



Consumers demand better access to multimedia content on portable devices, but at zero device cost premium, says survey

Multi-region survey undertaken for Mirics highlights functional convergence challenge for consumer electronics industry

Sunnyvale, CA. and Fleet, UK, November 30, 2009: Users of mobile computing and portable communications devices want to access more multimedia content, but are being held back by the lack of availability of low-cost, converged functionality devices, according to the results of a survey conducted by ABI Research on behalf of [Mirics Semiconductor](#). The survey results also highlight that while users of portable consumer electronics (CE) devices have a clear vision of the increased functionality they would like from their device, they are not prepared to pay a price premium for these added features.

The [research](#), which was recently conducted among 1000 adults in the USA, UK and Japan who regularly use a mobile CE device, such as a notebook computer or smart phone, revealed consumer interest in a wide variety of services that all rely on differing wireless communication technologies. Global Positioning System (GPS) location-based services, Wi-Fi Internet connection and the ability to receive live TV content were among the most frequent functional requests in consumers' future devices, as was the ability to easily transfer large files wirelessly. Unsurprisingly, faster Internet access was the most popular choice.

Consumers in all regions expressed general satisfaction with the physical aspects of their existing primary device: overall size, weight and screen size were judged 'just right' by the majority. The implication is that manufacturers are catering successfully to the needs of most users in this area.

Two thirds of those surveyed already have a Wi-Fi enabled mobile device, and the majority of the remainder expressed interest in using it in a future device. More than 50% of the respondents would like to use their mobile device as an 'electronic wallet' to pay for, for example, retail goods and public transport services. A mobile device equipped with NFC (Near Field Communication) wireless technology would support such functionality.

Over 40% of respondents are accessing more content than a year ago. The most commonly cited reason for this is that their current device has the features that enable easier access to multimedia

content. In addition, 43% of the sample had accessed live TV or video on demand (VoD) on their mobile device.

Looking forward, 82% of respondents predicted they would be accessing more or at least the same content on their mobile devices in one year's time compared to their current usage. When asked what type of mobile content they would like that they cannot or do not access now, the most popular request was to receive live TV, followed by VoD. Those interested in receiving live TV indicated they would be prepared to pay on average 5 to 8 USD per month for the service. However, when asked how much extra they would be prepared to pay for a new primary mobile device assuming it had all the features and functionality they wanted, the most common response – given by 40% of those surveyed – was nothing, and only 16% of all respondents were prepared to pay up to 25 USD for this functionality.

Kevin Burden, Mobile Device Director, ABI Research, commented: “This survey has shown that consumers on the whole are happy with the form factor of their mobile devices, and are now most interested in the available functional capabilities of these devices. Strikingly, the survey suggests that whilst consumers are willing to pay a modest premium to access a particular service, the majority are not prepared to pay an appreciable amount in terms of higher device cost for this additional functionality. This reveals the pressure on portable CE device manufacturers to deliver converged functionality without raising costs.”

Chet Babla, Marcom Director, Mirics Semiconductor, added: “Wi-Fi, GPS, streamed audio and video content, NFC and live TV all require different wireless technologies to be supported in portable devices to deliver the multimedia experience that consumers want. The challenge for device developers is to support these multiple wireless technologies without significantly impacting end-product price. Innovative approaches such as software-based modems - whereby key wireless functional blocks conventionally implemented in silicon hardware are replaced with the flexibility of software - will be crucial to achieving this convergence at an acceptable cost point.”

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To obtain a copy of the report presentation or to arrange a more detailed discussion on the research findings, please contact Mirics@pinnaclemarcom.com

About Mirics

Mirics provides total system solutions for converged wireless connectivity on portable consumer electronic devices such as Notebook PCs, Media Players and Cellphones. The initial focus of the company is the delivery of free-to-air broadcast services and content to portable computing and communications devices. With development, support and sales operations in USA, UK, Hong Kong, China and Taiwan, Mirics has brought together a strong team with extensive experience in delivering high performance integrated circuits and algorithmic IP into high volume wireless, broadcast and cellular applications.

Mirics has secured funding from an eminent investor team comprising Acacia Capital Partners, Intel Capital and Pond Venture Partners. Mirics secured \$7 million of financing in January 2009, bringing total investor financial support to \$22 million.

www.mirics.com

About ABI Research

ABI Research provides in-depth analysis and quantitative forecasting of emerging trends in global connectivity. From offices in North America, Europe and Asia, ABI Research's worldwide team of experts advise thousands of decision makers through research and advisory services in seven key practice areas. Est. 1990. For more information visit www.abiresearch.com.

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