

March 30, 2006

Nokia spurs subscriber growth in New Growth Markets with mobility solutions

Nokia introduces Nokia Connect Market Expansion Toolkit and starts licencing Nokia Prepaid Tracker

At the Nokia Experience Mobility event in Chongqing, China, Nokia boosts its commitment to making mobile communications more affordable and accessible for a broader range of subscribers. At the event, Nokia strengthens its offering for new growth markets by announcing a new business model for profitable market expansion, the Nokia Connect Market Expansion Toolkit, and the start of licencing for its Prepaid Tracker to GSM and WCDMA device manufacturers and GSM and WCDMA operators.

Nokia estimates the number of mobile subscribers to grow to three billion in 2008. As around 80 percent of this growth will come from new growth markets, the importance of these markets will continue to increase. Nokia expects that Asia-Pacific and China will account for 50 percent of the next billion subscribers.

Nokia believes the right combination of mobile phones, network solutions, services and a favourable regulatory environment is essential to spreading the benefits of mobility. The key is to reduce the total cost of ownership to the consumer, whilst ensuring a profitable, and thus sustainable, business model for operators and vendors.

Nokia enables operators to offer different service levels to different customers

Large part of expansion of mobile services in new growth markets comes from lower-spending customer segments. With the new Nokia Connect Market Expansion Toolkit, operators can increase their revenue by reaching out to these people, without affecting the service expectations of their existing customers.

"Nokia Connect Market Expansion Toolkit allows operators to develop diverse service offerings at different prices to meet the needs of both current segments and new, lower-spending ones in a profitable way. Networks are typically dimensioned according to their busy hour usage, often resulting in a great deal of idle capacity at other times", says Rauno Granath, Director, New Growth Markets, Networks, Nokia.

"This new, more affordable service offering made possible by Nokia encourages lower spending customers to make their calls outside of peak hours, thus resulting in more efficient use of resources. The main benefit for lower spending users is that they can now afford to use mobile services - maybe for the first time ever", he adds.

The Nokia Connect Market Expansion Toolkit allows the shared use of resources in the radio network. Voice channels can be set to use adaptive multirate half-rate or full-rate depending on the subscriber type, and even SMS services can be differentiated without additional traffic related expenses. As these features already exist in the Nokia networks, operators can leverage their existing investment and attract new subscribers with more affordable services.

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Nokia starts licensing Prepaid Tracker to other terminal vendors and operators

According to Informa Telecoms & Media (February 2006), over 70% of all mobile subscribers in new growth markets are prepaid customers. To better serve their needs, Nokia last year introduced its innovative Nokia Prepaid Tracker solution that automatically updates the user phone with their up-to-date prepaid balance and call expenses. In addition to their current account balance, subscribers can also view information on the account's expiration date, the cost of the last call or SMS, and the amount of the last prepaid recharge.

The Nokia Prepaid Tracker is provided to operators as a software implementation. The solution helps operators to differentiate their services, thus reducing churn. In fast growing markets, where prepaid subscribers far exceed postpaid, innovations such as Nokia Prepaid Tracker can help operators create a competitive advantage.

Operators with the Nokia Intelligent Network have previously been able to use the technology. Now, Nokia has opened the possibility to seek a license from Nokia to its patented Prepaid Tracker feature to other GSM and WCDMA terminal manufacturers, as well as to GSM and WCDMA operators whose Intelligent Network is not supplied by Nokia, making the benefits of the solution available to as many prepaid customers as possible.

About Nokia

Nokia is a world leader in mobile communications, driving the growth and sustainability of the broader mobility industry. Nokia connects people to each other and the information that matters to them with easy-to-use and innovative products like mobile phones, devices and solutions for imaging, games, media and businesses. Nokia provides equipment, solutions and services for network operators and corporations.

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