

# **U.S. Regional & Small Operator Smartphone Forecast, 2012- 2017**

Market Study  
3Q 2013





---

# **U.S. Regional & Small Operator Smartphone Market Forecast, 2012-2017**

---

## **Market Study**

Published 3Q 2013

Version 1.0

Report Number: 03Q2013-01

*iGR Inc.*

12400 W. Hwy 71

Suite 350 PMB 341

Austin TX 78738

# Table of Contents

---

<b>Abstract .....</b>	<b>1</b>
<b>Executive Summary .....</b>	<b>3</b>
Figure A: U.S. Total Handset Sales by Operator, 2012 .....	3
Figure B: U.S. Handset Sales by Operator, 2012 & 2017 .....	4
<b>Methodology .....</b>	<b>6</b>
<b>Distribution of U.S. Wireless Subscribers.....</b>	<b>7</b>
Table 1: Distribution of U.S. Wireless Subscribers, 2012 .....	7
Figure 1: Distribution of U.S. Wireless Subscribers.....	8
<b>Rural Subscribers' Handset and Smartphone Trends .....</b>	<b>10</b>
<b>Types of Handsets.....</b>	<b>10</b>
Table 2: Types of Handsets (U.S. Subscribers) .....	10
Figure 2: Types of Handsets (U.S. Subscribers) .....	11
Table 3: Types of Handsets (indexed) .....	11
Figure 3: Types of Handsets (indexed).....	12
<b>Handset Brands .....</b>	<b>12</b>
Table 4: Handset Brands (indexed) .....	12
Figure 4: Handset Brands (indexed).....	13
<b>Smartphone Operating System .....</b>	<b>13</b>
Table 5: Smartphone Operating Systems (U.S. Consumers) .....	14
Figure 5: Smartphone Operating Systems (U.S. Consumers).....	14
<b>Android and Apple Use by Rural Subscribers.....</b>	<b>14</b>
Table 6: Android and iOS (indexed) .....	15
Figure 6: Android and iOS (indexed) .....	15
<b>Typical Smartphone Usage.....</b>	<b>15</b>
Table 7: Smartphone Usage (indexed).....	16
Figure 7: Smartphone Usage (indexed).....	16
<b>Smartphone Activities.....</b>	<b>16</b>
Table 8: Smartphone Activities (indexed) .....	17
Figure 8: Smartphone Activities (indexed).....	17
<b>Awareness and Usage of LTE.....</b>	<b>18</b>
Table 9: Awareness of LTE (indexed) .....	18
Figure 9: Awareness of LTE (indexed) .....	19
<b>Smartphones Provided by RSOs and MVNOs.....</b>	<b>20</b>
<b>Smartphone Operating Systems.....</b>	<b>20</b>
Table 10: Smartphone Operating Systems of U.S. Regional Operators and MVNOs .....	20
Figure 10: Number of Smartphone Operating Systems Provided by U.S. RSOs and MVNOs .....	22
<b>Smartphone Brands .....</b>	<b>23</b>
Table 11: Smartphone Brands Sold by U.S. Regional Operators and MVNOs.....	23
Figure 11: Number of Smartphone Brands Sold by U.S. RSOs and MVNOs .....	26

Quoting information from an iGillottResearch publication: external — any iGillottResearch information that is to be used in press releases, sales presentations, marketing materials, advertising, or promotional materials requires prior written approval from iGillottResearch. iGillottResearch reserves the right to deny approval of external usage for any reason. Internal-quoting individual sentences and paragraphs for use in your company's internal communications activities does not require permission from iGillottResearch. The use of large portions or the reproduction of any iGillottResearch document in its entirety does require prior written approval and may have some financial implications.

Copyright © 2013 iGillottResearch, Inc. Reproduction is forbidden unless authorized.

FOR INFORMATION PLEASE CONTACT IAIN GILLOTT (512) 263-5682.

<b>Latest Smartphone Models .....</b>	<b>26</b>
Table 12: Latest Smartphone Models Sold by U.S. Regional Operators and MVNOs .....	26
Figure 12: Latest Smartphone Models Sold by U.S. Regional Operators and MVNOs .....	27
<b>Smartphone Market Drivers 2012 - 2017 .....</b>	<b>28</b>
Mobile Handset Hardware and Software .....	28
4G LTE Technology .....	29
<b>U.S. Regional &amp; Small Operator Smartphone Sales Forecast: 2012-2017 .....</b>	<b>30</b>
<b>U.S. Mobile Handset Sales Forecast by Operator, 2012 - 2017 .....</b>	<b>30</b>
Table 13: U.S. Mobile Handset Sales by Operator Category (Units), 2012-2017 .....	30
Figure 13: U.S. Mobile Handset Sales by Operator Category (Units), 2012-2017 .....	31
Table 14: U.S. Mobile Handset Sales by Operator Category (% Share), 2012-2017 .....	31
Figure 14: U.S. Mobile Handset Sales by Operator, 2012-2017 (% Share).....	32
<b>U.S. Non-smartphone Sales Forecast by Operator, 2012 - 2017 .....</b>	<b>32</b>
Table 15: U.S. Non-Smartphone Sales, 2012-2017 by Operator (Units) .....	32
Figure 15: U.S. Non-Smartphone Sales, 2012-2017 by Operator (Units) .....	33
Table 16: U.S. Non-Smartphone Sales, 2012-2017 by Operator (% share) .....	33
Figure 16: U.S. Non-Smartphone Sales, 2012-2017 by Operator (% share).....	34
<b>U.S. Smartphone Forecast by Operator, 2012 - 2017 .....</b>	<b>34</b>
Table 17: U.S. Smartphone Sales by Operator, 2012-2017 (Units) .....	35
Figure 17: U.S. Smartphone Sales by Operator, 2012-2017 (Units) .....	35
Table 18: U.S. Smartphone Sales by Operator, 2012-2017 (% share) .....	35
Figure 18: U.S. Smartphone Sales by Operator, 2012-2017 (% share).....	36
<b>U.S. Smartphone OS Forecast by Operator Type, 2012 - 2017.....</b>	<b>36</b>
<b>Tier One Operators .....</b>	<b>37</b>
Table 19: Tier One U.S. Mobile OS Sales, 2012-2017 (Units) .....	38
Figure 19: Tier One U.S. Mobile OS Sales, 2012-2017 (Units) .....	39
Table 20: Tier One U.S. Mobile OS Sales, 2012-2017 (% share) .....	39
Figure 20: Tier One U.S. Mobile OS Sales, 2012-2017 (% share).....	40
<b>Regional and Small Operators (RSOs) .....</b>	<b>40</b>
Table 21: RSO U.S. Mobile OS Sales, 2012-2017 (Units) .....	41
Figure 21: RSO U.S. Mobile OS Sales, 2012-2017 (Units) .....	42
Table 22: RSO U.S. Mobile OS Sales, 2012-2017 (% share) .....	42
Figure 22: RSO U.S. Mobile OS Sales, 2012-2017 (% share).....	43
<b>Consumer Demographics .....</b>	<b>44</b>
<b>Demographic Profile of U.S. Consumer Respondents .....</b>	<b>44</b>
Table 23: Respondent Age .....	44
Figure 23: Respondent Age .....	45
Table 24: Respondent Gender .....	45
Figure 24: Respondent Gender .....	46
Table 25: Respondent Ethnic Background .....	46
Figure 25: Respondent Ethnic Background .....	47
Table 26: Respondent Annual Household Income .....	47
Figure 26: Respondent Annual Household Income.....	48
Table 27: Respondent Level of Education .....	48

Quoting information from an iGillottResearch publication: external — any iGillottResearch information that is to be used in press releases, sales presentations, marketing materials, advertising, or promotional materials requires prior written approval from iGillottResearch. iGillottResearch reserves the right to deny approval of external usage for any reason. Internal-quoting individual sentences and paragraphs for use in your company's internal communications activities does not require permission from iGillottResearch. The use of large portions or the reproduction of any iGillottResearch document in its entirety does require prior written approval and may have some financial implications.

Copyright © 2013 iGillottResearch, Inc. Reproduction is forbidden unless authorized.

FOR INFORMATION PLEASE CONTACT IAIN GILLOTT (512) 263-5682.

Figure 27: Respondent Level of Education.....	49
Table 28: Age of Children in Household.....	49
Figure 28: Age of Children in Household .....	50
Table 29: Respondent Region .....	50
Figure 29: Respondent Region .....	51
Table 30: Respondent Marital Status.....	51
Figure 30: Respondent Marital Status .....	52
<b>Vendor Profiles .....</b>	<b>53</b>
Alcatel One Touch (TCL Communication).....	53
Apple, Inc.....	55
ASUS.....	57
Blackberry .....	59
Coolpad .....	61
HTC.....	61
Huawei .....	63
LG Electronics .....	64
Motorola Mobility .....	66
Nokia Corporation .....	67
Novatel Wireless, Inc. ....	69
Pantech Wireless, Inc. ....	70
Samsung Electronics .....	71
Sony Mobile Communications.....	73
Unimax Communications (UMX) .....	74
ZTE Corporation .....	76
<b>Definitions .....</b>	<b>78</b>
General.....	78
Device Types.....	78
Services .....	79
Network Technology.....	80
<b>About iGR .....</b>	<b>84</b>
Disclaimer.....	84

Quoting information from an iGillottResearch publication: external — any iGillottResearch information that is to be used in press releases, sales presentations, marketing materials, advertising, or promotional materials requires prior written approval from iGillottResearch. iGillottResearch reserves the right to deny approval of external usage for any reason. Internal-quoting individual sentences and paragraphs for use in your company's internal communications activities does not require permission from iGillottResearch. The use of large portions or the reproduction of any iGillottResearch document in its entirety does require prior written approval and may have some financial implications.

Copyright © 2013 iGillottResearch, Inc. Reproduction is forbidden unless authorized.

FOR INFORMATION PLEASE CONTACT IAIN GILLOTT (512) 263-5682.

## Abstract

---

In the U.S. four Tier One operators - AT&T, Verizon Wireless, Sprint, and T-Mobile USA - provide devices and services to the majority of subscribers. These operators are typically the most aggressive in terms of network technology upgrades (most recently to 4G LTE), and in terms of obtaining the latest devices with increasing capabilities. Regional and Small Operators (RSOs), all of the operators that are not Tier One, continue to compete in smaller markets in both technology and available devices. However, due to two major acquisitions in 2013, the number of subscribers serviced by RSOs has dropped significantly.

As this report was being finalized, AT&T announced plans to acquire Leap Wireless (Cricket). If this transaction is approved, it will lead to further consolidation. In this report, Cricket is classed as an RSO and not part of AT&T since the deal has not been approved at this time.

Smartphone sales in the U.S. are expected to continue their fast-paced growth. Overall, smartphones have become more popular than basic phones, due to their falling prices and consumers' desire for the increased functionality and connectivity of the smartphones. RSOs and the consumers they service are also making the shift to smartphones, although at a slower pace. Furthermore, due to the acquisitions of 2013 and the resulting shrinking RSO subscriber base, the number of smartphone sales through RSOs will not be as high as previously expected.

This report presents the current division of subscribers between Tier One and Regional Operators, several demographic trends for regional subscribers, and finally, iGR's U.S. mobile handset forecast split by operator type (Tier One or RSO) from 2012 to 2017, which includes our estimation of smartphone sales and mobile operating system (OS) sales across carrier types in the U.S. market. Also included are profiles of 16 vendors that provide handsets and devices to the Regional and Small Operator market.

### Key Questions Addressed:

- What share of total U.S. mobile handset sales did RSOs have in 2012?
- What are the handset and smartphone trends of regional subscribers?
- What trends will impact U.S. handset sales from 2012-2017?
- What share of total U.S. mobile handset sales and smartphone sales will RSOs have by the end of 2017?
- What mobile operating system (OS) trends will impact U.S. handset sales for both Tier One operators and RSOs from 2012-2017?

Quoting information from an iGillottResearch publication: external — any iGillottResearch information that is to be used in press releases, sales presentations, marketing materials, advertising, or promotional materials requires prior written approval from iGillottResearch. iGillottResearch reserves the right to deny approval of external usage for any reason. Internal-quoting individual sentences and paragraphs for use in your company's internal communications activities does not require permission from iGillottResearch. The use of large portions or the reproduction of any iGillottResearch document in its entirety does require prior written approval and may have some financial implications.

Copyright © 2013 iGillottResearch, Inc. Reproduction is forbidden unless authorized.

FOR INFORMATION PLEASE CONTACT IAIN GILLOTT (512) 263-5682.

- Which RSOs offer handsets from which OEMs? For example, which RSOs offer the Apple iPhone or Samsung Galaxy S4?

This report is recommended for:

- Cellular carriers, particularly smaller/regional operators in the U.S.
- Private/ Independent mobile device retailers with U.S. customers
- Mobile device OEMs interested in the U.S. market
- Mobile software developers creating content for U.S. end users
- Financial and investment analysts.

Quoting information from an *iGillottResearch* publication: external — any *iGillottResearch* information that is to be used in press releases, sales presentations, marketing materials, advertising, or promotional materials requires prior written approval from *iGillottResearch*. *iGillottResearch* reserves the right to deny approval of external usage for any reason. Internal-quoting individual sentences and paragraphs for use in your company's internal communications activities does not require permission from *iGillottResearch*. The use of large portions or the reproduction of any *iGillottResearch* document in its entirety does require prior written approval and may have some financial implications.

Copyright © 2013 *iGillottResearch*, Inc. Reproduction is forbidden unless authorized.

FOR INFORMATION PLEASE CONTACT IAIN GILLOTT (512) 263-5682.