

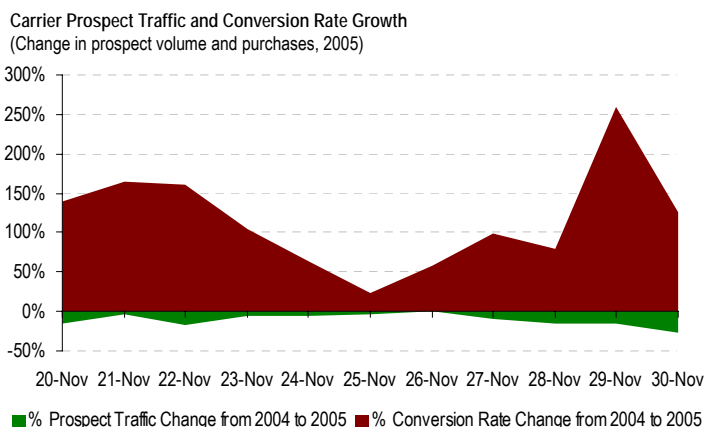
## WIRELESS VANTAGE™

A view of the wireless consumer marketplace

### IT'S BEGINNING TO LOOK A LOT LIKE CONVERSION:

### EARLY HOLIDAY ONLINE WIRELESS SALES ALMOST DOUBLE LAST YEAR'S

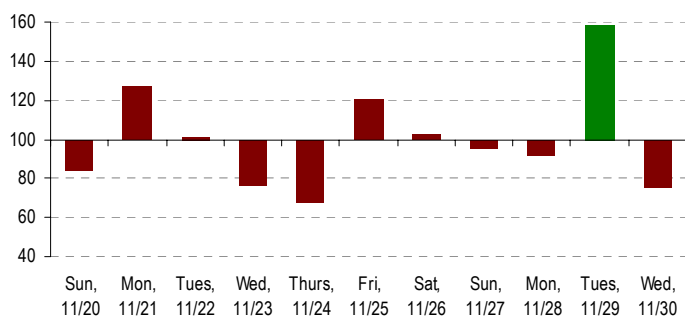
If the start of the 2005 online holiday shopping season compared to last year is any indication, it should be a lucrative one for the wireless industry. The average carrier site conversion rate more than doubled versus 2004 during the same 10 day time-period (the Sunday before through the Wednesday after, Thanksgiving). Even with fewer online wireless shoppers in 2005, online sales† grew more than 90% as a result of wireless consumers' increasing willingness to purchase online (as indicated by survey responses), as well as the notable improvements made to many wireless shopping sites' purchase experiences. Carriers also offered competitive, targeted promotions to acquire new customers and to grow existing customer relationships through aggressive "add-a-line" offers.



Existing subscribers are emerging as an orchard from which carriers can successfully harvest new customers online. This organic growth is a positive sign for wireless carriers' direct online channel, as seasoned customers are more comfortable adding lines and buying phones without touching and feeling the devices or talking to a live representative.

Overall, Tuesday, November 29<sup>th</sup> was the most fruitful online day at the start of the holiday spending season — wireless prospects waited for the best deals before making their online purchases. Compete

Average Daily Aggregated Carrier and Third-Party Agent\* Site Hot Phone Sales  
(Indexed to the 10-day sales average as 100, 2005)



observed a number of high-value, limited-time offers on "Black Tuesday," such as T-Mobile's free Bluetooth-enabled camera phone. This offer (worth about \$200), combined with T-Mobile's \$39.99 calling plan for 1,500 anytime minutes, made T-Mobile tough to beat. On the same day, third-party agent site Wirefly, offered the Motorola RAZR V3 (also a Bluetooth phone) via aggressive offer-centric promotions (with prices "too low to show" which included instant rebates, a departure from its typical mail-in rebates) for "24 hours only" (this offer was also available the Friday after Thanksgiving).

In all, Black Tuesday's online orders were 91% higher than November's daily average and the industry's online conversion rate jumped 84% from the previous day, 204% over the same day in 2004.

In spite of the apparent reliance on deals, early data indicates that limited-time offers for inexpensive, quality handsets and growing consumer willingness to transition from online window-shopping to purchasing created a happy holiday season for the online wireless industry. For details on how the 2005 holiday story ends . . . stay tuned.

†Sales are online order submissions for new lines of service. \*Agents in the analysis include A1 Wireless, InPhonic, LetsTalk, and Wirefly

Early holiday sales data indicates that wireless shoppers are becoming more comfortable buying online, yet they remain very price conscious, waiting for limited-time, high-value offers to make their purchases.

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, customer acquisition and retention investments.

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