

## WIRELESS VANTAGE™

A view of the wireless consumer marketplace

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### NOKIA & SANYO VENTURE SUCCESSFULLY MINIMIZES SHOPPER CANNIBALIZATION

In the wake of Nokia and Sanyo's announced partnership, Compete analyzed actual shopping behavior across all major carriers to determine the other manufacturers' handsets that shoppers tended to compare against Nokia.

Compete found that Nokia shoppers were least likely to cross-consider a Sanyo handset — only 9% of Nokia shoppers also evaluated Sanyo phones. In contrast, nearly half of Nokia shoppers also considered a Samsung phone.

Sanyo's exclusive carrier partnership with Sprint naturally limits its overlap with Nokia, since Sprint only offers one Nokia handset. Still, Nokia's VI-3155 is more likely to be compared to LG's PM-225 and Samsung's A560 than it is to be shopped against a Sanyo device.

For future partnerships, analysis of actual shopper behavior will be even more valuable since few OEMs with exclusive carrier relationships remain. As a result, calculating overlap is more complicated. By merging companies with the smallest shopping overlap, manufacturers can maximize the benefits of cost savings while minimizing the degree to which their combined portfolio will compete for the same consumers.

### THE RAZR'S EDGE LOOKS UNDULED

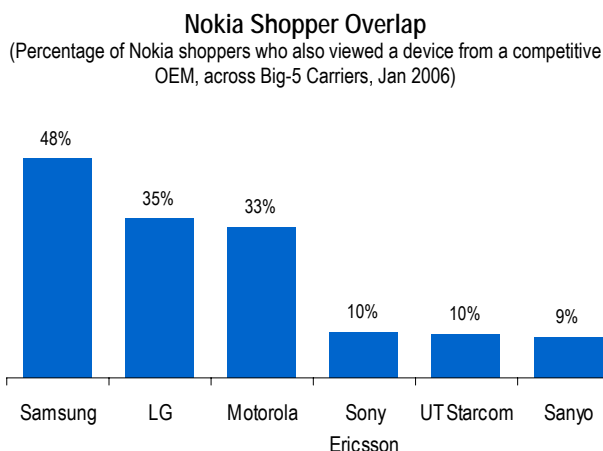
According to data from Compete, Motorola's RAZR series continues to lead U.S. consumer handset demand, a first place ranking it has held since Thanksgiving (and for 12 of the prior 15 weeks).

Looking at performance of the top five devices, the RAZR series saw a more pronounced impact from the increase in holiday shoppers than any other device. After a lull in January, demand for RAZRs bounced back to almost pre-holiday levels in early February with the roll-out of the pink RAZRs at Verizon Wireless and Cingular.

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With its emphasis on unique design and the increased cost of designing truly original handsets, Motorola has moved toward a "blockbuster" approach to device differentiation. This approach (similar to the movie industry one) increases the importance of each individual release and requires Motorola to leverage strong performers for as many "sequels" as possible. Thus far, it appears that different colors and other line extensions will be the key to maintaining the RAZRs' popularity, as the pink RAZRs successfully did heading into February.

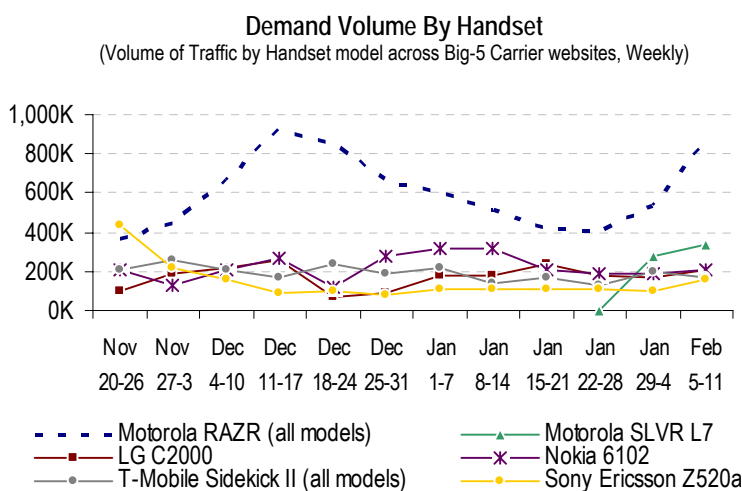


**Nokia shoppers are least likely to also consider a Sanyo device. Only nine percent of Nokia shoppers consider Nokia and Sanyo handsets together when making their wireless purchase.**

**As industry consolidation continues, companies will need to understand their customer overlaps when valuing mergers and acquisitions.**

Compete's wireless intelligence and targeting services analyze consumer behaviors and competitive best practices to help wireless companies maximize their returns on marketing, product development, and procurement.

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