# Regional Market Trends


**Robert Andersson**
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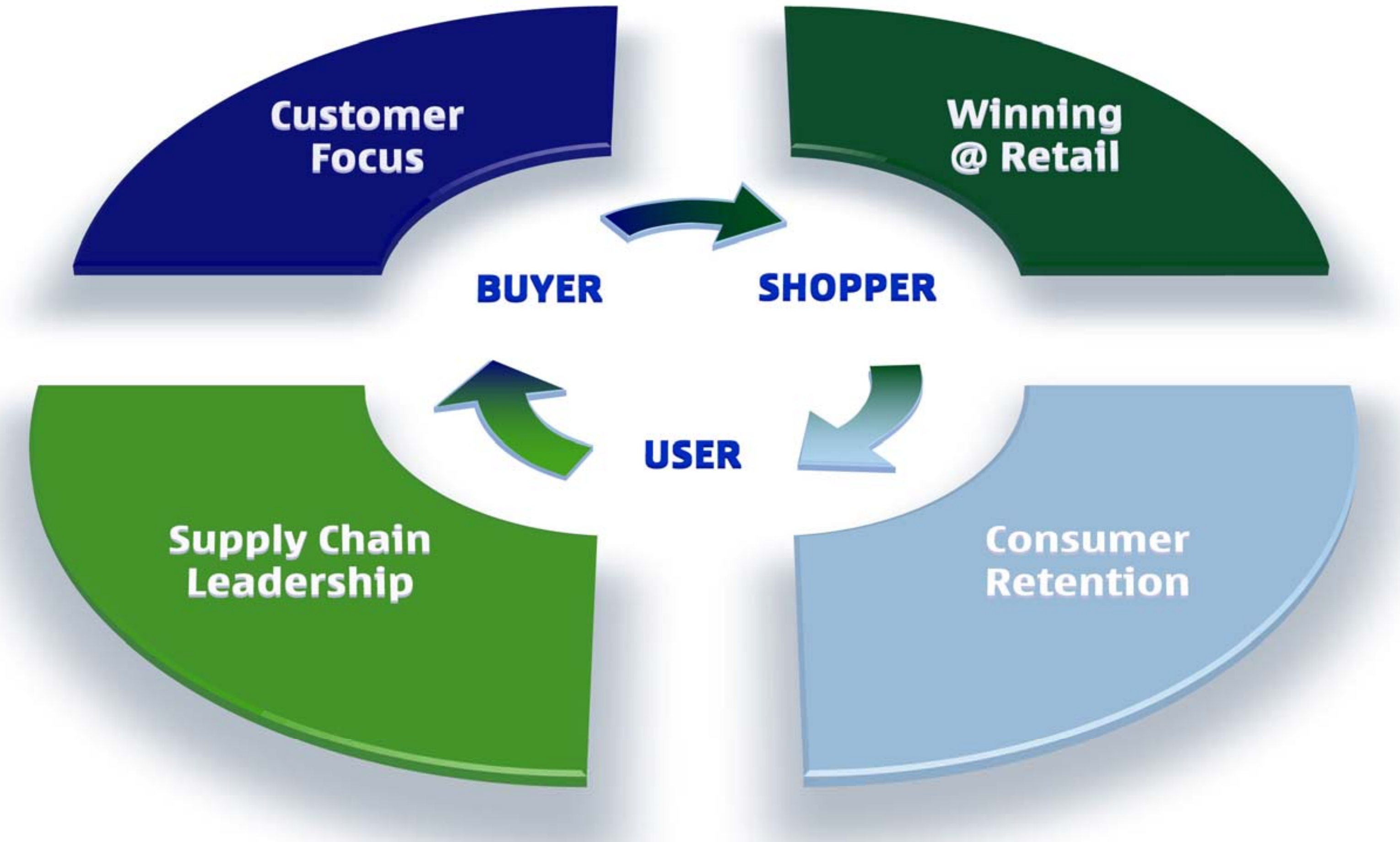
**Customer and Market Operations**

# Customer and Market Operations
# Strategic priorities



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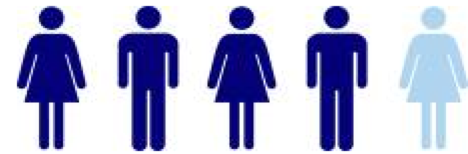
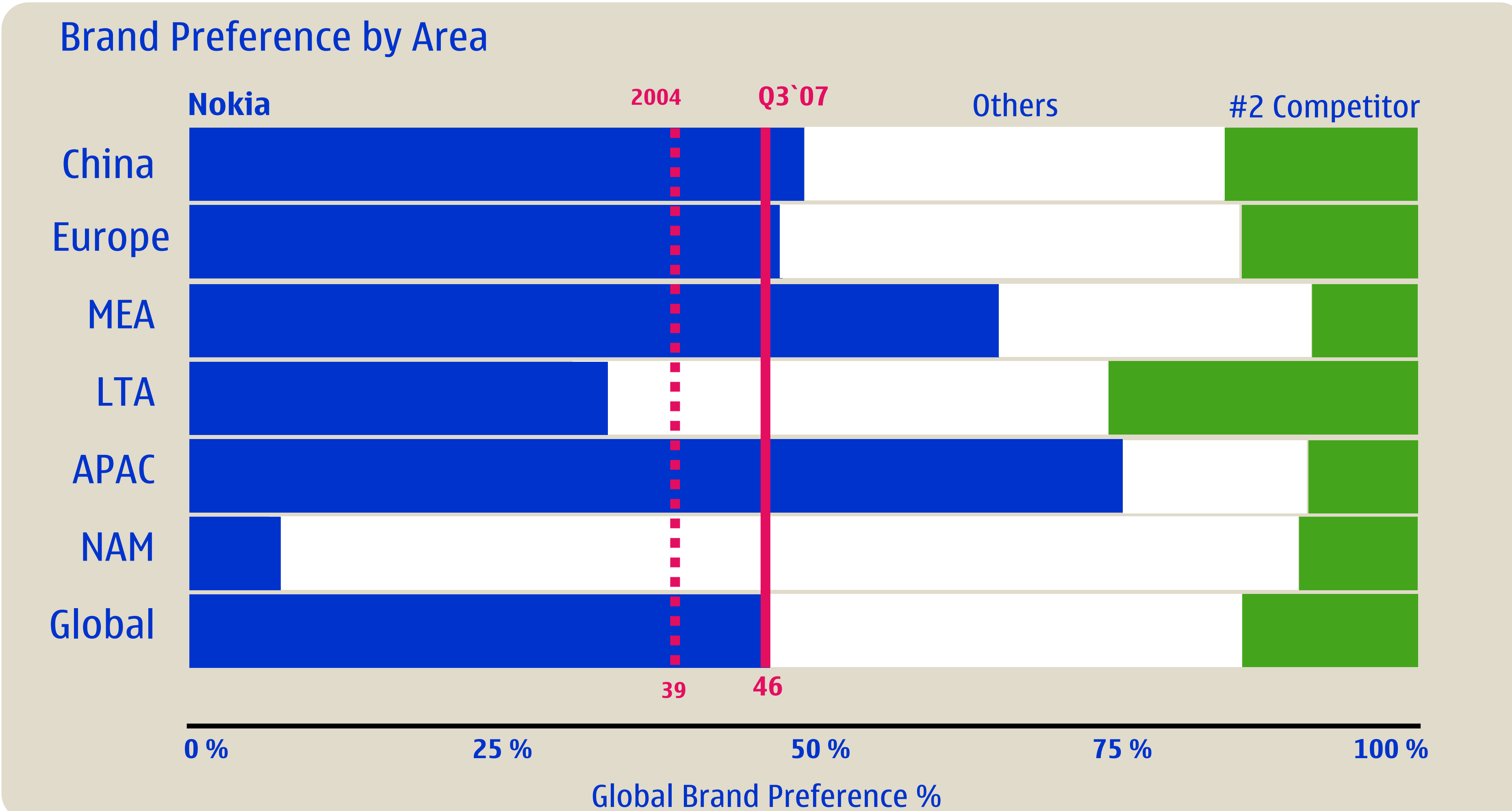
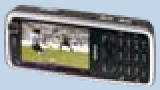
# Nokia wins consumer hearts by 4:1 margin...






**Source:** Global Brand tracking data ex Japan-Korea. Brand preference weighted by population.

# Consumer centric response to retention challenge

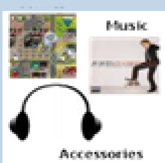


**Product and functionality designs**

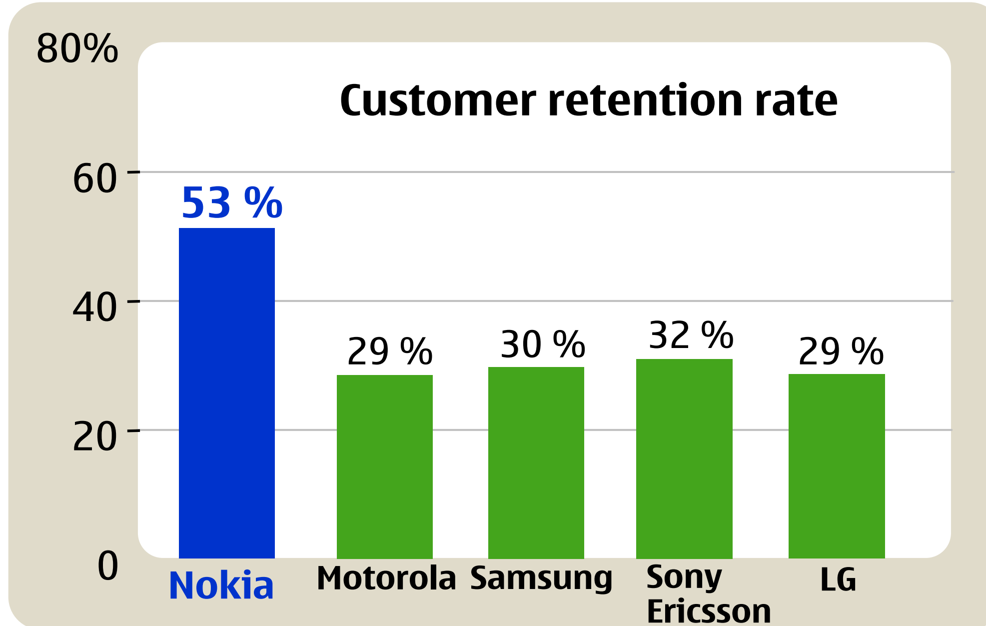
**Marketing messages**

**Accessories**

**Competitive response**




**Retention deals for Nokia consumers**




**Source:** Nokia estimates


**Customer care**

vodafone
TIM
Vivere senza confini

**Channel collaboration**



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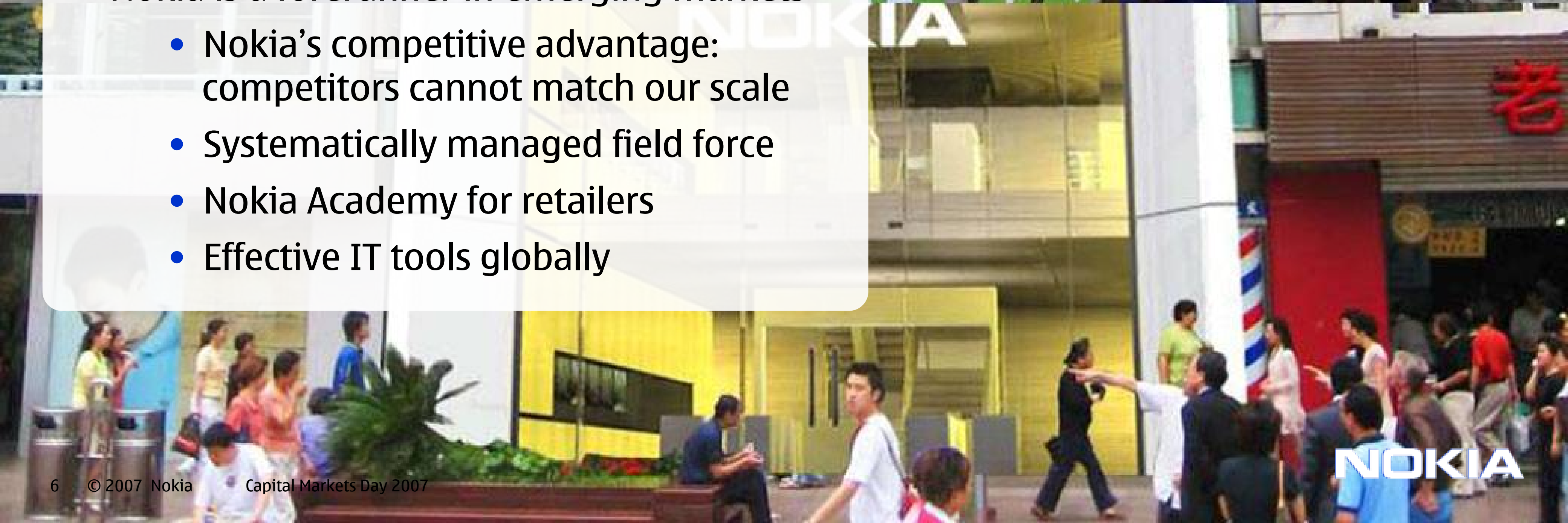
# Distribution and retail trends

- Growing retail presence for retailers, operators, manufacturers
- Online will be a growth channel for device and service sales
- Operator-driven markets: operators retain position in distribution, use of subsidies
- Growth markets: new operators enter into handset distribution
- Services: operators in many markets adopt open internet approach
- Environmental responsibility increasingly considered at point of purchase

# Modernizing face of retail in emerging markets

- From corner shops to organized retail
- Go-to-Market, replacement sales and retention gaining importance
- Nokia is a forerunner in emerging markets
  - Nokia's competitive advantage: competitors cannot match our scale
  - Systematically managed field force
  - Nokia Academy for retailers
  - Effective IT tools globally



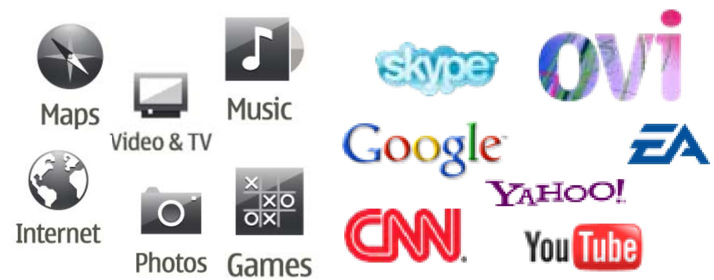
# The world and Nokia offering are changing

- Go-to-Market: Integrate Device and Service offerings into compelling solutions and experiences

**Mobile device value proposition:**
**Design, Size, Price**

**Convergence device value proposition:**
**Integration of new function with phone and offering first Experiences**

**Mobilizing Web2.0 and Mobile Services Business:** Everything that you can do is the value proposition!



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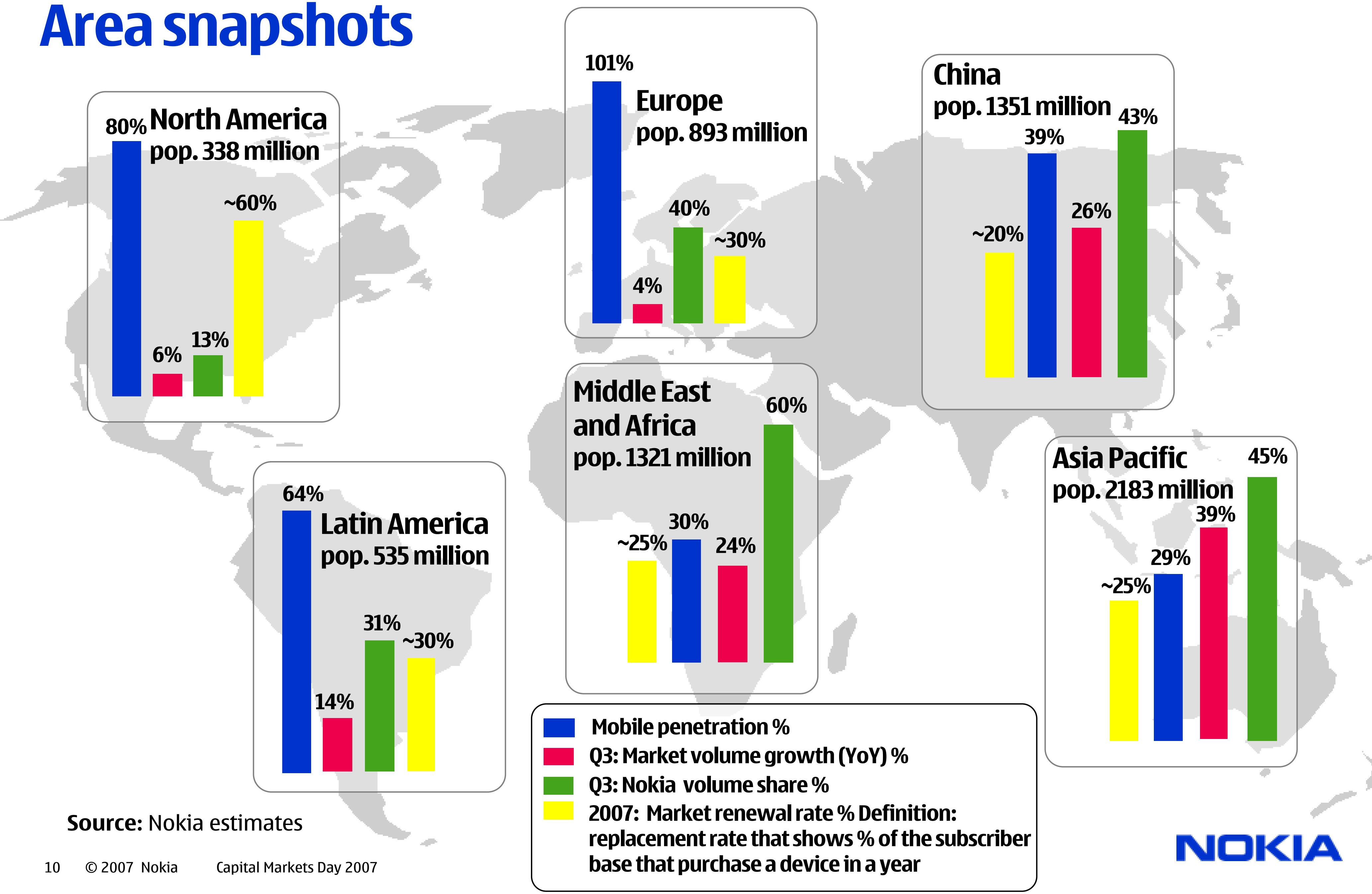
# Case UK – Launch of N95:

- Well planned & successful Go-to-Market
- N95 became best-selling product in record-time
- Nokia volume share from number 3 to number 1 in just a few months
- Carphone Warehouse: "best product launch ever"

# Area snapshots




**Source:** Nokia estimates

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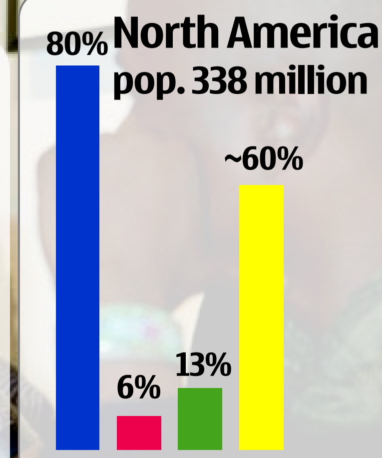
# North America
## - Improving market performance

# North America - Improving market performance

## Market trends

- Market for handsets remains challenging
- Carriers drive gross ads, execute retention strategies
- Carriers push 3G offerings in order to grow data ARPU
- Emerging signs of changes in distribution channels (i.e. iPhone)




## Nokia

- N95 to open distribution
- Nokia is shipping a more complete GSM/WCDMA lineup
    - Market share improvements
- As our new CDMA products start shipping, we expect improvements in our market performance

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# Latin America -
## Replacement sales drive market growth

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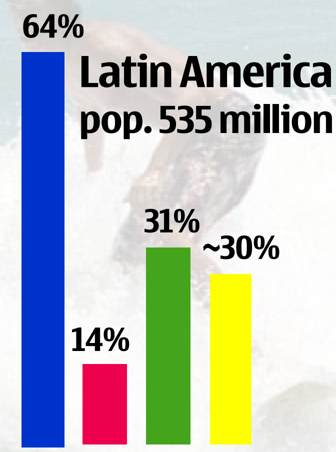
## Market trends

- Market growth will be increasingly driven by replacement sales
- Subsidies from low-end to service usage -> higher-end devices
- Still significant focus on entry
    - drives volume growth in high subscription growth areas

## Nokia

- Strong local presence and commitment
- No. 1 manufacturer in the region
- Close customer cooperation
- Front-runner in new mobile technologies



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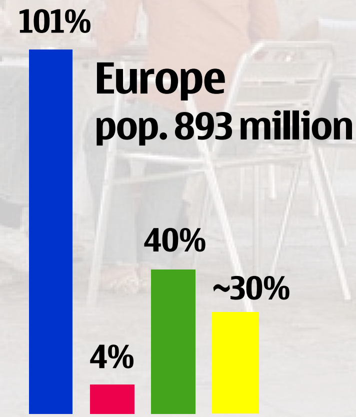
# Europe - A continuously dynamic marketplace

# Europe

## - A continuously dynamic marketplace

### Market trends

- Replacement 76% of volume
- Growth potential in Eastern Europe
- Motorola declining, Samsung stepping up, iPhone entering Europe
- Further operator consolidation
- Vodafone launch of own brand devices




### Nokia

- Successful Go-to-Market activities
- Agreements with key operators to roll out Ovi
- Re-gained clear market share leadership in UK

# Middle East and Africa
## - Evolving towards more than subscriber growth

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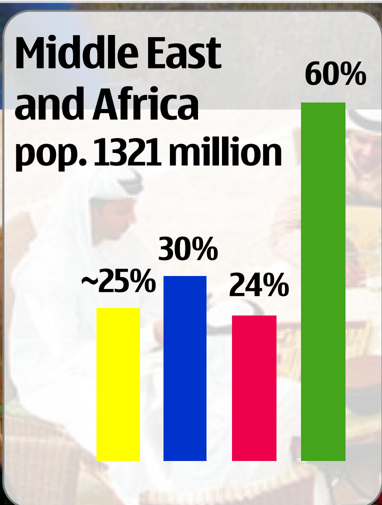
# Middle East and Africa
## - Evolving towards more than subscriber growth

### Market trends

- Regulators issue new licenses – increased competition
- Motorola declines across all markets, Samsung and SE remain competitive
- Further consolidation and expansion of main regional operators
- Vodafone launch of own brand devices in various markets




### Nokia

- Consolidated the undisputed leadership position in both volume and value
- Further expanded domestic distribution network
- Retail management initiatives supported by field forces



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# China
## - Expanding rural and brand presence

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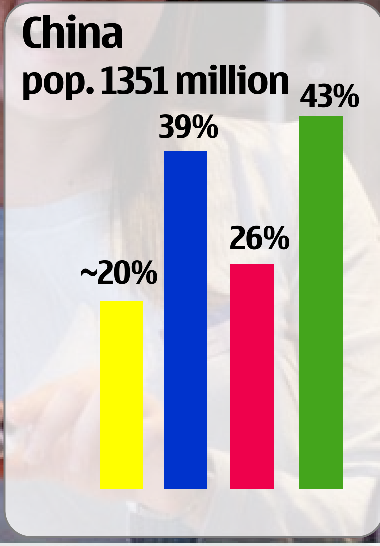


## Market trends

- Uncertainty about 3G technology evolution in PRC
- Penetration in rural areas to 21% by end 2007 and to 26% by end 2008 (estimates)
- Growth mainly from entry devices

## Nokia

- Building the infrastructure to create affordable and sustainable sales in Rural Areas
- Working closely with Operators in developing rural, retention and preparing for 3G
- Integrating Nokia's brand into the community
- Expanding Branded Retail Presence
  - Nokia Store Network, Launch of Shanghai Flagship

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# Asia-Pacific
## - Strong continued growth

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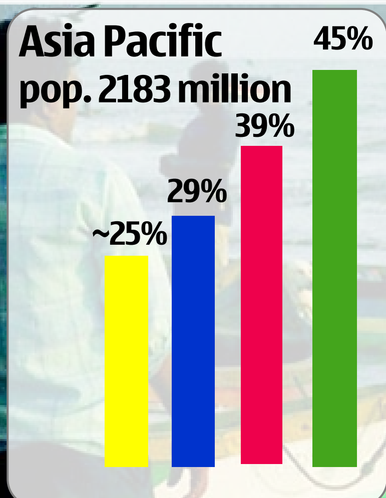
## - Strong continued growth

### Market trends

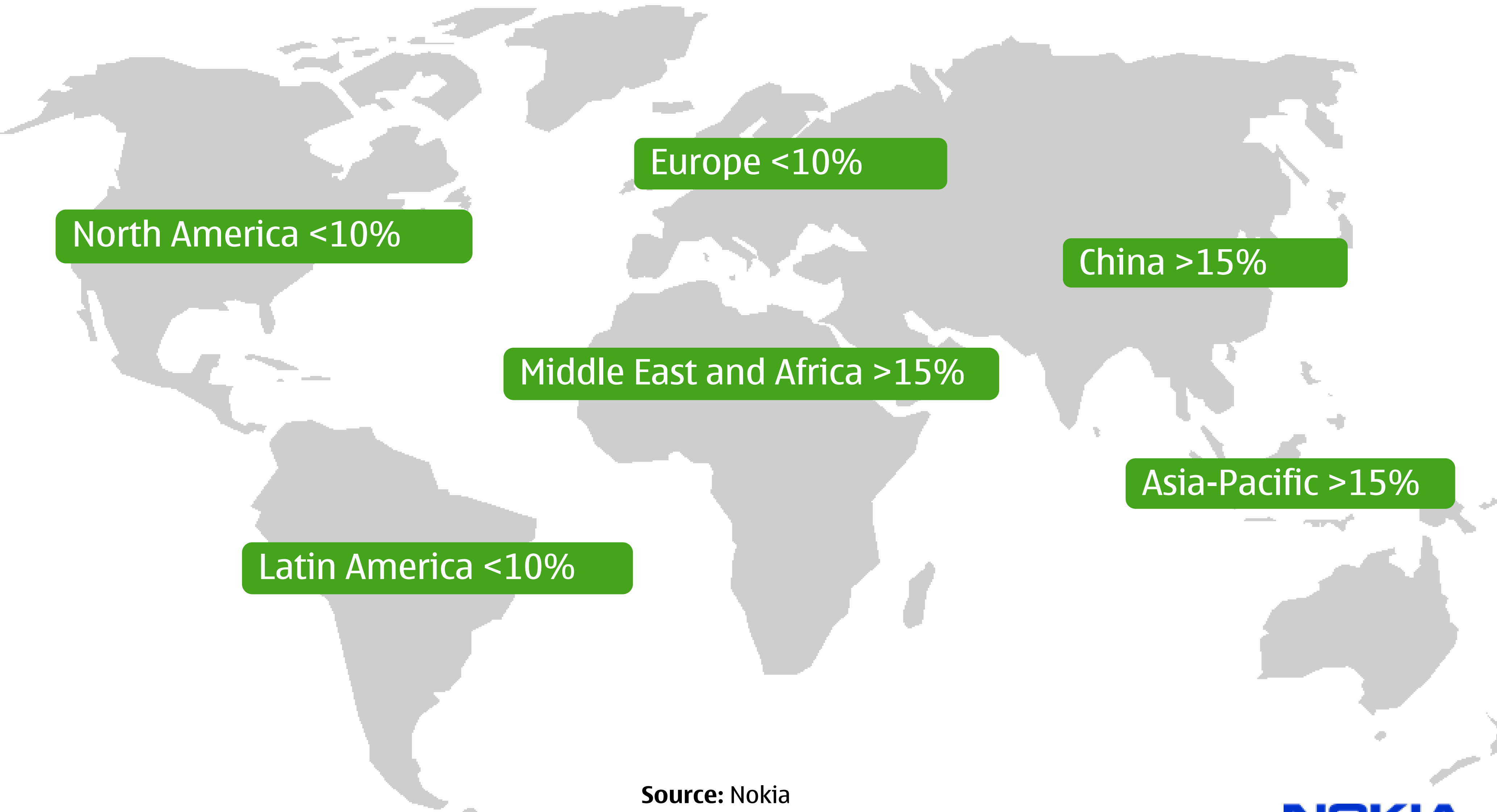
- APAC market continued to show double digit volume growth due to
    - Increased penetration in rural & smaller towns
    - Increased handset affordability
- Organized retail emerging in select markets e.g. India, Thailand




### Nokia

- Estimated volume & value share for SEAP maintained above 60%
- Strong performance of high value products
- Brand preference strengthened significantly including among the youth segment

# Device industry volume growth estimates in 2008




**Source:** Nokia

# Summary

- Strong brand continues to support both device sales and entry into consumer internet services
- Opportunities to enhance consumer loyalty through effective retention activities
- Importance of retail is a global trend, Nokia continues to develop retail management
- We continue to leverage our brand, scale and distribution power through effective Go-to-Market



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Thank you.
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