

The Battery Life is a key for Smartphone users

"As smartphone ownership increases, so does the demand for overall satisfaction from smartphone companies. The biggest factor currently affecting customer satisfaction is smartphone battery life and performance. According to a study performed by J.D. Power and Associates, satisfaction with smartphones is greatly impacted by battery performance, specifically the length of the battery life before recharging is required. The study also finds that satisfaction with battery performance is the least satisfying aspect of smartphones. The study indicated that this problem is getting worse: battery performance received a 6.7 out of 10 rating in 2012 compared to a 6.9 rating in September 2011."

"So while device design, ease of use and features all contribute to a smartphone customer's overall level of satisfaction, the No. 1 determinant is performance (cited by 35% of respondents). And since bricks generally come up short in the performance category, that makes battery life a critical factor in customer satisfaction and retention."

Source: J.D. Power and Associates

<http://www.jdpower.com/content/press-release/py6kvam/2012-u-s-wireless-smartphone-and-traditional-mobile-phone-satisfaction-study--v1.htm>

USA TODAY: Consumer wishlist for new iPhone: Better Battery

<http://www.usatoday.com/story/tech/columnist/talkingtech/2013/08/17/consumers-sound-off-on-new-iphone/2661257/>

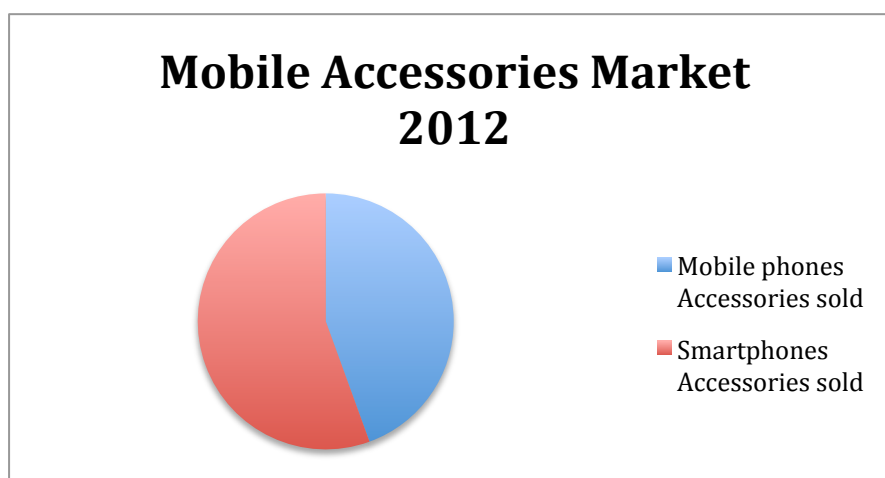
And it is a Market that is here to stay, at least for 3-5 years

"A real breakthrough in extending battery life appears to be three to five years away. Until then, smartphone owners will have to settle for frequent charging -- and complaining."

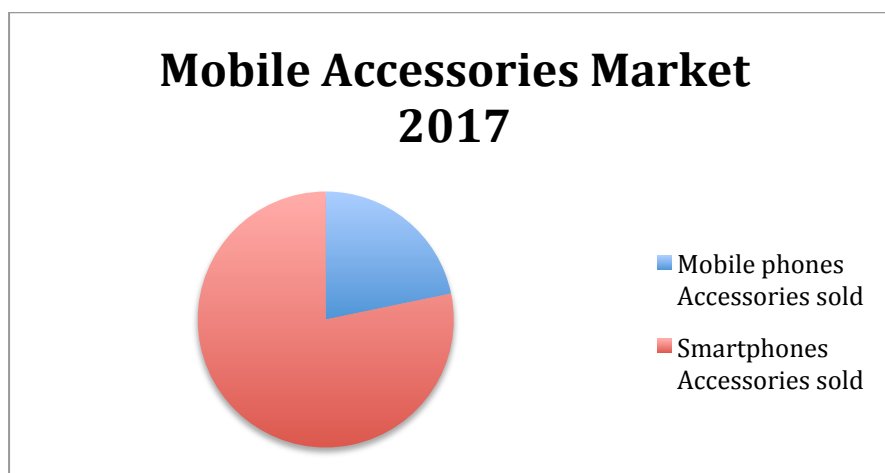
Source: Northwestern University, <http://www.itworld.com/hardware/224895/smartphone-battery-breakthrough-coming-3-5-years>

The Accessories Market for iPhones and Smartphones

- The smartphone industry is expected to drive an aftermarket accessories market valued at \$20 billion for 2012 alone.
- Looking ahead the forecast for 2017 is a larger market, for smartphone accessories it is expected to be \$38 billion.
- Smartphone consumers spend on average \$56.18 on an accessory.
- The smartphone industry is expected to drive an aftermarket accessories market valued at \$20 billion for 2012 alone. The overall mobile phone accessories market which includes feature phones and smartphones is valued at \$36 billion for 2012.



2012, more money is spent on Accessories for Smartphones than Feature phones.
20 billion on Smartphones, 16 billion on Feature Phones.

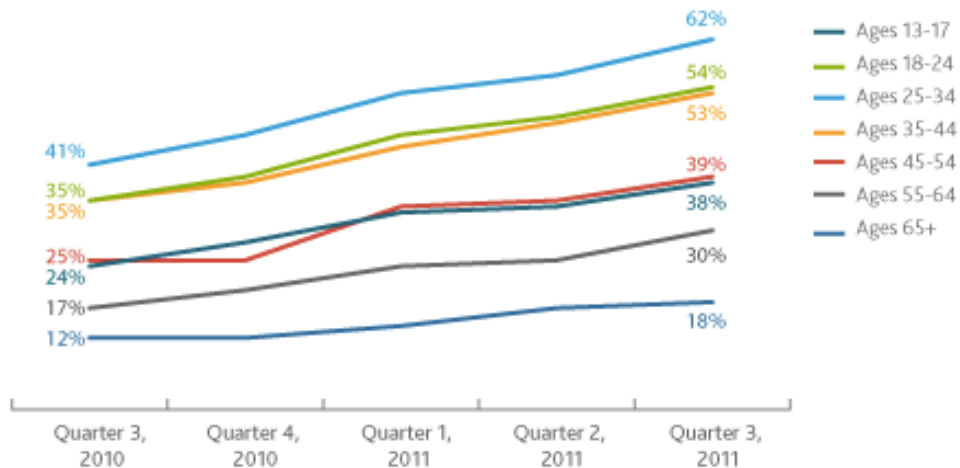


2017, it is estimated that Smartphone Accessories sell for more than 36 billion USD meanwhile Feature phones accessories sales are declining.

Almost two thirds of mobile phone subscribers 25-34 have a smartphone and among those 18-24 and those 35-44 over half have a smartphone based on Nielsen research. (2010-2011)

Smartphone Penetration By Age Group

Q3 2010 - Q3 2011, U.S.

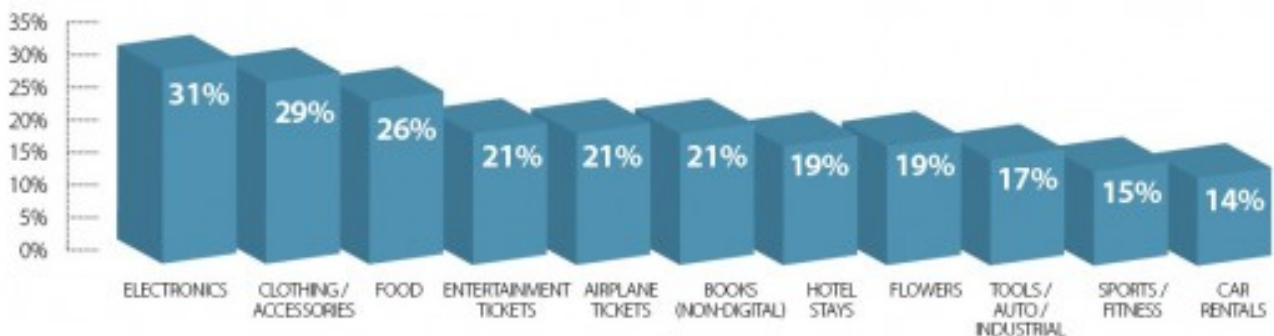


Source: Nielsen



2010, 31% of those shopping online thru their Mobile Device was shopping for Electronics.

mCommerce Items Purchased

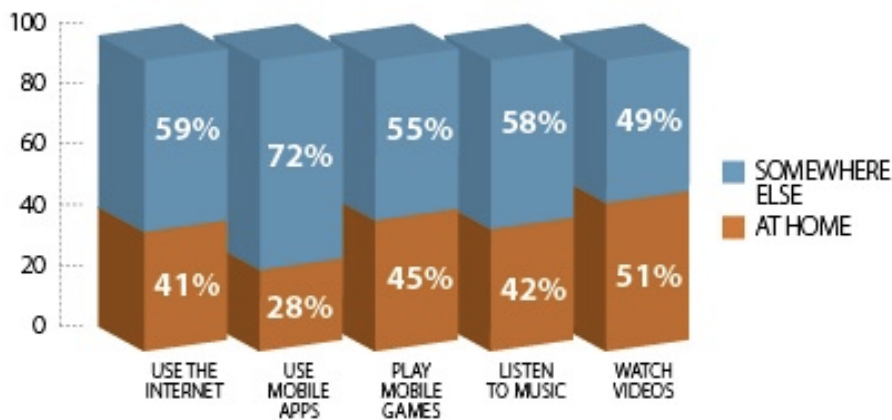


Source: comScore/Millennial Media Mobile Retail Study, 2010.

As shown in the diagram below, a majority of time is spent on Smartphone use while being On-the-Go.

Smartphone Usage Trends

Percent of Time Spent Using Smartphone at Home vs. On-the-Go
InsightExpress, Q2 2011

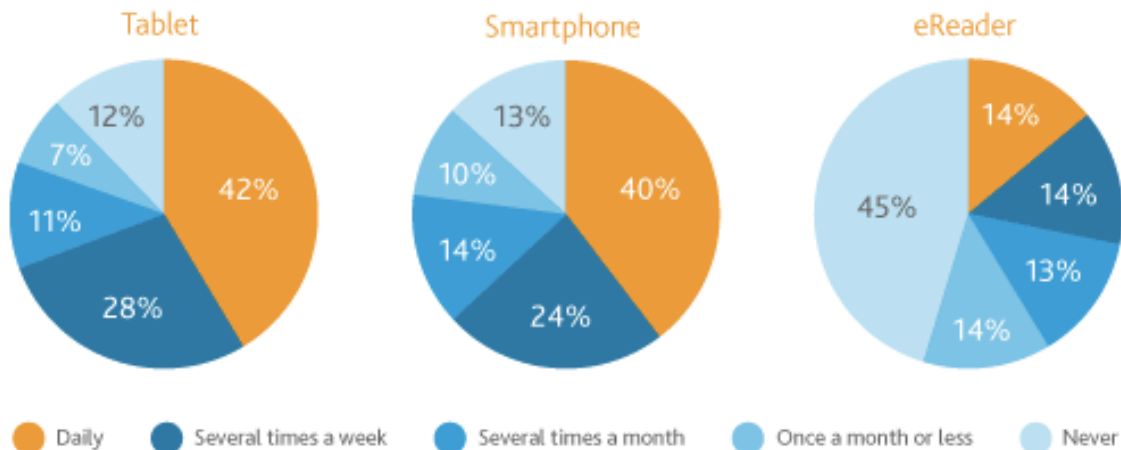


Source: InsightExpress' Digital Consumer Portrait Study, Q2 2011.



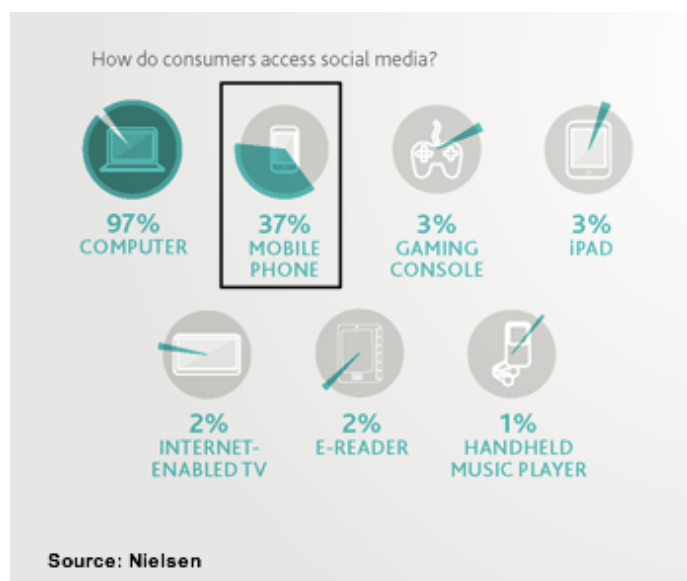
A majority of Smartphone users use their Smartphone while watching TV

Frequency of Simultaneous Usage While Watching TV

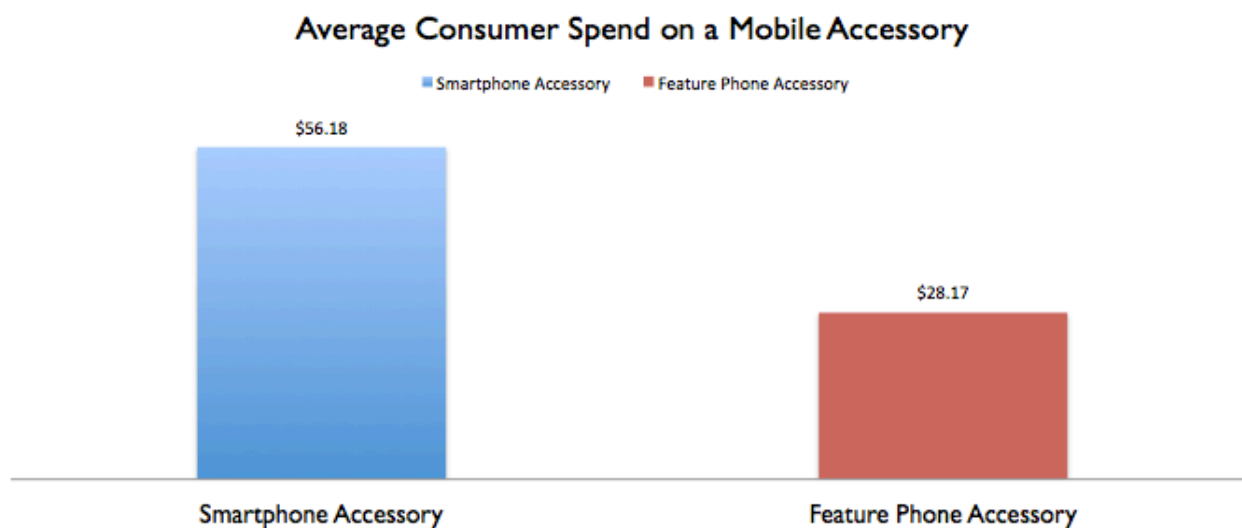


Source: Nielsen October 2011

37% of Mobile users access Social media thru Mobile Devices.
(2012)



Smartphone consumers spend on average \$56.18 on an accessory. (2012)



When looking at the average price a consumer is willing to pay for an accessory, feature phone consumers spend on average \$28.17 on an accessory. Smartphone consumers spend on average \$56.18 on an accessory. The difference is due to smartphone users willingness to pay more for an accessory and also buy more than one accessory for their smartphone.