

iPhone 3G A new vitality in the mobile phone market

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iPhone 3G – new vitality in the mobile phone market

GfK consumer survey on the successor to the iPhone

The Apple iPhone* is the ultimate must-have designer accessory and the ‘Invention of the year, 2007’ according to Time Magazine. Now its new and improved successor, the iPhone 3G, has been met with a great deal of interest after its launch on the market a few weeks ago. A good 80% of those asked in a survey of cell phone users conducted by GfK Marktforschung in Germany and the UK said they had heard of the iPhone. Almost a third of respondents said they were considering buying an iPhone 3G. The hopes of the saturated cell phone market are riding on the new model.

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GfK Marktforschung surveyed a total of 1,250 cell phone users on the market launch of the iPhone 3G in Germany and the UK. And the results showed that the iPhone is very well known. The launch of the 3G model on July 11, 2008 caused a stir in Germany and the UK. Over 80% of all cell phone users in both countries have heard of the iPhone.

Faster and cheaper

When it comes down to the details, as anticipated, mobile users are less savvy of the finer points of the iPhone 3G. Yet almost half of all iPhone 3G enthusiasts surveyed knew of the phone’s major improvements, such as the faster data transmission speed via UMTS and the expansion of the built-in memory to 8 GB, which comes as standard. In addition, 34% of Germans were well aware of a fall in the retail price. The previous high price of the handset and tariff charges had proven to be obstacles for the iPhone 3G’s predecessor. According to industry experts, the market success of that model fell somewhat short of the very high expectations in terms of unit sales following the launch in late 2007.

High propensity to buy

It is anticipated that the immense degree of awareness and recognition enjoyed by the iPhone 3G will inject new vitality into the cell phone market. Almost one in three mobile users in Germany and the UK is ultimately considering buying the new model. A fifth of respondents would buy one of the iPhone and tariff packages offered by T-Mobile in Germany and O2 in the UK. The huge demand for the phone has given the company a competitive edge on the cell phone market, which means that it can also prospect for customers from among its competitors. Around 31% of customers in contracts with other network providers in Germany and 25% in the UK are seriously considering purchasing an iPhone and consequently, would then also change their network provider.

Around 80% of those interested in buying a set find monthly running costs of up to EUR 49 or GBP 35 and a price of EUR 169 or GBP 99 for the handset acceptable. As a result, the level at which prices are fixed along the lines of “twice as fast, half the price” seems to correspond markedly better with consumer willingness to pay than was the case for the previous model. T-Mobile can anticipate a positive side effect in Germany: in spite of the lower price, sales per customer will rise by around 13 euros for iPhone users.

Male target group

Just who are the future customers of the iPhone? According to the findings of the GfK survey, it is predominantly men under 40 and customers with fixed contracts who display above average interest in the iPhone 3G. Beyond this, the multi-SIM target group with more than one phone, which mobile service providers are competing for are warming to the new model, particularly in Germany.

To summarize, the outlook for the iPhone 3G is promising shortly after its launch. As long as the unit is available in sufficiently high numbers and there are no other similar phones available from competitors where customers are concerned, the new mobile phone from Apple is a commendable strategy for success on the saturated mobile phone market.

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