

Case Study: HTC



Modelling Future Market Dynamics

Milner Strategic Marketing builds both smartphone and tablet models for HTC. Summary reports describe the market drivers and dynamics documented within these models to explain how markets will evolve over time.

A close working relationship has developed between Milner and HTC over the last three years. Milner delivers robust forecasts coupled with detailed analysis of over 50 markets globally.

The models Milner produces are used to document current and future consumer and competitor behaviour. These invaluable market insights are used extensively across a wide range of departments within HTC.

About HTC

Founded in 1997, HTC Corporation (HTC) is the creator of many award-winning mobile devices and industry firsts. By putting people at the center of everything it does, HTC pushes the boundaries of design and technology to create innovative and personal experiences for consumers around the globe.

HTC's portfolio includes smartphones and tablets powered by HTC Sense™, a multilayered graphical user interface that vastly improves user experience.

HTC is listed on the Taiwan Stock Exchange.

HTC's Requirement

HTC wanted to track the emerging global smartphone and tablet PC opportunities. It needed a market forecast model that described how the market would evolve over the next five years on a quarterly basis. The model format had to provide detailed market insights about both consumer and competitor market behaviour over the forecast period.

Very detailed competitor and pricing analysis of the current market were required in the form of Deep Dive reports to document current vendor strategies and consumer demand for devices within different price ranges. This needed to be complemented with supporting reports that summarised the future volume of smartphone and tablet shipments, explained how forecasts compared to other industry analysts and documented key market drivers and future global and regional market dynamics.

It was necessary for a format to be adopted that could be used throughout the company to extract meaningful insights about the direction of the market and corresponding implications for HTC.



Milner's Solution

Milner developed market forecast models of the smartphone and tablet markets. Each model was structured to mirror HTC's regional reporting structure and focused specifically on the markets that HTC is targeting.

The structure of the models was designed with the end user in mind to allow ease of navigation and analysis of the data. Forecasts were made based on historic data and global trends within the market. The forecast correctly foretold significant changes in market dynamics including:

Growth in demand from emerging markets

Milner modelled the rise in demand for smartphones from populous emerging economies such as China and India, along with the slowing of growth rates of more mature markets as these became fully penetrated.

Change in vendor dynamics

The smartphone model developed by Milner forecast the demise of established smartphone leaders like Nokia and BlackBerry and the markets where this would happen first.

Changes in consumer buying behaviour

The bi-polar nature of the market was modelled, as emergent demand for low-cost handsets was coupled with continued strong sales of quality high-end smartphones. This correctly identified the resulting heightened competition within the middle tier.

The rise of Android

Milner correctly identified Google's dominance of the smartphone market with its Android operating system and the corresponding collapse of BlackBerry and Symbian.



HTC's Benefits

1. Trusted forecasts

The forecasting accuracy consistently exceeds that of other industry analysts. This allows the business to trust the forecasts and utilise these at the most senior levels within HTC to support the overall strategic direction of the business.

2. Align the whole company

The models form 'One Truth' about market size and direction within the company. This allows alignment throughout the company from top to bottom and means discussions start with "what are we going to do?" instead of "what is the market going to do?"

3. Exactly met requirements

HTC benefits from models that exactly mirror the regional reporting structure within the business and focus on all the markets that HTC is targeting. In addition to this, the models contain the exact mix of competitors, price points and operating systems that are relevant internally and forecast to a level of granularity that is not available from other analysts.

4. No conflict of interest

Milner does not work for any of HTC's competitors and this allows an open relationship, where data can be openly shared and strategic questions asked and answered without fear of losing competitive advantage in the marketplace.

5. Full understanding of methodology

Finally, there is a full understanding of the methodology behind the models and supporting reports. Awareness of the assumptions and forecasting methodologies which underpin each model builds trust and an understanding of the future market dynamics which will drive consumer and competitor behaviour.

"We chose Milner to help us understand the explosive growth of the emergent smartphone and tablet markets because they had a unique take on looking both forwards and backwards to tell a coherent, dynamic market story through strategic modelling. In a market where everything is uncharted, they have proved their worth time and time again at unlocking the secrets of each distinct quarter across a number of variables – and have developed their product and expertise as we have grown more demanding and unreasonable in our quest for insights. A small but perfectly formed team who think and care as much about your market challenges and opportunities as you do. Invaluable."

Fiona Naughton
VP, Global Marketing
HTC Corporation