest in the Blackberry Pearl, Motorola Q and Nokia E62 by sampling consumer research patterns at major carrier websites.

The Motorola Q, with substantial pre-launch buzz and a large advertising campaign, saw an immediate and substantial spike in interest. Over 20% of Verizon's handset researchers considered the Q in its second week of release. The Blackberry Pearl has experienced a much slower and steady growth in interest supported by RIM's advertising campaign (see chart). T-Mobile, which offers the device, focuses advertising more on its service plans like myFavs rather than on specific devices. The E62 at Cingular has experienced a similar slow build in interest, and appears to have plateaued at an interest level just above 5% of Cingular device researchers.

Lower relative interest in the E62 suggests an opportunity to boost sales by increasing interest in similar future devices, through aggressive, targeted advertising rather than consumer discounts. The E62 is offered for \$149.99 with contract, \$50 cheaper than the Pearl or Q. Interest data allows carriers and OEMs to identify and address underperforming devices. Devices with high interest levels but low conversion of that interest into sales could benefit from higher subsidies, while handsets with low interest but high conversion could draw more buyers with improved marketing.

Parental Control & Family Locator Service Interest
(Avg monthly percentage of Site's Unique Visitors to each service, 3Q 2006)

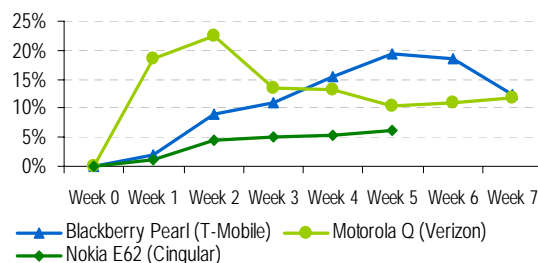


T-Mobile's kidConnect usage control service is attracting 4 times more proportional interest from consumers than child locator services at Sprint and Verizon

Compete's wireless intelligence and targeting services analyze consumer behaviors and competitive best practices to help wireless companies maximize their returns on marketing, product development, and procurement.

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Interest In Recent Consumer-Oriented Smartphones
(Percentage of Carrier's Handset Researchers Evaluating Each Phone, Weekly, Relative to Launch)



Want more data on this analysis?

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