

Features : The Big Picture 2017

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“The Only Thing That Is Constant Is Change” –Heraclitus of Ephesus c.535 – c.475 BCE

~~INDIA NOW A COMMERCE FIRST MARKET~~ TIME IN POLITICS BUT A YEAR IS DEFINITELY A LONG PERIOD IN DIGITAL TIMES. A LOT HAS HAPPENED IN THE EXCITING YEAR THAT IS 2017, SPECIALLY RELATED TO WITH MOBILE INTERNET USERS BASE CROSSING 400 MILLION MARKS, WHILE 82% OF INDIANS MOBILE, TELECOM AND DIGITAL SPACE. WHEN WE THOUGHT THAT WE HAVE SEEN ENOUGH SPENDING TIME ON MOBILE, MOBILE IS NOW THE UNDISPUTED DEVICE WHERE THE FOCUS OF EVERY INNOVATIONS IN MOBILE DESIGN, THERE CAME NEW FEATURES; WHEN WE THOUGHT THERE WOULD NEVER BE A BRIDGE BETWEEN FEATURE PHONE AND A SMART PHONE, THERE CAME LTE ENABLED FEATURE PHONES AND WHE IN THE TELECOM SPACE, TH ONSLAUGHT BUT APPEARS AND MORE.....LEAST TO SAY TAKE YOU THROUGH THE M WAVES IN 2017.



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India is now a 'Mobile First' market, with 82 per cent of its population spending their time on mobile phones with internet tariffs at almost bottom level. 'Mobile First' signifies that a significant majority of population have started using mobile as the primary device/access for seeking and sharing information, purchase, banking transactions etc. With mobile outpacing every other device as primary gateway, it has entrenched its position further. The number of internet users in India by now has crossed 460 million marks, out of which mobile internet users is close to 400 million. India also saw a whopping 23 per cent rise in internet users who spend eight hours a day online on average as compared to last year. According to a recent study released by the Internet and Mobile Association of India, nearly 77 per cent of urban users and 92 per cent of rural users consider mobile as the primary device to access the internet. Mobile now represents two out of three minutes spent online.

So what does it imply? It means whether one is a marketer, brand strategist or policy maker, they would have to devise mobile centric strategies to attract and win over this empowered connected group. For businesses, winning over consumers will entail adopting newer strategies. The growing dependence on mobile is now pushing businesses to treat mobile as a big piece in their marketing strategy. It is no longer just another channel for customer engagement, it has now become the 'first channel of preference' for brands. A Tetra Pak's recent study themed around 'connected consumers' points out, "in this scenario, winning over today's empowered, connected consumers requires brands to go beyond the traditional rules of engagement."

Greater connectivity and the proliferation of online platforms present a challenge for brands, as consumers expect a consistent experience and messaging across all the touch points where they interact especially on social media. The third-party, user generated content is becoming ever more important particularly for this region where more than 168 million people are now using social media monthly, with 82 per cent accessing platforms via mobile devices - the highest ratio in the world.

Smartphone is the New Addiction

ALMOST HALF OF SMARTPHONE USERS AROUND THE WORLD SPEND MORE THAN 5 HOURS A DAY ON THEIR SMARTPHONES



Smartphones have changed the world in a remarkably short time frame. In just a decade, smartphones have become central to people's lives from communication to content consumption to commerce perspective. As a result, people are now spending more time on their smartphones than any other device. Today, nearly half of the world's population uses a smartphone and annual spending on new smartphone hardware exceeds 370 billion US dollars. A recent study by Counterpoint Research revealed that users today spend more than five hours on smartphones. And people who are running businesses on their phones, the usage goes over 7 hours! Browsing the internet and gaming top smartphone use-cases.

And Indians' love for smartphone has just increased. According to one Mary Meeker report, Indian consumers spend as much as 28 hours a week on their smartphones, seven fold more than the time they end up spending in watching programmes on television as more users access internet on their mobile phone!

Feature Phones Are Here To Stay

DEFYING ALL DOOMSDAY PREDICTIONS, FEATURE PHONES REMAIN WELL ENTRENCHED IN MANY GEOGRAPHIES INCLUDING INDIA AND AFRICA

With phenomenal rise in popularity and adoption of smartphones, obituary of feature phones were being penned but feature phones have not only survived but continue to thrive in India and many countries of Africa and Asia. Globally, more than 400 million feature phones were sold in 2016 and the number could go up by 3% this year. Together with Africa and India, there are no less than 1.3 billion feature phone users globally!

So what could have be the reason - well in low income countries, the tiny feature phone serves the need of majority of population very ably and at the most economical cost. The 4G enabled LTE Feature phones have been the biggest innovation in the handset device impacting and improving the

lives the millions. Smartphone and feature phone also signify the great digital divide which is a function of demographic divide where most of the 2G user base are refraining from upgrading to advanced 4G ecosystem mainly due to firstly the pricing, lack of literacy in many cases, lack of need for the mobile internet and related applications as well as a mind block of a steep learning curve to upgrade to a 4G smartphone. Voice calls and texts remains the king.

In India, by last count feature phone continue to account for more than 52% of total handset shipment (Approximately 155 of 275 million units) and their share is not going to slide down in hurry as cheaper feature phones with 4G capabilities enabling people to use the internet, will slow down migration to smartphones, which remain out of reach of the pockets of majority despite a steady fall in their price. Over 100 brands compete in Indian market for this segment with Samsung, Lava, Karbonn, Intex leading the pack.



Nokia: Emperor Returns

NOKIA'S COMEBACK WAS A GLOBAL AND MUCH WELCOME EVENT BUT IT FACES AN UPHILL JOURNEY IN ITS NEW INNING

No brand has ruled the mobility world like Nokia did in its heydays. 10 out of 15 best handset models ever sold have been Nokia with its iconic 1100 topping 250 million sales mark twice - once in 2003 and again in 2005. Nokia was synonymous with feature phones, sturdiness, innovation, aesthetics, ease of use while commanding an unbeatable market share globally. In short, it was the Emperor of mobile world till feature phones ruled. It even sprung a big surprise with touch screen when Nokia 5230 became the best selling handset globally in 2009 selling over 150 million units! Under its legendary CE O Jorma Ollila (1992-2006) Nokia went from one milestone to another and the fab run continued till 2014. And just when everyone had believed that Nokia will rule the chart till eternity, it floundered due to - let us put it simplistically - on wrong reading of future!

The downhill journey was swift. Its fall contributed to a large extent to the swift rise of Samsung

mobiles and some Chinese brands. A distraught Nokia first became a protectorate of Microsoft which failed to do capitalize on its mammoth legacy. Finally, some ex-employees of Nokia themselves decided to take on the cudgel of reviving the brand themselves by forming HMD Global. Manufacturing was outsourced to Foxconn. And at MWC Barcelona in February 2017, Nokia returned with 3310 and 3 smartphones based on Android platform. Return of the prodigy was amongst the biggest news in mobility world and rightly so. The world however awaits to see whether Nokia will be able to reconnect with people the way it used to; whether the dethroned emperor will be able to wrest its lost territories from competition in an environment which is remarkably different when it last ruled.



The Enchanters

THE THREE HANDSETS WHICH WERE REALLY SPECIAL

iPhone X:



As Apple's 10th Anniversary gift, we got the lay our eyes on the revolutionary, futuristic iPhone X. Written in roman but pronounced in number, the iPhone X marked Apple's entry into the bezel-less display arena, featuring a 5.8-inch OLED Super Retina display and A11 Bionic chipset. Coming in 64GB and 256GB of internal storage options, the smartphone sports a vertically placed dual rear camera, rated at 12- megapixel each (supporting Portrait mode, digital zoom up to 10X and the new Portrait Lightning feature), while the front camera is a TrueDepth one, rated at 7-megapixel, supporting Portrait mode, Animoji, Portrait Lightning, and Facial recognition (replacing Touch ID). With

IP67 certification for water and dust resistance, the iPhone X comes with iOS 11, and costs Rs 89,000 (64GB) and Rs 1,02,000 (256GB).

Samsung Galaxy Note8



The more than 6 inches tall smartphone of the Note series known as Samsung Galaxy Note8, was seen as the new benchmark in the flagship segment. The dual 12 megapixel rear lens with Optical Image Stabilization smartphone even took the DxOMark by storm with stunning, crystal clear and crispier and properly exposed images. Even the 8MP selfie shooter was like anything. You rarely miss any beautiful moment. Powered by Exynos 8895 with 10nm octa-core processor clocked at 2.3GHz and 1.7GHz, it has also got Mali-G71 MP20 GPU along with 6GB of RAM for ultimate gaming experience. To be precise, the 6.3 inch QHD display, 1440 x 2960 resolution, 521 ppi pixel density and 18.5:9 aspect ratio, the Galaxy Note8 derives its power from a 3,300mAh lithium-ion battery. Priced at Rs 67,900, Note8 was also anticipated to wipe the Note7 debacle from the mind of users across the globe.

Google Pixel 2 XL



The second generation of the Google Pixel hit the market in two variants; Pixel 2 and Pixel 2 XL. The phone was carved out by the HTC team for Google and what a product it has been. Available in 4GB of RAM and two variants of ROM, which are 64GB and 128GB, Pixel 2 is majorly focused upon the 12.2MP rear camera which delivers most sought after images on social media. The 8MP front lens is equally good with its amazing portrait mode shots. Apart from this you will get unlimited amount of storage on Google for free. The water-resistant smartphone comes with Qualcomm Snapdragon's best performing lineage of processor which is the 835 SoC and the latest Android 8.0, also known as Oreo. Pixel 2 is being sold at Rs 61,000 with a 2,700 mAh battery. Pixel 2 XL last costed Rs 82,000 and comes laced with 128 GB memory.

Fingerprint Sensors

THE NEW ESSENTIAL



Biometrics is becoming a key feature in smartphones and more than half of the smartphones shipped today already come laced with fingerprint sensors. And next year, more than a billion smartphone with fingerprint sensors will be shipped – a whopping 71% of total shipment – almost three in four smartphones! Study by Counterpoint Research says that “fingerprint sensor is likely to become the standard choice for smartphone OEM s to provide for authentication. This is driven by a rapid rise in services such as digital payments, mobile banking and the commensurate increase in the need to be able to authenticate the user securely.”

Even low and medium range smartphones will see increasing adoption of fingerprint sensors. According to Parv Sharma of Counterpoint Research, ““The penetration of fingerprint sensors in the low-mid end smartphones will increase next year due to rising scale and declining cost of the fingerprint sensor, making it one of the essential components in a smartphone.” With changing smartphone designs to include more edge to edge displays, ultrasonic and optical fingerprint sensor technology, which can be used in with wide range of materials and even under the display screen or under water, will drive the technology forward.

Samsung was the market leader within fingerprint enabled smartphones, contributing to 12% market share, followed by Apple and Huawei with 11% and 8% respectively, during Q2 2017. In terms of adoption across the total portfolio shipments, Apple and Xiaomi led, followed by Huawei and OPPO. However, Samsung, ZTE and LG lagged their rivals with a relatively lower rate of fingerprint sensor integration across their total shipments. Chinese brands are already using fingerprint sensors as a differentiator, especially in emerging markets, to compete with local and international brands. They are adding capabilities beyond just unlocking the phones or payments to include gestures to control the camera, gallery and other applications.

Quad Cameras

MORE THE MERRIER!



With the onset of 2017, we saw the emerging concept of dual cameras, taking shape and finding its way into numerous smartphones, in various segments. Technology evolved and dual cameras could soon be a thing of the past, given the current existence of quad cameras in a smartphone. The first-ever smartphone embracing the four-camera tech is the Gionee S10 with 16-megapixel and 8-megapixel dual rear shooters and another dual camera setup at the front, standing at 20-megapixel and 8-megapixel.

Another entrant is the Honor 9i (which is the Huawei Maimang 6 in China). The Honor 9i features 16-megapixel and 2-megapixel dual cameras at the back with dual-tone LED flash with the front consisting of two more cameras rated at 13-megapixel and 2-megapixel each with soft flash, adding capabilities (such as the Bokeh effect) of a dual-camera setup to the front as well as the back.

Grasping the same piece of technology, ZTE's sub-brand Nubia got registered in the four-camera arena with the launch of the Nubia Z17S and the Nubia Z17 miniS in China. The Nubia Z17S houses two cameras at the back, rated at 23-megapixel and 12-megapixel and the front has two cameras, each rated at 5-megapixel. The Nubia Z17 miniS, on the other hand, features 13-megapixel dual cameras at the back, with another pair rated at 16-megapixel and 5-megapixel each, upfront.

While at the very moment the future of the incorporation of four cameras in smartphones stands vague, this could be a propitious piece. However, camera enhancements are such, one can't tell.

Bezel-less Display

BIGGER IS BETTER!



Taking 'bigger is better' way too seriously, smartphone makers decided to go the less bezel way (with the launch of the Xiaomi Mi Mix in 2016). Since then, the adaptation of the 18:9 aspect ratio was something everyone went bonkers about, giving rise to bezel-less, aka, edge-to-edge displays. The list is too big; we have the Xiaomi Mi Mix, Xiaomi Mi Mix 2, Samsung Galaxy S8/S8+ and the Galaxy Note 8. From the high-end iPhone X to the midranger Vivo V7+, to the one from the Indian shores- the Micromax Canvas Infinity, we have a list too long.

To start with the basics, bezels on a smartphone mean the plastic/metal part of it at the front and bezel-less is not having one. While the smartphones we have are still not entirely bezelless but with less bezels, tech companies like to call them bezelless (or edge-to-edge, or Full Vision, or Full View). The advantage a bezel-less display provides, you ask? We get a wider view of things we see on a smartphone (I mean watching movies is now fun). Additionally, the smartphones weigh so much lighter, irrespective of the big screen size they sport. Even though the bezel-less smartphones appear appealing enough to take on the future (and the present), we still lack a smartphone with a complete bezel-less display, being durable.

However, the trending term- bezel-less is going nowhere, eventually giving rise to a sturdy, stylish and sleek smartphone, until we find a new display concept to introduce to the world.

Virtual Assistants

THE NEW MEN FRIDAYS!



“Siri, do you love me?’ Or ‘What’s this song?’ are some phrases our dear Siri or Google Assistant is quite used to today. Today, the arguably popular Artificial Intelligence-based virtual assistants have totally taken a toll over the mobile world, given the presence of Siri, Google Assistant, Amazon Alexa, Microsoft Cortana, and the latest ones- Samsung Bixby and Panasonic Arbo. Making smartphones, laptops, and smartwatches smarter, we have the tints and tones of intelligence in machines making our day-to-day chores much easier, and providing us with answers to the aforementioned frequently-asked questions.

2017 saw the entry of Samsung Bixby and Panasonic Arbo, furthering the niche segment of a virtual assistant. Samsung Bixby is at your service via text, voice or even touch. It not only talks back to you, but makes recommendations, reminders, in various languages including US English, US Spanish, Korean, and Chinese and many more.

Panasonic Arbo, present currently in the budget Panasonic Eluga Ray series, is a simpler assistant capable of unlocking/ locking the device, making calls, keeping a track of user activities and suggesting things accordingly.

Amidst the already-present digital assistants, there is also a possibility we might see Nokia’s in-house virtual assistant, dubbed Nokia Viki, for which the HMD Global-owned company has been granted a patent for the same.

They might come handy, being the best friends we need, but with evolving features for our 24x7

assistants, they are likely to soon be everywhere, entering our minds and acting as a part of our psychological and physical system.

Android 8.0 and iOS 11

ONE-UPMANSHIP CONTINUES AND IT'S RATHER GOOD FOR THE MOBILE WORLD



The old rivals had their annual ritual to showcase their worthiness over each other. So as part of the mandatory annual launch, this year too, Google and Apple unveiled their 2017 version of operating systems- Android 8.0 Oreo and iOS 11.

Android 8.0 Oreo, another sweet treat by Google, is faster and able to boot smartphones much faster, coming with various new added features. The features include the autofill feature to fill up forms or necessary information within apps automatically, the Picture-in-Picture mode to perform multiple tasks simultaneously, and an improved notification channel with notification popping up in the form of notification dots.

There is the new Android Instant apps feature allowing users to access several apps from the browser, without the need to install the apps. Additionally, the new Android 8.0 Oreo is safer, coming with Google Play Protect and Battery saving mode. There is a plethora of new emoticons with various other improvements and bug fixes.

iOS 11, on the other hand, has brought in new features in the Camera app such as the ability to create GIF-like loops from Live photos, create reverse videos, apply the Long Exposure effect, and new professional photo filters. The App Store has been redesigned, the message app has a new app drawer, and Siri and Apple Music have been improved. The Control Center has been revamped with the ability to customize it. We get the detailed maps, ability to type with one hand with the enablement of closely placed keys on the keypad, and the ability to sign up to the Apple ID by placing two iOS devices closely. For the iPad users, iOS 11 has the new Files app, Slide Over and Split-screen

features, Drag and Drop feature, improved Apple Pencil, and the introduction of the AR-enabled ARKit app.

Mobile Ad Spend Zooms

AS MOBILE BECOMES EVEN MORE UBIQUITOUS, MOBILE CENTRIC AD SPEND IS TAKING A SHARP NORTHWARD CLIMB



For the first time last year, mobile ad revenue surpassed television or desktop ad spend. The growth continues unabated. Digital advertising spend is likely to cross USD 85 billion this year and largest chunk will be spent on mobile advertising. According to forecast by media measurement company Zenith, by 2019, advertisers will spend more on mobile than all traditional media, except television, put together. Globally, by the year closes, mobile ad spending would have crossed USD 107 billion. By 2019, mobile spending is poised to reach USD 156 billion and will account for 62.5 percent of internet expenditure and 26.4 percent of all expenditure. The gains come as consumers more frequently access the web on their phones. Indeed, smartphones are driving all growth in web traffic. Online display ads, including social media in-feed ads, online video and other digital formats, are the fastest-growing ad types.

Meanwhile desktop (non-mobile) advertising is expected to drop USD2.9 billion, or 3 percent, to USD 96 billion. Global ad spend overall is expected to grow 4 percent this year, reaching USD 558 billion by year end.

Coming to India, mobile ads are expected to make up 62% of digital ad spends by 2021. According to an eMarketer report, rise in mobile advertising will also help boost overall digital marketing spending to around USD 1.21 billion in 2017. And though, television will remain the biggest advertising platform in India for sometime now, mobile ad spend will be the fastest growing category which is expected to grow by 85% in 2017.

The Meteoric Rise of Chinese Mobile Brands

ASTOUNDING GROWTH OF CHINESE MOBILE OEMS GLOBALLY LOOKS UNSTOPPABLE AS THEY CONTINUE TO WREST MORE GROUNDS FROM COMPETITION AROUND THE WORLD



By mid this year, Chinese mobile companies had cornered over 48% global mobile market share. By now, it could have gone past half line as they have wrested more grounds in key countries like India and USA besides their own home turf. According Counterpoint Research's study released in August, Chinese smartphone brands marked a record 48 percent market share worldwide with India, South Asia and Africa remaining as key focus geographies. Xiaomi with 60 percent, Vivo (45 percent), Oppo (33 percent) and Huawei (20 percent) led the Chinese march.

"Chinese brands have been successful in not only cementing their positions in their home country but also managing to expand beyond mainland China at the same time," points out Tarun Pathak, Associate Director, Counterpoint Research. Here in India, Chinese OEMs had garnered over 51% smartphone market in first quarter itself and the lead has widened since. And top the four selling smartphone brands out of five happens to be Chinese with Xiaomi, Vivo, Oppo, Lenovo leading the charge. Samsung has been holding the top spot but its market share has been static while Chinese brands have grown by leaps and bounds. Even in feature phone, Chinese conglomerate iTel is now number two player after Samsung.

Chinese OEMs have also wrested market share from Samsung and Apple worldwide. Moto now owned by Lenovo, has made a remarkable comeback in US recently. Within their homeland, their growth has been even more impressive. Huawei, Oppo, Vivo continue to dominate the competition and widening the gap while capturing the top three spots while Xiaomi has made a surprise comeback. The China market contributes almost 30% of the global smartphone volumes and winning in this market alone can push a brand into the top five rankings globally. And it's becoming increasingly difficult for international brands to match BBK or Huawei's attractive portfolio, scale, marketing muscle and broader channel reach. Chinese OEMs rise continues unabated.

The Telecom War

AIRTEL APPEARS TO HAVE HAD THE LAST LAUGH IN THE BITTER YEAR LONG ACRIMONIOUS BATTLES UNLEASHED BY ENTRANT RELIANCE JIO TO CAPTURE THE VAST INDIAN TELECOM SPACE AND DISLODGE COMPETITION



Armed with Rs 50,000 crore in its kitty and the newly acquired pan-India 4G spectrum rights as firing guns, Mukesh Ambani led Jio unleashed a no-hold barred disruptive, and often annihilatory, tariff war to wrest territories and acquire consumers from existing debt ridden telecom player in an market which had been touted as crowded and stressed by telecom experts. The biggest gunfire appeared to have been reserved for the market leader Airtel. In the beginning a stunned opposition just didn't know how to respond to Jio's no-hold barrage. Idea and Vodafone joined hands to fence themselves. Airtel appeared to be bearing the maximum brunt of attack. But Sunil Mittal, the feisty war horse who has earlier too faced many corporate battles for survival, held his nerves and started matching Jio's move for moves. If Jio came with radical 'India ka apna smartphone' - the 4G enabled LTE feature phone at a most attractive price point, then Airtel sprang a surprise with Airtel-Karbons 'Real Indian Smartphone' at an even more attractive offer. Slowly but surely Jio appeared to have losing steam even as lady luck once again started smiling on Airtel which got a virtual free gift of Tata Mobile along with its significant subscriber base and its spectrum. Ironically, in the end, the biggest and unintended casualty of Jio's blitzkrieg has been none other than RCom - the company owned by Mukesh Ambani's younger sibling Anil Ambani. RCom went deeper into debts while deciding to shut

down wireless business. Airtel certainly is having the last laugh and remains the king of Indian telecom space. The challenger will once again have to wait to take over the crown.

Tags : Nokia, Samsung, Google Pixel, Indian Mobile Market, Feature Phones