

**YANGON INSTITUTE OF ECONOMICS  
DEPARTMENT OF COMMERCE**

**ANALYSIS ON THE MARKETING MIX OF  
MOBILE HANDSET SHOPS IN YANGON**

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**MAY, 2011**

**YANGON INSTITUTE OF ECONOMICS  
DEPARTMENT OF COMMERCE**

**ANALYSIS ON THE MARKETIN MIX OF MOBILE  
HANDSET SHOPS IN YANGON**

**A Thesis Submitted as a Partial Fulfillment of the Requirement for  
Degree of Master of Commerce**

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## ABSTRACT

The objectives of this thesis are to analyze the crucial marketing activities of mobile handset shops and strengths and weaknesses of marketing practices of mobile handset shops. This thesis uses descriptive research method. Mobile handset shops are chosen by using simple random approach. Primary data are collected from owners or managers of mobile handset shops by using structured questionnaires. Secondary data are collected in magazines, journals and Website databases. People more purchase mobile handsets with advanced technologies and latest functions. Thus, today mobile handset shops are facing competitiveness in the marketplace. Marketing mix activities are conducted to achieve competitive advantages and increases sales volume. Nowadays the mobile handset shops in Yangon adopt marketing activities to penetrate the market, to make their products better known among the customers, to increase sales volume and to improve benefits.

According to the finding, mobile handset shops select quality products for their customers in the mobile markets. Their pricing concepts are demand- oriented pricing, competition- oriented pricing and the price set by the Original Equipment Manufacturer (OEM). Their distributions channel can be seen in flow from the mobile handset shops to customers, other distributions channel flows from the mobile handset shops to retailers to customers. Mobile handset shops not only used advertising but also used other promotion methods such as personal selling, sales promotion and direct marketing method. But these handset shops usually emphasize on advertising and only five percent of mobile handset shops used direct marketing method.

According to the finding, mobile handset shops need to use installmental payments, credit items, lucky draw and sponsorships at events, direct marketing method and open their branches in other cities that can penetrate the mobile markets.

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## List of Abbreviations

|          |   |
|----------|---|
| AMPS     | Advanced Mobile Phone System                              |
| BMI      | Business Monitor International                            |
| CDMA     | Code Division Multiple Access Cordless Telecommunications |
| GSM      | Global System for Mobile Communications                   |
| GDP      | Gross Domestic Product                                    |
| H.F      | High Frequencies  |
| ITCS     | Information Technology Central Services                   |
| KDD      | Knowledge Discovery and Data Mining                       |
| LTE      | Long-Term Evolution                                       |
| MPT      | Myanmar Post and Telecommunication                        |
| OECD     | Overseas Economic Cooperation Funds                       |
| OEM      | Original Equipment Manufacturers                          |
| PSTN     | Public Switch Telephone Network                           |
| PAC      | Public Access Centers                                     |
| SCPC/IDR | Single Channel Per Carrier/ Immediate Data Rate           |
| SPC      | Supervisory Process Control                               |
| SMS      | Short Message Service                                     |
| STD      | Subscriber Trunk Dialing                                  |
| TDMA     | Time Division Multiple Access                             |
| UHF/VHF  | Ultra High Frequency/ Very High Frequency                 |
| WCDMA    | Wideband Code Division Multiple Access                    |
| WLL      | Wireless in Local Loop                                    |
| VSTA     | Very Small Aperture Terminal                              |

# **Chapter 1**

## **Introduction**

The telecommunications provide an essential tool all around development of the country. Myanmar Post and Telecommunication (MPT) are making continuous efforts to develop telecommunication infrastructure in Myanmar as a sole provider of telecommunication services. Techniques are speedily advanced about mobile telecommunications that is smooth to take business activities (profits organizations and non-profits organizations). Mobile phones have already been used widely around the world for social and economic development, and new cultural and communicative forms. It has become an essential communication tool for many Myanmar especially in the country's largest cities Yangon, Nay Pyi Taw, and Mandalay. Global system for mobile communication (GSM) mobile phone is the most common type globally and this is also true in Myanmar. By using mobile phones, people around the world immediate receive information, ideas and products to deal with business in good time.

In Myanmar, though the first telegraph lines were erected in 1861, the telephone services in 1884. Cellular mobile telephone system (Analog AMPS 800) was first started in Yangon in December 1993, then the DECT (Digital Enhanced Cordless Telecommunication) CDMA phones followed in 1997 and GSM phones have extensively used in Myanmar since 2002. The upgraded system is 3G WCDMA network that started last few years and CDMA 800 MHZ phones lines currently installed in Yangon, Nay Pyi Taw, and Mandalay.

Telephone lines can be used to send not only voice data but also digital images and videos, while mobile communication technologies – including global system for mobile communications (GSM) and code-division multiple access (CDMA) – facilitate long- distance conversation without the need for any phone lines at all.

In recent years the major technology and application trends in handset design have focused on 3G and 4G capabilities including web surfing social networking, multimedia, connectivity, better cameras and more. The technology, trend and variety of handsets are speedily and never end changing to fulfill needs and social welfare of the people.

Since the 2005, in Myanmar, the Ministry of Communications, Posts and Telegraphs has begun leasing mobile handsets to the public, giving more people access to

new technology and resulting in the quick available of new phones manufactured by well-know international companies.

Once they've bought a handset, some customers don't replace it until it's beyond repair. Some people used to change handsets every of years, but now handset shops get the regular income from repairs and servicing of handsets. Mobile markets are expanding in the last few years which are emergence new competitors in the marketplace.

### **1.1 Rationale of the Study**

Myanmar's mobile phone users are playing increasing attention to the latest handsets in the mobile markets. People wish to purchase more functional, stylized and connectable new mobile handsets that are already receive in the marketplace.

Today, luxury mobile handsets have become very fashionable for both old and young people. Many luxury handset owners are men age between 30 and 50 whose focus is not only on a good communication network but also on memory capacity, a big viewing screen and other functions like entertainment features for music and video recording. People using luxury mobile phones are changing their handsets twice a year. Some people, those who can effort it change their handsets two to four times a year or more if there are new mobile handsets with the latest styles and functions. Mobile handsets and accessory shops are spring up all over Yangon. And then, mobile handset market has been expending in Myanmar mobile markets.

So, today handset shops' competitiveness has become more and more in mobile the marketplace. Marketing mix are major activities for handset shops to achieve competitive advantages and success in the marketplace. According to the William D, Jr and E. Jeraom McCarthy, effective marketing activities delivers the goods and services that consumer wants and needs at the right time, in the right place and at a price they are willing to pay. Business takes marketing activities to persuade the consumers to purchase products and services, to provide consumers' needs and wants and to survive and success every business in long terms. Thus, handset shops emphasize on their product development, pricing, placing, and promotion activities to achieve their success in the markets.

## **1.2 Objectives of the Study**

In this thesis, two main objectives are included as follows;

- (1) To analyze the crucial activities of marketing mix of mobile handset shops.
- (2) To explore opportunities and weaknesses of marketing practices conducted by handset shops in the marketplace.

## **1.3 Scopes of the Study**

This research explores the marketing mixes implemented by mobile handset shops in Yangon. This study is targeted mobile handset shops in Yangon. It is aim to study the period in 2009-2010.

## **1.4 Methods and Limitations of the Study**

This study uses descriptive research method and respondents are selected by using simple random approach. Primary data are collected from owners or managers of handset shops by making filed survey and by using structured questionnaire. Sample sizes are 20 percent of mobile handset shops (i.e. 20% on 100 handset shops) which handset shops located in Yangon. Secondary data are collected in magazines, journals and Website databases. Data analysis method is descriptive statistics. It focuses on marketing mixes - Product, Price, Promotion, and Place for the marketing of mobile handset conducted by the owners of handset shops.

## **1.5 Organization of the Paper**

This thesis consists of six chapters. Chapter one describes introduction including rationale of the study, objectives of the study, scopes of the study, methods and limitations of the study, and organization of the paper.

Chapter two presents the theoretical background including definition of marketing and marketing mix.

Chapter three includes international telecommunication service systems, history of Myanmar telecommunication service systems, existing Myanmar telecommunication service systems, international mobile handset markets, overview of Myanmar mobile handset markets, and benefits of mobile phones.

Chapter four emphasizes on marketing mix of the handset shops including products decisions, price decisions, place decisions and promotion decisions of handset shops and the opportunities and weakness of handset shops.

Chapter five concludes with major findings and suggestions according to the study.

## Chapter 2

### Theoretical Background

#### 2.1 The Definitions of Marketing

According to Lois Farese, Grady Kimbrell, and Carl Woloszyk, marketing is the process of developing, promoting, and distributing products in order to satisfy customers' needs and wants. Products include both goods and services. Goods are the kinds of things you can touch or hold in your hand. Services are the kinds of things you can't physically touch.

Marketing helps connect businesses to their customers and provides the means for the exchange process to occur. An exchange takes place every time something is sold in the marketplace.

By "Philip Kotler", Marketing may be defined as "The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives. This definition of marketing is the one most widely accepted by marketing educators and practitioners. It indicates that marketing involves a diverse set of activities directed at a wide range of products, and it stresses the importance of facilitating satisfying exchanges between buyers and sellers.<sup>1</sup>

#### 2.2 The Marketing Mix

Marketing professionals and specialist use many tactics to attract and retain their customers. These activities comprise of different concepts, the most important one being the marketing mix. There are two concepts for marketing mix: 4P and 7P. It is essential to balance the 4Ps or the 7Ps of the marketing mix. The concept of 4Ps has been long used for the product industry while the latter has emerged as a successful proposition for the services industry.

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<sup>1</sup> Perreault William D, Jr. E. Jerome and Mc Carthy, (2005), *Essential of Marketing*, 12<sup>th</sup> Edition, University of North Carolina, The Mc Graw Hill Companies.

The 7 P's of marketing are product, price, promotion, place, people, process and physical (evidence). The additional 3 P's that got added lately are People, Process and Physical evidence. The first 4 P's are considered the basis of any marketing process. Each of these needs to be carefully looked into to ensure that an appropriate value is assigned to each one of them. It is believed that the success of a product will also vary depending on how well these 4 and now 7 elements can function together in the same conditions.

The last 3 P's are a recent addition to the entire marketing process. Many felt that although most of the success or failure of a product depended largely on its price, product structure and characteristics, promotional efforts and the place the other factors such as people, process and physical evidence could not be ignored. This is because although their contributions do not seem that apparent, they do play a subtle yet critical role in ensuring of the product/service.<sup>2</sup>

This thesis is study base on the marketing activities of product, price, promotion and place because of analyzing the marketing activities of mobile handset shops. The strength of a particular marketing mix depends on two things - how well the target market is defined and how well all marketing decisions are directed toward that marketing.

The major marketing management decisions can be classified in one of the following four categories:

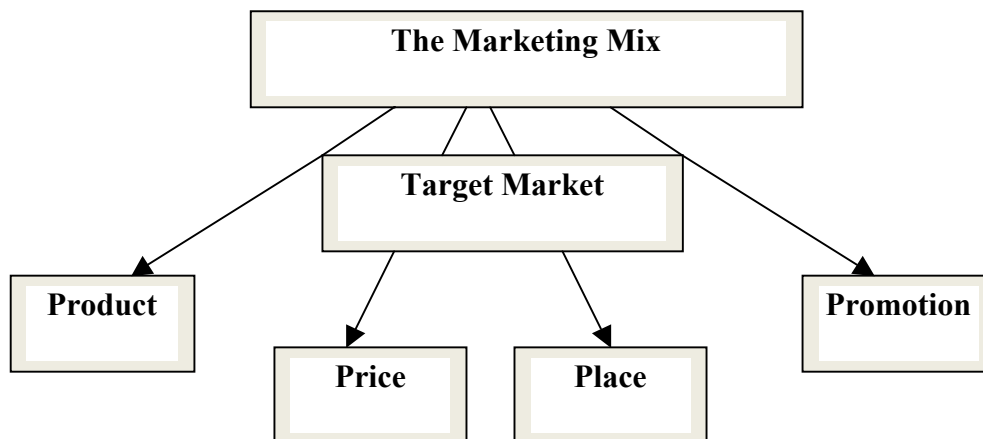
- Product
- Place (distribution)
- Promotion
- Price

These variables are known as the marketing mix or the 4 P's of marketing. They are the variables that marketing managers can control in order to best satisfy customers in the target market. The marketing mix is portrayed in the figure (2.1).

### **Figure (2.1) The Marketing Mix**

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<sup>2</sup> <http://ezinearticles.com/?The-7Ps-of-Marketing-Mix&id=14867212>



**Source: William D. Perreault, Jr., E. Jerome and McCarthy, (2005), 12<sup>th</sup> Edition, Essential of Marketing.**

The firm attempts to generate a positive response in the target market by blending these four marketing mix variables in an optimal manner.<sup>3</sup> Lois Schneider Farese, Grady Kimbrell, and Carl A. Woloszyk may be defined the marketing mix as the following.

The marketing mix comprises four basic marketing strategies, collectively known as the four P's – product, place, price, and promotion. These strategies include the decisions a business must make. The marketing mix is dependent on how well the target market is defined and how well all strategies are directed toward that target audience. Once a target market is clearly identified, it is easier to make decisions regarding strategies that hit the mark.

The four elements of the marketing mix are interconnected. Actions in one area affect decisions in another. Each part of the marketing mix contains countless alternatives. From all of the alternatives, management must strategize a combination of marketing mix decisions that will satisfy target markets and achieve organizational goals.

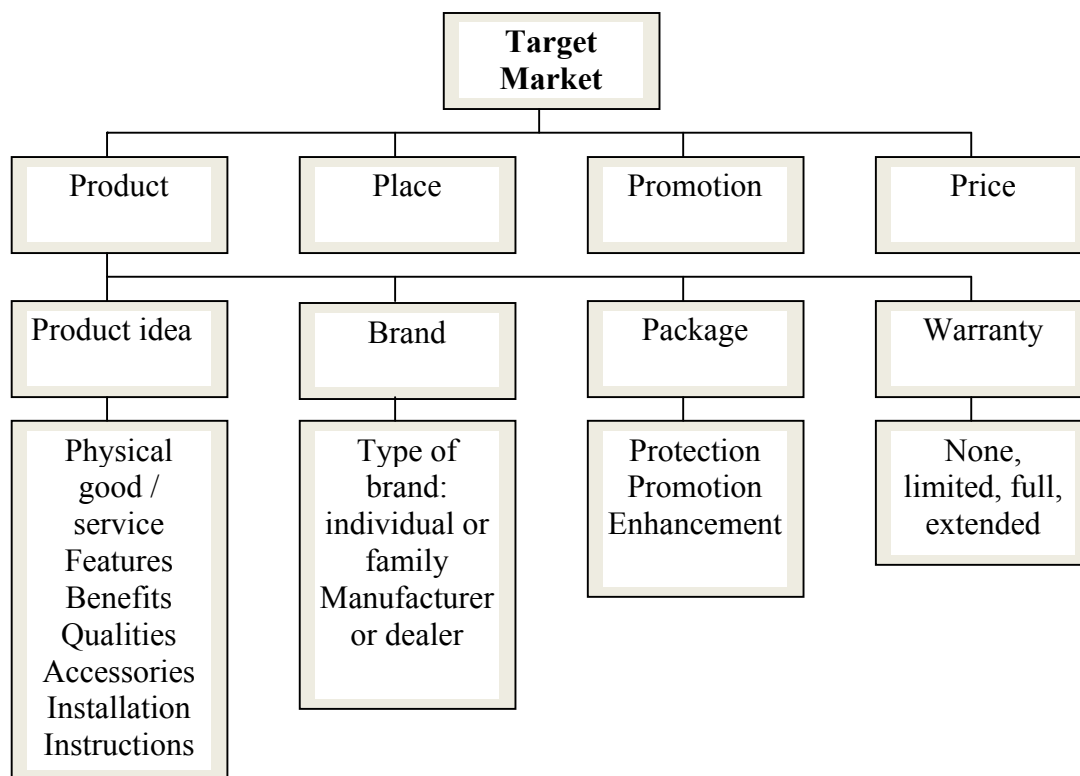
### 2.2.1 Product

<sup>3</sup> <http://WWW.quickmba.com/marketing/mix/>



William D. Perreault, Jr and E. Jerome McCarthy may be defined as the product area is concerned with developing the right “product” for the target market. This offering may involve a physical good, a service, or a blend of both. Figure (2.2) show strategy decisions for products.

**Figure (2.2) Strategy Planning for Product**



**Source: William D. Perreault, Jr. E. Jerome and McCarthy, (2005), 12<sup>th</sup> Edition, Essential of Marketing.**

The idea of “Product” as potential customer satisfaction or benefits is very important. Many business managers get wrapped up in the technical details involved in production a product. But most customers think about a product in terms of the total satisfaction it provides. That satisfaction may require a “total” product offering that is really a combination of excellent service, a physical good with the right features, useful instructions, a conveniences package, a trustworthy warranty, and perhaps even a familiar name that has satisfied the consumer in the past.

Lois Schneider Farese, Grady Kimbrell, and Carl A. Woloszyk defined that product strategies include what product to make, how to package it, what brand name to use, and what image to project. A product is anything a person receives in an exchange. It can be a tangible item (book), a services (haircut), an idea (a good education), or a

combination of all the concepts. So, a product contains its physical features, the seller's reputation, the seller's services, warranties, and the way the product is viewed by people.

Product planning includes making decisions about those features that are needed to sell business's products, services, or ideas. These decisions relate to product features, such as packaging, labeling, and branding, as well as the services, such as product warranties, necessary to support the product.

A brand is a name, term, design, symbol (or combination of them) that identifies a business or organization and its products. Brands are into two categories – corporate brands and product brands. Corporate brands are used not only to identify the business, but also to reflect quality, value, and reliability. They build relationships with customers and support the product brands offered by the company. Effective brands have tremendous value and are well known worldwide. Product brands also are used to connote quality and reliability. These are among a company's most important assets and are powerful in the selling process.

Brands can contain a number of elements that are brand name, brand mark, trade name, trade character, and trademark. A brand name is the words, letters, or numbers representing a brand that can be spoken. Brand-name products usually cost more than similar unbranded merchandise because of higher advertising costs. A brand mark is the part of the brand is a symbol or design. It may include distinctive coloring or lettering. A brand mark is the element of the brand that usually is not spoken. A trade name identifies the company or division of a particular corporation. This is the legal name that a company uses when it does business. A trade character is a brand mark with human form or characteristics. A trademark is a brand name, brand mark, trade name, trade character, or a combination of these that is given legal protection by the federal government.

The use of brand is important in product planning for several reasons. Branding helps build customer loyalty. Satisfied customers can easily recognize a company's products when want to make repeat purchases. Branding is also vital as it addresses new target markets. By simply extending the brand, different markets can be reached. It also helps when introducing new product lines and categories. Customers are more willing to try new products that carry a familiar brand name. Finally, it establishes an image for a product or company. The company's brand becomes a reflection of its target customers.

A package is the physical container or wrapping for a product. It represents the size, shape, and final appearance of a product at the time of sale which makes it important to product planning. It is estimated that 10 percent of a product's retail price is spent on the actual package as well as package development and design. The functions of packaging include promoting and selling the product, defining product identity, providing information, meeting customer need, ensuring safe use, and protecting the product.

A label is an information tag, wrapper, seal, or imprinted message that is attached to a product or its package. Labeling plays a major role in product planning strategy. The information on labels helps customers decide if the product is right for them. The main function of a label is to inform customers about a product's contents and give directions for use. Labels also protect business from legal liability for mishaps involving their products. Fear of litigation, consumer pressure, government regulation, and concern for consumer safety are all factors that have led manufacturers to place more detailed information labels.

Labels consist of three kinds that are brand label, descriptive label, and grade label. The brand label gives the brand name, trademark, or logo. A descriptive label gives information about the product's uses, construction, care, performance, and other features. A descriptive label usually includes statements describing the precise type of product. It does not necessarily always contain all of the information wanted by a customer in making a buying decision. Labels often contain a brand name, logo, ingredients, directions, and special promotional messages.

A warranty is a promise, guarantee, given to a customer that a product will meet certain standards. Typically, these standards apply to materials, workmanship, and / or performance. A guarantee is another term for warranty. The major difference in the use of the two terms is in the promotion of goods and services. Most warranties set time or use limits for coverage and limit the seller's liability. Businesses are not required by law to issue warranties, though most do to convince their customers of their quality products and services. Some companies, notable automobile manufacturers, make warranties a key component of their product advertising. Warranties can be divided into specific types that are express and implied.

An express warranty is one that is explicitly stated, in writing or spoken words, to induce a customer to buy. A written warranty can appear in a number of places – on the product packaging, in the product literature, in an advertisement, or as part of a

point-of- purchase display. All that is required is that the location of the warranty is easily accessible to customers before purchase. The warranty must always be clearly worded so that customers can easily understand its terms. However, spoken warranties even if clearly worded, may not be enforceable unless they are in writing.

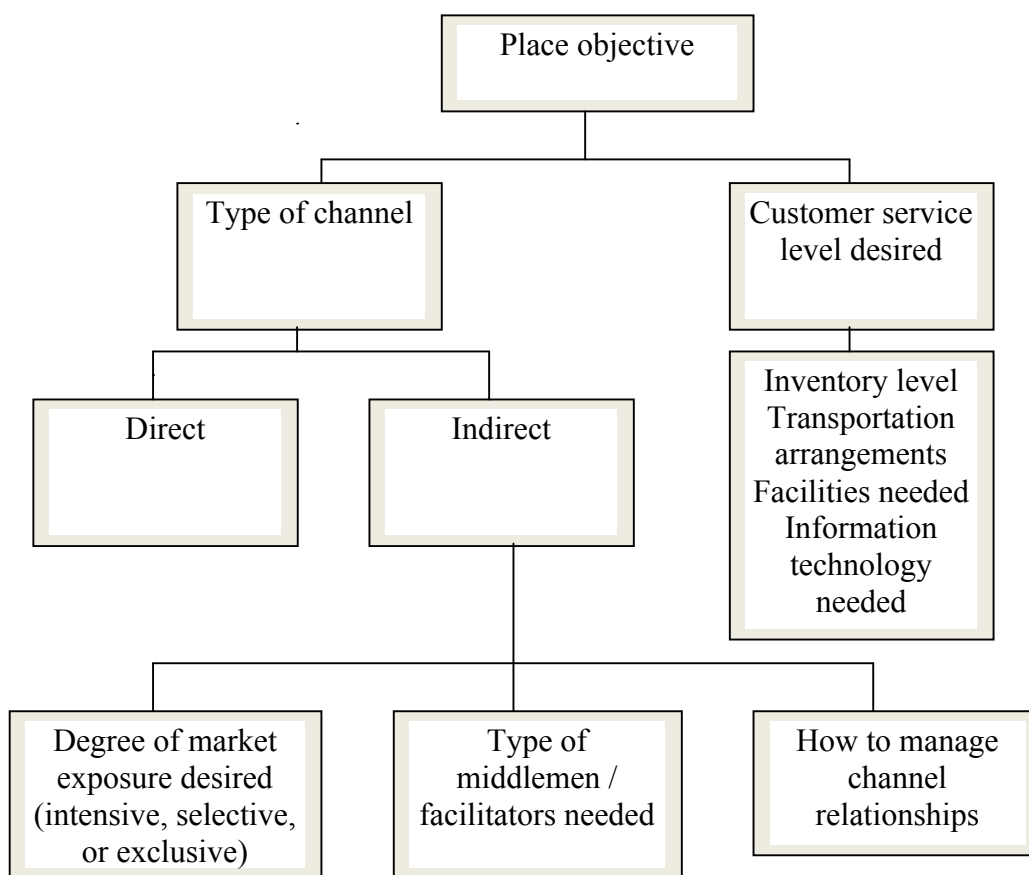
There are two types of written warranties – a full warranty and a limited warranty. A full warranty guarantees that if a product is found to be defective within the warranty period, it will be repaired or replaced at no cost to the purchaser. A limited warranty may exclude certain parts of the product from coverage or require the customer to bear some of the expense for repairs resulting from defects.

An implied warranty is one that exists automatically by state law whenever a purchase takes place. There are two types of implied warranties – a warranty of merchantability and a warranty of fitness for a particular purpose. A warranty of merchantability is a promise from the seller that the product sold is fit intended purpose. A warranty of fitness for a particular purpose arises when the seller advises a customer that a product is suitable use and the customer acts on that advice.

### **2.2.2 Place**

Perreault and McCarthy expressed that place is concerned with all the decisions involved in getting the “right” product to the target market’s Place. A product isn’t much good to a customer if it isn’t available when and where it’s wanted. So when different target markets have different needs, a number of Place variations may be required. Figure (2-3) show strategy decisions areas in place.

**Figure (2.3) Strategy Decision Areas in Place**



**Source: William D.Perreault, Jr. E. Jerome and McCarthy, (2005), 12<sup>th</sup> Edition, Essential of Marketing.**

A product reaches customers through a channel of distribution. A channel of distribution is any series of firms (or individuals) that participate in the flow of products from producer to final user or consumer. Sometimes a channel system is quite short. It may run directly from a producer to final customer. This is especially common in business markets and in the marketing of services. The channel is direct when a producer uses an online website to handle orders by target customers, whether the customers is final consumer or an organization.

On the other hand, often the channel system is much more complex – involving many different retailers and wholesalers. When a marketing manager has several different target markets, several different channels of distribution may be needed. Physical distribution service levels and decisions concerning logistic (transporting, storing, and handling products) relate to the other place decisions and the rest of the marketing mix.

Farase, Kimbrell, and Woloszyk may be expressed that place strategies determine how and where a product will be distributed. To make a place decision, marketers must decide on their channel of distribution. The channel of distribution is the path a product takes from producer or manufacturer to final user. Channel of distribution are classified as direct or indirect. Direct distribution occurs when the goods or services are sold from the producer directly to the customer; no intermediaries are involved. Indirect distribution involves one or more intermediaries. Direct and indirect distribution are both common in the marketing goods. The channel of distribution is more often direct when services are performed by the services business itself.

When the product is bought for use in a business, the final user is classified as an individual user. When the product is bought for personal use, the final user is classified as a consumer. All the businesses involved in sales transactions that move products from the manufacturer to the final user are called intermediaries or middlemen. Intermediaries provide value to producers because they often have expertise in certain areas that producers do not have. Its sell to the final consumer are experts in displaying, merchandising, and providing convenient shopping locations and hours for customers. It also reduces the number of contracts required to reach the user of the product.

Intermediaries are classified on the basis of whether or not they take ownership (or title) to goods and services. Merchant intermediaries take title; agent intermediaries do not. Agent intermediaries or agents are paid a commission to help buyers and sellers get together. Two major types of merchant intermediaries are wholesalers and retailer.

Generally, wholesalers buy large quantities of goods from manufactures, stores the goods, and then resell them to other businesses. They are called wholesalers and their customers are called retailers. They may be called distributors when their customers are professional or commercial users, manufacturers, governments, institutions, or other wholesalers. Two specialized wholesalers are rack jobbers and drop shippers. Rack jobbers are manage inventory and merchanding for retailers by counting stock, filling it in when needed, and maintaining store displays. Drop shippers own the goods they sell but do not physically handle the actual products. Retailers sell goods to the final consumer for personal use. Traditional retailers, called brick and mortar retailers, sell goods to the customer from their own physical stores. These retail stores display, store, and merchandise the products they buy from manufacturers or wholesalers. They serve as

the final link between the manufacturers and customers. They often provide special services, such as offering credit or providing delivery to help solidify customer relationships. Online retailing or e-tailing, involves retailers selling products over the Internet to the customers. People with computers equipped to access the Internet can buy goods directly from e-tailors' Web sites. Unlike wholesalers and retailers, agents do not own the goods they sell. They act as intermediaries by bringing buyers and sellers together.

### **2.2.3 Promotion**

Perreault and McCarthy defined that promotion is concerned with telling the target market or others in the channel of distribution about the "right" product. Sometime promotion is focused on acquiring new customers, and sometimes it's focused on retaining current customers. Promotion includes personal selling, mass selling, and sales promotion. It is the marketing manager's job to blend these methods of communication. Figure (2.4) show basic promotion methods and strategy planning.

Lois Schneider Farese, and Grady Kimbrell, and Carl a. Woloszyk says that promotion is any form of communication a business or organization uses to inform, persuade, or remain people about its products. It is also used to improve the public image of an organization. Promotion strategies deal with how potential customers will be told about the product, what the message will be, when and where it will be delivered, and with what inducements to buy. To achieve promotional goals, it is important to decide on the right promotion. A business decides on the promotion mix that will be most effective in persuading potential customers (wholesalers, retailers, and consumers) to purchase and support its products.

#### **2.2.3.1 Personal Selling**

According to Perreault and McCarthy, personal selling involves direct spoken communication between seller and potential customers. It usually happens face-to-face, but sometimes the communications are occurs the telephone or even via video conference over the Internet. It lets salespersons adapt the farm's marketing mix to each potential customer. But this individual attention comes at a price; personal selling can be very expensive. Often this personal effort has to be blended with mass selling and sales promotion.

### **2.2.3.2 Mass Selling**

According to Perreault and McCarthy, mass selling is communicating with large numbers of customers at the same time. It's less flexible than personal selling, but when the target market is large and scattered, mass selling can be less expensive.

Advertising is main form of mass selling. It is any paid form of non-personal presentation of ideas, goods, or services by an identified sponsor. It includes the use of media like magazines, newspapers, radio and TV, direct mail, and the Internet.

According to Farese, Kimbrell and Woloszyk there are two main types of advertising – promotional and institutional. Advertising designed to increase sales is known as promotional advertising. It introduces new products and businesses, encourages an interest in products, and explains product and service features. It also supports personal selling efforts and creates new markets for a business.

Institutional advertising attempts to create a favorable impression and goodwill for a business or an organization. It does this by providing positive information about a business. Publicity – any unpaid form of non-personal presentation of ideas, goods, or services – is another important form of mass selling. Mass selling may involve a wide variety of media, ranging from newspapers and billboard to the Internet.

### **2.2.3.3 Sales Promotion**

Sales promotion refers to promotion activities – other than advertising, publicity, and personal selling – that stimulate interest, trial, or purchase by final customers or other in the channel. Sales promotion may be aimed at consumers, at middlemen, or at a firm's own employees. It can usually be implemented quickly and get results sooner. In fact, most sales promotion efforts are designed to produce immediate results.

Lois Schneider Farese, and Grady Kimbrell, and Carl a. Woloszyk says that promotion is any form of communication a business or organization uses to inform, persuade, or remain people about its products. It is also used to improve the public image of an organization. Promotion strategies deal with how potential customers will be told about the product, what the message will be, when and where it will be delivered, and with what inducements to buy. To achieve promotional goals, it is important to decide on the right promotion. A business decides on the promotion mix that will be most effective in persuading potential customers (wholesalers, retailers, and consumers) to purchase and support its products.



Sales promotion may be either trade (business – to – business) oriented or consumer oriented. Trade promotions are sales promotion activities designed to gain manufacturers’, wholesalers’, and retailers’, support for a product. More money is actually spent on promoting to businesses than to consumers. Major trade promotions include slotting allowances, buying allowances, trade shows and conventions, and sales incentives.

Sales promotion efforts designed to encourage customers to buy a product are called consumer promotions. Major consumer sales promotion devices include premiums, sponsorships, incentives, product samples, loyalty marketing programs, product placement, and visual merchandising and displays. Public relations and public – It refers to any activity designed to create a favorable image toward a business, its products, or its policies. And publicity is a specified kind of public relations that involves placing positive and newsworthy information about a business, its products, and its policies in the media. It differs from advertising as a promotional tool because it is free.

**Figure (2.4) Basic Promotion Methods and Strategy Planning**



**Source: William D.Perreault, Jr. E. Jerome and McCarthy, (2005), 12<sup>th</sup> Edition, Essential of Marketing.**

## 2.4 Price

According to William D. Perreault, Jr and E. Jerome McCarthy, price must also decide the right Price. Price setting must consider the kind of competition in the target market and the cost of whole marketing mix. A manager must also try to estimate customer reaction to possible prices. Besides this the manager must know current practices as to markups, discounts, other terms of sale.

Marketing managers must develop a set of pricing objectives and policies. They must spell out what price situations the firm will face and how it handle them. These policies should explain (1) how flexible prices will be, (2) at what level they will be set over the product life cycle, (3) to whom and when discounts and allowances will be given, and, (4) how transportation costs will be handled. Figure (2.5) express price related strategy decision areas.

Pricing objectives should flow from, and fit in with, company-level and marketing objectives. It should be explicitly stated because they have a direct effect on pricing policies as well as the methods used to set prices.

Pricing objectives consists of three types as the following;

- (1) Profits oriented objective
- (2) Sales oriented objective
- (3) Status quo oriented objective

Pricing policies usually lead to administered prices – consciously set prices. Instead of letting daily market forces decide their prices, on other words, most firms set their own prices. A marketing manager has decided whether to sue one- price level or a flexible price level.

A one-price policy is offering the same price to all customers who purchase products under essential the same conditions and in the quantities. A flexible-price policy is offering the same products and quantities to different customers at different prices. Price-level policies include two types that are a skimming price policy and a penetration pricing policy which uses over the product life cycle. A skimming price policy tries the top of a market – the top of the demand curve – at a high price before aiming at more price-sensitive customers. A penetration pricing policy tries to sell the whole at one low price.

By Lois Schneider Farese, Grady Kimbrell and Carl A. Woloszyk, Price is the value of money placed on a good or service. Price strategies may be defined as it should reflect what customers are willing and able to pay. Price is an important factor in

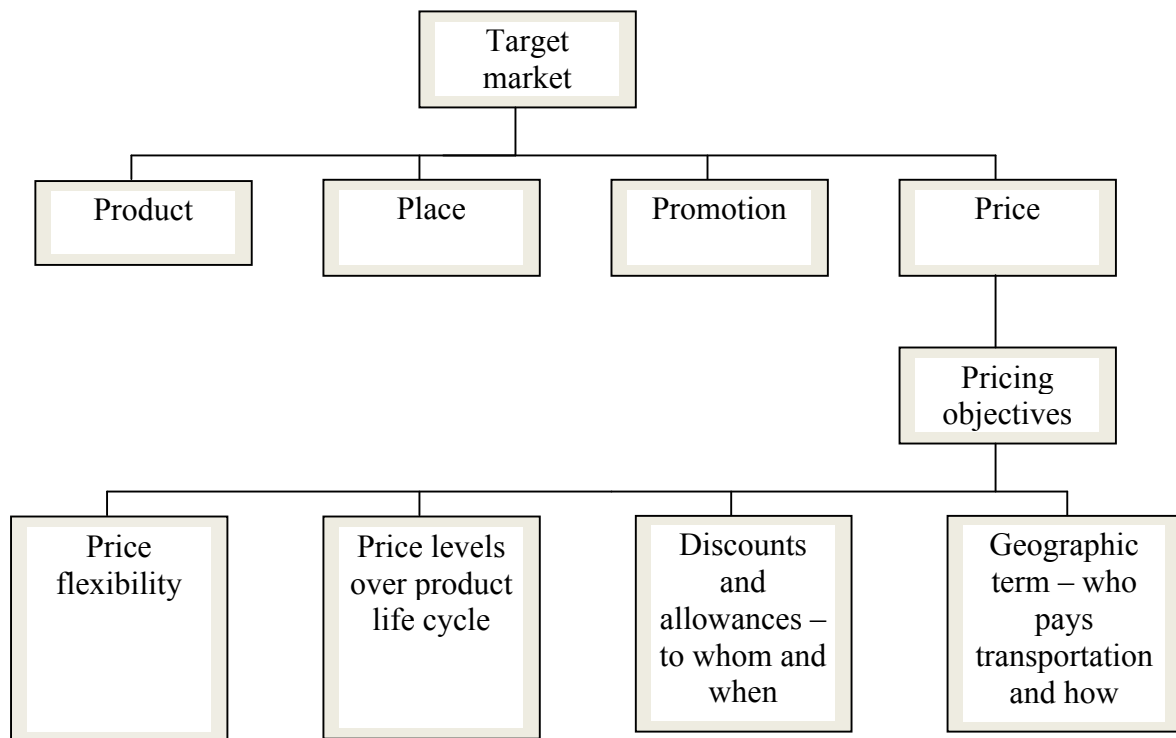
the success or failure of a business. It helps establish and maintain a firm's image, competitive edge and profits.

Basic pricing concepts consists of three concepts that are cost – oriented pricing, demand – oriented pricing and competition - oriented pricing. A basic pricing decision every business must make is to choose between a one – price policy and a flexible policy. Other pricing strategies are skimming pricing and penetration pricing that is use when a new product introduce in the marketplace.

In the cost – oriented pricing, marketers first calculate the costs of acquiring or making a product and their expenses of doing business; then they add their projected profit margin to these figures to arrive at a price. Markup pricing and cost- plus pricing are two of the most common methods of cost – oriented pricing. In the demand – oriented pricing, marketers who use demand – oriented pricing attempt to determine what consumers are willing to pay for given goods and services. The key to this method of pricing is the customer's perceived value of the item. The price set must be in line with this perception or item will be priced too high or too low for the target market. In the competition – oriented pricing, marketers who study their competitors to determine the prices of their products are using competition – oriented pricing. These marketers may elect to take one of three actions after learning their competitors' prices.

Most marketers use all three pricing policies to determine prices. Cost – oriented pricing helps marketers determine the price floor for a product – the lowest price for which it can be offered to make a profits. Demand – oriented pricing determines a price range for the product that is defined by the price floor and the ceiling price (the highest amount consumers would pay). Competition – oriented pricing may be used to assure that the final price is in line with the company's pricing policies. Combining pricing considerations offers a good range within a company can establish its selling prices.

**Figure (2.5) Strategy Planning for Price**



**Source: William D. Perreault, Jr., E. Jerome and McCarthy, (2005), 12<sup>th</sup> Edition, Essential of Marketing.**

These four P's of marketing mix are essential activities in every business. These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response.

## **Chapter 3**

### **Telecommunication Service Systems and Overview of Mobile Handset Markets**

#### **3.1 History of Myanmar Telecommunication Service Systems**

Myanmar post and telecommunication (MPT) is a major provider for Myanmar telecommunication service systems. It is a Government Agency, operating under the Ministry of Communications, Posts and Telegraphs. It was founded in 1884, as a small Department of Posts and telegraphs and has grown into the present day Myanmar posts and telecommunications with approximately 13800 employees of which about 380 are managerial level staff. There are nine major departments operating under respective deputy general managers/chief engineers in the fields of administration, works and inspection, planning, training, stores, finances, automatic telephones, overseas communications and long distance communications. There are main categories of services rendered by MPT are the postal service, telegraph services and telephone services, for both domestic and international communications.

In Myanmar, the first telegraph lines were erected in 1861 and the telephone services started in 1884, there are about 1300 telephone lines in Yangon and in the year that followed had grown considerably and in 1937, links to other 50 towns in provincial areas were established by making use of open wire lines carrier systems, both for telegraph and telephone services.

In the post war period, telecommunication services continue effort to grow and MPT launched a project called Yangon Automation with 4 crossbar switches in Yangon in 1956 and was completed in 1962. By the end of 1962 there were 80 exchanges in the country inclusive of 4 crossbar automatic exchanges in Yangon and the total number of the telephone lines was 14,754.

In the year 1967 the number of telephone had grown to 21,444 and continued to grow ever since. Up to the early 1970's MPT was operating with about 143 exchanges of which 6 were automatic exchange in Yangon. The total number of phones in Yangon at that time was about 17,400 and nationwide was about 22,000 for national long distance communication the first low capacity microwave transmission system was introduced in 1960 in delta area. Other national long distance communication systems at that time were 3 and 12 channel open wire carrier systems. Both international telephones

and telex services during that time chiefly used High frequencies (H.F) radio communication.

In the 1978, MPT launched the first telecommunication development project promoting and improving the telephone services rendered. The project comprises installation of local crossbar automatic exchanges 3 in Yangon 12 in provincial towns including Mandalay the second capital city of Myanmar, installation of 5 systems of 6 GHz 960 channel baseband analog microwave systems, installation of 2 national transit crossbar exchanges one in Yangon and another in Mandalay, installation of standard B satellite earth station with one Supervisory Process Control (SPC) international gateway switch and implementation of one SPC telex switch in Yangon.

The first telecommunication development project had brought in subscribes trunk dialing facilities as the first time to eight towns in Myanmar including Yangon and Mandalay. The standard B satellite earth station with capacity of 60 Single Channel Per Carrier/Immediate Data Rate (SCPC/IDR) circuit had direct connection to six countries at that time.

In 1985, MPT implemented the second telecommunication Development project which completed in 1987. The second project enhanced the first by the installation of 13 new exchanges 3 in Yangon and 10 in provincial towns. Unlike the first project, the exchanges installed during the second project were digital electronic exchanges. During this period 2 new microwave systems were also implemented. The second project raised the total number of telephone exchanges installed to 243 and the total number of telephones to 73203.

Local automatic exchanges, national transit exchanges and microwave routes together with Ultra High Frequency/ Very High Frequency (UHF/VHF) link, implemented during the first and second telecommunications development projects provided Subscribers Trunk Dialing (STD) services to 20 towns including Yangon and Mandalay. These two development projects contributed significant telecommunication services for the promotion and strengthening of the socio- economic situation of the country. The funding of two projects came from the credit of the World Bank.

The project for the implementation of eight digital automatic exchanges in eight provincial towns was initiated in 1987 with the cooperation of a grant by the Japanese Government. The project was suspended in 1988 after the installation of the switches in four towns without the outside plant network. MPT using available materials

was able to construct the outside plant and commissioned the 4 exchanges and outside plants cable networks are still being suspended.

The project for the establishment of standard A satellite earth station and new International gate way switch was also initiated in 1987 with the cooperation of Overseas Economic Cooperation Funds (OECF) Japanese Yen Loan. The project was also suspended in 1988 after Knowledge Discovery and Data Mining (KDD) had completed the survey works just before September 1998.

### **3.2 Existing Telecommunication Service Systems**

In Myanmar, MPT is making continuous efforts to develop telecommunication infrastructure and it aware the fact that communications provide an essential tool for the administration, economic, social, and cultural development in telecommunication sector truly supports the growth in economy, boosting up of the productivity, accelerating in agriculture outputs, greater transportation efficiency and social equity.

December 2005 statistics showed the figure for telephone exchanges as 848 and number of telephones as 482,128 inclusive of Public Switch Telephone Network (PSTN), cellular mobile telephone, Time Division Multiple Access and Code Division Multiple Access Wireless in Local Loop (TDMA and CDMA WLL). The present number of telephones of 482,128 for 54.31 million inhabitants brought the telephone density of the country as 0.889 per 100 inhabitants.

To enhance the capabilities of national long distance telephone service in the strategic border areas, domestic satellite earth stations were implemented starting from 1991. Very Small Aperture Terminal (VSAT) systems were introduced in later days. The successful implementation of domestic satellite communication systems and VSAT brought in special contribution to the development of social and economic activities of the people, especially for those living in remote and far-flung areas of the country. In December 1993, cellular mobile telephone system (Analog AMPS 800) was first started in Yangon.

Addition and upgrading for 5000 units by introducing of Digital AMPS system in Mandalay for initial 1000 units is completed and the capacity is now fully occupied. For international communication MPT had continued using standard B earth station fill February 1994 with 60 telephone channels connected to seven countries.

MPT launched standard A satellite earth station with new international gateway switch in March 1994 and the system was operating with 866 digital voice grade circuits destined to 16 via gateways (14 countries) at the end of March 1999. The introduction of standard A earth station and new international gateway switch enabled MPT to provide easy access to International Direct Dialing Service. The system can now be expanded up to 1020 international trunks.

As the new international gateway switch is a combined digital switch type, this is also used as a national transit switch in Yangon by implementing one local-cum-national digital transit switch in Mandalay. MPT had established second transit route in between Yangon and Mandalay and thus smooth connections of transit calls were realized.

Starting from early 1995, MPT had introducing (WLL) Wireless in Local Loop automatic radio telephone system (TDMA) for 100 telephones in Yangon and 700 telephones in delta areas 500 more telephones were added in Yangon during the same year together with 250 telephones in Bagan. In addition, MPT in 1996 installed card phones in Yangon and Mandalay and plans to bring in more incoming years. Digital European Cordless Telecommunications (DECT) radio system is also introduced in 4 towns and altogether 2900 lines used in those towns.

MPT has achieved a considerable growth during the last eight years period; but it is still far from fulfilling the ever growing demand for all kinds of telecommunication services and MPT will go on planning for the modernization of the existing services. Such plans will constitute utilization of up to date technology telecommunication equipment for new installations and phasing out the existing old manual exchanges and analog equipment.

In 17-10-97, MPT commissioned CDMA radio telephone system. Myanmar is a first to introduce this new technology in Sought- East Asia. The system was started in Yangon equipped with a total of 3,000 telephone instruments. Expansion for 20,000 including, 3,000 for mobile applications has been done. In fact MPT is using limited fund for the expansion of its network. Some of the works were carried out by making use of fund raised by the public in some areas. MPT is now operating Internet E-mail service 138 leased line users and 5,510 dial up users in Yangon and Mandalay.

The present international gateway switch and the standard A satellite communication are the only available system to be linked with other countries. GSM system contracted 70,000 in Yangon and 30,000 in Mandalay.



MPT is now commissioning digitization of existing analog exchanges in Yangon, Mandalay, Tangoo and Pyay (Total 55,000 lines) with Shanghai Bell Co.,ltd. In the last few years, the upgraded system will be based on the existing GSM network, that the introducing of 3G WCDMA (Wideband Code Division Multiple Access) system is represents Myanmar's entry into new phase of its mobile phone system. Moreover, Myanmar has planned full coverage of public access centers (PAC) in every township in the facilitate communication links. There has been over 400 PAC opened in 44 townships in Myanmar since 2004.

Myanmar had 135,664 mobile phones end at the 2005. Yangon had 112,792 or 83 percent, while Mandalay 16,355 or 12 percent of the total of phones in the country's 14 states and divisions. The number of GSM mobile phones in Myanmar hit 375,800 in 2008 up from 211,812 in 2007. Other phones such as CDMA stood at 205,500 in numbers as of the year, while auto- phones went to 133,344, the figures show. In 18, Jan 2009, Myanmar now has 416,000 telephone lines and 63,150 mobile phones.

### **3.3 International Mobile Handset Markets**

Traditional mobile phones only satisfy the communication needs of people, but latest mobile handsets are equipped with advance technology which satisfies entertainment needs too. Cell phone companies work really hard to increase the market share and revenue.

Due to high competitive market, it is not an easy task to attract consumers towards the products. In order to draw the attention of maximum consumers, companies keep offering different mobile offers. All leading brands are manufacturing best handsets in terms of look, quality, performance, design, etc. it has become very difficult for consumers to choose a brand because every product is very much similar with other products in terms of features, design, and quality. In order to offer something extra to consumers with cell phone, companies are introducing new mobile offers. These offers include free line rental, free minutes or text, download, mobile insurance or accessories, mobile handset, music player, video games and many more. All top mobile manufacturers HTC, Nokia, Black Berry, Samsung, Sony, Motorola and 3G etc, provide the cheap mobile deals with lucrative offers.

### **3.3.1 Nokia Mobiles**

Nokia mobile is one of the leading players in mobile communication. It has many first to its credit, the first company to introduce its mobile services in Asia Pacific region in 1985s. With an established business and expanding brand, Nokia mobiles have touched millions of hearts with its exclusive models. Along with quality products, Nokia provides superior customers service and support all over the globe.

Nokia holds its corporate office in Singapore, with firm base all over the world. All the discoveries of Nokia are taken out in its research centre at research unit in Japan and China. Leading ahead its wide network of business and addressing to new business areas, Nokia provides its consumers with the technology that everyone loves to say connected.

The only company which has highest number of users and most competitive models in the market is Nokia. Nokia mobiles are mainly functional on WCDMA, GSM, CDMA and TDMA technologies with rich and advanced features. Nokia mobiles are integrated with special multimedia features like picture imaging, gaming, music player, media and attractive mobile enhancements.

### **3.3.2 Sony Ericsson Mobiles**

Sony Ericsson is a joint venture established in 2001 by the Japanese consumer electronics company Sony Corporation and the Swedish telecommunications company Ericsson to make mobile phones. Both companies have ceased making their own mobile phones. The reason for this merger is to combine Sony's global consumer marketing expertise with Ericsson's technological leadership in the communications sectors.

Ericsson was forced to close down following a fire in Philips chip factory but was saved by Sony corporations and as a result they joined hand. Sony Ericsson mobiles in India announced its first join products in March 2002 and now have a full product portfolio covering all target groups.

Its first series was t series which included low budget phones. Its J series has good sound quality; they are amazingly small and are without camera. Sony Ericsson recently introduced the Walkman-brand W series music phones.

### **3.3.3 Motorola Mobiles**

Motorola mobile is an international communications company with its India headquarters at Gurgaon, Haryana. It has research and development offices at Bangalore and Hyderabad. Motorola mobiles in India has three business heads viz enterprise mobile solutions, home and network mobility and mobile devices. Motorola's interests include mobile handsets, wireless, trunking and two way radios, broadband services, software development, and applied research and development in related areas. Motorola successfully markets a range of mobiles in major cities and metros in India. Globally, Motorola is a fortune 100 company and a leader in providing integrated communications solutions and embedded electronic solutions. Motorola mobiles constitutes of 10 % of the global mobile market (2008).

### **3.3.4 Blackberry Mobiles**

The blackberry is the world's most desired integrated communication device manufactured by the Canadian research company Research in Motion. This device supports push email, mobile telephone, internet faxing, and web browsing. Though the original device had a monochrome display, the current models have color displays. Using blackberry Smartphone, now be constantly accessible on mail, talk on phone and surf the internet at the same time, schedule and coordinate appointments in the middle of meeting, raise approval request, log in orders, update business database and stay connected to colleagues, customers, friends and family from anywhere, anytime. The blackberry mostly requires access to mobile wireless networks to send and receive email, for which it initial become very popular. These devices are amongst the most sophisticated handheld devices available today in the markets.

### **3.3.5 Samsung Mobiles**

In India, Samsung mobiles are managed by SAMSUNG Telecommunications India (STI), a design and technology leader in the mobile market. In Sync with its thrust on introducing innovative, consumer oriented, breakthrough technology products, Samsung announced its new brand positioning for Samsung mobiles, which are reflected in its new, spunky, tagline. It is being used in all of Samsung mobiles communication material. Samsung is the largest conglomerate in South Korea and a large multinational corporation, making it one of the leading companies in the world. Headquartered in Suwon, South Korea, it currently has operations in over 100 countries. The name Samsung in fact means 'three stars' in Korean. Samsung's business is actually composed of three different conglomerates units under one Samsung Group. Samsung Electronics is part of the business conglomerate. Samsung Electronics is also the world's largest electronics company.

### **3.3.6 HTC Mobile**

HTC is a global company based in Taiwan, which manufactures mobiles handsets. It was founded in 1997 by Cher Wang, who is now the chair person of the company. HTC mobiles is one of the fastest growing companies in the cell phones sector and has established unique partnerships to emerge as the leading company in mobile communication. HTC mobile have been instrumental in launching its own branded products since the past year and a half, and has introduced dozens of HTC branded products globally.

### **3.3.7 3G Mobile**

Mobile technology with high-tech infrastructure networks, handsets, base stations, switches and Mobile Phones, Speed of to up to 2 Megabits per second). 3G will work over wireless air interfaces such as GSM, TDMA, and CDMA. Over eight years after third generation (3G) mobile technology made its commercial debut in Japan, in December 2005, 100 3G networks were operating in 40 countries, according to the Global Mobile Suppliers Association. All major mobile companies likes Nokia, BlackBerry, Samsung, O2 and Apple have launched sophisticated 3G mobile phones.

In October 25, 2010, the vibrant global telecommunications industry has faced many challenges over the last decade including regulatory and technology changes,

a severe industry downturn, consolidation, market saturation, declining prices and major inroads by mobile services.

In recent times the focus has been primarily on surviving the economic downturn. While the various sectors that comprise the global telecommunications industry have been impacted upon in different ways; as a whole the industry has been quite resilient when compared to some other industries. In particular, growth in the mobile and fixed broadband sectors has continued and mobile subscriber penetration now sits at around 70% on a global level. The use of mobile data and mobile broadband services has also grown due to capped data packages, strong competition, smart phones and increased 3G penetration.

The next phase of mobile technology and services rests upon the development of wireless broadband and in particular the 4G technology, Long-term evolution (LTE). In the interim however, mobile users continue to utilize the 3G and 3.5G (HSPA) services on offer and there are around 650 million 3G and 3.5G subscribers worldwide. Technology of mobile telecommunications more and more advanced since the last few years in the markets. Most customers wish to purchase the latest handsets including advanced technologies, functions and designs. Competitors more emerged in the marketplace because expending the mobile handset markets.

So, the latest Business Monitor International report take about the mobile handset markets that showed Nokia make up 39% of the market, dropping handset share of network traffic from 46% in January, 2009. Samsung currently holds 33% of the market, and rose from 20% in January, 2009. The iPhone made its entree into the market, but only contributes 0.06% of the total network traffic, making it a relatively small but growing player. Several aspects make the South Africa market very different from European or North America markets, including cultural and sociological factors. According to the top five mobile handsets by market share in South Africa are as the following;

|    |                    |       |
|----|--------------------|-------|
| 1. | Samsung SGH – E250 | 9.16% |
| 2. | Samsung A110       | 4.93% |
| 3. | Nokia N90          | 4.54% |
| 4. | Nokia N70          | 2.93% |
| 5. | Samsung M620       | 2.60% |

Handset sales in first quarter of 2010 were higher than expected, due to a strong growth in global smart phone sales and also the continuing uptake of unbranded low cost mobile devices in emerging markets. China surpassed the number of fixed-line subscribers in 2003. The costs of data services, inadequate network speeds and inferior mobile interface initially held the mobile broadband/data market back. But as some of these issues are slowly resolved; the mobile broadband market is finally gaining momentum. By the end of 2010 there will be well over 500 million broadband subscribers worldwide.

The share of new Indian and Chinese brands in India's handset market increased to 33.2% in the second quarter of 2010, up from 17.5% from the fourth quarter of the last year. These brands have made headway by offering low-cost, entry-level phones with features relevant to Indian users.

Global handset shipments reached 324 million units worldwide in four quarter of 2009, surging 10% from 294 million units a year earlier. This was the handset market's first quarter of positive growth since 2008, signaling an end to the industry's year-long recession. South Korean vendors Samsung and LG again shipped record volumes, while Motorola and Sony Ericsson edged their way back toward profitability.

Nokia was a surprise package, registering better-than-expected sales as demand soared for its high-end smart phones. Apple maintained global share near its recent high of 30%. Full-year handset volumes reached 1.13 billion units in 2009, shipping 4% from 1.18 billion during 2008.

Nokia shipped a huge 126.9 million handsets worldwide in four quarter of 2009, jumping 12% from 133.1 million units in four quarter of 2008. It was a solid performance and Nokia's best set of handset results since the first half of 2008. Nokia's handset volumes remained weak in North and South America, and Europe was a little soft, but this was offset by a storming performance in China, Asia and Africa.

Nokia's global smart phone shipments leapt 38% year-over-year, its best result in this high-value segment since the first half of 2008. Marketers estimate Nokia was able to grow its share of the lucrative smart phone market to 39%, despite fierce competition from Apple and others. Nokia has outperformed in smart phones, but longer-term challenges still remain, including below-average share of the high-growth touch screen market and a tiny presence in the influential US market.

Samsung shipped a record 69.0 million handsets worldwide during the fourth quarter of 2009, up an above-average 31% from 52.8 million units a year earlier. Samsung maintained its global market share at an impressive level of 21%. The company surpassed 200 million units during the full-year for the first time in its industry. Touch phone models were the key to Samsung's high-end growth in 2009, but marketers expect the vendor to switch some of its focus to Bada/Android smart phones and the Samsung Apps initiative in 2010.

LG shipped an all-time-high 33.9 million handsets worldwide in four quarter of 2009, up 32% from 25.7 million units in four quarter of 2008. Its market share remained in double digits, at over 10%. The South Korean vendors Samsung and LG captured almost one-third of the entire global handset market between them. Handset operating margin for LG slid to 2% in four quarter of 2009, down sharply from 9% in the previous quarter. LG's costs-control mechanisms still have room for improvement. Shipments to North America, South America, Europe, Africa and Asia were healthy, while sales in its home market of South Korea were a little soft.

Sony Ericsson shipped 14.6 million handsets worldwide in four quarter of 2009, a largely expected 40% decline from 24.2 million units a year earlier. The vendor's market share dipped to well under 5%, the lowest level for seven years. Sony Ericsson shipped just 57 million units worldwide during full-year 2009, almost half its peak of 103 million in 2007, and the company's smallest annual total since 2005 when it sold 51 million handsets.

Sony Ericsson continues to refocus on value as much as volume. Operating margin, excluding restructuring charges, was minus 2% in four quarter of 2009, a tangible improvement over the past year's average of minus 12%. After the slashing thousands of jobs and trimming producing capacity across the global, Sony Ericsson has rightly become a leaner organization and its chances of finally returning to profitability in the next 1 to 2 quarters have increased.

Motorola shipped just 12.0 million handsets worldwide in 4 quarter of 2009, the lowest quarterly volume since 1 quarter of 2001. Motorola and Sony Ericsson have been the highest-profile casualties of the handset recession, each shedding 4 to 5 points of global market share over the past 18 months. Both firms developed inadequate 3G handset portfolios, enabling rivals like LG and Apple to seduce operators with more attractive offerings. Motorola, like Sony Ericsson, has been feverishly cutting costs to

restore profitability. The vendor is making progress, with a target to be profitable by 4 quarter of 2010. Motorola's operating margin for its handset division, excluding one-off charges, has improved from minus 20% in 4 quarter of 2008 to minus 6% in 4 quarter of 2009, the best showing since 3 quarter of 2007.

Apple shipped a record 8.7 million smart phone worldwide in 4 quarter of 2009, almost doubling from 4.4 million units a year earlier. Its market share stood at 2.7% worldwide in 4 quarter of 2009. Key markets for the iPhone 3GS included the US, UK, France, Japan and South Korea. The HSDPA-enabled 3GS model has been the most important factor in driving Apple's surging growth.

Since the 3GS launch in mid-2009, Apple's global smart phones market share has risen eight-fold in a little over 18 months. Apple unveiled the iPad multimedia tablet in January 2010, which will complement the iPhone. The 3.5G handset category is the fastest-growing segment among all the models announced by vendors. 56% of handsets models in 2009 were 3.5G- ready devices, while the number of 2G and 2.5G models dropped in comparison.

GPS handset has secured a solid position in the automotive segment and is gaining traction in mobile handsets, becoming a hot wireless connectivity application for smart phone designers and manufacturers. The penetration rate in new models reached 48% in 2009 compared to 29% in 2008.

After 4 quarters of market contraction, vendors sold 324 million handsets worldwide during the holiday season of 4 quarter of 2009, rising 10% from 294 million units a year earlier. This was the handset market's first quarter of positive growth since 3 quarter of 2008, signaling an end to the industry's year-long recession. The higher handset sales were driven by a combination of better GDP growth, increasing consumer confidence, ongoing operator restocking and a steadily pipeline of high-profile handset launches from major brands such as Nokia and Samsung. Although the overall global handset outlook has improved, the regional picture remains mixed in parts, with some region, such as South America and Eastern Europe, still showing signs of weakness.

Strategy analytics forecast 265 million handsets to be shipped worldwide in 4 quarter of 2009, growing 8% from 245 million units 1 quarter o 2009 and continuing the industry's broadly upward trend into the new year.

In 29-10-2010, the entrance of Apple to the five vendors ranking underscores the increased importance of smart phones to the overall market. Moreover,



the mobile phone makers that are delivering popular smart phone models are among the fastest growing firms.

Nokia still leads all vendors by a significant margin for converged mobile devices and mobile phones as a whole. However, Nokia's grip on the traditional mobile phone market has been somewhat loosened, as multiple Chinese vendors have gained ground, especially within emerging markets. To bolster its overall competitiveness, Nokia has been focused on improving its smartphone offerings.

Samsung also found pastures new in South Korea while Huawei, Lenovo, and ZTE launched devices in several markets. In Japan, mobile handset market growth was driven primarily by domestic vendors Sharp, Panasonic, Fujitsu, and NEC. Back in Europe, the market's growth was largely attributable to smart phones, which grew as a result of the iPhone 4 and Android-powered devices from HTC and Samsung. Demand was also stoked by large operator device subsidies that helped to keep consumer interest in smart phones high. At the same time, the CDMA handset market grew slowly in 3 quarter of 2010.

LG Electronics missed its 3 quarter of 2010 total mobile handset and smartphone shipment growth targets, resulting in an overall double-digit shipment decrease when compared to the same quarter one year ago. LG has yet to make a significant impact in the smart phone category unlike its competitors. And Sony Ericsson, which shipped 10.4 million units in 3 quarter of 2010, fell off the Top 5 list for the first time since the Tracker was conceived.

In 25-11-2010, Smartphone- or feature-rich handset that can support multi-tasking, mobile office, mobile internet, push mail and run different kinds of applications- is the fastest-growing category in the world's fastest-growing mobile phone market. An entry-level smart phone now costs just about Rs 6,500 down from Rs 12,000 last year. And handset makers such as Nokia, Samsung, LG, Dell, Black Berry and HTC say the prices will plunge further next year on higher volumes as more people access the internet on mobile and the new third-generation (3G) mobile telephone, which brings high-speed internet and live video streaming to handsets, kicks in.

According to industry estimates, the penetration of smartphones in India has grown from 1% of the total market in December 2009 to more than 4% now. And this is expected to more than double by end-2011. Samsung too plans to introduce lower-priced models with the hope of cornering a 40% share in the smartphone market by the year-end—a rather ambitious target given that as of September it had only 12% market

share in smartphone. The average selling price of smartphones has dropped from Rs 19,000 in 3 quarter of 2009 to Rs 13,000 in the 1 quarter of 2010 to around Rs 10,000 now.

From factors; in 2009, the bar form factor led the market, accounting for 51% of announced handset models, followed by slider handsets at 27%. After a long decline, clamshell handset models picked up 19% market share among announced models. Global handset shipments total approximately 1.15 billion in 2009, with enhanced phones and smartphones capturing approximately 81% of all handset shipments.

The summary about the global handset market share and forecast are as the following;

Global handset shipments to rise from 1.20 billion in 2009 to 1.43 billion in 2011. Although global handset shipment growth was negative in 2009, 2010 has so far seen robust shipment growth announcements from vendors. Handset model are forecasting annual growth rates of 8% - 10% over the forecast period, 2010 – 2011. Nokia will maintain market share of above 35% over the next years. Samsung's market share will be increasing over the forecast period. Top handset suppliers in the global market are Nokia, Samsung, LG, Sony Ericsson, Motorola and Research In Motion. The largest vendor by shipments continues to be Nokia. So Nokia will have a market share of 36.3% in 2011, with handset shipments of 518.3 million in 2011. Samsung will increase its market share from the current 19.9% to 20.5% in 2011, with handset shipments of 293 million by the end of the next year. Asia Pacific is the largest regional handset market.

Middle East, Africa and Asia Pacific will experience faster growth than other regional handset market over the next two years. Over 40% of the global handset shipments are for the Asia Pacific market. The regional share of the global handset shipments will be approximately 45% in June 2010. The emerging markets in Middle East and Africa will see their shares in the global handset market increase over the next eight quarters. Handset shipments in North America rise to 182.6 million in 2011. Samsung is the leader in the North America mobile handset market. In North America (United States and Canada), the top-6 handset suppliers are; Samsung, LG, Research In Motion, Motorola, Apple and HTC. The market dynamics in North America are clearly different from the overall global market where Nokia is the dominant leader. Samsung will have handset shipments of 50.9 million in North America in 2011 (market share of 28%). Current market share of Nokia is 6% in the North America in long way to go before it can start displacing the market leaders there.

Handset shipments in South and Central America are Nokia, LG, Samsung, Motorola, Sony Ericsson and Alcatel. The Nokia will ship 36.7 million handsets in 2010, taking market share of 32.4% in this regional market. LG and Samsung will each have handset shipments of approximately 23 million in 2011, tied neck and neck for the second place spot in this regional market. Handset shipments in Western Europe rise to 223.5 million in 2011. Nokia and Samsung together continue to have a dominant market share lead in Western Europe. The top 6 handset suppliers in Western Europe are; Nokia, Samsung, Sony Ericsson, LG and Apple. Nokia will ship 73.2 million handsets in Western Europe in 2011, taking market share of 32.8%. The Samsung will have handset shipments of 59.6 million in 2011, taking market share of 26.7%. Mobile handset shipments in Eastern Europe to raise to 123.2 million in 2011.

Unlike the other regional markets, small suppliers have very little market share in Eastern Europe; Nokia, Samsung, and LG, together with Sony Ericsson continue to take above 95% market share in the Eastern European handset market. Nokia handset shipments in Eastern Europe will rise to 66.4 million in 2011, taking market share of 54%. Samsung will ship 32.9 million handsets in 2011, taking market share of 26.7%. Handset shipments in Asia Pacific to rise to 617.8 million in 2011. Top 6 handset vendors in the Asia Pacific region are; Nokia, Samsung, ZTE, LG, Sony Ericsson and Huawei. Nokia is the 1 supplier in both China and India. Nokia's handset shipments in Asia Pacific will rise to 222.6 million in 2011 (market share of 36%). In Japan, the top 3 handset suppliers are Sharp, Fujitsu, and Panasonic. Sharp will continue to have approximately 24% market share in the Japanese market. In South Korea, the top 3 handset vendors are Samsung, LG, and Pantech & Curitel.

Samsung's handset shipments in Middle East and Africa rise to 167.8 million in 2011. Nokia will continue to be the dominant leader in Middle East and Africa. Nokia has handset market share of over 60% in Middle East and Africa. The Nokia will ship 28.4 million handsets in this region in 2011, taking market share of 63.6%. The second largest vendor is Samsung. Samsung's handset shipments will raise to 8.7 million in 2011 (market share of 19.4%). The worldwide number of mobile subscribers is forecast to be 8.13 billion by the end of 2014; this is almost double the figure at the end of 2009 of 4.62 billion. Emerging markets offer significant long-term opportunities from low-income users transform their social standing, impacting local economies and so driving future revenues. Handsets manufacturers, including Nokia, are striving to make their products as affordable as possible, offsetting losses from ultra low-

cost handsets with revenues derived from access to software-based services. Business Monitor International (BMI) expects handset shipments to increase by 13.9% in 2010; this is above the industry consensus which puts annual growth at just under 10%.

### **3.4 Overview of Myanmar Mobile Handset Markets**

In Myanmar, mobile handsets have only been introduced in the last 16 years, with CDMA launched in 1997, followed by GSM and CDMA450 in 2002, respectively. With strict controls in place by the government on mobile ownership, its relative expensiveness compared to the average wage packet and limited investment has meant that the development of the mobile sector has occurred at a slow pace.

Mobile handsets are a rage today, they are status symbol. Mobile phone is not only a necessity but like an expensive jewelry item everybody likes to show off. It also symbolizes who is more technology savvy, especially youngster race on getting the latest and most updated model with best features. The number of mobile users is going to double from what it is today in the next few years so all the mobile companies. Motorola, LG, Nokia and Sony Ericsson are offering their customers vibrant mobile handsets with improved technology and latest features.

Introduced in 2000, mobile handsets were initially chosen for their quality of reception. According to the dealers, the most popular brands of handsets in Myanmar are Nokia, Sony Ericsson, Samsung and Motorola. The biggest selling format in mobile phones is the GSM, of which Samsung and Nokia are the most prominent brands. In 2003, Myanmar government has so far issued 25,000 mobile phone licenses to the public. Mobile internet services are also set to be launched in August 2009 by the state-affiliated Information Technology Central Services (ITCS) in partnership with MPT. Customers will have to register their handsets with authorized mobile phone retailers before accessing the service, which will allow the sending and receiving of e-mails using Google's Gmail, Yahoo! Mail and Hotmail accounts.

Underlining these recent developments in Myanmar's mobile market is the government's aim to acquire greater revenues from the sectors. More importantly, perhaps, its decision to open up the market and allow for mobile internet services, which certainly in the past would not have been considered, is a sign of the times, with the country's economy struggling.

Prices of the handsets must be defined according to the functions of the handset – whether they have color display, video camera messages, SMS (Short Message Service), or a fancy design. Prices for handsets start at kyat 130,000. But after the market began expanding rapidly in 2005, increasing emphasis has been placed on advanced features and the style of handsets – so much so that handsets were becoming a form of jeweler.

Out of the whole country, about 5-10 percent of handsets fall into the kyat 70,000 to 80,000 range. But the proportion of handsets worth kyat 100,000 to 150,000 has jumped to about 50% in 2006-07, compared to 35% in 2004-05. In Yangon Division, Nokia handsets occupy 30-35% and Sony Ericsson is about 15% of the handset market.

90% of young customers preferred handsets with new designs, up-to-date technologies and functions. Portable mobile handset costs between kyat 65,000 and 900,000 that are depending on the brand, model and available functions. But some buyers are typically looking for cheaper handsets between kyat 40,000 and 100,000, which are generally made in either Singapore or China. During the event, the best sellers were China-made ZTE brand handsets. The cheaper handsets had proven popular because most prepaid card buyers were not looking to invest in an expensive handset when the cards can only be used once.

During 2009, delays in issuing new SIM cards has cut mobile handset sales by half compared to the onset of the rainy season. Though plenty of handsets are available on the market, the SIM card has to be issued by Myanmar Post and Telecommunications (MPT) through an auction process. Sales are cold – down by 5 percent compared to last May, 2009. It's because the SIM card licenses have not yet been. The whole market depends on the granting of SIM cards. Sales will recover only when they are issued.

Myanmar-based Central Marketing Company, together with state-owned incumbent Myanmar Post and telecommunications (MPT), is due to release a disposable prepaid SIM card for CDMA450 mobile handsets. It will offer potential subscribers the opportunity to forgo paying the government-imposed licenses fee for CDMA450 handsets, priced at US\$ 1,401. Expected for commercial development in June 2009, the CDMA450 would be valid for a period of two months, with prices on a par with those charged for GSM. A disposable prepaid card for GSM was launched in December 2008. Outgoing calls in Myanmar are charged at 30 US cents per minute, incoming calls at 5

US cents per minute, while calls to Thailand and Singapore are 90 US cents per minute and all other international calls cost US\$ 1.50.

While the CDMA 450 MHz phones are popular in coastal areas, the Yangon mobile market depends on GSM sales. Most customers buy the GSM, at prices ranging kyat 100,000 to 200,000, and the Nokia models 513, 1300, 6303, 2800 and N97 are also popular now. The mobile market normally slows down during the monsoon, from June to September, before rising in advance of the Thadingyut festival season. Sales also rise up in April when the MPT grant a lot of SIM card licenses before closing out the budget year.

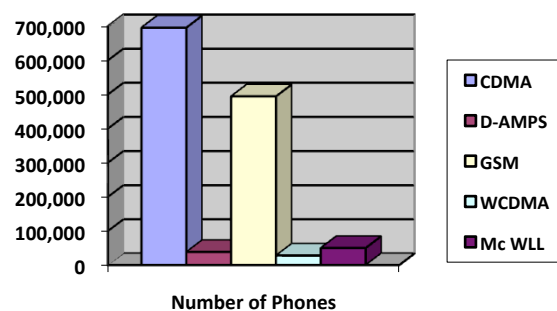
The monthly demand for handsets is between 40 and 50 units. This is for people who have one to five millions kyat to spend, adding that mobile phones are still mainly a business tool rather than a must-have accessory, which is where the more mature overseas market for mobile handsets currently stands. However, there is competition in the local market from handsets being brought in from overseas

**Table (3.1) Present Installation of Mobile Phones**

| No | Present Installed Phones | Number of Phones |
|----|--------------------------|------------------|
| 1  | CDMA                     | 695,650          |
| 2  | D-AMPS                   | 38,400           |
| 3  | GSM                      | 494,300          |
| 4  | WCDMA                    | 28,000           |
| 5  | Mc WLL                   | 50,000           |
|    | Total                    | 1,306,350        |

**Source: The Mirror Newspaper, (27, 7, 2010)**

**Figure (3.1) Present Installation of Mobile Phones**



**Source: The Mirror Newspaper, (27, 7, 2010)**

In 2010, the number of CDMA mobile phones is 695,650, the number of D-AMPS mobile phones is 38,400, the number of GSM mobile phones is 494,300, the number of WCDMA mobile phones is 28,000, and the number of Mc WLL mobile phone is 50,000.

**Table (3.2) Myanmar Mobile Subscribers**  
(Percentage)

| Year | Mobile Subscribers |
|------|--------------------|
| 2007 | 40                 |
| 2008 | 78                 |
| 2009 | 86                 |
| 2010 | 95                 |

**Source: <http://WWW.MobileMarket.Com>**

In summary, Myanmar's mobile market, after reportedly growing at an annual rate in excess of 40 % in 2007, continued this pattern in 2008 with a 38 % jump in subscribers. Of course, this mobile subscriber's growth was from a low base and the estimated 400,000 mobile subscribers early in 2009 still only constituted a penetration of 8 % and the reported 450,000 mobile subscribers early in 2010 still only constituted a penetration of 9 %.

### **3.5 Benefits of Mobile Phones**

Mobile phones are today proving a direct line of communication to farmers, doctors, patients, nurses, teachers and youth. The most obvious benefits of mobile handset are that they provide access to communication where none existed before. Families in remote areas, and farmers and businesses that could not afford or even obtain

fixed lines, are now able to talk with love ones, receive orders, schedule delivers, and make appointments. Mobile phones were an immediate success, even in areas that already had access to landlines, because in addition to connectivity they offered services like itemized billing, prepaid or contract options, and other value-added services.

Majority of mobile phones companies offer international roaming technology wherein one can get in touch with anyone from anywhere in the world. With roaming features, sending text messages and calls can be inexpensive and less stressful. The price per call is cheaper than when using landline phones for long distances calls.

Both SMS and calls are exploited by business people to market and promote their products. Through mobiles, one can do finances updates and banking these days. They help find out the latest news through text messages sent by means of subscribing to certain services.

Mobile communication devices can offer freedom and independence and are an excellent way for young people to communicate with friends. As the technology improves, they are increasingly becoming a good source of entertainment. Mobile handset is a long-range, portable electronic device used for mobile communication.

When people get into a car accident or are in trouble, people can use their mobile phones to call 991. People may also their mobile handset's camera function to take pictures, which could deter an assailant or stalker. In addition, mobile phones have been found to be of great help also in emergency situations and in items of disasters and natural calamities. These days most mobile phones allow users to make 'emergency calls', so that such situations can be easily dealt with.

Mobile handsets are important because they allow storing data. Pictures, text and audio can be stored on many mobile handsets. This enables people to carry their files around wherever you go, ensuring that people are always with important documents for work or their personal life. New mobile handsets have music player capabilities that allow owners to play music and even record audio. Some handsets may have the ability to play video, enabling people to watch clips or movies while on the go.

With the quick development in technology, mobile handsets are surely becoming more and more popular with each passing day. The latest models are able to attract new market and customers, and its fast technological development can be well understood from the fact that it was just about 20 years ago, when these devices were viewed as expensive luxuries, meant for large business houses, the police force and army.



Many of mobile phone models feature FM receivers and the user can just turn on the music to be calmed while traveling or driving. (Just don't make a call while driving!) And if you like videos and games, mobile handsets have them, too. They also feature cameras, making it easier to capture crucial moments. This technology enables mobile phone users to access the internet. So, the cell phones are becoming much more progressed as compared to the previous period.

Users will find lots of highly developed technology software fitted in a multi media handset, which entail 3G, camera, games, wireless connectivity and access to the internet. Whilst these innovative features produce the cell gadgets very functional and costly, one can find a reasonably low price on the web. Around the world, customers are making use of 3G cell phones. Its invention produce video calls and interactive video become potential. A number of noteworthy designs like Nokia, Samsung, Sony, Motorola, HTC, Apple, and blackberry are applying 3G technology within their most recent handsets.

Mobile phones also provide the user the confidence to get out and go places because they know they can avail assistance if needed. The cost of the mobile phones is similar to other models of communication. If user can have a family plan, user's expense for monthly cell phone service can be much cheaper than the cost for using landing service. User can have the chance to call anytime, anywhere. The cell phones are becoming much more progressed as compared to the previous period.

Mobile phones nowadays are not luxury items anymore but necessities. Because of the various benefits and advantages the mobile phones offer, they become a very important part of society. Mobile phones are now inexpensive, easy to use and comfortable and equipped with almost every latest feature people desire.

In summary, using mobile phones has two advantages in the process of making and keeping booking and appointments. Firstly, the ability to allow instant checking of appointments, people can communicate with an employee, or with the person they intend to meet at any time to confirm, clarify, or alter meeting details (e.g. location, time). This means that if meeting needs to be changed at the last minute, all parties involved can be informed quickly, even if on their way there. Secondly, with the rapidly increasing technology of mobile phones, many have the ability to act as a fully functional organizer. This is particularly on the phone models aimed at business users. People can set reminders and notes in the same way as a paper organizer.

## Chapter 4

### Analysis on the Marketing Mix of Mobile Handset Shops in Yangon

#### 4.1 The Crucial Activities of the Marketing Mix of Mobile Handset Shops

This chapter focuses on crucial marketing activities\_ product, price, promotion, and place activities of mobile handset shops in Yangon. The data are collected from the mobile handset shops by making face to face interview with owners or managers. The profile of about the handset shops are stated in the table (4.1).

**Table (4.1) Profile of Survey Mobile Handset Shops**

| No | Name of Handset Shops | Established Years | Number of Handset Brands |
|----|-----------------------|-------------------|--------------------------|
| 1  | Mobile One            | 2010              | 35                       |
| 2  | D.Max Phone Station   | 2010              | 17                       |
| 3  | K.M.C                 | 2003              | 16                       |
| 4  | Lulay Computer Mobile | 2003              | 15                       |
| 5  | Beauty Myanmar        | 2007              | 14                       |
| 6  | Do.Co. Mo             | 2009              | 14                       |
| 7  | Similar Mobile        | 2006              | 11                       |
| 8  | Mingabalar            | 2004              | 11                       |
| 9  | 3G Mobile Shops       | 2009              | 11                       |
| 10 | 168 Mobile            | 2010              | 11                       |

|    |                 |      |    |
|----|-----------------|------|----|
| 11 | H-Mobile        | 2001 | 10 |
| 12 | Select Mobile   | 2001 | 10 |
| 13 | Mobile King     | 2003 | 10 |
| 14 | Perfect Mobile  | 2002 | 10 |
| 15 | Sai Sai Mobile  | 2010 | 9  |
| 16 | Singapore Store | 2006 | 9  |
| 17 | Araindarmar     | 2004 | 9  |
| 18 | Smart Mobile    | 2006 | 9  |
| 19 | Kyaw Brothers   | 2000 | 9  |
| 20 | Level-3         | 2001 | 8  |

**Source: Survey Data (December, 2010)**

According to the finding, Mobile One shop sells thirty five brands of handset that are Haier, Hisense, I Link, LG, Nokia, Q link, ZTE, i phone, Motorola, Ubiquan, Philips and others. Their selling experience is one year. D-Max Phone Station sells seventeen brands of handset that are Nokia, Sony Ericsson and other are china brands. Their selling experience is one year. K.M.C sells sixteen brands of handset that are Harier, ZTE, ZXET, SYH, Anydata and others. Their selling experience is eight years. Lulay Computer Mobile sells fifteenth brands of handset that are Qlink, iSky, Nokia, ZTE, iPhone, Huawei, Ubiquam, Haier, Apad, Motorola, CE, Philips, Unimla, ZTE and LG. Their selling experience is eight years. Beauty Myanmar shop sells fourteen brands of handset that are Nokia, Sony, Hauwei, ZTE, Haier, Unimile, Ubiquam, Haien, LG, Motorola, Q Link, Hongkang, Syh and Anydata. Their experience of selling mobile handsets is four years.

Do.Co. Mo mobile shop sells fourteen brands of handset that are Nokia, Sony, ZTE, Samsung, Hauwei, Haier and others. Their experience of selling mobile handset is two years. Similar Mobile shop sells eleven brands of handset that are Nokia, Sony, Samsung, Huawei, Motorola, TWZ, Ubiquum, Haier, HXP, HTC and LG. Their experience of selling mobile handset is five years. Mingabalar mobile shop sells eleven brands of handset that are Samsung, Nokia, Sony, LG, i Phone, ZTE, Hauwei, Ta Ta, ilink, Haier and Motorola. Their experience of selling mobile handset is seven years. 3G Mobile shop sells eleven brands of handset that are Nokia, Sony, Samsung, i Phone, HTC, BlackBerry, Huawei, ZTE, Q 7, Q Link and Hiense. Their experience of selling mobile handset is two years. 168 Mobile shop sells eleven brands of handset that are

Nokia, Sony, Lenovo, ZTE, Samsung, Hauwei and others. Their experience of selling mobile handset is one year. H- Mobile shop sells ten brands of handset that are Sony, Samsung, ZTE, Q-Link, Ta Ta, Lenovo, Nokia, Hisense and Hauwei. Their experience of selling mobile handset is ten years.

Select Mobile shop sells ten brands of handset that are Samsung, Nokia, Sony, ZTE, Motorola, SKG, Hauwei, B-com, TWZ and Ceria. Their experience of selling mobile handset is ten years. Mobile King handset shop sells ten brands of handset that are Nokia, Samsung, Motorola, LG, iSky, ZTE, iPhone, Anycall, TaTa and Sony. Their experience of selling mobile handset is eight years. Perfect Mobile shop sells ten brands of handset that are Sony, ZTE, Samsung, Mtorola, i Phone, Nokia, Hauwei, HXP and Lenovo. Their experience of selling mobile handset is nine years. Sai Sai Mobile shop sells nine brands of handset that are Nokia, Sony, TWZ, Motorola, ZTE, iPhone, Samsung, Huawai and Seria. Their experience of selling mobile handset is one year. Singapore Store sells nine brands of handset that are Nokia, iPhone, iPod- touch, HTC, Motorola, Sony, LG, ZTE and Samsung. Their experience of selling mobile handset is five years. Araindarmar shop sells nine brands of handset that are Nokia, Sony Ericsson, ZTE, iPhone, Samsung, Motorola, LG, Haier and Hauwei. Their experience of selling mobile handset is seven years. Smart Mobile shop sells nine brands of handset that are Nokia, Samsung, Sony Ericsson, Motorola, ZTE, Huawei, Haien, Haier, and Ta Ta. Their experience of selling mobile handset is five years. Kyaw Brothers sells nine brands of handset that are Nokia, Samsung, Sony, Vodar, B & B, HXP, ZTE, HTC and Voda Fone. Their experience of selling mobile handset is eleven years. Level-3 mobile shop sells eight brands of handset that are Nokia, Lenovo, Cherr, Sono, Hauwei, ZTE, Hongkang and HXP. Their experience of mobile handset is ten years.

#### **4.1.1 Product Decision of Mobile Handset Shops**

The managers or owners of mobile handset shops can define the right products for their target customers in the mobile markets because satisfaction is really needed to persuade current customers and new customers. The table (4.2), (4.3), (4.4), (4.5) and (4.6) shows about these handset shops how to make decisions to deal with the mobile handsets.

**Table (4.2) Product Varieties of Mobile Handset Shops**

| <b>N0</b> | <b>Type of Handsets</b> | <b>Number of Shops</b> |
|-----------|-------------------------|------------------------|
| 1         | Anydata                 | 4                      |
| 2         | Huawei                  | 12                     |
| 3         | Haier                   | 8                      |
| 4         | HTC                     | 4                      |
| 5         | HXP                     | 7                      |
| 6         | Haien                   | 3                      |
| 7         | Hisense                 | 4                      |
| 8         | I Link                  | 3                      |
| 9         | i Phone                 | 9                      |
| 10        | i Sky                   | 2                      |
| 11        | LG                      | 10                     |
| 12        | Lenovo                  | 4                      |
| 13        | Motorola                | 11                     |
| 14        | Nokia                   | 20                     |
| 15        | Q.Link                  | 6                      |
| 16        | Sony Ericsson           | 17                     |
| 17        | SYH                     | 3                      |
| 18        | Samsung                 | 14                     |
| 19        | Ubiquan                 | 3                      |
| 20        | Unimele                 | 2                      |
| 21        | ZTE                     | 18                     |
| 22        | Ta Ta                   | 5                      |
| 23        | Others                  | 1                      |

**Source: Survey Data (December, 2010)**

The table (4.2) shows the product varieties of handset shops. All handset shops select Nokia handset for their customers in the mobile markets because it provides superior customer services and supports all over the world. When people thought of buying a mobile, they did not think of any other brand than Nokia brand. Second prior product is ZTE, third prior product is Sony Ericsson and fourth prior product is Samsung. These handsets offer advanced technology and latest features and styles with their customers.

**Table (4.3) Product Choice Factors of Mobile Handset Shops**

| No | Product Choice Factors | Frequency | %   |
|----|------------------------|-----------|-----|
| 1  | Quality                | 20        | 100 |
| 2  | Reasonable Price       | 15        | 75  |
| 3  | Most Apply Brands      | 12        | 55  |
| 4  | Functions              | 5         | 25  |
| 5  | Models                 | 6         | 30  |
| 6  | Servicing place        | 4         | 20  |
| 7  | Designs                | 7         | 35  |
| 8  | Others                 | 1         | 5   |

**Source: Survey Data (December, 2010)**

Table (4.3) shows that 100 % of product choice is quality products, 75 % of product choice is reasonable price handsets and 55 % of product choice is most apply brands in the mobile markets that are choice by the mobile handset shops.

**Table (4.4) Product Decisions Factors of Mobile Handset Shops**

| <b>No</b> | <b>Name of Handset Shops</b> | <b>Choice Factor<br/>(1)</b> | <b>Choice Factor<br/>(2)</b> | <b>Choice Factor<br/>(3)</b> |
|-----------|------------------------------|------------------------------|------------------------------|------------------------------|
| 1         | Mobile King                  | Quality                      | Reasonable price             | Most apply brands            |
| 2         | Lulay Computer Mobile        | Quality                      | Reasonable price             | -                            |
| 3         | Sai Sai Mobile               | Quality                      | Reasonable price             | -                            |
| 4         | D.Max Phone Station          | Quality                      | -                            | Most apply brands            |
| 5         | Araindarmar                  | Quality                      | -                            | -                            |
| 6         | Mobile One                   | Quality                      | -                            | -                            |
| 7         | Smart Mobile                 | Quality                      | Reasonable price             | Most apply brands            |
| 8         | Kyaw Brothers                | Quality                      | Reasonable price             | Most apply brands            |
| 9         | K.M.C                        | Quality                      | Reasonable price             | Most apply brands            |
| 10        | 3G Mobile Shops              | Quality                      | -                            | -                            |
| 11        | Perfect Mobile               | Quality                      | Reasonable price             | -                            |
| 12        | Beauty Myanmar               | Quality                      | Reasonable price             | Most apply brands            |
| 13        | Similar Mobile               | Quality                      | Reasonable price             | Most apply brands            |
| 14        | Mingabalar                   | Quality                      | Reasonable price             | -                            |
| 15        | Singapore Store              | Quality                      | -                            | Most apply brands            |
| 16        | H-Mobile                     | Quality                      | Reasonable price             | -                            |
| 17        | Do.Co. Mo                    | Quality                      | Reasonable price             | Most apply brands            |

|    |               |         |                  |                   |
|----|---------------|---------|------------------|-------------------|
| 18 | 168 mobile    | Quality | Reasonable price | Most Apply brands |
| 19 | Select Mobile | Quality | Reasonable price | -                 |
| 20 | Level-3       | Quality | Reasonable price | Most apply brands |

**Source: Survey Data (December, 2010)**

According to the survey data, the first factor of product choice is quality products, the second factor of product choice is reasonable price handsets and the third factor of product choice is most apply brands by the customers that are selected mobile handset shops. So, all surveyed mobile handset shops select quality products for their customers to meet and satisfy the requirements of their customers in the mobile markets and customers want to apply defect-free products. The second prior purchase is reasonable price products because customers want to save their costs. The third prior purchase is based on the most apply brands because it helps to get customers loyalty. And then, customers who get satisfaction can easily recognize most apply brands when they want to take repeat purchase in the mobile marketplace.

**Table (4.5) Product Choice Factors of Customers**

| No | Product Choice Factors            | Frequency | %  |
|----|-----------------------------------|-----------|----|
| 1  | Quality                           | 19        | 95 |
| 2  | Most apply brands                 | 7         | 35 |
| 3  | Reasonable price                  | 12        | 60 |
| 4  | Main servicing place              | 9         | 45 |
| 5  | Easy purchase product accessories | 8         | 40 |
| 6  | Functions                         | 4         | 20 |
| 7  | Others                            | 1         | 5  |

**Source: Survey Data (December, 2010)**

Table (4.5) shows that 95 % of product choice is quality, 60 % of product choice is reasonable price and 45 % of product choice is based on the main servicing place that are purchased by the customers. Thus, the first product choice factor is quality,



the second product choice factor is reasonable price and the third product choice factor is main servicing place that are chosen by the customers for purchasing mobile handsets in the marketplaces.

According to the survey data, most customers purchase quality products because it is durable products, meets all customers expectations and fitness for the target customers to use in the mobile markets. The second product choice is reasonable price because it saves money for mobile handsets users. The third product choice is main servicing places that are also needed when customer's handsets are defected.

**Table (4.6) The Best Selling Products of Surveyed Mobile Handset Shops**

| No | Type of Products | Number of Shops | %  |
|----|------------------|-----------------|----|
| 1  | Nokia            | 19              | 95 |
| 2  | Sony             | 12              | 60 |
| 3  | Haier            | 5               | 25 |
| 4  | Hauwei           | 8               | 40 |
| 5  | Samsung          | 7               | 35 |
| 6  | ZTE              | 4               | 20 |
| 7  | LG               | 2               | 10 |
| 8  | i Phone          | 2               | 10 |
| 9  | Others           | 1               | 5  |

**Source: Survey Data (December, 2010)**

Table (4.6) shows that the best selling product is Nokia because it is one of the leading players in the mobile communication markets, most apply brands in the mobile marketplaces and it is offering their customers with the latest technology and features. Second best selling product is Sony Ericsson and third best selling product is Hauwai. These handsets also offer with the latest designs, features and technology. So

most people purchase Nokia handsets, second prior purchase product is Sony Ericsson and third prior purchase product is Hauwai.

#### 4.1.2 Price Decision of Mobile Handset Shops

The managers or owners of mobile handset shops must know the kind of competition in the target market and the costs of the whole production to define the right price of mobile handsets for their target customers in the mobile markets. Table (4.7), (4.8), (4.9), (4.10) and (4.11) shows about the mobile handset shops how to make price decisions and when prices are changing deal with the mobile handsets.

**Table (4.7) Pricing Factors of Mobile Handset Shops**

| No | Pricing Factors           | Frequency | %  |
|----|---------------------------|-----------|----|
| 1  | Defined prices by the OEM | 13        | 65 |
| 2  | Expenses and tax          | 2         | 10 |
| 3  | Models of products        | 6         | 30 |
| 4  | Functions of products     | 2         | 10 |
| 5  | Other competitors prices  | 11        | 55 |
| 6  | Product demand            | 3         | 15 |
| 7  | Others                    | 1         | 5  |

**Source: Survey Data (December, 2010)**

OEM: Original Equipment Manufacturer

Table (4.7) shows 65 % of first prior pricing systems is based on defined by the OME, 55 % of product prices is defined based on the other shop's pricing systems and 30 % of product prices is set based on the product's models.

**Table (4.8) Price Decision Factors of Mobile Handset Shops**

| No | Name of Handset Shops | Pricing Factor (1) | Pricing Factor (2) | Pricing Factor (3) |
|----|-----------------------|--------------------|--------------------|--------------------|
|----|-----------------------|--------------------|--------------------|--------------------|

|   |                       |                          |                          |                    |
|---|-----------------------|--------------------------|--------------------------|--------------------|
| 1 | Mobile King           | Defined price by the OEM | -                        | -                  |
| 2 | Lulay Computer Mobile | -                        | Other competitors prices | -                  |
| 3 | Sai Sai Mobile        | Defined price by the OEM | -                        | -                  |
| 4 | D.Max Phone Station   | -                        | Other competitors price  | -                  |
| 5 | Araindarmar           | Defined price by the OEM | Other competitors prices | Models of products |
| 6 | Mobile One            | -                        | -                        | -                  |

Table Continue

|    |                 |                          |                          |                    |
|----|-----------------|--------------------------|--------------------------|--------------------|
| 7  | Smart Mobile    | Defined price by the OEM | Other competitors prices | Models of products |
| 8  | Kyaw Brothers   | Defined price by the OEM | -                        | -                  |
| 9  | K.M.C           | Defined price by the OEM | Other competitors prices | Models of products |
| 10 | 3G Mobile Shops | -                        | -                        | Models of products |
| 11 | Perfect Mobile  | -                        | -                        | Models of products |
| 12 | Beauty Myanmar  | Defined price by the OEM | -                        | -                  |
| 13 | Similar Mobile  | Defined price by the OEM | Other competitors prices | -                  |
| 14 | Mingabalar      | Defined price by the OEM | Other competitors prices | -                  |
| 15 | Singapore Store | Defined price by the OEM | Other competitors prices | -                  |
| 16 | H-Mobile        | -                        | Other competitors        | -                  |

|    |               |                          |                          |                    |
|----|---------------|--------------------------|--------------------------|--------------------|
| 16 | H-Mobile      | -                        | Other competitors prices | -                  |
| 17 | Do.Co. Mo     | Defined price by the OEM | Other competitors prices | -                  |
| 18 | 168 mobile    | Defined price by the OEM | -                        | -                  |
| 19 | Select Mobile | -                        | Other competitors prices | Models of products |
| 20 | Level-3       | Defined price by         | -                        | -                  |

**Source: Survey Data (December, 2010)**

According to the survey data, the first pricing factor is based on defined by the OEM, the second pricing factor is based on the others competitors' products prices and the third pricing factors is defined based on the models of products. So, most mobile handset shops' pricing systems is set based on defined by the OEM. The second prior pricing system is set price on the basis of its competitors' prices rather than its own costs and benefits. The third prior pricing system is defined according to the models of products. Most young customers preferred handsets of up- to-date models and available many functions. So, these young customers mostly purchase latest models of products in the mobile markets.

**Table (4.9) Price Changeable Factors**

| No | Price Changeable Factors          | Frequency | %  |
|----|-----------------------------------|-----------|----|
| 1  | Product's demand                  | 11        | 55 |
| 2  | Other shop's competitiveness      | 13        | 65 |
| 3  | New products enter in the markets | 12        | 60 |
| 4  | Models of products                | 7         | 35 |
| 5  | Seasonal                          | 5         | 25 |

**Source: Survey Data (December, 2010)**

Table (4.9) shows 65 % of price increasing or decreasing of mobile handsets is based on the other shop's competitiveness, 60 % of price changing of mobile handset shops is based on the new products entered in the mobile marketplace and 55 % of price changeable factor is based on the product's demand.

**Table (4.10) Price Changeable Factors of Mobile Handset Shops**

| <b>No</b> | <b>Name of Handset Shops</b> | <b>Price Changeable Factor (1)</b> | <b>Price Changeable Factor (2)</b> | <b>Price Changeable Factor (3)</b> |
|-----------|------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 1         | Mobile King                  | -                                  | -                                  | -                                  |
| 2         | Lulay Computer Mobile        | Other shop's competitiveness       | Product's demand                   | New products enter in the market   |
| 3         | Sai Sai Mobile               | -                                  | Product's demand                   | -                                  |
| 4         | D.Max Phone Station          | Other shop's competitiveness       | -                                  | -                                  |
| 5         | Araindarmar                  | -                                  | -                                  | -                                  |
| 6         | Mobile One                   | -                                  | -                                  | -                                  |
| 7         | Smart Mobile                 | Other shop's competitiveness       | -                                  | New products enter in the market   |
| 8         | Kyaw Brothers                | Other shop's competitiveness       | -                                  | New products enter in the market   |
| 9         | K.M.C                        | Other shop's competitiveness       | Product's demand                   | -                                  |
| 10        | 3G Mobile Shops              | -                                  | -                                  | New products enter in the market   |

|    |                 |                              |                  |                                  |
|----|-----------------|------------------------------|------------------|----------------------------------|
| 11 | Perfect Mobile  | Other shop's competitiveness | Product's demand | New products enter in the market |
| 12 | Beauty Myanmar  | -                            | Product's demand | New product enter in the market  |
| 13 | Similar Mobile  | Other shop's competitiveness | Product's demand | New product enter in the market  |
| 14 | Mingabalar      | Other shop's competitiveness | Product's demand | -                                |
| 15 | Singapore Store | Other shop's competitiveness | Product's demand | New product enter in the market  |
| 16 | H-Mobile        | Other shop's competitiveness | -                | New product enter in the market  |
| 17 | Do.Co. Mo       | Other shop's competitiveness | Product's demand | -                                |

Table Continue

|    |               |                              |                  |                                  |
|----|---------------|------------------------------|------------------|----------------------------------|
| 18 | 168 mobile    | Other shop's competitiveness | Product's demand | New products enter in the market |
| 19 | Select Mobile | Other shop's competitiveness | Product's demand | New products enter in the market |
| 20 | Level-3       | -                            | -                | New products enter in the market |

**Source: Survey Data (December, 2010)**

According to the survey data, the first price changeable factor is based on the other shops' competitiveness in which prices set on the basis of its competitors prices rather than its own costs and revenue, the second price changeable factor is based on the new products entered in the mobile marketplaces because customers purchase more new handsets with latest functions and advanced technologies and the third price changeable factor is based on the product's demand.

**Table (4.11) List Price of One to Five Best Selling Mobile Handsets**

| No | Type of Handset | List Price (000 K) |
|----|-----------------|--------------------|
|----|-----------------|--------------------|

|   |         |            |
|---|---------|------------|
| 1 | Nokia   | 45 to 520  |
| 2 | Sony    | 200 to 500 |
| 3 | Haier   | 40 to 200  |
| 4 | Hauwei  | 30 to 205  |
| 5 | Samsung | 50 to 510  |

**Source: Survey Data (December, 2010)**

According to the finding, the prices of Nokia brand are between kyat 45,000 and 520,000, the prices of Sony brand are between kyat 200,000 and 500,000, the prices of Harier brand are between kyat 40,000 and 200,000, the prices of Hauwei brand are between kyat 30,000 and 205,000 and the prices of Samsung brand are between kyat 50,000 and 510,000 .

#### **4.1.3 Place Decisions of Mobile Handset Shops**

A product may not be a good one for a customer if it isn't available when and where it is wanted. So, the managers or owners of mobile handset shops must know the requirements of different target markets and different target customers to make the right decisions of place. The table (4.12) and (4.13) shows about these handset shops concerned with their making place decisions dealing with the mobile handsets.

**Table (4.12) Place Factors of Mobile Handset Shops**

| <b>No</b> | <b>Place factors</b>                | <b>Frequency</b> | <b>%</b> |
|-----------|-------------------------------------|------------------|----------|
| 1         | Selling through wholesaler          | 10               | 50       |
| 2         | Selling through retailers           | 20               | 100      |
| 3         | Sales direct to the customers       | 5                | 25       |
| 4         | Sales through the agents            | 5                | 25       |
| 5         | Sales direct to other handset shops | 7                | 35       |

**Source: Survey Data (December, 2010)**

Table (4.12) shows 100 % of place decision of mobile handset shops are retailers, 50 % of place decision of mobile handset shops are wholesalers and 35 % of mobile handset shops are selling directly to the other mobile handset shops. So most mobile handset shops are retailers in the mobile marketplaces.

**Table (4.13) Place Decisions of Mobile Handset Shops**

| <b>No</b> | <b>Name of Handset Shops</b> | <b>Place Decision (1)</b> | <b>Place Decision (2)</b> | <b>Place Decision (3)</b>   |
|-----------|------------------------------|---------------------------|---------------------------|-----------------------------|
| 1         | Mobile King                  | -                         | Retailer                  | -                           |
| 2         | Lulay Computer Mobile        | Wholesaler                | Retailer                  | Sales direct to other shops |
| 3         | Sai Sai Mobile               | Wholesaler                | Retailer                  | Sales direct to other shops |
| 4         | D.Max Phone Station          | Wholesaler                | Retailer                  | -                           |
| 5         | Araindarmar                  | -                         | Retailer                  | -                           |
| 6         | Mobile One                   | -                         | Retailer                  | -                           |
| 7         | Smart Mobile                 | -                         | Retailer                  | -                           |
| 8         | Kyaw Brothers                | -                         | Retailer                  | Sales direct to other shops |
| 9         | K.M.C                        | Wholesaler                | Retailer                  | Sales direct to other shops |
| 10        | 3G Mobile Shops              | -                         | Retailer                  | -                           |

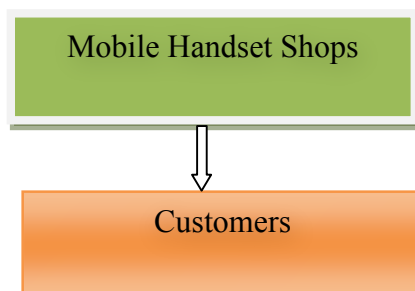


|    |                 |            |          |                             |
|----|-----------------|------------|----------|-----------------------------|
| 11 | Perfect Mobile  | -          | Retailer | -                           |
| 12 | Beauty Myanmar  | -          | Retailer | -                           |
| 13 | Similar Mobile  | Wholesaler | Retailer | Sales direct to other shops |
| 14 | Mingabalar      | Wholesaler | Retailer | -                           |
| 15 | Singapore Store | Wholesaler | Retailer | Sales direct to other shops |
| 16 | H-Mobile        | Wholesaler | Retailer | -                           |
| 17 | Do.Co. Mo       | Wholesaler | Retailer | Sales direct to other shops |
| 18 | 168 mobile      | -          | Retailer | -                           |
| 19 | Select Mobile   | Wholesaler | Retailer | -                           |
| 20 | Level-3         | -          | Retailer | -                           |

**Source: Survey Data (December, 2010)**

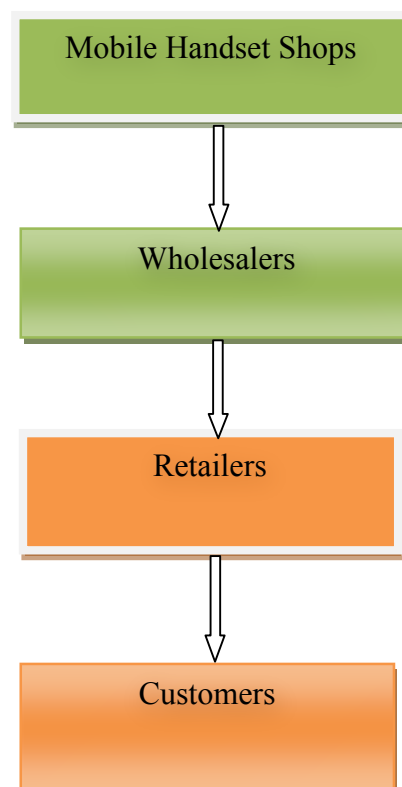
According to the survey results, the first place factor of handset shops is retailers, the second place factor of handset shops is wholesalers and the third place factor of handset shops is selling directly to the other handset shops. Thus most mobile handset shops are retailers in the mobile handsets markets. So, place channel of mobile handset shops are stated figure 4.1, 4.2 and 4.3. In the zero channel, the product flows from the mobile handset shops to customers that are sold to large number of customer in the mobile markets. In the one channel, the product flows from the mobile handset shops to wholesalers to retailers to customers and the product flows from the mobile handset shops to retailers to customers. In the two channels, the product flows from the mobile handset shops to wholesalers and retailers to customers and the product flows from the mobile handset shops to wholesalers to retailers and customers.

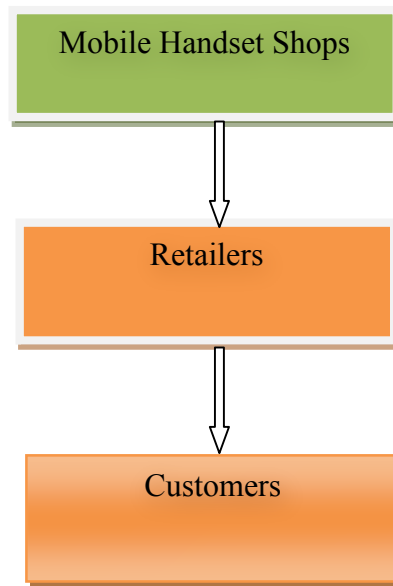
**Figure (4.1) Zero Channels Applied by Mobile Handset Shops**



Source: Survey Data (December, 2010)

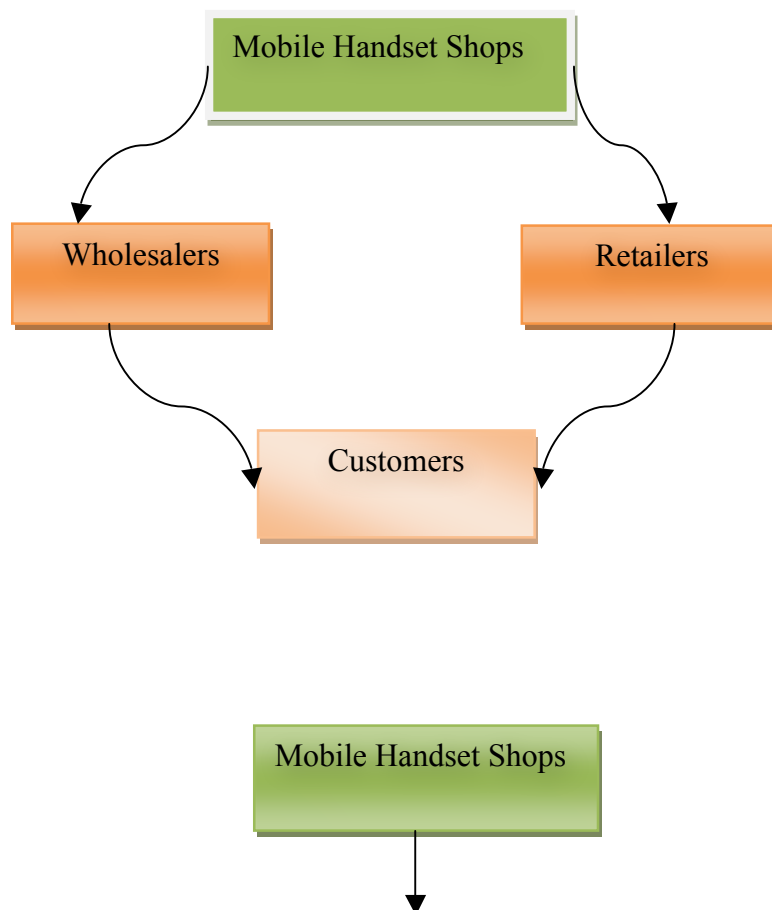
Figure (4.2) One Channel Applied by Mobile Handset Shops

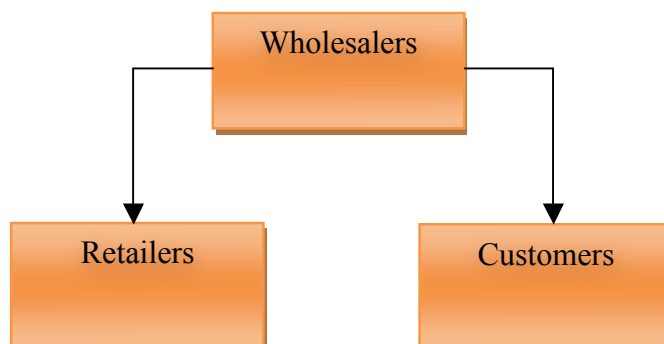




Source: Survey Data (December, 2011)

Figure (4.3) Two Channels Applied by Mobile Handset Shops





**Source: Survey Data (December, 2010)**

#### 4.1.4 Promotion Decisions of Mobile Handset Shops

The managers or owners of mobile handset shops must decide the right promotion that is important to acquire new customers and retain current customers in the mobile markets. The table (4.14), (4.15), (4.16), (4.17), (4.18) and (4.19) shows about these handset shops how to make promotion decisions dealing with the mobile handsets.

**Table (4.14) Promotion Factors of Mobile Handset Shops**

| No | Promotion Decision Factors | Frequency | %  |
|----|----------------------------|-----------|----|
| 1  | Selling quality products   | 18        | 90 |
| 2  | To offer discount          | 13        | 65 |
| 3  | Making to know products    | 6         | 30 |
| 4  | Giving presents            | 11        | 55 |

**Source: Survey Data (December, 2010)**

Table (4.14) state that 90 % of promotion decisions is selling quality products, 65 % of promotion decisions is offering discount prices and 55 % of promotion decisions is to give presents to the customers.

**Table (4.15) Promotion Decisions of Mobile Handset Shops**

| No | Name of Handset | Promotion | Promotion | Promotion |
|----|-----------------|-----------|-----------|-----------|
|----|-----------------|-----------|-----------|-----------|

| <b>No</b> | <b>Name of Handset Shops</b> | <b>Promotion Decision (1)</b> | <b>Promotion Decision (2)</b> | <b>Promotion Decision (3)</b> |
|-----------|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| 1         | Mobile King                  | Selling quality products      | -                             | Giving presents               |
| 2         | Lulay Computer Mobile        | Selling quality products      | To offer discount             | Giving presents               |
| 3         | Sai Sai Mobile               | Selling quality products      | -                             | Giving presents               |
| 4         | D.Max Phone Station          | -                             | To offer discount             | -                             |
| 5         | Araindarmar                  | Selling quality products      | -                             | Giving presents               |
| 6         | Mobile One                   | Selling quality products      | To offer discount             | -                             |
| 7         | Smart Mobile                 | Selling quality products      | To offer discount             | Giving presents               |
| 8         | Kyaw Brothers                | Selling quality               | To offer discount             | -                             |

Table Continue

|    |                 |                          |                   |                 |
|----|-----------------|--------------------------|-------------------|-----------------|
| 9  | K.M.C           | Selling quality products | To offer discount | -               |
| 10 | 3G Mobile Shops | Selling quality products | To offer discount | -               |
| 11 | Perfect Mobile  | Selling quality products | -                 | -               |
| 12 | Beauty Myanmar  | Selling quality products | To offer discount | -               |
| 13 | Similar Mobile  | Selling quality products | To offer discount | Giving presents |
| 14 | Mingabalar      | Selling quality products | -                 | Giving presents |
| 15 | Singapore Store | Selling quality products | To offer discount | Giving presents |
| 16 | H-Mobile        | Selling quality          | To offer discount | Giving presents |

|    |               |                          |                   |                 |
|----|---------------|--------------------------|-------------------|-----------------|
| 16 | H-Mobile      | Selling quality products | To offer discount | Giving presents |
| 17 | Do.Co. Mo     | Selling quality products | To offer discount | Giving presents |
| 18 | 168 mobile    | -                        | -                 | Giving presents |
| 19 | Select Mobile | Selling quality products | -                 | -               |
| 20 | Level-3       | Selling quality          | To offer discount | -               |

**Source: Survey Data (December, 2010)**

According to the survey data, the first promotion factors is selling quality products, the second promotion factors is offering discount and the third promotion factor is giving presents to the customers in the mobile markets. Thus, most handset shops are selling quality products to get benefits and to implement marketing activities more than their competitors in the mobile marketplace. Second promotion decision is reducing prices and third promotion decision is giving presents to the customers to increase their sales volume more than other competitors in the mobile markets.

**Table (4.16) Promotion Tools Used by Mobile Handset Shops**

| No | Name of Handset Shops | Advertisement                            | Sales Promotion    | Direct Marketing |
|----|-----------------------|--|--------------------|------------------|
| 1  | Mobile King           | Journal, Magazine                        | Presents           | -                |
| 2  | Lulay Computer Mobile | Magazine, Newspaper, Billboards, Journal | Discount, Presents | -                |
| 3  | Sai Sai Mobile        | -  | Presents           | -                |
| 4  | D.Max Phone Station   | Journal                                  | Discount           | -                |
| 5  | Araindarmar           | Radio, Magazine, Journal, Billboards     | Presents           | -                |
| 6  | Mobile One            | Magazine, Journal, Newspaper, Billboards | Discount           | -                |

|    |                 |                                  |                     |         |
|----|-----------------|----------------------------------|---------------------|---------|
| 7  | Smart Mobile    | Magazine, Journal                | Discount, Presents  | -       |
| 8  | Kyaw Brothers   | Magazine, Journal                | Discount            | Website |
| 9  | K.M.C           | Journal, Magazine                | Discount            | -       |
| 10 | 3G Mobile Shop  | -                                | Discount            | -       |
| 11 | Perfect Mobile  | Magazine                         | -                   |         |
| 12 | Beauty Myanmar  | Journal, Billboards              | Discount            | -       |
| 13 | Similar Mobile  | Magazine, Journal,<br>Billboards | Discount , Presents | -       |
| 14 | Mingabalar      | Magazine, Journal                | Presents            | -       |
| 15 | Singapore Store | Magazine                         | Discount, Presents  | -       |
| 16 | H-Mobile        | Magazine                         | Discount, Presents  | -       |
| 17 | Do.Co. Mo       | Journal, Magazine                | Discount ,Presents  | -       |
| 18 | 168 mobile      | -                                | Presents            | -       |
| 19 | Select Mobile   | Yellow pages                     | -                   | -       |
| 20 | Level-3         | -                                | Discount            | -       |

**Source: Survey Data (December, 2010)**

According to the survey data, fourteen mobile handset shops use two promotion tools that are advertising and sales promotion. Four mobile handset shops uses only sales promotion, one mobile handset shop use only advertising and one mobile handset shop use three promotion tools that are advertising, sales promotion and direct marketing method.

**Table (4.17) Ways of Advertising Mobile Handset Shops**

| No | Advertising Ways | Frequency | %  |
|----|------------------|-----------|----|
| 1  | Magazine         | 13        | 65 |
| 2  | Journal          | 12        | 60 |
| 3  | TV               | 0         | 0  |
| 4  | Radio            | 1         | 5  |
| 5  | News             | 2         | 10 |
| 6  | Billboards       | 5         | 25 |
| 7  | Yellow pages     | 1         | 5  |

**Source: Survey Data (December, 2010)**

Table (4.17) states that 65 % of advertising use magazine, 60 % of advertising use journal and 25 % of advertising use billboards on advertising techniques. The first advertising media is magazines, the second advertising media is journals and the third advertising media is billboards.

**Table (4.18) Advertisement Media of Mobile Handset Shops**

| No | Name of Handset Shops | Media (1) | Media (2) | Media (3)  | Media (4) |
|----|-----------------------|-----------|-----------|------------|-----------|
| 1  | Mobile King           | Journal   | Magazine  | -          | -         |
| 2  | Lulay Computer Mobile | Journal   | Magazine  | Billboards | Newspaper |
| 3  | Sai Sai Mobile        | -         | -         | -          | -         |
| 4  | D.Max Phone Station   | Journal   | -         | -          | -         |
| 5  | Araindarmar           | Journal   | Magazine  | Billboards | Radio     |
| 6  | Mobile One            | Journal   | Magazine  | Billboards | Newspaper |
| 7  | Smart Mobile          | Journal   | Magazine  | -          | -         |
| 8  | Kyaw Brothers         | Journal   | Magazine  | -          | -         |
| 9  | K.M.C                 | Journal   | Magazine  | -          | -         |
| 10 | 3G Mobile Shops       | -         | -         | -          | -         |
| 11 | Perfect Mobile        | -         | Magazine  | -          | -         |
| 12 | Beauty Myanmar        | Journal   | -         | Billboards | -         |



|    |                 |         |          |            |              |
|----|-----------------|---------|----------|------------|--------------|
| 13 | Similar Mobile  | Journal | Magazine | Billboards | -            |
| 14 | Mingabalar      | Journal | Magazine | -          | -            |
| 15 | Singapore Store | -       | Magazine | -          | -            |
| 16 | H-Mobile        | -       | Magazine | -          | -            |
| 17 | Do.Co. Mo       | Journal | Magazine | -          | -            |
| 18 | 168 mobile      | -       | -        | -          | -            |
| 19 | Select Mobile   | -       | -        | -          | Yellow pages |
| 20 | Level-3         | -       | -        | -          | -            |

**Source: Survey Data (December, 2010)**

Most handset shops apply journals, magazines and billboards to make the target customers know about their handsets and to persuade to purchase their products in the mobile markets. But any mobile handset shops are not advertising their handset products on TV. So, these handset shops need to advertise their handset products that can more increase their sales volume and benefits. Advertising design really increases sales because it encourages the interest of customers in their products, explains product features and persuades to purchase their handsets in the mobile marketplaces.

**Table (4.19) Sales Promotion Techniques of Mobile Handset Shops**

| No | Name of Handset Shops | Sales Promotion (1) | Sales Promotion (2) |
|----|-----------------------|---------------------|---------------------|
| 1  | Mobile King           | -                   | Presents            |
| 2  | Lulay Computer Mobile | Discount            | Presents            |
| 3  | Sai Sai Mobile        | -                   | Presents            |
| 4  | D.Max Phone Station   | Discount            | -                   |
| 5  | Araindarmar           |                     | Presents            |
| 6  | Mobile One            | Discount            | -                   |
| 7  | Smart Mobile          | Discount            | Presents            |
| 8  | Kyaw Brothers         | Discount            | -                   |
| 9  | K.M.C                 | Discount            | -                   |
| 10 | 3G Mobile Shops       | Discount            | -                   |

|    |                 |          |          |
|----|-----------------|----------|----------|
| 11 | Perfect Mobile  | -        | -        |
| 12 | Beauty Myanmar  | Discount | -        |
| 13 | Similar Mobile  | Discount | Presents |
| 14 | Mingabalar      | -        | Presents |
| 15 | Singapore Store | Discount | Presents |
| 16 | H-Mobile        | Discount | Presents |
| 17 | Do.Co. Mo       | Discount | Presents |
| 18 | 168 mobile      | -        | Presents |
| 19 | Select Mobile   | -        | -        |
| 20 | Level-3         | Discount | -        |

**Source: Survey Data (December, 2010)**

Table (4.19) shows that seven mobile handset shops reduce only prices, such discount are a common practice of mobile handset shops in the mobile markets and five mobile handset shops give only presents to promote their sales volume in the mobile markets, six mobile handset shops reduce prices and give presents and two mobile handset shops are not using sales promotion techniques. They usually emphasize reducing prices but they do not use lucky draw and sponsorships at events.

#### **4.2 The Opportunities and Weaknesses of Marketing Practices of Mobile Handset Shops**

Mobile handset shops need more attention to practicing marketing mix activities because every handset shop is using different marketing strategies to get benefits and strengths more than other competitors' shops in the mobile marketplaces. Mobile handset shops have opportunities and weaknesses on the marketing activities of mobile handset markets. The strengths and weaknesses of mobile handset shops are shown in the table (4.20).

**Table (4.20) Opportunities and Weaknesses of Mobile Handset Shops**

| <b>No</b> | <b>Name of Handset Shops</b> | <b>Opportunities</b>                    | <b>Weaknesses</b>   |
|-----------|------------------------------|---|---|
| 1         | Mobile King                  | Giving services                         |   |
| 2         | Lulay Computer Mobile        | Different products and reasonable price | To take customer's satisfaction                                   |
| 3         | Sai Sai Mobile               | Giving warranty                         | To sell the products in prices changes time                       |
| 4         | D.Max Phone Station          | Shop is located in downtown             | Defective china brands  |
| 5         | Araindarmar                  | Giving good services                    | To sell the products in price changes times                       |
| 6         | Mobile One                   | Giving good services and qualities      | To explain about the products to satisfy customers' need and want |
| 7         | Smart mobile                 | Giving services and warranty            | To sell the products in price changes time                        |
| 8         | Kyaw Brothers                | Giving free services                    | Other shop's competitiveness                                      |
| 9         | K.M.C                        | Selling Reasonable price                | To sell the products in price changes time                        |

Table Continue

|    |                |   |   |
|----|----------------|---|---|
| 10 | 3G Mobile Shop | Selling quality products                  | Shortage products                                 |
| 11 | Perfect Mobile | Selling good quality products             | To sell the products in money market changes time |
| 12 | Beauty Myanmar | Selling reasonable price and good quality | To sell the products customer's satisfaction      |
| 13 | Similar Mobile | Giving customer's satisfaction            | Markets competitiveness                           |
| 14 | Mingalabar     | Giving customer's satisfaction            | To sell the products in price changes time        |

|    |                 |   |   |
|----|-----------------|---|---|
| 15 | Singapore Store | Selling good quality  | To sell the products in price changes time    |
| 16 | H-Mobile        | Selling high model products                                 | To selling the products in price changes time |
| 17 | Do.Co.Mo        | Shop is located in downtown                                 | To sell the products in price changes time    |
| 18 | 168 Mobile      | Selling reasonable prices and giving one year free services | To sell the products in price changes time    |
| 19 | Select Mobile   | Selling reasonable prices                                   | Shortage products                             |
| 20 | Level -3        | Selling high model products                                 | To sell the products in price changes time    |

**Source: Survey Data (December, 2010)**

## **Chapter 5**

### **Conclusions**

#### **5.1 Findings**

This thesis surveyed the marketing mix of mobile handset shops that stated marketing activities about the advanced mobile handset in the competitive markets. Billion of people in the world today realize how essential mobile phones are in their lives. Mobile phones have become a part of everyday life for many individuals and some could not even manage to last an hour without them. Communication has rapidly developed around the world since last decade with the development of international technology. The next phase of mobile technology and services rests upon the development of wireless broadband and in particular the 4G technology, Long-term evolution (LTE). People have

always thought having a mobile as a requirement, not a luxury and more people are purchasing advanced handsets in the marketplaces. Competitors more emerged in the marketplace because of expanding the mobile handset markets.

So now handset shops have faced competitiveness and challenges in the marketplaces. Mobile handset shops are paying attention to their marketing activities to increase their products sales more than their competitors in the advanced mobile markets.

Managers or owners of mobile handset shops can define the right products to satisfy customers in the mobile markets. From the responses of the surveyed mobile handset shops, their first prior product is Nokia brand, second prior product is ZTE handset brand and third prior product is Sony Ericsson handset brand in the advanced mobile markets. Most customers purchased Nokia, ZTE, Sony Ericsson because these products offer latest styles, advanced technology to their customers and satisfy customers' need and want.

According to the finding, handset shop's first prior product is quality products and the second prior product is reasonable price products, the third prior product is most apply brands for selling customers in the markets. Customer's first prior product is also quality products and second prior product is also reasonable price products, and the third prior product is the ones which have main servicing centers. And then, the best selling products are Nokia, Sony Ericsson, Hauwei and Samsung in Yangon mobile markets.

Pricing system is an important factor for the success or failure of their business. It helps establish and maintain their competitive edge and profits. Thus they must use right pricing system for their customers. According to the finding, their first pricing system is set based on the company's defined prices; the second pricing system is defined based on the other competitors' prices. It means that mobile handset shops set prices on the basis of its competitors' prices rather than its own costs and revenues. The third prior pricing system is defined based on the model of products in the marketplaces because customers purchase mostly latest functions and advanced mobile handsets available in the mobile marketplace. So, their prices of products are changed when they have competitions with the other shops, new products have entered in the mobile markets and third factor have set based on the product's models. Most mobile handset shops set the same prices for the same types of mobile handsets. But, for differentiating mobile handsets, their product's prices set based on product's demand.

According to the finding data, 100 % of mobile handset shops are retailers, 50 % of handset shops are wholesalers and 35 % of handset shops sell their products directly to other shops. According to the finding, first, the products are flowed from the mobile handset shops to customers. Second, the products are flowed from the mobile handset shops to wholesalers to retailers to customers and the products are flowed from the mobile handset shops to retailers. Third, the products are flowed from the mobile handset shops to wholesalers and retailers to customers and the products are flowed from the mobile handset shops to wholesalers to retailers and customers.

Promotion is concerned with telling the target customers in the distribution channel about the mobile handsets in the marketplace. So, mobile handset shops must apply right promotion tools to improve their sales volume more than other shops in the advanced mobile marketplace. According to the surveyed mobile handset shops, the first prior promotion factor is selling quality products, the second prior promotion factor is reducing prices and the third prior promotion factor is giving presents to the customers that increase their products demand in the mobile marketplace. And then their advertising ways are magazines, journals and billboards. The fifty five percent of sales promotion is reducing prices when customers buy out of season and they purchase large quantities and the forty percent of sales promotion are paying presents to their customers to improve their sales volume in the mobile marketplace. All mobile handset shops are paying attention on personal selling to inform and persuade potential buyers to buy their products.

In conclusion, according to the finding, most handset shops selected Nokia brand for their target customers and the best seller products are also Nokia brand in Yangon mobile markets because it does not need any introduction, as it is the brand which had already captured the market effortlessly. In addition, Nokia mobile are a sign of reliability and style. The Nokia brand has no comparison in this communication world, when it comes to buying a mobile phone, there is no second thought.

Most handset shops do not advertise their handset products on television. These handset shops need to make more promotions and advertising to increase their sales and benefits. They usually emphasize on advertising means such as magazines, journals and billboards. Only five percent of mobile handset shops use direct marketing method. Most handset shops give services to fulfill their customers' need and want and some handset shops give free services and warranties to their customers when that customers purchase their products. And some handset shops reduce their products prices.

They use quality discounts, seasonal discounts and price discounts. But they don't use credit items; installmental payment, lucky draw and sponsorships at event. All surveyed handset shops are facing difficulties and losses for selling their products in the marketplace when money markets changes.

## **5.2 Suggestions**

Mobile phones' basic function is to allow one person to talk to another people while he or she is almost anywhere. The ability of mobile phones to connect to people in other countries helps family and friends who are far from one another stay in touch. Mobile phones actually improved human communications and then that can provide them to know information immediately, saving time and money.

In addition, mobile phones are also affecting Myanmar economy, society and lifestyles of people positively and Myanmar people can now enjoy the quickly development of mobile technology and services. Private telecommunication firms are very competitive and they can provide latest mobile handsets and services at the cheap prices in the mobile markets. So mobile phones in Myanmar now have got the incremental benefits.

Everyone in the world need mobile handset because it can not only communicate with other people anywhere and anytime around the world but also fully helps in their works and lifestyles to be more and more efficient and effective in their life.

Marketing managers or owners of Mobile handset shops can control in order to best satisfy customers in the target mobile markets. So, they must emphasize on their marketing activities to increase products demand and benefits more than their competitors in the mobile markets. Pricing system is an important factor in the success or failure of a business. It helps establish and maintain a product's image, competitive edge profits. Managers or owners of mobile handset shops must estimate customers' reaction to possible prices for their products. Mobile handset shops reduce prices when customers buy products out of season and they purchase large quantities but they do not use credit items and installmental payment methods in Myanmar mobile markets. Thus, they should use credit items and installment payment methods.

They should advertise their products on TV and they should also apply direct marketing method to persuade customers and to get effective sales volume in the mobile markets. And then, they should use lucky draw and sponsorships at events that persuade customers to purchase their products.

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## Appendix

### “Mobile Handset Shops Survey Questionnaire”

Name of Shops -----

Address -----

Established Year -----

#### I. Describe handset brands in yours shop.

| No. | Brands Name |
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**II. What factors do you choice for purchase products?**

- (1) Quality
- (2) Reasonable price
- (3) Most apply brands
- (4) Colors

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- (5) Designs
- (6) Models of product
- (7) Warranty
- (8) Give Services
- (9) Others

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### III. What factors do your customers choice for purchase products?

- (1) Quality
- (2) Most apply brands
- (3) Main servicing place
- (4) Reasonable price
- (5) Functions
- (6) Easy purchase product's accessories
- (7) Warranty
- (8) Others

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### IV. How do you set product's prices?

- (1) Define by the Original Equipment Manufactures
- (2) Expenses and tax
- (3) Other competitor's prices

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(4) Models of products

(5) Function of products

(6) Others

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**V. What does prices changeable factors?**

(1) Demand

(2) Seasonal

(3) Other shop's competitiveness

(4) New products enter in the marketplace

(5) Models of products

(6) Others

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**VI. How do you distribute your products?**

(1) Wholesalers

(2) Retailers

(3) Sell direct to other shops

(4) Sell direct to users

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(5) Sell from agents

(6) Others

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**VII. Describe the best selling products.**

(1) -----

(2) -----

(3) -----

(4) -----

(5) -----

**VIII. What do you apply promotion factors?**

(1) Selling quality products

(2) Reducing product's prices

(3) Making better known products

(4) Advertising

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(5) Giving gifts

(6) Others

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**IX. What do you apply advertising techniques?**

(1) TV

(2) Radio

(3) Magazine

(4) Journal

(5) News papers

(6) Billboards

(7) City bus

(8) Others

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**X. Describe strengths when you selling your products.**

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**XI. Describe weaknesses when you selling your products.**

