Qatar’s Smartphone Market Q4 2011 Consumers’ Perspective A Nielsen syndicated study

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Everything Mobile
February 03, 2012
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Global smartphone market is inclining towards Android largely due to its cost advantage. Companies like Samsung & HTC are utilizing this the most, by providing low cost Smartphones to the mass segments. Based on research projections, the market is expected to see some consolidation and entrance of new handset players in the near future (Examples are Intel, Huawei, Lenovo etc).

Source: Gartner Report 2011
Qatar Smartphone Market at a Glance
lictQATAR collaborated with Nielsen in a syndicated smartphone market research study.

The market survey involved interviews which were conducted face-to-face from Dec 2011 - Jan 2012 with residents between the ages of 15-64. A random sample of 1,012 individuals from that age bracket from both genders participated in the survey.

Nielsen conducted a similar study across 11 other markets worldwide, including Indonesia, Thailand, Singapore, UK, Germany, Russia, Turkey, Romania, Poland, Egypt and Kuwait.
Key Drivers to Smartphone Adoption in Qatar

- Population with higher personal/disposable income
- 3G/3.5G services in place
- Operators’ push for bundled offers with the latest Smartphones
- Rapid launch and availability of latest Smartphones
- Lower cost, high-speed smartphones available
Qatar Smartphone Market at a Glance – Survey Results

- High smartphone penetration of 75% among population
- Key reason for purchase of mobile handsets is stylish design while key differentiating feature for smartphones is innovative features
- Still, low level usage of core differentiating smartphone features such as apps and mobile media

Source: Nielsen Syndicated Report on Qatar Smartphone Market Q4 2011
Overall Smartphone Penetration

- Nielsen’s research reported that Qatar has 75% penetration of Smartphone, higher than Singapore which is at 72%, while Kuwait is at 56%.

- Overall, smartphones in Qatar are mostly used by the younger age group of 15-34, split evenly between males and females.

Unweighted Base: All Incidence Sample (n=1012)
Nielsen’s syndicated report shows that people who’ve recently (past 6 months) got a smartphone are 28%, while 39% of current non-smartphone users are intending to upgrade their phones, 77% of which intend to upgrade to a smartphone.

Apple has the best brand momentum. Nokia seems to be losing ground slowly.

Amongst recent smartphone acquirers, Blackberry has the highest consideration-to-conversion rate at 92%.
Handset Preferences

- Nielsen report shows that users tend to predominantly buy a brand new phone (89%)
- Stylish design is the top criterion when purchasing a mobile
- iPhone is associated with innovative features; Nokia to value for money
- Average price paid for Smartphone is QAR 1,782 – comparatively high
- More than half of the respondents consult friends/colleague/relatives prior to the purchase
- 90% purchased their smartphones from a major retail chain or local, independent telecom store

### Mobile Handset Selection Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stylish design</td>
<td>16%</td>
</tr>
<tr>
<td>Good value for money</td>
<td>17%</td>
</tr>
<tr>
<td>Easy to use</td>
<td>10%</td>
</tr>
<tr>
<td>Innovative features</td>
<td>9%</td>
</tr>
</tbody>
</table>

### Information Sources Prior to Phone Purchase

- Spoke to friends/colleagues/relatives: 63%
- Looked at phone displays in shops: 42%
- Spoke to a phone salesperson: 27%
- Looked on manufacturer's website: 26%
- Looked at advertisements: 26%
- Read in magazines or newspapers: 22%
- Looked on telecom service provider's website: 17%
- Read reviews and blogs on the Internet: 15%
- Captured information from an event or roadshow: 12%
- Read phone leaflets/brochures: 7%

Source: Nielsen Syndicated Report on Qatar Smartphone Market Q42011
Apps and Mobile Media Usage

- Surprisingly, large majority of the respondents mentioned they don’t have any apps in their handsets (67%), while even bigger portion of them (73%) have not downloaded or purchased applications on their mobiles in past 30 days.

- Those who have apps – average number installed is 8 free vs 5 paid apps. Music-related apps are most popular.

- Majority of users are indifferent towards privacy concerns during collection of personal data by app providers – only 15% of the users in Qatar have serious concerns vs 48% in Singapore.

- BlackBerry app store is the most used app store, while Yahoo Mail is the most used email service.

- Respondents typically partake in 1-5 sessions of gaming per week. Same number of sessions for social networking, mainly using it for upload & view pictures.

Source: Nielsen Syndicated Report on Qatar Smartphone Market Q42011
According to Nielsen report, majority are satisfied with their current mobile handsets, where iPhone users are the most content with reference to its features and choice of apps.

Customer awareness about the operating system on which their previous mobile phone worked is very low.

Majority of smartphone users are very satisfied with their main mobile service providers and are willing to recommend them to others.

Source: Nielsen Syndicated Report on Qatar Smartphone Market Q42011
Key Barriers to Smartphone Usage

- Key reasons for not having a smartphone: expensive and lack of need for additional features and apps

Source: Nielsen Syndicated Report on Qatar Smartphone Market Q42011
Some thoughts on the top of the results

- On a global scale, significant smartphone adoption is expected over the coming years, which will be driven by enhanced consumer demand and increasing competition among OS and app developers.

- Low cost smartphones are expected to be more popular.

Locally...

- Pricing is still one barrier for a wider, universal adoption of smartphones.

- Local and regional market lacks application developer community.

- Users who are wealthy and well-connected will continue to adopt advance technologies for social status reasons rather than their practical features?
This is a top-line summary of the “Qatar Smartphone Market - Q4 2011” syndicated report by Nielsen. Nielsen's Telecom Practice is the world's premier provider of consultative research and insights to the global Telecom industry.

If you are interested in purchasing the full length report, please contact abad.ali@nielsen.com or call +965 500 77 811

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