

Huge Potential for Apple Phone: Study

Toronto (January 2, 2007) – As the anticipation about an Apple iPod/phone hybrid builds with a steady stream of rumors and news stories, a new research study shows that an iPod phone has the potential to be a big hit with consumers.

Among key highlights of the research:

- ▶ 16% of Americans aged 12+ (about 40 million) say that an “iPod” phone is a “great idea” for them personally based on a description of its likely features. In comparison, 24% of Americans aged 12+ (or 28% of cell users) own a Motorola phone and Nokia is used by 17%.
- ▶ An iPod phone would have the potential to increase Apple’s customer footprint substantially. Currently just over 20% of Americans 12+ (about 50 million) own an Apple product – within 18 months of the introduction of a new iPod phone, Apple’s footprint can increase to over 30% according to forecasts based on the study.
- ▶ Who would buy an iPod phone?
 - 53% of likely buyers are women and 47% are men, suggesting broad mainstream appeal.
 - Their average income is about 10% above the national average.
 - The average age of likely buyers is 35, with 40% over the age of 40.
 - Sprint/NexTel and T-Mobile customers are more enthusiastic than average.
 - African-Americans and Hispanic Americans show above average interest.
- ▶ Potential buyers are above average music and movie downloaders, suggesting significant incremental revenue opportunities – for example, 29% of likely iPod phone buyers paid for music in the past month from a site such as iTunes or Napster compared to an average of 12% of the US online population.
- ▶ In the research, the iPod image and user experience was a big plus driving appeal. The biggest barrier to an iPod phone was the impact on battery life if used as a phone and an entertainment device. Clearly, the rumored two-battery design would go a long way in addressing this significant perceived limitation.

The information for this release comes from **Digital Life America**, a syndicated consumer research program first launched by the Toronto-based Solutions Research Group in 2005. Between June and October 2006, Digital Life America interviewed nationally representative samples of over 2,600 Americans online and via telephone. The results cited are accurate to ± 2.4 points, 19 times out of 20.

To maintain an unbiased perspective, the company funds its own syndicated research.



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Profile of Likely iPod Phone Buyers

