

NOKIA

CONNECTING PEOPLE

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THE MARKET

Nokia, the leading global mobile telecommunication brand, is shaping the future of the mobile telecommunications industry and is committed to improving mobility. For the past six years Nokia has been ranked No. 1 in the world in the terminal business, with approximately 33% market share and double the share of the second-ranking brand. Over the past five years, Nokia's global mobile phone sales have risen at rates higher than the average market growth. In 2003, Nokia took more than 38% market share of global mobile phone sales and is now marching towards 40%.



ACHIEVEMENTS

The year 2003 was challenging for Nokia in China. Despite fierce competition from both domestic and international brands, Nokia achieved another year of impressive growth. Armed with rich and innovative product portfolios, strategies grounded in local insights, strengthened distribution channels and a leading brand preference, Nokia was able to attain the No.1 spot in China's GSM market. In May 2003, Nokia was granted its CDMA licence in China and the first CDMA1X product 2280 was launched in the following August, followed by a few other CDMA1X products that cater to Chinese people's needs. By the beginning of 2004, Nokia had become the top overall company in China's mobile phone market.

For four consecutive years, Nokia has been ranked in the top 10 of the most valued brands in the world. The list of awards won by Nokia includes: China's Most Respected Company (two consecutive years); World's No.1 Mobile Phone Maker (six consecutive years to 2003); 2003 Best Design Team. The Nokia 6108 mobile phone won the Asian Design Award and also received the top prize for the Asia region in the first Hanover International Design Forum in 2003. Nokia was also ranked No. 1 in the mobile phone industry

in a Chinese Consumer Satisfaction Survey for two consecutive years as well as being ranked in the top five of the most favoured mobile phone brands in the 5th China Mobile Phone User Satisfaction Survey. In addition, Nokia was the winner of the Innovative Services Award in the same survey.

HISTORY

Nokia originated in 1865 in Finland as a paper manufacturer and evolved over the years into a conglomerate manufacturing multiple industrial and consumer products, to its present guise as one of the world's leading mobile telecommunications companies. Nokia entered the telecommunications equipment market in 1960 when an electronics department was established at Finnish Cable Works. In the early 1990s, it made a strategic decision to concentrate on telecommunications as its core business, with the goal of establishing a leading presence in every major global market, and began to divest its basic industry and non-telecommunications operations. Nokia has been trading with China since the 1950s, but its first representative office was opened in Beijing only in 1985. Since 2000, it has been the biggest export company in mobile telecommunications industry in China.

Through connected mobility and inspiring human technology, Nokia strives to make people's lives richer and more rewarding. Based on the success and knowledge of SMS, Nokia anticipates another round of growth with its introduction of MMS (multi-media messaging) in the global mobile industry, especially in the development of mobile digital service. Since 2002, Nokia has joined with leading network operators from Europe and Asia to launch MMS. With support from Fujian MCC, the company sent China's first multimedia message.

At the same time, the global launch of MMS enabled the Nokia7650 to bring vivid imaging experiences to consumers, which

combined text, picture and music – enabling people to capture and instantly share their happy moments in life. Thus the mobile industry entered into another new era. Following that, more and more mobile phone brands launched MMS-enabled products or camera phones. Now MMS has become an important part of people's mobile life and a new communication culture has been created. Statistics show that picture taking and ring tone downloading have been the most frequently used phone features after SMS, with 67.4% and 50.4% usage respectively. It is estimated that the number of MMS sent will reach 600 million in 2004.

THE PRODUCT

With rich, innovative, user-friendly and secure solutions, Nokia is the world's leading supplier of mobile phones, as well as mobile, fixed broadband and IP networks. Through integration with mobility and the internet, Nokia not only creates more business opportunities for enterprises but also enriches people's daily lives.

RECENT DEVELOPMENTS

Anticipating technological convergence and growth in the broader usage of mobility devices in the workplace and entertainment, Nokia

你每眨一下眼睛,全球即卖出四部诺基亚手机



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initiated a global re-organisation of the group, effective January 2004. Under the new structure, four business groups were created; Mobile Phones and Networks serves as the core existing business, and Multimedia & Enterprise Solutions to address the mobile entertainment and mobile enterprise growth opportunities. Greater China (including China, Hong Kong and Taiwan) was established as one of five global strategic regional markets, reflecting China's critical position in the Nokia global strategy. On May 21, 2004, Nokia increased its commitment in announcing four key research and development initiatives in China:

- Establishment of a post-doctoral research station in China
- Establishment of a CDMA R&D centre, to focus on local market development and operator needs
- The Beijing R&D centre to take over 40% product development responsibilities for Nokia mobile phone business group
- The establishment of a global technical platform branch in China, pushing the Symbian system open standard and technology localisation

PROMOTION

Nokia excels not only through its superior product designs, enduring quality and user friendliness but also by being the first company to understand and market mobile phones as a consumer product



instead of a technology product. Its marketing philosophy is anchored in the Brand Steering Wheel that defines what Nokia brand stands for, what it looks like and how the brand makes people feel. Nokia applies deep consumer understanding by being first to recognise consumer differences, segment the market and having specific products to satisfy every purse, purpose and personality. As brand image is shaped over time, being consistent and credible underpins Nokia's communication with consumers.

When Nokia launched N6108, the design was inspired by ancient Chinese terracotta warriors and that thinking carried through to the consumer in a 360 degrees marketing campaign. Without further support, the product has remained as a top 10 selling model in China. The N6108 campaign

was a case study in terms of how the locally inspired product design is rooted in the deep insight of the consumers and how it influences their preferences. In addition, innovative marketing led Nokia to connect with Chinese consumers in its special way that is consistent with its brand promise.

Nokia emphasises consumer insights and a deep understanding of the China market. The company designs its marketing strategies based on the facts of the local market and competition environment. Simple but effective execution in addition to creative ideas are the key to its success. Nokia's consistent and clear global brand management guidelines go through all the marketing activities and promotions, ensuring a powerful brand across each country. In 2003, Nokia launched the first 'pen input' products in its N6108 and N3108, which were designed by the China R&D centre and tailor-made for Chinese consumers. Supported by a series of innovative marketing ideas and with a traditional Chinese flavour execution, the two products were welcomed by Chinese consumers. The two products still rank among the top 10 best selling mobile phones in China.

BRAND VALUES

"Life Goes Mobile" is the Nokia vision which describes a world where mobility has pervaded all facets of everyday life, professional or social. With the brand core "connecting people", Nokia is no longer perceived as a mere mobile phone brand, but also as an energetic leader who provides product and solutions to enrich people's lives through connected mobility and inspired human technology, and at same time, a visionary challenger that people trust.

NOKIA 7610



Nokia's values are: customer satisfaction, respect, achievement and renewal. Customer satisfaction directs Nokia's strategies and actions.



The company anticipates, discovers and fulfils customer needs, as well as delivering value to its customers. Nokia respects, cares for and takes delight in its customers. The company aims to treat customers with trust and respect, with open communication and honesty. Nokia seeks diversity and values the environment and communities around the globe. The brand is inspired and driven by its shared vision and goals. It has the will to fight in order to win. The company is responsible and accountable for its success, and it recognises and celebrates its achievements.

Brand building is a long-term task for Nokia. With more international competitors focusing on China and local brands targeting global markets, brand building goes beyond sales and marketing. Consistently good product quality is the ultimate guarantee to Nokia brand development. Mobile phones become more and more important in people's daily lives and they will trust and rely on the brand that had a pleasant experience to offer them in terms of new products and services. Nokia today is a leader in China and will continue the effort in building and increasing its brand preference. The team has learned to synergise the market similarities and address the differences across China's diverse market. It will exploit a new value domain with innovative products and services. Through coordinated efforts, targeted product offering and communication to third and fourth tier cities, Nokia will continue to grow in the mobile phone market and push mobile phone penetration to another new level.

THINGS YOU DIDN'T KNOW ABOUT NOKIA

- China accounts for 23% of global mobile phone subscribers
- China is one of the most important manufacturing and R&D bases for Nokia. It has five R&D units and four manufacturing sites in the country. Nokia also has branch offices throughout China, and employs 4,300 people there

