

International business economics

Business



Introduction

Until the mid to late 1980s, most mobile phones were so large that they were permanently installed in vehicles as car phones. Due to the advancement of miniaturization, the majority of the current mobile phones we used today are handheld units/ The world's largest mobile phone manufacturers include Audiovox, BenQ-Siemens, High Tech Computer Corporation, Fujitsu, Kyocera, LG, Motorola, NEC, Nokia, Panasonic (Matsushita Electric), Pantech Curitel, Sagem, Samsung, Sanyo, Sharp, Siemens, SK Teletech, Sony Ericsson, T & A Alcatel and Toshiba. International business economics is a field of study which will assist in the analysis of how the production, distribution, and use of goods such as mobile phones in a global business community. Key players in the mobile phone manufacturing industry have had a significant impact on other countries due to the globalization of economic activities.

1-General Area of Interest

My general area of interest for this research project is mobile phone manufacturing. There are over 100 mobile phone manufacturers competing in the global market.

Having such a vast market will result in downward pressure on the average prices for mobile terminals as companies struggle to survive. Competition thus rests almost solely on price and, more specifically, price reduction. The key players in the mobile phone industry still command for approximately 75% of the total market share in the mobile phone industry. As such, these

key players have a significant impact on setting prices and technological trends regarding mobile phones in many different countries across the globe.

2-Specific Topic

My specific topic will revolve around key players in the mobile phone manufacturing industry which are deemed to be the top 5 mobile phone manufacturing companies in terms of worldwide mobile terminal sales. These are Nokia, Motorola, Samsung, Siemens, and Sony Ericsson. Together, these top 5 mobile phone manufacturers command an estimated 73% of the market share on mobile phone manufacturing, with the other manufacturers lumped together as consisting of the remaining 27%. Nokia, in particular, ranks as the world's largest mobile phone supplier and has begun shifting its mobile phone manufacturing from its U. S. -based factories in Texas to facilities in Korea, Mexico, India, and China. Even companies that rank among the top 5 have to struggle constantly to keep up with the highly competitive mobile phone manufacturing industry, such as Siemens. The German company has sold its mobile phone manufacturing unit to Taiwan's BenQ since the mobile phone unit has been losing around 1 million euros a day and has then slipped in the global rankings of handset makers from fourth to fifth place.

In short, competition among handset makers boils down to a very fierce price competition which has to lead to a steady erosion of margins. As companies struggle to remain afloat and to cater to the demands of a highly fickle market, mobile phone manufacturers have begun transferring their productions to Asian countries such as China and India where production

costs tend to be cheaper than in the West. The aim of this study primarily is to analyze the top 5 key players in mobile phone manufacturing in terms of their production and global business strategy to maintain their position in an extremely competitive market. The secondary objective for this research study is to examine the impact of these top 5 key players on the worldwide mobile phone industry as a whole, and on the economies of other nations, particularly those nations wherein which these companies have decided to transfer their production and operations.

3-Research Methodology

The research methodology to be used for this paper would be a descriptive, analytical approach. The research method would begin with data-gathering on the mobile phone industry as a whole – including its history, scope, recent trends, and forecasts. Then data on the top 5 key players in the mobile phone manufacturing industry will be gathered and analyzed to understand the profile of each company, their business strategy and market positioning, and their global impact in the mobile phone industry. These 5 companies will then be compared. Production and demand for their respective products will be examined, particularly with regard to their economic impact in identified areas or regions of production.

4-Source of Data The data to be gathered will be mostly from online sources. The websites of each of the top 5 key players will be studied, as well as critical analysis from other business and economic researchers who specialize in the mobile phone industry. In other words, related literature on the mobile phone industry, the top 5 key players, news articles reporting on developments and corporate decisions by these top 5

key players, and relevant studies regarding the market and economic trends will be used to assist in the analysis of my specific topic.

Reference

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