



# Mobile Market Brief May 2010

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## CHINA

By Evan Liu

### **General Market Overview**

The China mobile phone market has shown a distinct growth during May 2010. The total market size rose 18% relative to the past month. During the holiday week, the mobile phone market had a sudden surge in sales, the market size increased by a significant 70% relative to the week before. There were several promotions being launched to tie in with May Day; the most attractive promotion was the new package for iPhone from China Unicom.

### **Key Promotions Summary**

#### **Brand Driven Promotions**

**Motorola** bundled its XT701 with a gift package which included a spare battery and a memory card, at a price of 4299 RMB. XT701 is a WCDMA product equipped with the Android operating system, WIFI and GPS function. MT710 was also launched at the same time, consumers who purchased this model at 4120 RMB will be entitled to a 720 RMB worth of free communication.

**Samsung** offered a free 2 GB memory card with every purchase of an I6500U at a price of 3499 RMB. A pretty similar model I6330C also had their own bundling where every purchase of a mobile phone at 3300 RMB will allow the consumers to get a 720 RMB worth of free communication.

#### **Network Service Provider (NSP) Promotions**

**China Unicom** launched a bundled package which took effect from May 2010. The iPhone package has reduced the monthly installment rate significantly from 886 RMB to 286 RMB per month. This new bundled package has taken effect in 23 provinces of China.

**China Telecom** introduced a new promotion for CDMA-EVDO models. Consumers who purchased within a specific list of mobile phone packages will be entitled to receive a corresponding mobile phone and communication fee. The customer can get any free mobile below 110% of the price paid, and free communication worth up to 150% of the price of the mobile purchased. For example, when consumers purchased a package priced at 1800RMB, he/she will be entitled to receive a Samsung F339 (priced at 1899RMB) and 2640RMB worth of communication fee.

#### **Key Retailer Promotions**

**Gome**, in Beijing, initiated a large-scale promotion during this May Day holiday. Consumers who purchased within a list of specified phones will be able to receive a digital frame or another mobile phone for free. If consumers chose to buy other phone accessories (eg. spare battery), they will also be given a 50% cash discount. Most of the global brand players like Nokia and Samsung have joined this promotion.

**Key Brand Specifics**

**Lenovo** will cooperate with China Unicom in the launch of LePhone in the coming Telecom Day, priced at 2899 RMB. China Unicom will prepare two kinds of contract for this mobile phone. This will be the second key model for China Unicom, with the first one being the iPhone.

## HONG KONG

By Ida Chung

### General Market Overview

In May 2010, the market size increased by 3% relative to the month before. Like every other year, the peak of this month's sales was attributed to 'Labor Day' where sales shot up significantly. The Smartphone segment remained as the prime driver for the handset market with new models being launched frequently. Operators promoted selected Smartphone models by offering attractive data plans and multi-media service which was very well received by the consumers.

### Key Promotions Summary

#### **Brand Driven Promotions**

**Nokia** has reduced the retail selling price of selected Smartphone models. In a bid to remain competitive in this booming market, Nokia has reduced the prices of its models between the ranges of HKD \$100 to \$400, the models included E71, E72, 580XM, 5230 and 5530XM.

**Motorola** launched an enticing marketing campaign for its AURA Gold version, customers who purchased it were entitled to a free travel package to Macau and a cash coupon worth HKD\$2000 of consumer electronic products.

**Sony Ericsson** also kept up with its competitors in the Smartphone segment by reducing the retail selling price of its Vivaz from HKD\$3,980 to \$3,780.

**HTC** launched a marketing campaign for its HTC Smart; limited premiums were offered to customers for each purchase.

**LG** ran a marketing campaign to promote their new model LG Mini GD880. There was a road show to introduce GD880 in selected cinemas during the weekends until 30<sup>th</sup> May 2010. Customers would be able to get a hands-on experience during the road show.

#### **Network Service Providers (NSP) Promotions**

**CSL** collaborated with Nokia to promote its new 24 Hours Online Shop. Those customer who purchased selected Nokia models with a subscribed tariff plan and Nokia Messaging Service, will be entitled to a Nokia 2730 for free.

**PCCW** followed up on its U Android by exclusively launching the U Android Mini by collaborating with Huawei again. With the same positioning strategy, the target audience was the potential customers who wanted to have a trial of the highly anticipated Android OS. It was considered to be the cheapest Smartphone equipped with the Android 2.1 operating system (OS) in the Hong Kong market, standalone price was HKD\$3180. However, most consumers opted for the option of obtaining the handset for free by subscribing to a \$149 monthly mobile plan.

On the other hand, PCCW was preparing for the iPad launch in July 2010 by being the first to offer Micro SIM in Hong Kong.

### Key Successful New Models

**HTC Desire** was the most successful new model in May 2010. With the Android 2.1 OS and a 1GB processor, it had already caught the attention of consumers. The attractive features of HTC Desire made it popular among other Smartphone models in market. Although the price was over HKD\$4500, it still managed to pry away users of other Smartphone models. At the same time, subsidies from the operator also helped to boost sales; CSL was one such example where it offered over HKD\$2000 in subsidy for the new subscribers.

### **Key Brand Specifics**

**Nokia** unveiled its first Smartphone N900 with Maemo OS, priced at HKD\$4,998.

**LG** launched a new Dual Sim phone GX500 Touch to target the business travelers between Hong Kong and Mainland China. Priced at HKD\$1980, the mobile is equipped with a touch panel and a Wi-Fi function.

## TAIWAN

By Gina Chuang

### General Market Overview

Even with Mother's day celebration occurring in the second week of May 2010, it did not spur sales significantly in the mobile phone market. In fact, the market size decreased relative to the same period in 2009, but it did record a marginal rise in sales when compared to April 2010.

In May 2010, several new models were made available and there were promotions revolving around Mother's Day celebration. The Smartphone market has also continued to enjoy positive growth.

### Key Promotions Summary

#### **Brand Driven Promotions**

**Nokia** tied up with ChungHwa Telecom (CHT) to launch the C5-00. Customers who purchased the C5-00 would get a free 2GB-memory card and a headphone. Although Nokia launched the 6700 slide earlier in February 2010, it was not well distributed until May 2010. Nokia campaigned on television commercials to promote their 6700 slide mobile phone.

**Sony Ericsson** reduced prices by NT\$500 to NT\$1,000 for several of its relatively old models, including the Aino, Yari, Satio, etc. The XPERIA X10 enjoyed a good performance in May 2010. Sony Ericsson launched a "X10 mobile café" event, where customers who signed up get hands-on experience with the X10 mobile phone while enjoying free coffee.

**Samsung** launched the S7070 diva tagged at a price of NT\$7,990 and offered a SIM for free. Customers could also get a free mobile handset bag upon the purchase of a S7070 diva, a mobile that was evidently targeted at female customers given its feminine design. Samsung relied on television commercials to promote the M5628 Monte as well as the S7070 diva.

**Motorola** collaborated with ChungHwa Telecom to launch the Milestone XT701 exclusively, where subscriptions to their mPro950 mobile plans would entitle the customers to purchase the Milestone XT701 at highly subsidized prices.

**HTC** worked with ChungHwa Telecom to introduce the Milestone XT701 exclusively. Also, customers who subscribed to one of the listed mobile plans can enjoy the purchase of a Desire at an attractive price.

#### **Network Service Providers (NSP) Promotions**

**ChungHwa Telecom (CHT)** launched a special campaign for Mother's day, where customers who purchased certain models of Samsung, Nokia, LG, or Motorola with "Momo Card" mobile plan would get a free mobile phone. In order to promote the touch screen mobile phones, ChungHwa Telecom ran a marketing campaign where customers who purchased certain stated models would get a coupon for free donuts.

**Taiwan Mobile** provided current subscribers with an attractive extension plan whereby customers get to enjoy a NT\$500 to NT\$2,000 discount and a free upgrade to 3G system if customers purchased Nokia 2730C, Nokia 6500S, Samsung S5500, or Samsung M5650.

**FarEasTone (FET)** cooperated with ELLE and Hit FM to launch a marketing campaign, using certain incentives to entice the targeted female population. Customers get to enjoy a given mobile model of Samsung at reduced prices or for free if they subscribed to a specific mobile plan. Also, subscribers of the "Smart" mobile plan would get a gift.

**Vibo** also rode on the Mother's Day celebration with a marketing campaign. A new mobile plan was initiated where customers pay NT\$799 a month for unlimited voice and data service within the VIBO network.

**Asia Pacific Telecom (APTG)** promoted their mobile plan as well as the Dual SIM card mobile handsets.

### **Key Successful New Models**

**HTC Desire** was launched in May 2010 and the collaboration with ChungHwa Telecom to tie in an attractive mobile plan turned out to be successful. Equipped with an Android 2.1 operating system, Desire is expected to perk up the market size of the Android phone in the upcoming months.

**Nokia 6700 slide** was bundled with the Nokia Bluetooth headset and it appealed to the younger target segment due to its stylish design and a variety of colours to choose from.

**HTC Legend** was launched in April 2010. Accompanied with an attractive mobile plan, HTC tied up with Taiwan Mobile to launch the Legend exclusively to the market. Android has become a hot topic among consumers, and Legend is likely to ride on the trend and enjoy a good performance.

## SINGAPORE

By Yu Yikka

### General Market Overview

Smartphones are expected to remain as the key handset retail sales driver for the second quarter of 2010. With many new Android phones entering the market, Android Smartphone is predicted to continue its dominance in the Smartphone segment this quarter. On the other hand, its direct competitor Apple iPhone would face a likely decline in its sales.

Research in Motion (RIM), maker of Blackberry® phones, made a historical breakthrough when they broke into the top 5 mobile phone makers worldwide for the first time in the first quarter of 2010, as announced on 30th April 2010 by research firm IDC. This resulted in Motorola dropping out of the list. Both rivals Motorola and RIM were engaged in intense marketing campaigns this May 2010 as they vied to be in the top 5 positions of the market.

### Key Promotions Summary

#### **Brand Driven Promotions**

This month, LG introduced its latest gadget, LG GD510 POP into the Singapore market. Known as the smallest 3" full touch screen phone, LG GD510 POP is equipped with eco-friendly features such as full battery charge status alert and a battery cover that charges the phone using solar energy. Bundled with a 3-way easy-to-use user interface, a 3MP camera, social media interface and a multimedia player, LG GD510 POP is also installed with LG's latest LIVESQUARE features. LIVESQUARE helps add a little fun by featuring saved contacts as avatars on the phone and bears different statuses according to different events. LG GD510 POP is currently only available at LG concept store at \$239 without any contract. LG GD510 POP is ideal for those who are after style and practicality but on a tight budget. However, it was a pity that the influx of overpowering advertisements by Network Service Providers on other phone models has overwhelmed the launch of LG new phones, hence making the entry of LG GD510 POP a relatively quiet one in Singapore.

#### **Network Service Providers (NSP) Promotions**

**SingTel** carried out the exclusive launch of Motorola Backflip™ with Motoblur™ in Singapore on 28<sup>th</sup> April 2010. In May 2010, they continued to market heavily on this Motorola phone model, incorporating the launch of a uniquely hinged design. Full spread newspaper advertisements and flyers on Motorola Backflip™ were being distributed frequently to inform consumers about its availability. Ranked as 2010's "Best of Cell phones and Smartphones" by CNET, this exclusive new model from Singtel has a BACKTRACK™ navigation tool which allows users to navigate and select without the need to touch the screen. This practical installation is deemed to attract those who are often frustrated with fingerprints or the lack of sensitivity of their mobile phone touch screen.

Going at \$98 on the 3G flexi plan, non-Singtel customers were also offered a maximum price cut of \$300 on selected days if they choose to switch to a two-year Singtel contract. With such a unique phone bundled with an attractive package, this is poised to attract Motorola phone lovers to Singtel and help Motorola regain its lost market share. Currently, Singtel is also carrying the Motorola DEXT™ which is going at \$0 with a 3G Flexi Lite Plan.

**StarHub's** promotions were centered on the Motorola Milestone in May 2010. It appeared that they were competing head-on with Singtel who made an exclusive launch on another Motorola phone model. While the newly launched Motorola Backflip is only operating on Android 1.5, Motorola Mile-

stone has a much more advanced Android platform of 2.1, a higher resolution screen and quicker speed. This might give Starhub an additional cutting edge over Singtel for consumers who are looking for a high performance Motorola phone.

In line with the closing stages of the Barclays Premier League season, Starhub also launched the Starhub Mirror Football service. Such a service enables Starhub post-paid customers to enjoy news, videos, analysis and information on team profiles at \$0 data charges while surfing within Gee! Portal. Together with StarHub TV on Mobile which only cost customers \$26.75/mth for access to football channels on their mobile phone, Starhub portrayed itself as a network service provider with many attractive value-added services. This strategy aims to appeal to customers who are looking for more entertainment on the go.

**M1** remained relatively quiet in the mobile market in May 2010. Their collaboration with Scorpio East Entertainment Pte Ltd to sponsor Jay Chou's 2010 impending world tour concert was their key focus. To ride on the hype, M1 is giving away a pair of concert tickets for free with any selected M1 home broadband plans and mobile plans sign up. Students and Full-Time National Service men were also offered the chance to win backstage stage passes, concert tickets and autographed posters with any signed up mobile plan. This promotion is deemed to attract the large Jay Chou fan base in Singapore and generate awareness for M1's mobile phones.

In May 2010, M1 also launched its very own online application store. With a wide variety of both free and paid applications available, M1 customers can now enjoy the convenience of downloading applications from M1 directly. All download charges will either be deducted from their pre-paid value or reflected in their monthly mobile bill. Such a move is deemed to put M1 on par with Starhub and Singtel as a network service provider in terms of service support. Applications developers, too, are now given an additional avenue to commercialise their applications.

### **Retailer Driven Promotions**

**Cherry Mobile** partnered with 'The Face Shop' this month to launch a Mother's Day mobile phone promotion. With minimum purchase of \$30 of The Face Shop products, The Face Shop customers were entitled to \$30 off on the purchase of Blackberry Curve 8520 or Samsung Galaxy Spica with any 2-year mobile plan. Youths were also entitled to \$50 off on selected mobile phone models upon signing up the Youth plan from Cherry Mobile, who is an exclusive partner of Starhub.

**CnC Mobile Pte Ltd** shifted its target audience to those who preferred pre-paid line. In view of the school holiday in June, CnC Mobile Pte Ltd had launched numerous promotions on relatively low end mobile phone models such as Nokia N1208, LG GB106 and SAMSUNG C160. Majority of the models were sold at below \$100 with the purchase of a \$15 Starhub Green prepaid card. This is a viable option for parents who want to provide communication devices to their children, but do not want to be bounded by contracts. Other higher end models such as Samsung S7220 Ultra b and Nokia X3 were also on discount at below \$300 when bundled with the \$15 Starhub Green prepaid card. It was evident that the 'pre-paid' card users were their primary target group.

### **Key Successful New Models**

**BlackBerry® Curve™ 8520** was gaining popularity among both the working class and the youth. The phone is designed as an entry-level Smartphone, equipped with the core features such as Wi-Fi, the usual media player, camera and video functions, BlackBerry® Maps and allows quick access to messages and emails. In addition, BlackBerry® Curve™ 8520 had its BlackBerry® iconic mini trackball replaced with the latest optical trackpad by RIM, hence giving it a sleek and stylish appearance.

Despite the lack of a high resolution screen, 3G support and GPS, its abilities to deliver great performance still managed to appeal to its target group. As a symbol of high status in the eyes of the youth, the bundling of Blackberry phones with attractive mobile plan was deemed as a smart move by retailers to increase RIM's market share in Singapore.

## MALAYSIA

By Collin Leow

### **General Market Overview**

In May 2010, the Malaysian market's sales trend remained at stable level. However, there were a series of active marketing activities centered on data plan promotion and smart phone sales.

### **Key Promotions Summary**

#### **Brand Driven Promotions**

**LG** is currently offering a range of models namely GW602, GW300, GW525, GW550 and GT505 at attractive prices.

**Nokia** has recently launched its new model X6, priced at RM1,580. They have a series of similar X6 models with varying capacities; the 32G capacity edition was priced at RM2099 and the 16G edition at RM1820.

**Samsung** is set to continue to follow up on the success of its Colby models by launching a series of new models at a price of RM1000 or less. The earlier models have all reaped strong sales and positive response from consumers. In the low end segment, it offers model E1100T at RM99 in all Tesco stores. As for the Smartphone category, Samsung has reduced the price of the model Omnia II to RM1799 to stay competitive.

**Motorola** launched a new model installed with the Android operating system called 'Milestone'. It has also lined up more than 30,000 applications to compete with the likes of the Apple and Ovi store.

**Sony Ericsson** unveiled new models of the Vivaz, Elm and Xperia X10 with free Kelly Clarkson concert tickets.

### **Network Service Providers (NSP) Promotions**

**Celcom** launched the Blackberry Bold 9700 by offering attractive call plans bundled with the device. It also tapped on the launch of this new device and offered a few Blackberry models at attractive promotional prices. They also offered a prepaid package X-Pax with discounted call rates to any of the 15 numbers of their choice; this is more than the usual 10 numbers that other networks offer.

**Digi** focused on data plans and offered customers 100 SMS for just RM1. It also continued to focus on its Apple iPhone launch with an attractive subscription package at an all-in price of RM106 per month. Samsung's Omnia Pro was also heavily subsidized at a price of RM439 (Original Retail Price RM1199) with a DiGi-150 subscription.

**Maxis** showcased the new LG wrist phone GD910 at their Maxis Centre. There has been several incentives offered to aid the launch of the iPhone – consumers were entitled to an interest free loan for the purchase of an iPhone and an additional RM200 for existing Maxis user to make subscription on I-value plan. There were highly subsidized packages for other models as well, Nokia's E72, N97 and LG's BL40.

## **Retailer Driven Promotions**

**Courts** had a clearance sale and offered a range of models for multiple brands at discounted prices.

**SenQ** offered HTC models at discounted price.

**Tesco** offered I-Mobile phone at an all-time low price of RM118.

## THAILAND

By Donchart Jeremy Chirasanti

### **General Market Overview**

In May 2010, the mobile phone market size in Thailand was 813,000 units, a 0.60% rise as compared to the previous month, but a 2.6% decline in unit value. The total market value was an estimated 2.731 million baht and the market's average price fell by 100 baht.

Nokia's model 1202 remained the most popular, followed by their E1150 model. Samsung kept up with its competition by launching two exclusive mobile models, namely the E520 and E1080, into hypermarkets like Tesco Lotus and Big C.

The price segment of 1,000 to 2,999 baht experienced a 1% growth because the popularity of the Nokia 1661, 1616 and 2690. However, the main competition remained in the low to middle price segment. The local brands such as Gnet and I-mobile continued to grow in their market share because of its low pricing strategy which was well received by the general population in Thailand who has a relatively lower income.

The highly publicized Thailand political crisis which involved the Red Shirts and the government was finally drawing to a close in May 2010. Sales definitely took a plunge and retail businesses suffered tremendously. Several important infrastructures such as the Central World, Siam Paragon and some banks were set on fire. The COM WORLD exhibition which was supposed to be held at Siam Paragon was cancelled. Thailand would require a period of time to settle down and rebuild, and mobile phone sales will inadvertently be affected in the coming months.

### **Brand Driven Promotions**

**Nokia** launched the 'Nokia Go for Game', a mobile gaming competition targetted at gamers, with attractive prizes to be won. The Nokia Ovi store has also introduced 'Real Football 2010' from Gameloft, a downloadable game to tie in with the hype of the upcoming World Cup tournament. This application is part of the 'Play' theme which caters to the Thailand mobile phone users who are generally interested in entertainment services.

**Samsung** plans to launch the first Smartphone installed with its very own operating system. This move was designed to keep up with its competitors such as Apple, Nokia and Blackberry who were exploiting the booming Smartphone market.

'Bada', which means ocean in Korean, was at the heart of Samsung's drive to follow the success of Apple and RIM in the smart phone market. It generated new revenue sources from its own Samsung application store, and created synergies with other businesses such as its television business, which is currently the largest in the world.

## PHILIPPINES

By Joyce Manata & Richard Estanislao

### **General Market Overview**

Despite the rise in traffic flow in malls, the demand for mobile phones and other personal gadgets in May 2010 have been adversely affected by the basic needs of the locals. Based on feedback from retailers, tuition fees and school supplies have taken priority this month to prepare for the commencement of school. Mall-goers have generally focused on purchasing school supplies and uniforms. Several mobile manufacturers have extended their current promotions to reach out to more consumers.

### **Brand Driven Promotions**

Major brands were active in heavily investing on advertisements to promote their latest handset models to create awareness and increase sales among potential customers. Samsung Genoa, Sam Corby and Samsung Star were often seen different broadsheets, likewise for Nokia's newest touch screen phone models 5233 and 5230.

**Nokia** strived to grow in the booming Smartphone market with the launch of its newest C5 model. C5 is a Smartphone packed with several features, boasting a S60 3<sup>rd</sup> edition and a host of messaging and social networking features built in. It also carries a bright 2.2-inch display and a 3.2-megapixel camera. The Ovi map has also been installed to provide free walk and drive navigation, a useful tool for people to get around.

**Sony Ericsson** came up with new mobile devices that were inspired by the iconic Walkman. Sony Ericsson Zylo and Sony Ericsson Spiro is said to provide consumers with the best music experience. The Spiro is also equipped with a 3.5mm jack, FM radio and PlayNow application.

**Cherry Mobile** reduced the price of the P1 Pilipinas edition from P999.00 to P799.00.

### **Network Service Providers (NSP) Promotions**

**Smart Communications, Inc.** used its postpaid brands Smart Gold and Sony Ericsson to launch the 'Entertainment Unlimited' raffle promotion. All the new and existing Smart Gold subscribers who avail any of the following Sony Ericsson mobile phones with their Smart Gold plans – Aino, Naite, W595 or W705 were entitled to join the raffle promotion for a chance to win a Sony PSP, Sony PS3 slim or Sony Bravia 32" LCD TV. Promotional period ran from 19<sup>th</sup> March 2010 to 30<sup>th</sup> May 2010.

### **Key Successful New Models**

With a rapidly growing market for the Android operating system, Samsung's launch of the new smartphone Galaxy Spica I5700 allows any user to stay connected to the internet at any time. It has a powerful processor that runs on the latest Android 2.1 operating system. It comes with a 3.2 inch touch screen which also grants the user access to programs like Gmail, Google Maps, Google Talk or YouTube.

### **Major Channel Development**

## **Organized Channels**

The volume of potential customers in May 2010 has been estimated to be facing a decline. Retailers have feedback that consumers who were purchasing new phones were generally interested in those phones that carry the more advanced features. Consumers also tend to wait for a period of time after the first launch because prices are expected to drop. Promotions initiated by the manufacturers were still the main reason for high demand of low end models, and the sales performance of the organized channel remained the same as April 2010.

## **Independent Channels**

Retailers from the independent shops were struggling to maintain their sales because school expenses have taken priority during this season. A large part of their revenue was generated from electronic loads, prepaid cards and trade-in phone transactions. Consumers preferred to purchase mobile phones from a organised shop because of the various incentives and benefits it could provide, such as 0% interest payment and buy-one-take-one scheme.

## INDONESIA

By Sukmo Sedayu, Yenny Suling

### **General Market Overview**

In May 2010, the three major operators in Indonesia have expressed their commitment to support LTE development in Indonesia. LTE, better known as 4G, is a big and high speed capacity network set to be adopted by Telkomsel, XL Axiata and Indosat in the near future. This would mean that the network capacity of the operators will be increased significantly.

The new network is expected to provide a boost to the mobile phone market once the technology is available. However, there would be a need to improve the infrastructure and new handsets have to be made available for the 4G network. The major operators' full commitment to LTE is a clear sign that the launch is edging nearer.

### **Key Promotions Summary**

#### **Network Service Providers (NSP) Promotions**

**XL Axiata** launched a promotion called BOLA GILA (BOnus LANGsung GratIs SegalAnyA) to ride on the hype of the World Cup 2010. XL offered several incentives to the customers, it included free sms and internet access when a given phone call criteria was met. This program started from May 2010 until the end of July 2010.

Subscribers were also entitled to get a free soccer game, XL Ring Back Tone, XL MMS, soccer news and Facebook updates through SMS. All of these features can be made available by dialing \*123# and also activating the BOLA GILE feature.

**Hutchison CP Telecom (Three)** held an event "Menghias Theme Blackberry" (Decorate Your Blackberry Themes) three months after launching Blackberry services in Indonesia. The winner will win tickets for 5 to Old Trafford. To further engage the participants and equip them with the technicalities of creating a theme, IDBerry has decided to hold several workshops in Jakarta, Yogyakarta, Surabaya, and Bandung.

### **Key Brand Specifics**

**Nokia** launched a new C3 model which was specially designed to cater to the needs of a social networking user. The phone has been installed with Facebook, Twitter, Yahoo Messenger, Google talk, Windows Live Messenger, and OVI Messenger, of which all can be activated simultaneously. There is also a widget to enable the user to receive updates from these applications.

The model C3 was also the first Nokia QWERTY phone that uses S40 platform. Additional applications and games have also been made available for users to download from the OVI Store. This model has been positioned in the lower-middle QWERTY market which is crowded with local brands and two major competitors (Samsung and LG). However, this model is expected to give Nokia the cutting edge.

## CAMBODIA

By Um Saravuth

### General Market Overview

The hot weather in May 2010 was cited as the main reason for a quiet season in the Phnom Penh's mobile phone market. It was the same situation for Siem Reap and Battambang areas even though they had relatively more tourists. However, the positive outlook of the market was confirmed by the increasing number of subscribers. Promotions continued with discounted internet plans as the NSP's continued to entice the consumers.

### Key Promotions Summary

#### **Brand Driven Promotions**

**NOKIA** (KTH distributor) provided free SIM Mfone with every purchase of any of these models (1202, 1208 and 1661), the promotion lasts until 15<sup>th</sup> June 2010 or while stocks last.

#### **Network Service Provider (NSP) Driven Promotions**

**MobiTel:** 012, 017, 092, 089,077

Launched an attractive promotion to win \$10000 for all consumers by texting in 10000\$ to 8888

**Hello:** 015, 016, 081

They launched a Kwik Quiz campaign where consumers stand to win attractive prizes by texting in. The prizes include a Car Great Wall Peri 1300CC, Honda Wave 100CC, TV Samsung LCD 32Inch and other prizes.

**Mfone:** 011, 099, 085, Freshies SIM

The newcomer to the market introduced itself with its Freshies SIM card at 3 cent per minute.

**QB Cube:** 013

QB initiated a special promotion by offering a 3\$/300MB per month for internet usage. The ability to provide faster internet speed has given QB the cutting edge over its competitors.

**Smart:** 010 and 093, 070, 069

The operator extended their promotion of having a special rate to 31<sup>st</sup> July 2010 - 0.10\$/min to Malaysia, China, Hong Kong, Macau, Canada, USA, South Korea, Singapore, Thailand, Vietnam, India & Japan.

**Metfone:** 097, 088

Consumers preferred to use Metfone service due to a 100% bonus refill from 12<sup>th</sup> to 15<sup>th</sup> May 2010.

**Beeline:** 090, 068

They held a giant-scaled concert in the Olympic Stadium with Cambodian super stars in a bid to increase their subscribers' base and also give 100% bonus when users recharge their accounts.

#### **Key Brand Specific**

**Nokia** has set their focus on the low-end price segment with the recent launch of their new models 1280 and 1800. Both were competitively priced, but model 1280 was better received by the consum-

ers because of its aesthetic design. In May 2010, Nokia generally found success with most of its models while models 2200 slide, 2323, 1661 and 2330 classic saw a decline in its sales. The middle segment was dominated by Nokia's 6700classic and 6700slide, X6, C5. However, the success was negated by a sharp reduction in sales for the N series and E series.

**Sony Ericsson** generally remained stable in the market with numerous popular models. Model T715 exceeded expectations with a good performance, whereas sales for model W595i declined in the market. In the month of May 2010, there were no new promotions introduced to the market.

**LG** had models that were still well received even after several months of its launch - BL20 New Chocolate, KF350, GD510 POP. Their GD580 model was moving fast up the popularity ladder.

**Samsung** faced a slight decline in its sales when several of its models failed to meet expected performances. Models like B5722 which were higher priced were not well received by consumers.

**Hello & Mobell's** model HL2201 performed well but they often faced a shortage of stocks. The new local brand suffered from poor planning and distribution channels were not optimized. Stocks took a long time to replenish and their services were slower than that of other vendors. Their leading models were M520, M220 and M230.

#### **Other**

There were minimal changes in performance for Bird, I-mobile, HTC, Motorola, Blackberry in the period of May 2010.

## VIETNAM

By Um Saravuth

### General Market Overview

In May 2010, the market consumption appeared to see a slight improvement from the previous month because of consumer price reductions from key brands. The previously popular Chinese brands (OEM) which were relatively lower priced suffered a decline in its sales because of price cuts from key brands. Key chain stores were generating positive sales.

Distributors of key brands have moved into direct selling to retailers, but the quantity of purchase remained small. This direct transaction was believed to help save cost by skipping the 'middle-man' channel and distributors hoped to reduce costs incurred by the end-users.

Data plans and services were still the main revenue generator for the operators. Hence, the focus was still on attractive promotions to expand on the subscribers' base. Key operators concentrated on developing contents and hoped to develop value added services for the consumers.

### Key Promotions Summary

#### **Brand Driven Promotions**

**Nokia** had several promotions that were being held concurrently. The three months long campaign, "Sanh dieu Nokia, len Honda Wave", finally drew to a close on 2<sup>nd</sup> May 2010. They also had a travel voucher worth 500 USD specially for the promotion of Nokia N97mini. Lastly, a lucky draw with several attractive prizes (motorcycle, laptops, scholarships, etc) was conducted for the models Nokia N1551, N2220, N2700, N2730, N2690 and N5130 XpressMusic

#### **Retailer Driven Promotions**

**Thegioididong** initiated a campaign 'Welcome World Cup' to tie in with the hype of the upcoming World Cup 2010 in South Africa. The purchase of any mobile phone would entitle consumers a chance in the lucky draw to win an LCD during the promotional period from 7<sup>th</sup> May 2010 to 15<sup>th</sup> June 2010. They have a total of 40 LCDs to give away. Both HTC and Nokia had lucky draws as well, a voucher worth 200K VND to 3 Million VND and a free trip to South Africa to watch the World cup respectively.

**Vienthonga** conducted their own promotional campaign "Săm hàng hiệu, điêu cùng BMW", this will be held from 17<sup>th</sup> May 2010 to 30 June 2010. With an invoice above 500K VND, customers stand a chance to win a BMW valued at 1.4 billion VND and receive a scratch card with several other attractive prizes.

### Key Brand Specific

**Nokia's** 1280 and 1800 were positioned in the low-end segment and had positive feedback from the consumers. In May 2010, Nokia continued to invest in its current models with further price reductions made to increase its sales. New models were also launched at competitive prices to capture a larger portion of the market share.

**Samsung** followed the footsteps of Nokia with price reductions for chosen models near the end of May 2010. They focused on promoting their B series models.

**Q-Mobile** was very well received because of its low pricing strategy and their products were well distributed to cities. They maintained good relationships with the small distributors who could give them the extra edge in promoting their models. In May 2010, their M22 was the key model that had been introduced.

## BANGLADESH

By Anam Mahmud

### **General Market Overview**

A common trend among the retailers of the handset market in May 2010, prices for various handset brands had been reduced. Near the closing of the month, Nokia declared a price reduction in all its special models for entry. Samsung has likewise declared reduction in prices for all the models of its Essentials Series, Multimedia Series, Dual Standby Series, Touch Series and Messaging Series.

### **Key Promotions Summary**

#### **Brand Driven Promotions**

The purchase of Nokia models X3, 5130, XpressMusic, 2730 and 2700 handset models entitled customers to receive attractive gifts. A scratch card will be given to them once they have activated the Ovi service on their handset, and they stand to win gifts like a T-shirt, bag pack, laptop, head phone, home theatre etc. The top prize would be a relaxing trip to Bali for two. No deadline has yet been set on the promotion.

#### **Network Service Providers (NSP) Promotions**

**Grameenphone** arranged an SMS quiz contest to tie in with the upcoming T20 Cricket World Cup. During the first week of May 2010, Grameenphone held the simple contest by asking customers 20 cricket related questions. The first prize was a Nokia E71 handset, second prize a Nokia 5730 handset and third prize a Nokia E71 handset. These attractive prizes aside, there were also other mobile models that could be won. The contest ended on 22<sup>nd</sup> May 2010.

**Citycell** had a promotion for the subscribers where a purchase of its pre-paid connection at Tk.100 would entitle them to get a free talk time worth Tk.500. This offer had been made for a given list of CDMA handset models of Citycell which had a limited stock. The offer started from 6<sup>th</sup> May 2010 and will continue till the stock ends.

### **Retailer's / Distributors' feedback**

Most of the retailers have generally agreed that the sale of handset market has increased compared to the previous month. The retailers have feedback that Nokia was consumers' preferred brand, especially model 1202.

## KOREA

By Richard Cho

### **General Market Overview**

In May 2010, the Smartphone phenomenon has continued to penetrate Korea and the Smartphone subscribers grew to more than 2 million. A significant 70% of the total subscribers in the last 6 months were Smartphone users. SKT had gained a subscriber base of 1 million, KT 0.95 million and LGT 0.08 million. It has been forecasted that the number of Smartphone subscribers is expected to exceed 5 million this year if the growing trend continues.

The Windows Mobile OS remained dominant in the market, but it has recently been faced with intense competition from the Android OS and the iPhone OS. The two uprising giants have left many questioning the time in which Windows will remain as the market leader. Despite only being introduced last February, 0.27 million have already subscribed to the Android OS.

### **Key Promotions Summary**

Under the KCC (Korea Communications Commission) regulation which proposes that operators spend up to 20% of the total service revenue for marketing expense, SKT has started to reduce subsidy on Smartphone by at least KRW 100,000 in late May 2010. Other operators are expected to join the subsidy reduction which will inevitably have an impact on the market size.

### **Key Successful New Models**

**Samsung's** SHW-M100S was launched only by SKT in late April 2010. It was the first Android OS adopted Phone for Samsung and nicknamed "Galaxy A" which immediately attracted customer's attention with DMB, touch screen keyboard, 5 Mega pixel camera, Wi-Fi, 3.7" AM OLED LCD etc. SKT has been enjoying its successful performance reflected by sales units of more than 5,000 a day.