

# iPhone

## Feature Preference Model

# iPhone Features

What are the definitive 5 features that are top of consumers mind when considering purchasing an iPhone?

# Top 5 Features

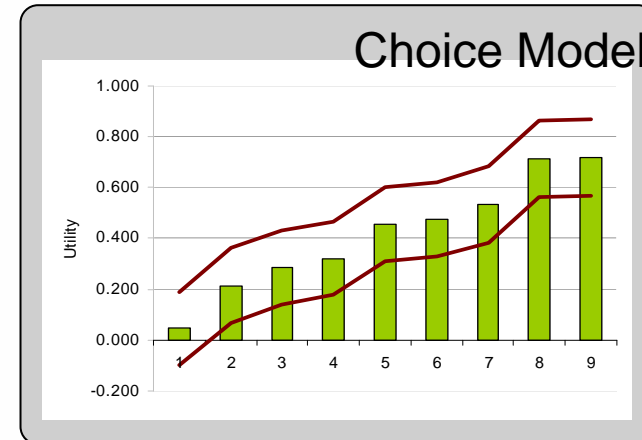
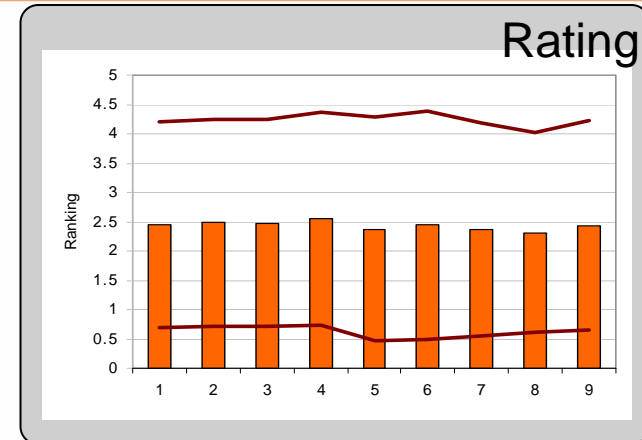
These are:

- Mobile Phone function
- Web and Email
- iPod
- Battery Life
- Fast 3G Network

# The Methodology

Choice Modelling was used to find the Preference

- Produces highly accurate predictions
- The 2000 Nobel Prize for economics won for Choice Modelling



Example of Choice Modelling of product features compared to a standard Ratings analysis of 2000 people. The Choice Model produces statistically valid insights.

# features

## STEP 1

21 features were identified from the existing Apple iPhone web-site.

The features were augmented with a small descriptive blurb.

<b>Inbuilt GPS with maps</b>	<b>Ambient light sensor</b>
<b>Inbuilt iPod</b>	<b>Proximity sensor</b>
<b>Web Browsing and email</b>	<b>Adaptive Keyboard</b>
<b>iPhone Applications</b>	<b>Making Phone calls</b>
<b>Inbuilt 2 Megapixel camera</b>	<b>Available in Black and White</b>
<b>Fast 3G technology</b>	<b>Memory Capacity</b>
<b>Multiple Language support</b>	<b>Size and weight</b>
<b>Power and battery</b>	<b>Display</b>
<b>Usability</b>	<b>Warranty</b>
<b>Accelerometer</b>	<b>Streaming Video</b>
	<b>Environmentally Friendly</b>

*see glossary at end for full description of each feature*

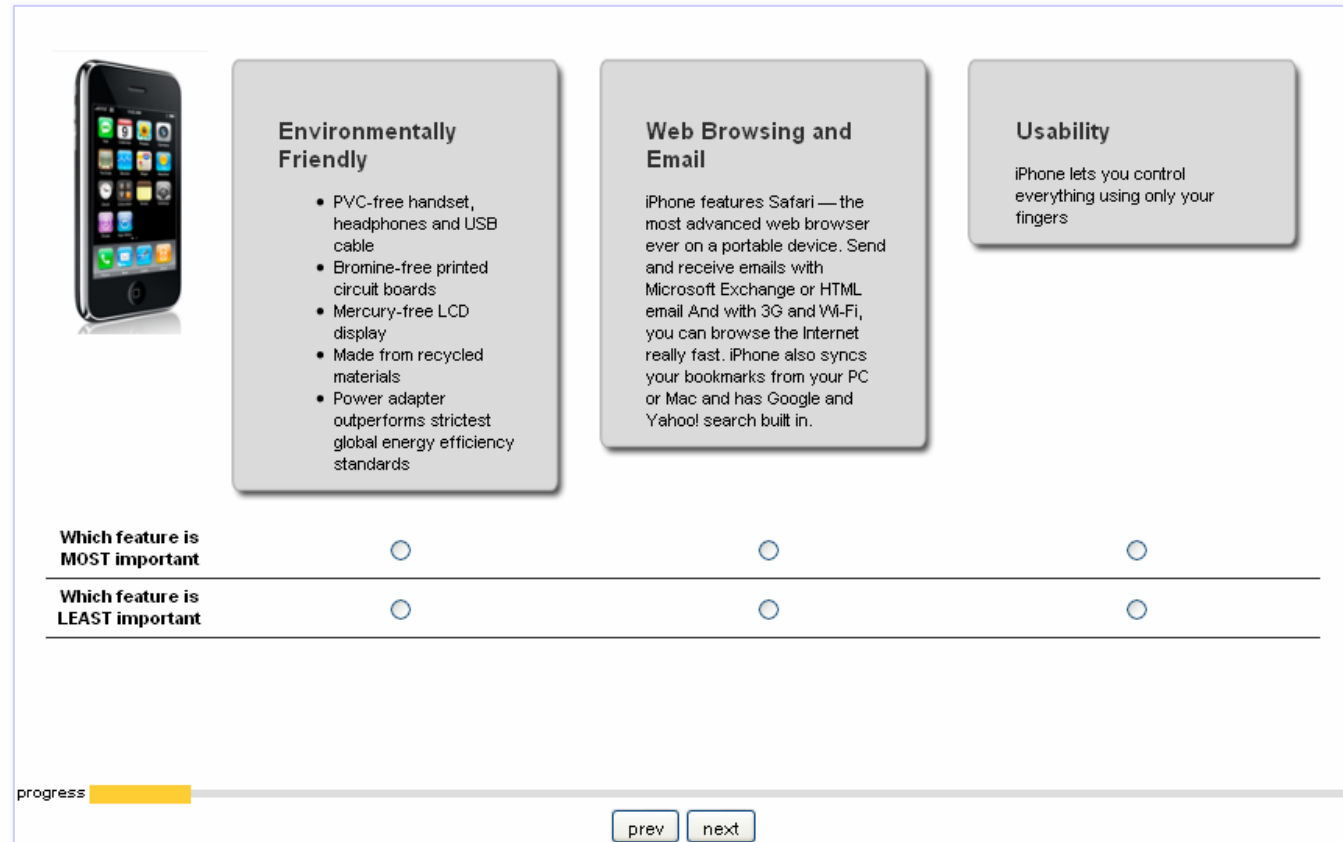
# the experiment


## STEP 2

An online Choice experiment was built.

Respondents were to be presented with 3 features at a time and asked to select the most important.

This was repeated systematically with different sets of features





**Environmentally Friendly**

- PVC-free handset, headphones and USB cable
- Bromine-free printed circuit boards
- Mercury-free LCD display
- Made from recycled materials
- Power adapter outperforms strictest global energy efficiency standards

**Web Browsing and Email**


iPhone features Safari — the most advanced web browser ever on a portable device. Send and receive emails with Microsoft Exchange or HTML email. And with 3G and Wi-Fi, you can browse the Internet really fast. iPhone also syncs your bookmarks from your PC or Mac and has Google and Yahoo! search built in.

**Usability**

iPhone lets you control everything using only your fingers

Which feature is MOST important

Which feature is LEAST important

progress 

The survey may be viewed <http://research.surveyengine.com/iphone>

# sample

## STEP 3

A sample of 50 high income respondents were chosen from NSW to participate.

Each person completed 20 repeated sets each.

A total of 1000 observations was made.

The average time to complete was 9 minutes.

### Sample Frame:

- NSW residents
- Aged 22-64
- Income >\$1,500 pw
- Balanced by gender

# results

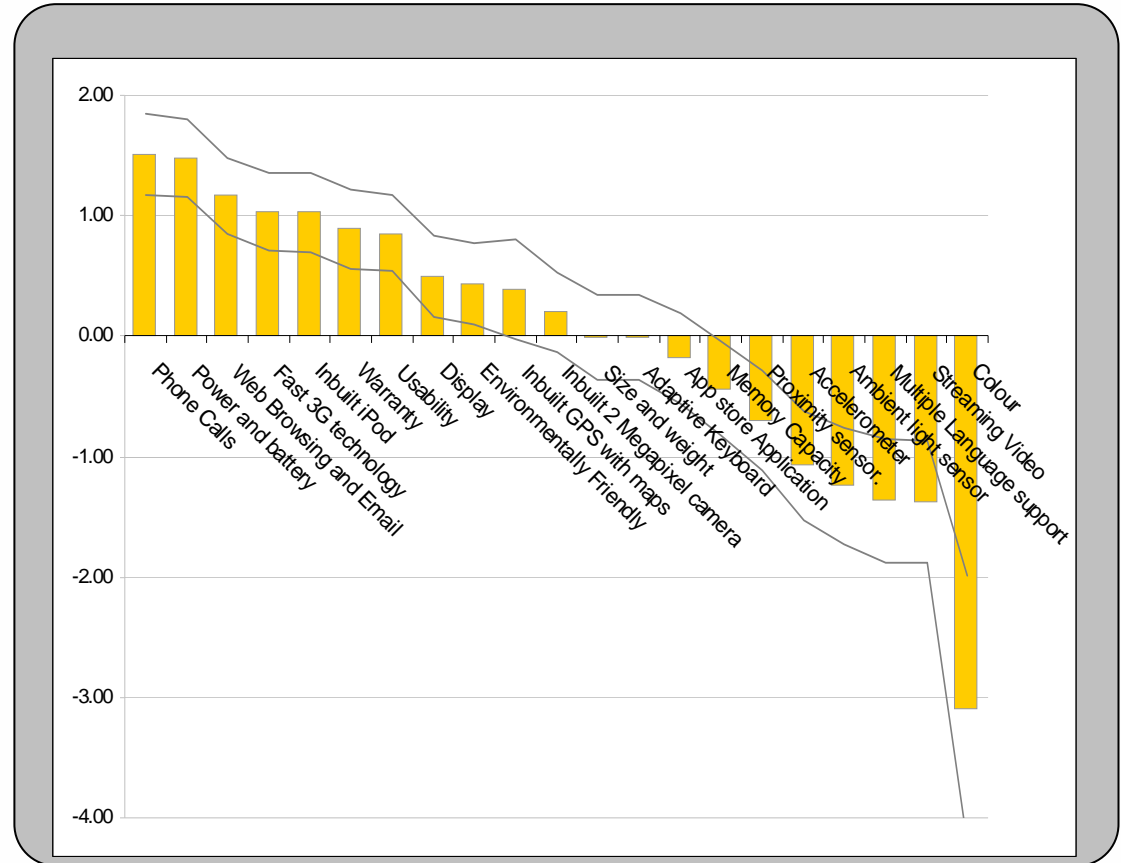
## STEP 4

The data was analysed and a 'choice model' created.

The units are a direct measure of the probability of choosing, (logarithm of the likelihood).

Respondents were over 100 times more likely to choose the overall best to the overall worst

**Note** - results have clear statistical significance at 95% confidence



# top 5 features

Utility	Feature
1.51	<b>Making Phone calls</b> Make a call by tapping a name or send a text with the intelligent keyboard
1.48	<b>Power and battery.</b> <ul style="list-style-type: none"><li>•Charging via USB to computer system or power adapter.</li><li>•Up to 5 hours talk and internet on 3G.</li><li>•Video playback: Up to 7 hours.</li><li>•Audio playback: Up to 24 hours</li></ul>
1.17	<b>Web Browsing and Email</b> iPhone features Safari — the most advanced web browser ever on a portable device. Send and receive emails with Microsoft Exchange or HTML email And with 3G and Wi-Fi, you can browse the Internet really fast. iPhone also syncs your bookmarks from your PC or Mac and has Google and Yahoo! search built in.
1.03	<b>Fast 3G technology</b> 3G technology gives iPhone fast access to the Internet and email over cellular networks around the world. iPhone 3G also makes it possible to do more in more places: Surf the web, download email, get directions, and watch video — even while you're on a call
1.03	<b>Inbuilt iPod</b> With its beautiful 3.5-inch widescreen display and Multi-Touch controls, iPhone is also one amazing iPod. Browse your music in Cover Flow and watch widescreen video with the touch of a finger.

Most relate to core communication capability

Many features are already provided by existing mobile phones

All relate to everyday use

Most are critical features

# bottom 5 features

Rank	Feature
-1.07	<b>Accelerometer</b> iPhone responds to motion using a built-in accelerometer. When you rotate iPhone from portrait to landscape, the accelerometer detects the movement and changes the display accordingly.
-1.24	<b>Ambient light sensor.</b> The ambient light sensor in iPhone automatically brightens the display when you're in sunlight or a bright room and dims it in darker places
-1.37	<b>Multiple Language support</b> Language support for English, French, German, Japanese, Dutch, Italian, Spanish, Portuguese, Danish, Finnish, Norwegian, Swedish, Korean, Simplified Chinese, Traditional Chinese, Russian, and Polish
-1.37	<b>Streaming Video with YouTube</b> iPhone keeps you entertained with a YouTube application that opens right from the Home screen, so you can watch YouTube wherever you are. Videos load fast over 3G or Wi-Fi. Find a video you like? Bookmark it or share it with a friend.
-3.10	<b>Available in Black and White</b> <ul style="list-style-type: none"><li>• 8GB model: Black</li><li>• 16GB model: Black or white</li></ul>

Most relate to specific use cases

No features are critical

All are 'nice to haves'

Many relate to the iPhone's point of differentiation

# insights

As well as finding the top features, this methodology allows shows the common themes among the top features.

- The top features are common with existing phone handsets. This suggests that consumers are considering an iPhone as a replacement for their existing mobile – not a new gadget
- Web and Email are approaching phone as an integral part of daily communication
- Consumers are aware of the term ‘3G’ and place value on it.

# strategy

Battery life continues to be an important factor.

At only 5 hours talk time for the iPhone this is likely to be negative in any way it is communicated.

Communication should focus on positive important factors:

- As a substitute for your existing phone
- Functionality of Web browser and email
- connection to a reliable 3G network
- iPod/iTunes on the phone

# Glossary

# Feature List

## **Inbuilt GPS with maps**

Find your location, get directions, and see traffic all from your phone. Maps on iPhone 3G combines GPS, Wi-Fi, and cell tower location technology with the Multi-Touch interface to create the best mobile map application ever.

## **Inbuilt iPod**

With its beautiful 3.5-inch widescreen display and Multi-Touch controls, iPhone is also one amazing iPod. Browse your music in Cover Flow and watch widescreen video with the touch of a finger.

## **Web Browsing and email**

Phone features Safari — the most advanced web browser ever on a portable device. Send and received emails with Microsoft Exchange or HTML email. And with 3G and Wi-Fi, you can browse the Internet really fast. iPhone also syncs your bookmarks from your PC or Mac and has Google and Yahoo! search built in.

## **Download iPhone Applications from App store**

Tap into the App Store and you'll find applications in every category, from games to business, education to entertainment. These applications have been designed to take advantage of iPhone features such as Multi-Touch, the accelerometer, wireless, and GPS. And some are even free.

## **Inbuilt 2 Megapixel camera**

With a built-in camera and an advanced photo application, iPhone is the most photo-friendly phone ever. It takes snapshots, automatically syncs photos with your PC or Mac, displays albums with the flick of a finger, and posts pictures directly to a MobileMe Gallery.

## **Fast 3G technology**

3G technology gives iPhone fast access to the Internet and email over cellular networks around the world. iPhone 3G also makes it possible to do more in more places: Surf the web, download email, get directions, and watch video — even while you're on a call

## **Multiple Language support**

Language support for English, French, German, Japanese, Dutch, Italian, Spanish, Portuguese, Danish, Finnish, Norwegian, Swedish, Korean, Simplified Chinese, Traditional Chinese, Russian, and Polish

## **Power and battery**

- \* Charging via USB to computer system or power adapter
- \* Up to 5 hours talk and internet on 3G
- \* Video playback: Up to 7 hours
- \* Audio playback: Up to 24 hours

## **Usability**

iPhone lets you control everything using only your fingers

## **Accelerometer**

iPhone responds to motion using a built-in accelerometer. When you rotate iPhone from portrait to landscape, the accelerometer detects the movement and changes the display accordingly.

## **Ambient light sensor.**

The ambient light sensor in iPhone automatically brightens the display when you're in sunlight or a bright room and dims it in darker places

## **Proximity sensor.**

When you lift iPhone to your ear, the proximity sensor immediately turns off the display to save power and prevent inadvertent touches.

## **Adaptive Keyboard**

The intelligent, software-based iPhone keyboard does more than a physical keyboard ever could. It's there only when you need it, it adapts to any application, and it changes its keys to support typing in 21 languages. All you do is tap.

## **Making Phone calls**

Make a call by tapping a name or send a text with the intelligent keyboard.

## **Available in Black and White**

- \* 8GB model: Black
- \* 16GB model: Black or white

## **Memory Capacity**

Your choice 8G or 16G

## **Size and weight**

133 grams

## **Display**

- \* 3.5-inch (diagonal) widescreen Multi-Touch Display
- \* 480-by-320-pixel resolution at 163 ppi
- \* Support for display of multiple languages and characters simultaneously

## **Warranty**

2 years parts and labour warranty – On site pickup and return

## **Streaming Video with YouTube**

iPhone keeps you entertained with a YouTube application that opens right from the Home screen, so you can watch YouTube wherever you are. Videos load fast over 3G or Wi-Fi. Find a video you like? Bookmark it or share it with a friend.

## **Environmentally Friendly**

- \* PVC-free handset, headphones and USB cable
- \* Bromine-free printed circuit boards
- \* Mercury-free LCD display
- \* Made from recycled materials
- \* Power adapter outperforms strictest global energy efficiency standards

# Model Results

#	label	B	SE	Wald	df	Sig.
14	Phone Calls	1.51	0.17	81.84	1.00	0.00
8	Power and battery	1.48	0.16	83.90	1.00	0.00
3	Web Browsing and Email	1.17	0.16	54.94	1.00	0.00
6	Fast 3G technology	1.03	0.16	40.65	1.00	0.00
2	Inbuilt iPod	1.03	0.16	39.38	1.00	0.00
9	Usability	0.89	0.16	30.11	1.00	0.00
19	Warranty	0.86	0.16	29.72	1.00	0.00
18	Display	0.50	0.17	8.96	1.00	0.00
1	Inbuilt GPS with maps	0.43	0.17	6.45	1.00	0.01
21	Environmentally Friendly	0.39	0.21			
5	Inbuilt 2 Megapixel camera	0.20	0.17	1.38	1.00	0.24
17	Size and weight	-0.01	0.18	0.00	1.00	0.96
13	Adaptive Keyboard	-0.01	0.18	0.00	1.00	0.95
4	App store Application	-0.18	0.19	0.91	1.00	0.34
16	Memory Capacity	-0.43	0.20	4.78	1.00	0.03
12	Proximity sensor.	-0.70	0.21	11.26	1.00	0.00
10	Accelerometer	-1.07	0.23	22.48	1.00	0.00
11	Ambient light sensor	-1.24	0.24	26.56	1.00	0.00
7	Multiple Language support	-1.37	0.26	27.68	1.00	0.00
20	Streaming Video	-1.37	0.25	29.16	1.00	0.00
15	Colour	-3.10	0.56	30.78	1.00	0.00

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