

## Consumer Purchases of Smartphones Expected to Rebound in Singapore This Year, Accenture Survey Finds

*Services powered by artificial intelligence also gaining wider acceptance*

*Price and security concerns hurting demand for smartwatches and fitness monitors*

**SINGAPORE;** 17 January, 2017 – After dropping to a three-year low last year, consumer purchases of smartphones are expected to rebound in Singapore this year, fuelled by better security, new functions, improved performance and device refresh schedules, a global Accenture (NYSE: ACN) survey finds.

The survey of 26,000 consumers in 26 countries – whose findings are summarised in Accenture’s new [Dynamic Digital Consumers](#) – reveals consumer demand for specific types of connected devices, such as smartwatches and fitness monitors, will remain sluggish this year due to high prices and persistent concerns about the security and privacy of their personal data. The survey also shows consumers are increasingly embracing artificial intelligence capabilities such as digital voice assistants.

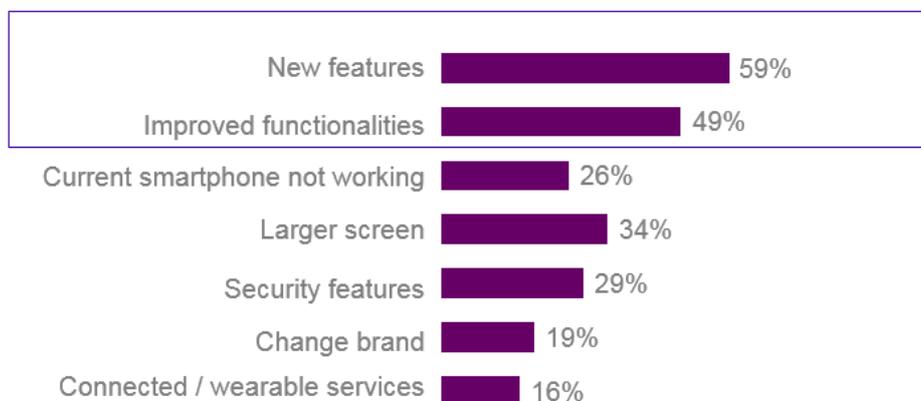
### Resurgence of Smartphone Market

More than half (54 percent) of consumers surveyed globally said they plan to buy a smartphone in the next year, up from 48 percent in last year’s survey. Chinese consumers are the main drivers of this upturn, with three-quarters (74 percent) of respondents in China saying they intend to purchase a smartphone in the coming 12 months. In Singapore, the number of respondents planning to buy a smartphone in the coming twelve months was also significantly higher than the global average at 69 percent.

Among Singapore consumers surveyed, the leading driver of purchase intent is the ability to access the newest and most innovative features and functions, cited by 59 percent of Singapore respondents in this year’s survey. Another reason Singapore consumers are opting to buy new smartphones is inadequate performance of their existing devices, cited by 49 percent of customers this year.

“Improved features and falling prices are key reasons consumers around the world, including Singapore, are signalling a desire to buy new smartphones,” said Ho Seong Kim, managing director of Accenture’s Communications, Media and Technology operating group in Singapore. “Growing acceptance of services powered by artificial intelligence, such as voice assistants, is also fuelling this market upswing. 2017 will be the year when artificial intelligence goes mainstream in consumer devices.”

### Reasons for planning to buy a smartphone in the next 12 months by Singapore respondents



### **Strong interest in AI-powered devices and services**

For the first time, the annual survey polled consumers about their intentions to buy digital voice-enabled assistants such as Amazon Echo and Google Home. Powered by artificial intelligence, the products recognise a human's voice commands, such as 'Turn on the light' and 'Play music' and answer questions such as 'What time is it?' and 'What is the temperature outside?' While only 7 percent of Singaporean respondents said they own such a device today, two-thirds (71 percent) of existing owners in Singapore said they use their device on a regular basis, showing strong acceptance of this new technology.

Globally, voice assistants on smartphones are also becoming increasingly popular as the AI technology powering these services has improved dramatically. Younger consumers are leading the adoption, with more than four in five (84 percent) of 14-to-17 year olds globally saying they either use this technology today or are interested in doing so.

Singapore consumers are also willing to embrace a wide array of potential AI-powered, personalised services, with a majority of respondents saying they are interested in personal health assistants (cited by 71 percent), smart trip assistants (70 percent) and entertainment advisors (63 percent).

### **Personal data concerns are widespread**

Many consumers remain uneasy about securing their personal data, much of which is housed on smartphones or in the cloud. More than nine in 10 Singaporean respondents (93 percent) said they are concerned about the security of financial transactions such as buying online, which is above the global average (87 percent). Similarly, 91 percent are uneasy that companies or systems they have not approved would get access to their financial information.

In contrast to the global trend, Singaporean respondents trust telecom providers (43 percent) with their providers more than device manufacturers (17 percent). Globally, more than one-third (37 percent) trust device manufacturers more than they trust telecom providers (36 percent) with their personal data.

### **Stalling demand for connected devices**

Although smartphone purchase intent is on a growth trajectory this year, the same does not hold true for other connected devices. For example, only 20 percent of Singapore respondents said they plan to buy a wearable fitness monitor and smartwatch this year.

"The 'insecurity of things' is a major industry challenge," added Ho. "There are widespread consumer concerns about the privacy of their personal data being stolen or compromised. And relative to the value delivered, prices of these connected devices remain too high. Market momentum for these devices will stall unless the industry overcomes these obstacles. If that happens, market demand could accelerate quickly."

### **Methodology**

Between October and November 2016, Accenture conducted an online survey with approximately 26,000 consumers in 26 countries: Australia, Brazil, Canada, China, Czech Republic, France, Germany, Hungary, India, Ireland, Italy, Japan, Mexico, Netherlands, Poland, Romania, Saudi Arabia, Singapore, Slovakia, South Africa, Spain, Sweden, Turkey, United Arab Emirates, the United Kingdom and the United States. The sample in each country was representative of the online population. Ages of respondents ranged from 14-to-55 and over. The survey, and related data modelling, quantify consumer perceptions of digital devices, content and services, purchasing patterns, preference and trust in service providers, and the future of their connected lifestyles.

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