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by [Robin Wauters](#) on June 10, 2009

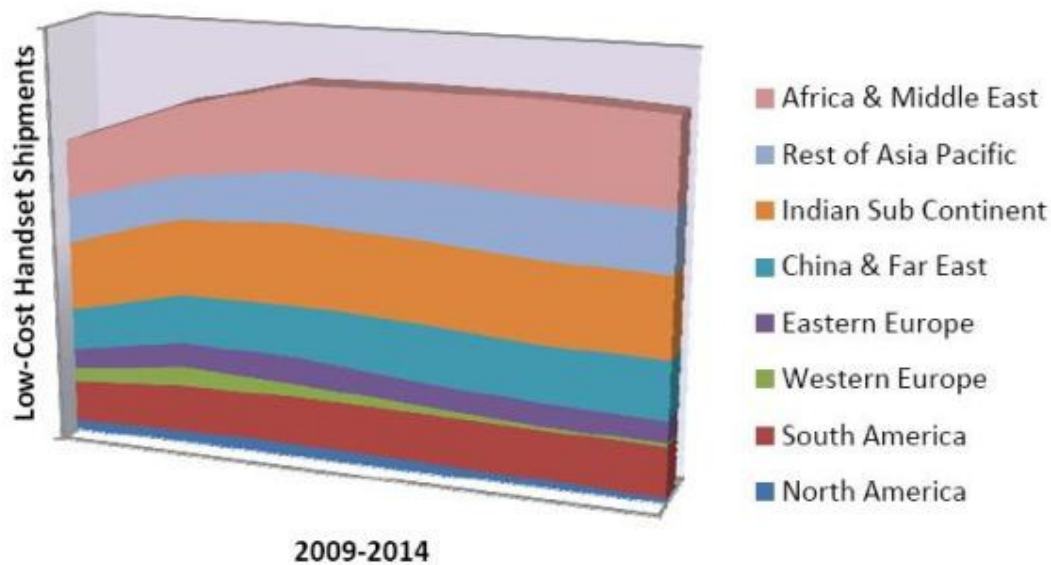


A [new report from Juniper Research](#) forecasts that by 2014, annual sales of low-budget mobile devices will rise to north of 700 million units, up 22% from this year. The report goes into the various schemes that have been implemented to help ‘connect the unconnected’, or the estimated 3 billion people on the planet that do not own mobile phones.

That number include people who live in areas where wireless networks offer coverage, something that is not always the case because operators tend to shy away from underdeveloped markets because of limited chances of financial return on investments. Apparently, the key to be able to tap into this vast pool of potential customers in these so-called ‘emerging markets’ lies in drastically reducing the cost of handsets that can be used by low-income users.

Mobile handset juggernaut Nokia is a big believer in this, as we’ve talked about in the past when the company [released a series of devices and services](#) specifically targeting these emerging markets and the [debut of its Mail on Ovi service](#) on some 35 different Series 40 handsets.

According to Juniper’s report, of which you’ll find a summary in [this free whitepaper](#), entry-level devices (Nokia’s definition for phones that sell for less than \$60) accounted for 45% of total global shipments in 2008, which translates to 535 million units. However, Juniper also says ULC devices (ultra low-cost or devices selling for \$5 on average) were only a fraction of those but growing in importance quickly. By 2014, Juniper forecasts low-cost devices to account for over 50% of all devices sold worldwide each year. Of the 700 million low-cost handsets expected to be sold in 2014, Juniper Research believes around 24% will be sold in Africa and the Middle East.

Figure 1: Low-Cost Handsets Shipments Per Annum, By Region 2009-2014

Source: Juniper Research

Nokia

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Website: nokia.com

Location: Finland

NOKIA
Connecting People

Nokia is a communications corporation based in Finland that primarily manufactures mobile telephones. [Learn More](#)

Information provided by **CrunchBase**

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- opera mini - [June 10th, 2009 at 4:08 am PDT](#)

Yeah.. here in India we use opera mini with website images blocked. So that it loads fast in GPRS or sometimes EDGE. If your ad is image - Blocked!

[reply](#)



opera mini - [June 10th, 2009 at 4:37 am PDT](#)

By 2014 apple will slash iphone price to -\$99, that is negative. Possible since it has no mechanical keyboard component, only touchscreen and software.

[reply](#)



Ankit Gupta - [June 10th, 2009 at 6:22 am PDT](#)

I'm sure you had a joke in there somewhere, but one of the challenges they face is how to increase adoption in countries where the majority of users prepay for their usage. Post-paid users can get their phone subsidized, and

so they have that benefit, but prepaid can't.

[reply](#)

■

Ankit Gupta - [June 10th, 2009 at 6:35 am PDT](#)

Actually that might have been wrong - I guess there's no reason you can't subsidize a prepaid plan, the issue is just getting people on a contract. The contract would have to specify certain usage and billing amounts, which ends up being the same as paying monthly and not prepaid.

[reply](#)

●

Mayank Agarwal (@myank25may) - [June 10th, 2009 at 4:47 am PDT](#)

For sure there is a fortune at the bottom of the pyramid... Out of a population of 1000 M + there are some 362.3 M (<https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>) mobile users in India... though this gap is shrinking at a meteoric speed. But the point worth noting is that the gap is mostly populated by those cheap Nokia/Motorola mobile handsets which costs some where around 1000-1500 Rupees (approx. \$20-\$25) here in India... So this low end mobile handset business is here to stay, at least in India and other developing countries...

[reply](#)

●

Mike - [June 10th, 2009 at 5:46 am PDT](#)

Should access to the internet be free, too? Of course access to the internet should be free. It's unfair to think of the advantage those that can afford access would get over those that cannot get access to the internet. We think of awesome videos (<http://www.youtube.com/watch?v=NuDMOGfXHSc>) as being the only thing we use access to the internet for, but we obviously use it for more important things, too.

[reply](#)



Adam - [June 10th, 2009 at 8:44 am PDT](#)

One of the problems is we believe being connected is positive and heck, why wouldn't everyone in the world not want something like a cell phone or the internet? Slowly, the have-nots are finding out they can't play ball in a world where such things are a must-have.

How about we let everyone be as they may have another idea about what is positive and good for them.

[reply](#)

- [Iteologue](#) - [June 10th, 2009 at 6:22 am PDT](#)

Ofcourse, it is big. It is huge In price-concious places like China, India, Southeast Asia, Latin America and Africa. And thats a great reason why Motorolas and Nokias do much better than Iphones and Palm Pres in these parts of the world. I wish for a day when every one in the world can afford to buy their choice.

“Any Technology is not a Technology until it is affordable by the masses”

[reply](#)

- [Shanky Baba](#) ([@shankybaba](#)) - [June 10th, 2009 at 7:13 am PDT](#)

Yeah, I have heard iPhone is very expensive in India.... approx Rs. 32K (~\$670).

Considering India’s population imagine if the phone provided for say \$200-\$300 in India how much business can apple and the service provider make???

[reply](#)

- [geekevaluation](#) ([@geekevaluation](#)) - [June 10th, 2009 at 7:20 am PDT](#)

The low cost phones have been profitable for the companies. Nokia might have struggled in US but is very successful in India.

iPhone has been success but it cannot be phone fro everyone. Apple also does not want that.

So let us compare apples to apples

[reply](#)

○

[Ujjwal Gupta](#) - [June 10th, 2009 at 8:40 am PDT](#)

I disagree with you. Apple would love to be in a scenario where everyone owns an iPhone. To differentiate they will have multiple models out, just like laptops (you can chose your own configuration/software). Better configuration higher price, and so on.

[reply](#)

- [jesse](#) - [June 10th, 2009 at 8:07 am PDT](#)

good low cost phones

[reply](#)

- [Neotechie](#) - [June 10th, 2009 at 10:20 am PDT](#)

One day everyone ,almost everyone,will have a cell.

The questions who will will cater to the most needy in society. Most don't won't. Those who care will make the world a better place and may make some \$\$\$\$. Social responsibility is priceless.

Google could do it and make money on mobile ad based revenue.

[reply](#)

•

Alex - [June 10th, 2009 at 12:17 pm PDT](#)

@Neotechie

I think you're 100% correct

[reply](#)

•

Timothy - [June 10th, 2009 at 1:28 pm PDT](#)

wow 3 billion..that's a lot

after reading that, i'm more sure that i'm not the only person in america over the age of 13 without a cell phone.
before..it sort of looked like it

[reply](#)



•

[Coleman Foley](#) - [June 10th, 2009 at 2:07 pm PDT](#)

the world will be a much better place when everybody has a cell phone. cell phone penetration is the way to measure humanity's progress right now. once every one has a cell phone, we can move on to the next challenge.

[reply](#)

•

[Paul](#) - [June 10th, 2009 at 2:09 pm PDT](#)

Low cost handsets are also enabling 'good business'. As mobile penetration has risen in developing markets (driven partly by low cost handsets), so too has the potential for financial inclusion. People who previously lacked access to basic financial services (which can have a tremendous impact on quality of life) can now use their mobile to send and receive money. A great example of this in practice is Kenya, where 6.5 million people have adopted M-PESA (a video is available on blog). Mobile has made this possible.

[reply](#)

- [Miraj K \(@asterix\)](#) - [June 10th, 2009 at 8:19 pm PDT](#)

for some fascinating insights into mobile/phone adoption in under-served countries check here:

Teleuse at the Bottom of the Pyramid 3
<http://lirneasia.net/projects/.....teleuse-3/>

and re: various innovative usage of mobile services by BOP:

[Mobile2.0@BOP](#)
<http://lirneasia.net/projects/.....bile20bop/>

[reply](#)

- [Engago team \(@Engago\)](#) - [June 11th, 2009 at 1:24 am PDT](#)

People need phones with 3 functions:

- To call
- To sms (texting)
- To know the time

The longer the battery lasts the better.

Smart phones are not the market.

Is the iPhone something like a car from GM?

[reply](#)

- [Intivation](#) - [June 11th, 2009 at 5:10 am PDT](#)

3 billion people don't have a mobile phone.

1.6 billion people do not have access to reliable or even any electricity in this world. 640 million thereof DO have GSM coverage and sufficient income to afford a ultra low cost mobile phone.

There is a solution for these people now: an ultra low cost phone charged (solely) by the sun.

Highly efficient solar phones is what Dutch engineering firm Intivation made possible.

First ULCH solar phones, manufactured by ZTE, will be in the shops of Carribean Operator Digicel in July.

Several African operators have also ordered these solar phones already from one of Intivation's partners.

Check out our website to stay on top of this development!

[reply](#)

- [patrick mork \(@GetJar\)](#) - [June 11th, 2009 at 6:03 am PDT](#)

There's actually a really interesting parallel here between phone sales and content.

Markets like India and Indonesia are now among GetJar's top 5 download markets. As a matter of fact India now does x5 the number of downloads an established market like the UK does. Why? Here are a couple of possible explanations:

1. Mobile is the only medium of communication for many consumers in these markets. in many places - especially rural areas- either fixed lines haven't reached the area or are unaffordable or unreliable. So mobile is the best option
2. If consumers don't have fixed lines then the phone becomes the only way for them to have Internet access. For many this actually becomes the first time they even have access
3. Compared to established, developed markets consumers in emerging markets often have less entertainment options (think Xbox, cable TV, F1) so again the mobile provides cheap, easy entertainment

When you combine the demographics of emerging market growth (people entering the middle class and new mobile subscriber growth) emerging markets like India have the potential become truly huge and mobile applications - particularly free applications - are already riding this wave with gusto.

cheers

Patrick.

[reply](#)

- [Sera Smith](#) - [June 15th, 2009 at 5:39 am PDT](#)

More on Juniper from my side. Juniper is a promising entry, needs more seasoning.

<http://www.webguild.org/2009/0.....g.php?p=p2>

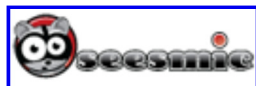
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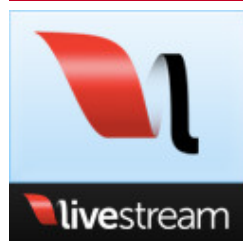
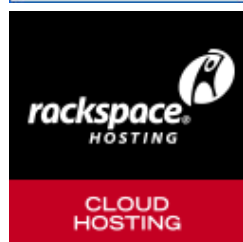
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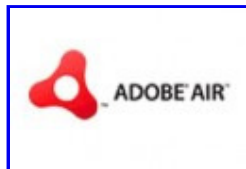
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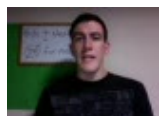
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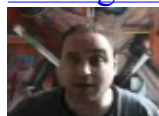
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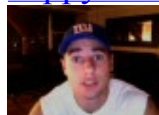
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