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"The harsh reality is this isn't an iPhone killer. There's only 4GB memory and under the fancy front-end is a standard Windows Mobile 6.1 smartphone"

The *What Mobile* verdict on the HTC Touch Diamond

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"It's like paying your crew to punch holes in your boat. Any other retail sector would say, 'you want me to pay you to give away my margin? Go back to mobiles'"

Alasdair Jeffrey, sales consultant, Avenir Telecom

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Continued from page 1

MVNO Lycamobile in ambitious plan for UK ethnic vote

-dence in each new market we enter that there will be at least a couple of operators that will compete for winning the Lycamobile contract.

"As Lycamobile keeps growing there will be multiple hosts in each country that will host the Lycamobile brand."

Lycamobile calculates the potential UK ethnic market for mobile to be up to 10 million subscribers. Kangle said: "There's room for one big player in this market, with 60 or 70 per cent market share. The rest will be marginal players. Whoever wants to play in it has to be serious about the funding."

Staff axed as O2 cracks down on box breaking

O2 has sacked six staff and is investigating a further 20 for selling handsets to box breakers.

The network retailer looks to be winning the war against box breaking, as store staff have stepped back from the practice after being issued with internal memos warning they face the sack if found to be breaking company rules.

"The message is very clear. It has got people worried," said one O2 staffer. "This is the first time O2 has made such threats on the issue and, like many other stores



and staff, I have completely stopped selling to box breakers."

Six staff have been sacked from O2 stores in London in the past fortnight. Twenty more are currently suspended, or being disciplined for breaking rules.

O2 has also started to track

staff discounts after salespeople were found redeeming them against the discounted 8GB iPhone, which dropped in price by £100 last month, and selling units on to box breakers and auction site eBay.

"Staff didn't think they'd get caught, but they have been," said a London-based O2 salesman.

"Anyone who has done it should be worried. The warning is there, and they are looking to fire anyone who goes against it."

The warnings have seen a reduction in the number of prepay

box sales across stores in the London area.

"Sales have been reduced by well over 50 per cent, but I would rather lose a part of my bonus than my job," said a staffer.

"As far as I can see, O2 has completely eradicated box breaking. The warning was so serious we aren't risking it anymore."

An O2 spokesperson said: "All incidents where an O2 member of staff is reported to have been involved in fraud are thoroughly investigated and dealt with under O2's conduct policy."

THE MAIN NEWS HEADLINES FROM HUGH SYMONS UNITY SEMINAR

SEE FULL REVIEW OF HSC'S UNITY SEMINAR NEXT ISSUE, OUT MAY 2

3 aiming to boost dongle sales in dealer channel

3 said last week it is selling more than 1,000 USB modems per day and expects dongle sales to hit a million by the end of the year.

But 3 head of indirect sales Peter Butler said not enough dongle sales were

BlackBerrys will be available from 3 for the first time from September, as it ramps up its business proposition.

The BlackBerry Bold (pictured, see page 6), RIM's first HSDPA handset, is expected on 3 in Q3.



coming from the dealer channel.

Butler said: "Carphone Warehouse was all over it like a cheap suit. The lack of movement in the dealer channel will change. We'll throw more money at it."

Butler added the rollout of 3's network share deal with T-Mobile will hit 7,500 cell sites by June, and 13,000 by the end of next year.

"It will be best in class," he said. "We won't have capacity problems."

The deal is designed to provide better, cheaper penetration of high speed wireless broadband.

'Weak' Orange brand to get £5m summer ad campaign

Orange said last week it recognises its brand is "weak" and is set to pump in £5 million to refresh it in a national advertising campaign this Summer.

Orange national sales manager for independent retail and distribution Mark O'Meara said: "We've lost focus. Our brand is the most important element this year, to support our partners and promote our business in the most effective way possible."

"This Summer, £5 million will be spent on a brand campaign to drive footfall and put Orange in the forefront of people's minds."

O'Meara also said Orange will focus on improving its web registration system, Enable, and on

migrating customers to longer-term contracts in the second half of the year, admitting it needs to be "slicker with broadband".

The indirect channel accounts for 70 per cent of Orange SME connections, the network said last week.

Orange national sales manager for independent retail and distribution Mark O'Meara said: "Just dealer and distribution sales account for 70 per cent of all Orange business connections - which is why the indirect sales channel is so important to our future."

'Who needs Vodafone?'

Hugh Symons Communications (HSC) business manager Bob Sweetlove (pictured) last week reflected on another year without a Vodafone airtime contract.

He said: "The door is always open to Vodafone. I'd rather have all five networks, but Orange has new management and provided T-Mobile and 3 come back with a vengeance, and O2 remains consistent, who needs Vodafone?"



CPW's £2.2bn JV

In a mega deal with US electronics giant Best Buy, Carphone has sold a 50 per cent stake in its retail business for £1.1 billion, setting up a £2.2 billion pan-European joint venture in the process to rival Dixons. The City, for the most part, cheered. Although the deal raised more questions than answers for some.

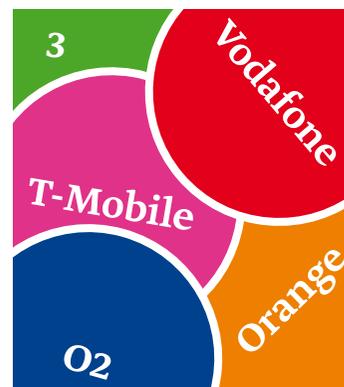
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Orange panned

Orange has been trounced again in a consumer satisfaction poll. Following last month's Aura survey, JD Power has found it bottom of the pile for both prepay and contract for the second year in a row. MVNOs Tesco Mobile and Virgin Mobile came top of the prepay and contract polls respectively.

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mobile news

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