

# [Nokia incorporation – marketing strategies essay sample](https://assignbuster.com/nokia-incorporation-marketing-strategies-essay-sample/)

Executive summary

The Nokia corporation vision is to have a world where all people can be connected, and they have increased mobile subscriptions which they expect to hit 4 billion by end of 2009, but their strategy is not all about the convergence of internet and mobile technologies and growth, but also involve conducting business in a way beneficial to environment, people and communities, hence its aiming to responsibly do business and work to attain environmental sustainability. Its also targeting to increase accessibility to communications to make positive contributions to societies through connecting people with new opportunities, hence, it’s investing in research in developing countries to comprehend better opportunities and it also views environmental responsibility as opportunities rather than constraints to make sustainable decisions and reduce adverse environmental impacts of its products and be efficient in energy use (Batra, 1990).

Nokia held an innovation summit in April 2007, to discuss accessibility and examine their future plans in the context of the US ageing populations, and also is attempting to understand accessibility challenges i. e. sensory, physical, and cognitive, and value of solutions in poorer economies which brought together international stakeholders/ experts and Nokia employees where they emphasized on moving beyond mere meeting the special group needs to turning accessibility into business advantage since improved accessibility enhance general usability of Nokia services/products.

#### Design Sustainability

#### Nokia takes a humanistic approach in designing mobile devices and create stylish products that work exactly the way customers like them, which is their central ethos in brand/work designs. Its design process is influenced by customers’ behavior hence it has a multi-disciplinary design team involving approximately 300 psychologists, anthropologists, researchers, technology specialists etc who represent over 30 varying nationalities, based in Europe, China, Latin America, India, Japan, US etc, and the team conducts in-depth analysis and research of customers behaviors/ and trends as well study new materials, technologies, styles and shapes. Nokia has also included several product characteristics for accessibility involving Nokia conversation which improves message tracking for consumers relying on text communication only, more options in hearing aids compatible devices, speech-to-text deeper in sub-menus, a talking alarm, a pre-installed font magnifier, clock for customers with vision impairment etc (Beatty, 1987).

Customers

Nokia, being the world leader in mobility, has driven growth and transformation of the converging communications and internet industries, and they make wide range of brands i. e. mobile devices with software and services that enable customers to navigate, experience music, video, games, television, imaging, business mobility etc hence growing and developing internet services to customers, including the software and enterprise solutions, are primary areas of focus for Nokia corporation. Through networking with Siemens the company offers services as well as communication equipments.

The Nokia Incorporation profile users are classified according to demographics, income, occupation, health and fitness, gender and Age, socio-economic status, discretionary expenditure, attitudinal Profile, shopping preferences, societal Issues, food Preferences, advertising and media preferences, finance Preferences, activities Profile/participation.

It also classifies according to leisure activities, general entertainment, eating out/fast food, TV sports watched, sport and activities participated in, media profile, Roy Morgan Values Segments, major magazines read, national newspapers read, newspaper usage, magazine usage, heavy media usage, TV watching, radio listening, cinema attendance, print media typology indices, internet usage, typology indices, TV media typology indices etc.

The company aims to provide high-quality; innovative services and products which enable people to connect and aim to meet user needs, including people with cognitive/sensory and physical limitations. The services and product development considers the environmental and social issues involving privacy concerns related with convergence of internet and mobile technology. It sells majority of products through network operators, distributors, and Nokia branded stores owned and operated by retail partners, are the main customers together with small number of independent retailers sold to directly, while some sales are made through Nokia online to direct users, and the company is also creating a chain of Flagship Stores in the premier shopping locations over the world which would offer Nokia services and products with highly-trained staff, in an interactive and fashionable environment like in Shanghai, China. This has resulted in high levels of consumer satisfaction (Assail, 1995).

Factors influencing consumer behavior for this product / brand

The consumer purchases for the Nokia brands are influenced primarily by four factors involving the psychological factors, personal factors, social factors, and the cultural factors.

The cultural factors

This category is sub-divided into three sub factors entailing the social class, culture, and the sub-culture. The culture refers to the set of basic wants, perceptions, values and behavior learnt by members of societies from important institutions and from families, and is the most basic cause of a customer’s behavior and wants. Every society and group has a culture, and these cultural influences the customers, behavior in purchasing Nokia products and they vary from nation to nation.

The sub-cultures refer to the people with shared value systems that are based on common beliefs and life situations and experiences and each and every culture contains smaller sub-cultures and includes religions, nationalities, geographic regions, racial groups, and these make up important market segments that allow markers to design products according to available segments. The social classes on the other hand, forms social structures contained in almost every society, and are the society’s relatively ordered and permanent divisions whose members share similar interests, behaviors and values (McDaniel, 2001).

Social factors

These also influence consumers’ behaviors and include factors like those of family, groups and the status/roles. A group refers to two or more people who interact to accomplish mutual or individual goals hence an individual’s behavior is influenced by several small groups since these membership groups have direct influence on a person’s behavior. Some of these membership groups are primary groups that include friends, family, coworkers and neighbors while some are secondary groups, with less regular interactions and more formalization. They include corporations like trade unions, professional associations, religious groups etc. The family members on the other hand, strongly influence the customers’ behaviors since it’s the most important customer purchasing organization in the society and it has been comprehensively researched by marketers who are interested in their roles and influences of wife, husband and children on the buying of different services and products. The status and roles refer to the many clubs, organizations, groups and families that a person belongs. It also refer to the position of an individual in groups hence they define his status and roles, for instance, an individual may play role as husband in family while in company he plays managerial roles hence it consist of activities that people are expected to undertake according to those people surrounding them (Alba, 2000).

Personal Factors

These factors include age and life-cycle stages, economic situations, occupations, self-concept and personality, life styles etc. The life cycle and age stages entail people changing the services and products they purchase over their lifetimes, including tastes in clothes, foods, furniture, recreation etc and are often associated with age. Purchasing is also influenced by the life cycle stage of the family. The person’s occupation influences the products and services that he/she buys like the white collar workers tend to purchase expensive phones while the blue collar workers tend to buy cheaper communication devices hence Nokia Incorporation should specialize in making it’s products needed by all occupational groups in designing different brand products for accountants, managers, engineers, doctors, lawyers, teachers etc. The economic situation of an individual would also affect the choice of products. The lifestyle of individuals which refer to an individual’s living patterns, hence to understand these factors/forces, one must measure consumer’s major AIO dimensions involving activities, like hobbies, work, support, shopping, interests, fashions, food, family recreations, opinions about business, products, themselves etc. The self-concept and personality of a person influence his buying behaviors, with personality referring to the unique psychological characteristics that lead to a lasting and somewhat consistent response to an individual’s own environment, therefore, everyone’s distinct personality influences her/his purchasing behaviors (McNair, 1958).

Finally, the psychological factors include factors of buyer perception, motivation, learning, attitudes and beliefs. Motivation is the drive/motive/need that adequately presses the buyer to seek need satisfaction while perception refer to process by which people organize, select, and interpret information to find meaning in the products/world. Earning refer to the alterations that take place in an individual that arise due to experience while the attitude is an individuals’ consistently unfavorable or favorable feelings, evaluations, tendencies towards an idea/object while belief is the descriptive thought that an individual holds about a thing.

Consumer behavior theories and models

Consumer behavior refer to the activities and process that people engage in when selecting, searching for, buying, evaluating, using, and disposing of services and products in order to satisfy their desires/needs (Belch). It involve the study of how, where, when, what and why individuals do or don’t purchase products and its elements is from sociology, psychology, anthropology, economics etc and tries to understand buyers process of making decisions as a group or individually. It explores behavioral variables and demographics to comprehend people’s wants with influences from family, groups, friends; society as consumer plays three roles of using, paying and buying the commodity. Nokia incorporation needs to place importance in customer relationship management, retention, customization, personalization and one-on-one marketing.

The social functions are grouped into welfare and social choice functions. According to this theory, each method for counting votes is understood as a social function, however if the Arrow’s possibility theory is utilized for a social role, social welfare function is attained. The social functions specifications include the neutrality, decisiveness, anonymity, and unanimity, and monotonocity, strong and weak Pareto optimality, homogeneity. Nonetheless, there is no single social choice function that meets all these necessities/ requirements simultaneously in an ordinal scale. The primary feature of social functions is the recognition of the interactive impact of options and developing logical connection with the ranks hence marketing would provide services for purpose of customer satisfaction, thus incorporations should consider productive systems at production level to end of the cycle (Kioumarsi, 2009).

The black model theory

This is main consumer behavior model that Nokia incorporation should adopt for its telephone communication brands/products.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ENVIRONMENTAL FACTORS | | BUYER’S BLACK BOX | | BUYER’S RESPONSE |
| Marketing Stimuli | Environmental Stimuli | Buyer Characteristics | Decision Process |
| Product  Price  Place  Promotion | Economic  Technical  Political  Cultural | Attitudes  Motivation  Perceptions  Personality  Lifestyle | Problem recognition  Information search  Alternative evaluation  Purchase decision  Post-purchase behavior | Product choice  Brand choice  Dealer choice  Purchase timing  Purchase amount |

Source: Kioumarsi, et al (2009)

This model reveals the interaction of consumers’ characteristics, stimuli, consumer responses and the decision process, and the intrapersonal stimuli i. e. between people hence this model is associated with the black box theory of behaviorism where the focus is not set on processes inside the consumer but the connection between stimuli and response of consumer. The incorporations should plan and process the marketing stimuli, while the environmental stimuli are caused by social factors, based on political, economical, and societal cultural conditions. The purchasers’ black box contains the customer characteristics and the process of decision making determines the consumers’ response. This model take to account the customer’s response as a result of a rational, conscious decision making process, in which it’s assumed that customer has identified the problem, however in real life situations, consumers make numerous decisions without awareness of a determined problem (Howard, 1968).

Searching for Information

Consumers would always start to find information on available services/products to solve their problems, once they have determined the problem (Belch, 2007), hence they undertake both external and internal/memory search to locate the products and some of the information sources include the personal, experiences, public, and commercial sources. They engage their perceptions with a relevant internal mental process associated with searching for information hence individual receives, selects, organizes, and interprets information and then create meaningful depiction of the world/product/service.

Perception process of selection

The consumer select the promotional messages to expose themselves to and which ones to pay attention to. The consumers always interpret messages according to their belief systems, experiences, attitudes and motives and they would retain/ remember messages that are important to them hence the implications of this process help develop effective promotional strategies and to select information sources that are more effective for the product.

Evaluation of information

The consumer would then compare the products/brands available in market, hence incorporations should make sure that their products are part of the consumer’s consideration/evoked set. They would then evaluate alternatives in terms of psychological and functional benefits they offer. Hence marketing organizations should understand the benefits that customers are looking for and attributes vital for decision making.

Making decision to purchase

Consumer would be ready to purchase once all the alternatives have been evaluated, though purchase intentions may not actually result in buying, hence marketing organization should facilitate consumers to act on their intentions to buy by providing credit and payment terms to encourage purchase, or sales promotion to grant opportunities to receive premiums or enter into competitions, would provide incentives to purchase. This psychological process connected with purchase decision is referred to as integration.

Evaluation after purchase

Rice (1993) further developed the EKB model which proposed a feedback loop, while Foxall (2005) was for the suggestion that the significance of evaluation after purchase is vital due to its influences on future purchase pattern by customers.

External and Internal factors/influences

The behavior of consumer is normally influenced by psychographics/lifestyles, demographics, personality, knowledge, motivation, attitudes, feelings, and beliefs. The external influences on consumer behavior include culture, locality, sub-culture, ethnicity, royalty, family, reference groups, social class, market mix factors and lifestyles.

Effective marketingstrategies for Nokia incorporation communication products/brands

The Nokia company should undertake intensive market research in areas prone with diverse cultures like Indian market before establishing its base, and the researches should encompass the people’s social life, preferences and personal tastes, way of life, how they determine  a product as effective and what attracts them towards a product, as well as the economic and social conditions should be analyzed as revealed by a primary research conducted in the Indian market where methodologies including taste tests, questionnaire, interviews, focus groups and observations were employed. The Indian general economy was also analyzed hence its recommended that Nokia incorporation should modify its products to suit the Indian conditions as well as technology should be adjusted to such extent that the devices are adaptable to Indian conditions since Indians are generally prone to be tough and rough customers and especially taking to account the telecommunication conditions and other numerous social factors, it should design the products/brands to best suit the conditions to be accepted by target customers hence, the company would be able to increase its market share (Laermer, 2007).

Another strategy is identifying the customers’ wants/needs and their expectations should be marched with other social and economic factors to make the new product receptive and this can be related to any product e. g. Reebok is enjoying large Indian market though they had hired Phoenix company to manufacture shoes and operate under Reebok to cater for Indian market, and they achieved this by adapting to social conditions and playing major role to establish own brand in market. This reveal that consumers are always open to new and diverse products from time to time, but its just that they want flexible products to adapt to their requirements, needs, tastes and preferences since people do change over time, also their preferences/tastes do change as well, hence company should identify these to make steps towards attaining success and the rest would rely on the product performance.

The questionnaire has been used as primary research tool to gather information/data and has been kept simple/easy to be able to acquire market information directly from customers, and the targeted audience are required to give brief description of asked questions and also these questionnaires need to be distributed using systematic random sampling to target audience, and the questionnaire used is indicated below used to assess consumer behavior.

* Have you ever owned or used a Nokia phone? Yes ( ) No (  )
* If yes, describe your experience.——————————————–
* How do you rate innovative level technologically in manufacture of Nokia models? Very high ( ), High ( ), medium ( ) low ( ), very low ( ).
* What influenced your decision to own/use Nokia models? ————————————————————————————————————————————————
* What other useful/interesting features would you like to have in your device?————————————————————————————————————————-
* Comment on the Nokia pricing strategies——————————————————-.
* In your own opinion, how has Nokia been reaching consumers/market?———————————————————————————————————————————————————————————————————————————————
* Comment on the advertising extracts of Nokia through the local media in the last two month?————————————————————————————————————————————————————————————————————–
* Comment on your latest experience with the Nokia sales people/agents———————————————————————————————————————————-.
* What are the areas would you suggest for Nokia Company to improve on concerning:

1. a) Their marketing strategies.
2. Device features and quality.

Recommendation

The strategy/marketing plan should outline the tactical directions and strategic plans that marketing teams should implement to support company’s objectives of reducing costs, growing profits and increasing revenues, hence it should contain vital decisions on product pricing, offerings, communications, and distribution channels, and should also include detailed budget/plan to implement each component. It should be loaded with break-or-make implications since it directs corporation’s overall marketing plan. The effort and detail level connected with company’s marketing strategy depends on various factors involving the company size, business life-cycle like start-ups, growing, mature or declining and also the kinds of strategic decisions being made whether they affect single product line, or entire product portfolio, and also marketer should assess marketing strategies already formulated in the past (Loudon, 1988).

A well structured, thought-out and clear process should be used to create usable marketing strategy that would help developers to focus, and ensure consistency of information and decision-making. Marketer should collect study and digest marketing information before establishing a strategy by drafting a plan for building the strategy, and collecting accurate, comprehensive, and current information on market industry, partners, competitors, and customers.  The strategy should always contain summary and synthesis of the main market information involving the market trends, market share, and the market growth/size and then followed by the strategic recommendations about the communication, pricing, product, channel strategies.

References

Assail, H. (1995). Consumer behavior and marketing action. 5 th Ed. Cincinnati, Ohio: ITP, South-Western College Publishing.

Alba, J. W., and Hutchinson, J. W. (2000). Knowledge calibration: what consumers know and what they think they know. Journal of consumers research, 27 September), 123-156.

Angela B. Pfeil, (2005). Going places with youth outreach: smart marketing strategies for your library. Edition 4, ALA: ISBN 0838909000, 9780838909003

Batra, R. and Ahtola, O. T. (1990). Measuring the hedonic and utilitarian sources of consumer attitude. Marketing letters, 2 (2), 159-170.

Beatty, S. E. and Smith, S. M. (1997). External search effort: An investigation across several product categories. Journal of Consumer Research , 14(1), 83-95.

Ian Chaston (1999). New marketing strategies: evolving flexible processes to fit market circumstance. Edition 2, SAGE: ISBN 0761962026, 9780761962021

Kioumarsi, H., Khorshidi, K. J., Yahaya, Z. S., Van Cutsem, I., Zarafat, M., Rahman, W. A. (2009). Customer Satisfaction: The Case of Fresh Meat Eating Quality Preferences and the USDA Yield Grade Standard. American Canadian: Conference for Academic Disciplines.

Laermer, Richard; Simmons, Mark, (2007). Punk Marketing-Consumer Marketing . New York: Harper Collins. ISBN 978-0-06-115110-1

Michael R. Solomon (2003). Conquering consumer space: marketing strategies for a branded world. Edition 3, AMACOM Div American Mgmt Assn: ISBN 0814407412, 9780814407417

McDaniel, C. and Gates, R. (2001). Marketing research essential. (3 rd Ed.). Ohio: South-Western College Publishing.

Nokia (2004). Nokia closes 2003 with excellent fourth quarter. Press release 2004, January), available at: http://press. nokia. com/pr/200401/931562\_5. html