



Microsoft must fight back in mobile market

2009 a crucial year before a major mobile platform overhaul

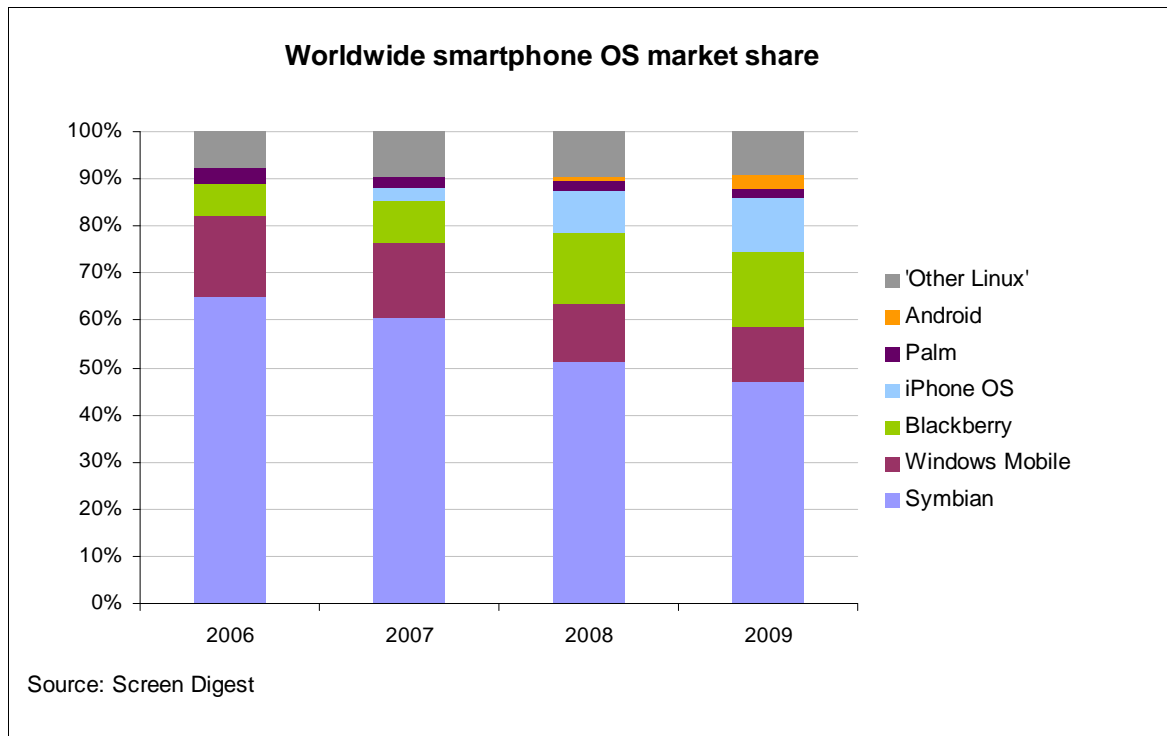
London 13th February 2009: Media Analyst Screen Digest has just published its latest company report entitled 'Microsoft's Mobile Challenges'. The report examines the challenges facing Microsoft in the highly competitive and challenging mobile market.

According to Screen Digest research, Nokia, Google, Research In Motion (RIM) and Apple pose potent challenges to Microsoft's mobile ambitions. Microsoft aims to become a reference mobile platform, as it has done so successfully in the PC market with its Windows and Office products. However today's mobile software market is much more competitive with powerful players like Nokia and Google maximising deep pockets to drive openness in the mobile operating systems environment.

Competition steps up a level in 2009

Research In Motion's Blackberry and Apple's iPhone are enjoying considerable success on the corporate and consumer market respectively, with a vertically integrated hardware/software strategy. In 2008, global Windows Mobile handsets shipments dropped 11% to 18 million units, while Blackberry sales doubled to 22.5 million and Apple sold over 13 million iPhones in its first full year of commercialisation.

Screen Digest believes Microsoft needs mobile to compete with Google on advertising and web services. Google has invested considerable efforts to ensure an open mobile internet; Microsoft has to be very aggressive if it wants to gain crucial momentum in the defining stages of mobile advertising.



Windows Mobile 7 has to be Microsoft's decisive mobile push

Screen Digest expects 2009 to be a crucial year for Microsoft's mobile strategy. Synchronisation and backup services, application store and revamped user interfaces must be made available along with Windows Mobile 6.5 to bear comparison with Android handsets and the iPhone. Windows Mobile 7, expected in 2010, must be Microsoft's big mobile platform push.

Screen Digest believes Microsoft plans to unite the platforms currently separately powering media players (currently under the 'Zune' brand) and mobile handsets (Windows Mobile). Microsoft's experience in content distribution with the Zune marketplace and Xbox Live is also expected to push this strategy forward.

Julien Theys, Analyst says "Offering a unified, compelling and hardware-independent handheld computing experience is crucial for Microsoft to differentiate its fee-based business models from upcoming free, open-source alternatives, and compete with vertically integrated rivals."

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About this research

The research in this press release is taken from Screen Digest's company report 'Microsoft Must Fight Back in Mobile Market'. Published in February 2009, it includes an analysis of Microsoft's mobile strategy as well as those of its main competitors. The report also includes a roundup of Microsoft's acquisitions in the field of mobile and an overview of the mobile smartphone OS market.

About Julien Theys, Analyst

Julien joined Screen Digest in July 2007 as a research analyst for the mobile content team. His most recent research reports include: 'Why Google has to expand into mobile and why it will succeed' (Nov 2008) and 'Mobile Media advertising opportunities'. Prior to Screen Digest, Julien worked as a Brussels-based consultant for film producers and rights holders societies.

About Screen Digest

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