Nokia marketing case study assignment

[Art & Culture]

The Nokia Corporation I. Summary of Facts Nokia is currently the world's largest manufacturer of mobile phones, with a global device market share of approximately 40% in 2008, and global annual revenue of 51. 1 billion euros and operating profit of 8. 0 billion as of 2007. Early in 1994, to help Nokia get down the learning curve faster and free up resources needed to build related capabilities, CEO Jorma Ollila initiated a strategy of exiting Nokia's old businesses to focus on telecommunications.

Nokia complemented its core consumer-focus competence by extending its existing expertise in other capabilities, including low-cost global sourcing of materials, and by adding new capabilities such as global brand building. The result has been a successful business model centered on consumer-friendly mobile communications that has yet to be surpassed, as well as a brand that consistently ranks as one of the most valuable in the world, according to BusinessWeek's annual survey. II. Problem

Nokia's future success is predicated not on new hit products but upon a vital, self-renewing high-performance business model. In terms of sustaining high performance, the distinction is quite significant. The rise of customers who demand goods and services tailored to their needs and delivered on their terms is turning up the pressure on companies to bring more innovation to market, and faster than ever. III. Major Points of Analysis A. Nokia's distinctive capabilities for Competing in its product markets.

Nokia's distinctive capabilities and competitive advantage are tied to its reconfigurable organizational architecture. Modularity allows Nokia to create differentiation rapidly. The ability to reconfigure itself means it can adapt quickly to changing market conditions, allowing the company to rapidly create, innovate and modify products for specific customer segments. In 2005, Nokia brought 56 new models to market. In emerging markets, Nokia reuses key components and applies its experience from other markets to introduce phone models that respond quickly to the eeds of local consumers. While currently there is a fierce competition to come out with a better " Iphone", Nokia came up with a close competition with its new N95. Based on personal opinion, some say it is better. " Starting with entry-level phones and then quickly moving consumers to feature phones with color screens and FM radios created a strong pull-through for Nokia products," says Ben Wood, director of clients at Collins Consulting in Solihull, UK.

This has also allowed Nokia to achieve a 70% market share in India where it recently opened a factory in Chennai. Mr. Wood says Nokia is following the same blueprint in Africa, leveraging its modular organizational structure to quickly establish its sales network in the Nigerian market. B. The strategy issues confronting Nokia resulting from digital convergence. A cell phone that acts as a boarding pass, a credit card, a multi-media player, a checkbook registrar, a camera, and a key to your car.

These are all the things that with technology advancing a cell phone will eventually be used for. Currently about 75% of these things can currently be done with a cell phone. And yes, Nokia is streamlining their technological capabilites with the rest of the cell-phone industry. They have been a little late in producing newer phones to the market than their other counterparts, but Nokia tends to find a better more advanced version of the competitions offerings allowing them not to have to compete under the same price point as others.