

TELECOM VANTAGE™

A view of the telecommunications consumer marketplace

By Eleanor Baird & Ryan Burke

IS THE iPhone 3G BROADENING ITS APPEAL?

Even though it was launched more than a month ago, no one can stop talking about the iPhone 3G. Whether it's speculation about product shortages, its possibilities as a platform, the weaknesses of MobileMe, or Best Buy announcing that it will sell the device beginning September 7th, the iPhone has captured the attention of both the press and the public.

But how broad is the appeal of the iPhone? Is it really going to bring about an evolution in wireless handsets, or does it only appeal to a few Apple enthusiasts and gadget nuts?

To answer these questions, Compete researched how online iPhone 3G researcher demographics differed from the rest of the wireless shopping population during June and July. Although iPhone 3G researchers tend to be young and affluent, those showing an interest in the iPhone 3G more recently trend closer to the average wireless customer, potentially creating new opportunities to market the device.

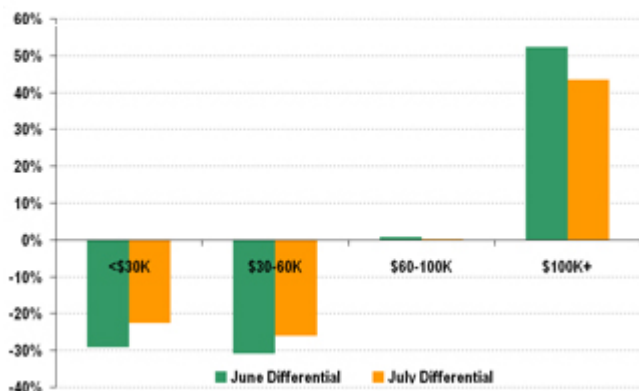
AGE, INCOME GAPS NARROWED IN JULY

The chart to the right details the likelihood that an iPhone 3G researcher falls into each demographic bucket, indexed to the overall wireless shopping population. This metric allows us to measure any demographic skews in the shopper population.

Perhaps not surprisingly, iPhone 3G pre-launch researchers in June tended to be young, affluent and male. But by July, they were older and less wealthy, and more closely resembled the average wireless handset shopper.

Income is another demographic where iPhone researchers definitely skew in one direction, but there have been recent indications that the iPhone 3G holds broader appeal. Although people with household incomes of over \$100,000 a year are still heavily overrepresented, iPhone 3G researchers in the \$60,000-\$100,000 bracket are largely proportional to the number of average wireless shoppers in that income bracket.

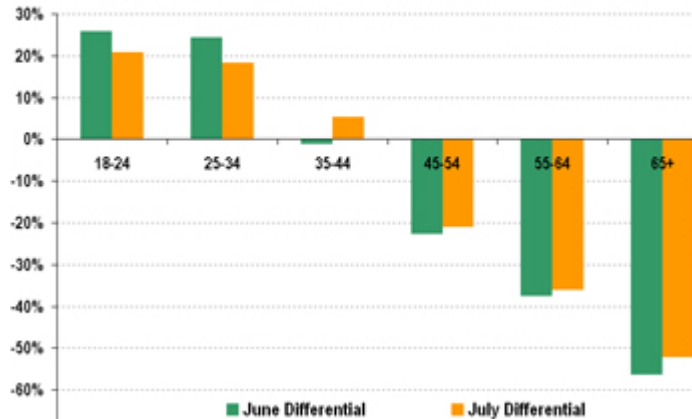
Income Demographic Profile - iPhone Researchers at AT&T
(June - July 2008, Read as: iPhone shoppers in June were more than 50% more likely to have incomes of \$100K+ than the average wireless shopper)



in time for Christmas for the pay-as-you-go market. A similar device in the U.S. might draw more lower-income and price sensitive consumers. In addition, ongoing development of the iPhone 3G's business functionality should draw additional interest from consumers in the upper age brackets.

No matter what Apple does next, one thing's for certain: everyone will be talking about it.

Age Demographic Profile - iPhone researchers at AT&T
(June-July 2008, Read as iPhone researchers in June were 25% more likely to be 18-24 years old than the average wireless shopper)



Online iPhone researchers are 20% more likely to be ages 18-24 than the average wireless shopper

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

Compete at CTIA Wireless IT & Entertainment 2008 September 10-12 San Francisco, CA

Compete VP of Client Services Adam Guy will be moderating ["Mobile Marketing and Advertising Metrics: Establishing Meaningful Benchmarks and KPIs"](#) on September 10th at 1 p.m. in Room 2008.

To talk with Compete at the conference or to learn more about our iPhone data, contact Ryan Burke at rburke@compete.com

