

## TELECOM VANTAGE™

A view of the telecommunications consumer marketplace

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### HTC: WHITE LABEL OR BOLD NEW BRAND?

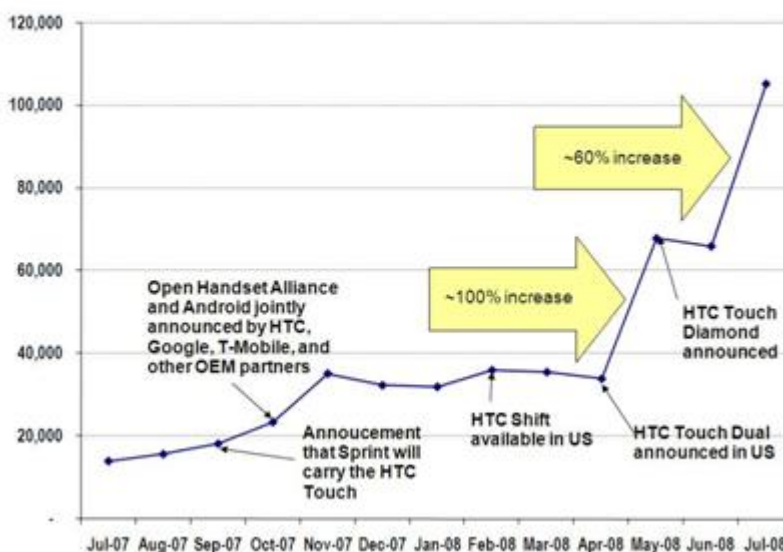
On September 23<sup>rd</sup>, T-Mobile [announced](#) that it would start selling the T-Mobile G1, a phone previously referred to in many tech blogs as the HTC Dream and the first to use Google's Android operating system, in about a month. Anticipation around this new phone comes at a time when HTC, a ten-year-old company that has traditionally manufactured "white label" wireless devices branded by the carriers, has recently begun the process of building its own brand with consumers.

With so many strong manufacturer and handset brands already on the market, can a new entrant get any traction with consumers? Does launching the T-Mobile G1 as a white label device help or hurt the HTC brand? We looked at some search data that suggests brand building is possible, and HTC seems to be succeeding, but with strong sub-brands.

Search is a barometer of brand awareness, providing insight into what consumers are thinking about and looking for on the web. In the last several months, there have been dramatic increases in the number of people searching at major search engines using terms that included the HTC brand name, as shown in the graph on the right. We can see large increases in volume between April and July of this year, with a steady upward trend since July 2007. A key to HTC's success could be in the strength of its individual products and the marketing supporting them, that create strong sub-brands.

**Number of Searchers Entering HTC Related Terms**

July 2007-July 2008



The number of people searching for HTC-related terms increased more than 5x in one year

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

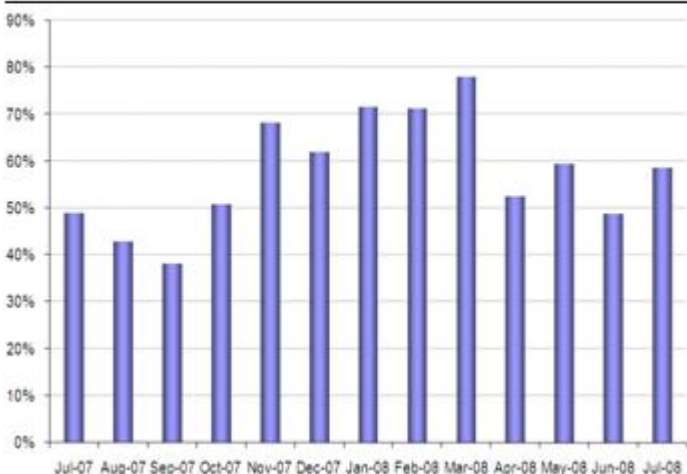
### STRONG SUB-BRANDS MAY BE THE KEY TO KEEPING HTC TOP OF MIND

Taking a more detailed look at the search terms we charted in the first graph, we see that terms including 'HTC Touch' performed well in the last year, making up an average of nearly 60% of HTC-related searches.

What could this mean? The HTC Touch and the marketing around it has had a substantive impact on consumer consciousness, capturing a large proportion of searches performed that relate to HTC.

**'HTC Touch' as a Percentage of Search Terms that Include 'HTC'**

July 2007-July 2008



Consider the two charts together. First, we see large increases in total HTC-related searches between April and July. The peak of 'HTC Touch' in terms of searches occurred in March and levels off in the 50-60% range between April and July. So it seems that overall knowledge of the brand is increasing, but high-profile product names still remain crucial to keeping a place in consumers' minds. HTC has clearly had some success in building a brand, a valuable asset at a time when [OEM sites have become an increasingly important factor](#) in the handset research and shopping process. When the T-Mobile G1 is available in a few weeks' time, we'll see how this high-profile white-label phone will have an impact on the OEM brand.

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