

FOR IMMEDIATE RELEASE

26 JULY 2012

SAMSUNG SET TO MONOPOLISE HTC'S MARKET

The latest findings from SMIX – YouGov's **S**martphone, **M**obile Internet **eX**perience tracker - reveals a fall in consideration and expectation levels for HTC amongst smartphone owners; an indication that the brand needs to seriously look at the way it markets its devices in order to win back consumers and compete with market-leader Apple and rising threat Samsung.

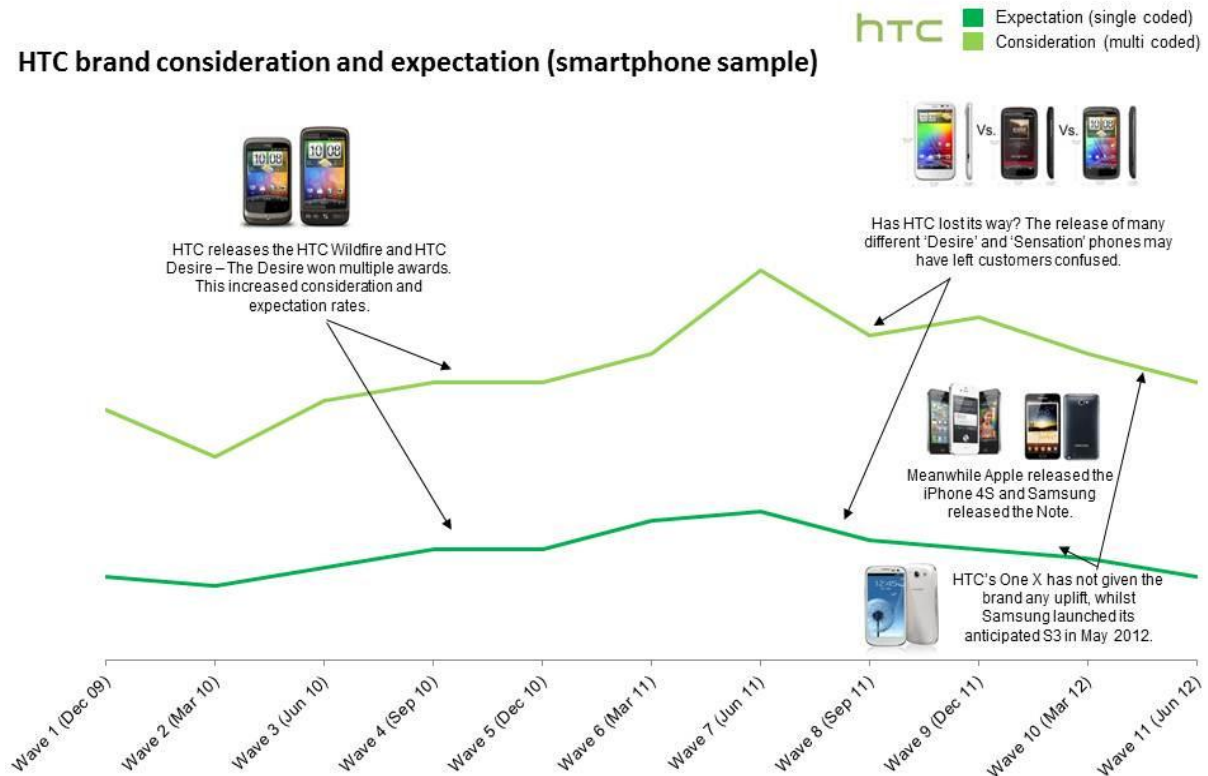
June 2012 saw future HTC consideration levels fall to just 30% - a drop from 42% in June 2011. In the same period, expectation levels for the phone manufacturer also fell – from 16% to 9%.

Once a key brand in the market – and a serious threat to Apple – HTC has suffered disappointing profits since mid-2011. YouGov suggests that one issue the brand needs to address is the ability to differentiate between handsets, and market accordingly. Back in 2010, HTC's 'Desire' and 'Wildfire' ranges won consumers over and brought the brand to the fore of the smartphone market. Since then, however, the brand has launched a plethora of phones – within the same range – which many consumers struggle to differentiate between. For example, in the 'Sensation' range, HTC launched the 'Sensation'; 'Sensation XE' and 'Sensation XL'; a strategy that undermined its proposition and hampered the brand. Furthermore, HTC has decided to continue this strategy with its new 'One' range.

In a tale of two fortunes, competitor Samsung has had a great year with innovative products and ranges – the 'Galaxy' in particular – that have proved popular amongst consumers and the smartphone industry alike. The brand is now the Android future choice of destination with high loyalty, consideration and expectation rates increasing year-on-year.

Consequently, Samsung has been able to take advantage of HTC's losses – stealing HTC's mantle in the market and monopolising on its custom – the Korean phone manufacturer is tempting HTC customers over to its brand; whilst HTC retain 34% of its loyal customers, the majority (66%) of HTC customers will not get a HTC again but will churn elsewhere – Samsung being the smartphone of choice.

HTC brand consideration and expectation (smartphone sample)



Base: All qualified respondents that own a smartphone (1936) and All qualified respondents that own a smartphone and that will get a new handset (1500)

P65Q1 – Which, if any, of the following mobile handset brands will you consider? [Please tick all that apply][MULTI CODE]

P65Q2 – And which ONE of these mobile handset brands do you expect your next phone to be?

N.B 26% said they did not know what brand they would get in the future

Russell Feldman, Associate Director in YouGov’s Telecoms and Technology team, commented on the findings: “The latest SMIX findings are not surprising; HTC has long been falling out of the rat race. Our research also found a small number of HTC owners considered their make and model of HTC before purchasing it – significantly lower consideration rates compared to rival brands – a worrying sign.”

Feldman continued: “The brand needs to act, and fast, in order to prove their worth in the fast paced industry that is the smartphone market. Marketing and advertising, as well as branding need re-evaluating in order to re-tempt churners and win new custom - which is currently going to Samsung.”

-ENDS-

Notes to editors:

Figures, unless otherwise stated, are from YouGov Plc.

Total sample size was 3,985 nationally representative British adults and 1,936 targeted smartphone owners. Fieldwork was undertaken 1st – 6th June 2012. Each interview was conducted online and was approximately 20 minutes in length.

YouGov’s SMIX (Smartphone, Mobile Internet eXperience) is a quarterly study that tracks consumer perception on the following:

- Handset usage, attitude and satisfaction
- Mobile operator usage, attitude and satisfaction
- Renewal

- Churn
- Operating systems
- Apps
- And more...

The next wave of the tracker begins in September with a report due in October 2012.

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About YouGov

YouGov is an international, full service market research agency offering added value consultancy, qualitative research, field and tab services, syndicated products such as the daily brand perception tracker BrandIndex and social media analysis tool SoMA, fast turnaround omnibus and comprehensive market intelligence reports. YouGov's sector specialist teams serve financial, media, technology and telecoms, FMCG and public sector markets.

YouGov is considered a pioneer of online market research and has a panel of 2.5 million people worldwide, including over 350,000 people in the UK representing all ages, socio-economic groups and other demographic types.

As the most quoted market research agency in the UK, YouGov has a well-documented and published track record illustrating the accuracy of its survey methods.

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