

Music Enabled Cellular Handset Expects Fast Growth in China

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The Chinese market for cellular handsets has grown significantly in the last few years and is forecast to increase to around 199 million units in 2011. At the same time, the penetration rate of music enabled handset is forecast to grow to 68% by 2011. Cellular handset manufacturers have seen the success of camera enabled cellular handsets in China and they believe that they can duplicate that success with music enabled cellular handsets.

In 2004, less than 5% of the cellular handsets shipped in China were music enabled. This percentage is forecast to grow to about 24% in 2006. More and more users operate cellular handsets as portable players; and they are able to transfer their music files between PCs and handsets. The launch of 3G in China will also encourage subscribers to use handsets to download audio and video programmes.

IMS Research Market Research Analyst, Jackey Wang commented: "The success of the ringtone market has proven that consumers are willing to pay for music on their handsets. Huge storage capacity, abundant audio and video content, decreasing cost and high data transmission rates are the main drivers that will lead to fast market growth."

In addition, the projected increasing penetration rate of wireless technology, such as Bluetooth, Ultra-Wideband and Wireless LAN, on cellular handsets will also allow users to share, synchronize or download music files more easily. This phenomenon will further help the growth of the Chinese music enabled cellular handset market.

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