

Understanding the Evolution of Pricing Trends in Mobile Services

An analysis of pricing trends for voice and data services in mature and developing mobile markets, to help you understand how prices change as mobile services mature in different market conditions.

This market analysis should help you to:

- ◆ Understand the position of price in the product lifecycle
- ◆ Analyse pricing trends in voice, SMS, MMS, games, ringtones and more
- ◆ Explore differences between fully-developed, mature markets and developing or emerging markets
- ◆ Know what to expect in terms of pricing trends and adoption for future new service launches
- ◆ Understand pricing for early adopters compared to the mass market
- ◆ Discover which mobile data services have gained value over the years, and which have lost value



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One well-documented and significant trend in the mobile industry is the ongoing decline in the prices of various mobile services. Voice prices have declined steeply over the years and a similar trend has been observed in the more popular data services, including SMS and other non-voice services, such as monotone or polyphonic ringtones, mobile games, etc. With the increase in the penetration of these applications, these services are beginning to account for significant portions of operators' service revenues.

This report discusses the various trends in the pricing of mobile services, such as declining prices, changing pricing structure and flat pricing schemes, in different regions and the factors that have brought about these trends. In this report, we have attempted to understand how and why the prices of voice and data services have evolved in different markets, and how these prices are expected to change in the coming years. With the introduction of 3G technologies, will prices continue to decline, and will bundling of similar/complementary data services gain even more importance?

The report presents a brief overview of the worldwide mobile market, highlighting the key trends in the developed and developing markets (based on the penetration levels of mobile services). It analyses the evolution in pricing of voice services and data services (including messaging and other content-based services) in relation to the overall growth of these services.

Table 2: Asia Pacific - Forecast Mobile Penetration (% 2002-2011)

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Indonesia	0.81	1.33	2.30	4.62	12.01	17.84	25.10	27.81	31.01	33.40
China	10.82	11.22	14.36	25.93	33.17	37.48	41.96	46.82	49.97	53.83
India	1.04	2.71	4.91	7.69	12.91	19.36	26.26	30.36	34.20	37.07
Indonesia	4.86	7.60	10.68	16.01	17.60	18.74	19.60	19.57	19.00	18.70
Malaysia	1.17	2.08	3.03	4.08	5.26	6.58	7.97	9.35	10.74	12.13
Thailand	37.85	38.74	42.25	45.70	48.28	51.00	53.86	56.83	59.91	63.08
Asia Pacific	12.73	18.32	21.23	25.93	31.46	37.08	42.31	47.05	51.25	55.15

Figure 5: Subscriber base in China and India - one of the largest markets in Asia and indeed in the world. The current penetration levels in these countries (penetration levels) are low, which implies tremendous potential for growth. The quantum of this potential can be realized by the fact that by 2011, the total number of subscribers in India alone will be over 400 million. China has the entire Middle East and Western European region). However, this will represent a penetration level of only 37 percent and similar ASPUs levels would be expected to be proportionately lower than in more mature markets.

Figure 6: Mobile Subscribers in China and India (2002-2011)

This line graph shows the number of mobile subscribers in China and India from 2002 to 2011. China's subscriber base grows from approximately 100 million in 2002 to over 400 million by 2011. India's subscriber base grows from approximately 100 million in 2002 to over 300 million by 2011. The graph shows a steady upward trend for both countries, with China maintaining a higher subscriber base throughout the period.

Read all about pricing trends and understand this vital component of the market in this all new 50-page market study...

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Worldwide Mobile Market Forecasts 2006-2011
Global analysis and forecasts of mobile markets, technology and subscriber growth

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Worldwide Mobile Market Forecasts 2006-2011

Total mobile subscribers worldwide passed 2 billion in 2005. This market study looks closely at the world's key growth markets and forecasts growth from end-2005 to end-2011, as we see that total number of mobile subscribers worldwide double to almost 4 billion. This report covers the Top 25 Mobile Growth Markets worldwide and offers detailed country profiles for 55 countries in total.

MoCo Technology Guide 2006
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