

Hoping to Draw Market Share With Touch Screens

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This holiday, cellphone makers and carriers are pushing some shiny new toys: phones with touch-sensitive screens like the one on the [Apple iPhone](#).

The companies are hoping to duplicate the blockbuster success of the iPhone with models that, in their glassy minimalism, end up looking a lot like it. These include the G1, powered by [Google](#)'s Android software; the Instinct from Samsung; the LG Dare; and, most recently, [Research in Motion](#)'s much-anticipated BlackBerry Storm.

But with consumers keeping a close watch on their bank balances, analysts and industry experts say most touch-screen phones will have trouble getting onto the list of this season's must-have gadgets.

The surge of touch screens has its roots in the introduction of the iPhone on [AT&T](#)'s network in June 2007, which left rival carriers scrambling for comparable offerings.

"What you're seeing right now is the first wave of competitors spurred by the media juggernaut for the iPhone," said Ed Snyder, a telecommunications industry analyst with Charter Equity Research. Mr. Snyder said that when the iPhone hype hit, "no credible cellphone executive could not get a touch-screen phone started."

Since its introduction, the iPhone, which is available only through AT&T in the United States, has helped AT&T steal customers from other carriers. Wireless service operators are now concentrating on retaining current subscribers as much as they are trying to reel in new ones, said Charles Golvin, a principal analyst at [Forrester Research](#). Part of that strategy, Mr. Golvin said, is offering perks like exclusive "presales" of hot new models to subscribers.

Phone shoppers say carriers and contracts have a big influence on their decisions about phones. "I'm pretty sure my next phone will be a touch screen," said Vernon McIntosh, 40, a personal trainer from New York who is an AT&T customer.

Mr. McIntosh was in a [Verizon](#) store last week and said he was choosing between an iPhone and the BlackBerry Storm. "But I'm not eligible for an upgrade at AT&T," he said. "It might be cheaper to switch contracts."

To help drum up excitement for the release of the Storm, Verizon Wireless rolled out a teaser campaign in early October that zeroed in on the phone's distinctive feature: a palpable clicking sensation when the screen is pressed.

The Storm, which costs \$200 after rebate with a new two-year contract, also has built-in appeal for the existing base of BlackBerry fanatics, and it appears to be a hit. When the Storm went on sale Nov. 21, people lined up outside Verizon stores to get their hands on it, and many stores quickly sold out.

An employee at a Verizon Wireless store in Midtown Manhattan said Friday that none of the company's stores in Manhattan had the Storm in stock, but that people were still streaming in to place orders. The earliest those customers can expect their phones to ship is Dec. 15, the employee said.

Nancy Stark, a spokeswoman for Verizon, said she could not provide figures on sales or inventory for the Storm, although she did say it had been the company's "fastest-selling phone to date." Verizon's next touch-screen models are the \$350 HTC Touch Pro, available now, and the \$249 Samsung Omnia, which is for sale online and will be in stores next week.

Touch-screen phones do have their critics. Mr. Snyder says the bigger screens are a drain on battery life, and the phones require users to look at the screen instead of getting to know the phone's buttons by feel.

"You're getting all these extras so you can look at the phone and stand still, when you bought the phone so you could move," he said. "Only a niche of users are going to be willing to spend money to have the extra capability."

"The hype surrounding the touch-screen technology far exceeds its impact," Mr. Snyder said.

Dave Perry, a business developer who was shopping in a Verizon store in Manhattan last week, said he liked the user-friendliness and big screens of touch-screen phones. "But there are drawbacks: the accuracy of typing and reliability of the screen," he said.

"I don't necessarily think the technology is where it needs to be," Mr. Perry said, adding that the occasional problems and slow responses from the devices were "not something I'm willing to wait for."

Touch-screen phones remain a fraction of the overall mobile phone market, but sales have been soaring. In the 12 months through September, sales of the phones in North America grew 130 percent, in contrast to 4 percent growth in the overall phone market, according to [comScore](#) M:Metrics, a market research firm.

As of September, M:Metrics data shows, more than 2.6 million people in North America had some model of the iPhone. The second-most-popular touch-screen model was the LG Voyager, which was available through Verizon Wireless and had 851,000 users.

Mr. Golvin said it was unlikely that touch-screen phones would take over the industry.

“There’s no question that it’s a very fast-growing segment of the market,” Mr. Golvin said. “It’s become one of the form factors that some consumers want.”

But Mr. Golvin said there had been similar frenzies for flip phones and candy-bar-style phones when they were introduced. “And yet today, there are still plenty of people who prefer a flip phone.”

Touch-screen technology first appeared in devices like the Treo that were aimed at professional users, and the screens were best activated with thin plastic styluses. Since the advent of the iPhone, more touch screens are activated with the fingers, and the phones themselves are aimed at mainstream users.

The phones also tend to cost several hundred dollars, which could hurt sales in an economic downturn. For its part, [Sprint](#) is fighting the barrage of high-end phones from its competitors with a new marketing campaign that emphasizes the money-saving value of its phones and plans.

Ev Gonzalez, director of device marketing for Verizon Wireless, said the company recognized that touch-screen technology was not for everyone. In fact, he said, touch screens are likely to show up on a limited number of the company’s devices.

“There are consumers who are looking for straight phone services,” Mr. Gonzalez said. “Where the touch screen is not needed, we won’t provide it.”