

Marketing communication plan for nokia assignment

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There are 6 sections for this essay, with a logical flow started with the review of marketing plan, followed by program situation analysis; communication process analysis; budget determination; integrated marketing communication program development; and ended by monitoring, evaluation, and control.

Introduction Smartphone seems to be the necessity for people, which leads to a huge demand for the smartphone and of course a crucial competitive in this market.

Hence, many brands showed up and tried every single method to gain market share and make itself outstanding among those competitors.

1. 0 A Review of the Marketing Plan

1. 1 Overview of the Smartphone Market

The diagram below shows the market shares for each brand of smartphone.

Source: (IDC a, 2014) In the smartphone market, Samsung took the top share of whole smartphone market for its popularity, and then followed by Apple. However, according to this chart, NOKIA has been arranged into "others" section, it has gone away from its most glorious era.

NOKIA changed its operating system to window operating system before merged by Microsoft (BBC, 2013), and it is crucial to analysis the proportion of different operating systems in this smartphone market. Source: (IDC b, 2014) Android OS has always occupied the first position in the smartphone market, and then followed by IOS (Apple operating system). Although, Windows has taken the third place for its operating system, the market share is still quite low, and very far behind Of the first two operating systems.

1. 1 Current Position and Future Plan

By looking back the historical data of NOKIA, the value of the company has dropped significantly. NOKIA did really have its peak time back into around 2000 to 2007. In 2000, Nokia had a

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market value of roughly 5210 billion (around €40 billion), and had over 40% market share in US. Globally Nokia has market share of 30.6%. In 2007, its global market share has risen to 38.2% with a \$150 billion market share (ExNokian, A. 2013). However, when Microsoft merged the mobile phone business of NOKIA, it only worth \$7.6bn, the value of the company has shrunk for 72.8% (BBC, 2013). The reason for this shrink and the big failure for the NOKIA may come up with several reasons. The first reason could be overconfidence. Nokia did really well in the past after defeating all of its competitors. It became complacent and tried to expand its business in digital home, which it knows nothing about it. Therefore, the potential threats were hidden away from the analysis (Konsta, A. 2011). The second reason could be ignorance of its own advantage for the software.

During 2007, NOKIA has its biggest global market share, highest profit and highest research and development expense for its most successful operating system named Maemo - the successor of N81D, which is based on the management of Symbian (ExNokian, A. 2013). However, due to the factor of indecisiveness, they dropped this Maemo OS, but bet on the independence of mobile phones. After switching off the original OS, the market share and sales began to decline quarter by quarter, and the sales decreased to 15% less than expected till the fourth quarter (ExNokian, A. 2013). As a result, Nokia was bought by Microsoft, and faced the problem of brand name forsaken in smartphone market. Although, Nokia does not only have its smartphone market, it can still use the name of 'Nokia' in other departments, which have not been merged by Microsoft, in the most valuable market 'Nokia' disappeared but a name of 'Microsoft Lumia'

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instead (BBC, 2014). It is worth considering why Microsoft merged Nokia smartphone industry. Microsoft is the world number one company serves the best-known PC operating system, “ Microsoft office suits” and the “ Internet Explore Web Browser”.

However, Microsoft is so weak in the handset device market; additionally, Nokia has a well-known brand name but reported its loss on profit, and it was preparing to stop making windows phone; then with the fear of losing this main windows phone user, Microsoft bought Nokia (Carlson, N. 2013).

Microsoft launched its own OS for smartphone in 2012 to react the booming mobile device market, and Nokia agreed to use that OS instead of using Android decided by the CEO-Stephen Elop, who previously is a division leader in Microsoft, became Nokia’s CEO in 2010 (Theguardian, 2014).

The diagram below shows the main users of windows phone. Source: Mendeleevich, A 2013 Nokia took about 80% of the total customers, indicated that Microsoft depended on Nokia. Because of the fear of losing this main user, and the benefit of the ready-made mobile device market by Nokia, Microsoft bought Nokia for \$7.2 billion (BBC, 2013). Starting from 2014, Nokia, the smartphone business, became a division in Microsoft called the “ Devices Group”. As for Stephen Elop, the previous Nokia CEO, became the executive vice president of this division (Kovach, S. 2014). Microsoft Lumia, the new reborn name for Nokia, launched the last two devices (Lumia 830 and Lumia 730) with “ Nokia” branded on the phone; in the future, the “ Nokia” will be completely move away from handset (Ali, 2014). 1. 1. General Internal and External Analysis (SWOT) The “ Devices Group” combines both

of the Microsoft and Nokia's strengths and weaknesses; thus, in order to discuss the factors that could influence the decision making of this Devices Group. SWOT analysis would be the best strategy in this situation.

Internal Strength Brand names of both companies, which could be the biggest strength. Both Of them have loyalty customers (Dambrns, K. 2014). Microsoft has strong financial base. It can solve the problem of cash shortage of Nokia (L am, A. 2014). Strong public relationship with suppliers and product manufacturer. Strong cooperation ethic, for its product environmental protection and sustainability (Ropot, J. 2013). Weakness Poor interaction with users. According to users' feedbacks, the product is act poorly on smartphone performances (Dambrns, K. 2014).

Late entry. Microsoft is not specialise in smartphone market, although Nokia did well in this market, after they merged, it became a brand new products enter into this smartphone market. As the result, it looses a large quantity of market share (Dambrns, K. 2014). Financial burden. The debt for Nokia transferred to the Microsoft. In the 2nd quarter Of 2014, the devices group dropped its profit for 7% (Dambrns, K. 2014). External Opportunities Win-Win Situation. The Group combines both of the companies' resources, a bigger potential to success (L am, A. 2014).

Low-end market means the companies can save a lot by using cheaper and simpler hardware (Moore, C. 2014). Developing cloud ecosystem marketing. Windows phone has back of Microsoft means with the same account, just like iPhone, the information could share among different devices as long as it is belongs to Microsoft (Dambrns, K. 2014). Th reats Significant Competition.

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Because of the later entry, and other companies have already got their own developed ecosystem, such as the IOS for Apple and Android for Google (Cam, A. 2014). Rapid change in technology gives the potential fear technology obsolete (GlobalData, 2014). . 1. 4 An assessment of target markets and plans for the marketing mix There are three types for a new phone; the first one is the high-end device, such as iPhone and Samsung Galaxy series, they are attractive but expensive; the second one is Mid-range phones, such as Huawei P series and HTC's Desire series, they are cheaper, but the technology are not most powerful after all; he last one is the Low-end phones, they are affordable, although it has the technological limitation and may in slow procession, the quality may exceed the expectation (Moore, C. 014). According to SWOT analysis, Microsoft Lumia does have some potential opportunities in the low-end market; hence, Nokia released Lumia 520, 521 and 525 handsets to aim at the low-end market. Lumia 530 quickly became the most popular Windows phones with fairly priced at \$1 00 and are ideal for first-time smartphone users (Moore, C. 2014). The marketing mix plans for this low-end market could be: Products are unning on a simpler hardware, and with low-cost production.

In terms of promotion, Lumia puts the product snapshot on the homepage of Microsoft phone, and release the news to the public (a more detailed analysis will be in the section 3. 0). As for place, customers can buy the products through the Internet, or buy from the third parties (electronic retailers), which are authorized by Microsoft. The price strategy used for low-end product is penetrating price skill to entry the low-end market with low price and to gain the market share, which could be the best way with these

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markets, because the products are affordable, it can gain the awareness for this extremely low price. . 0 Analysis of Promotional Program The reasons for this acquisition could be both internal and external, in this paper the internal factors are the failures of past promotional programs; the external factors are the general environmental issues, which will be explained in detail as follows. Internal factors: Failure: The lack of consistent information for its product. Customers do not know which is the best phone for them to choose. Nokia did not use its value proposition properly to make itself unique to customers.

They did not build an awareness of special for Nokia phones (Sandeem, P. 2013). Lack of public relations, Nokia had a bad customer services (CSS, 2014) Success: Public relations. Nokia supported the educational activities, charities and other social institutes, which helps them build the reputation for the companies from the customers (Jones, R. n. d.) External factors: Technology changes. For example, with the trend of selfie, the “ Device Group” improved its front camera.

Thus, social network can help the group to advertise their new product on the internet to emphasize the functional benefit of this new product (BlogSpot, 2013) Intense competition. The main competitors for Lumia are iPhone and Samsung. According to a research, in 2012, Samsung ranked the first by spending \$402 million in marketing its smartphones in the US, closely followed by Apple with \$333 million in U. S. No other smartphone companies had come close to the budget allocated by Samsung and Apple last year.

HTC spent \$46 million, BlackBerry spent \$39 million and Nokia only spent \$13 million (Reed, B. 2013)

3. 0 Analysis of the Communication Process

promotion is also known as marketing communications, and it is the process of transferring the information from the company to its target audience. Communication is important, because only if the target audience get your message, the products could be sold (DRS. n. d.). In this section, a specific product model and market will be used to do detailed analysis. Lumia 535 will be chosen as the product model, and the market will be China.

Lumia 535, which is the newest version of windows phone, targets its main markets in China, India, Russia and other Asia countries. It is on sale in China on 27th November with the latest OS, and it is the first self-made smartphone with " Microsoft" logo instead of " Nokia" (Martin, J. 2014). In terms of the Innovation and Development model, Lumia 535 is at the stage of gaining awareness and interests; so at this stage, an efficient communication is particularly important. However, the most efficient advertisement may not be the official announcement.

Microsoft has loyal customers, who may write the news on the social network, and then the information can spread up. Thus, the announcement on the official website seems similarly attractive. Lumia 535 is aiming the low-end market with low price, but it has everything that a smartphone should have. In order to increase the sense of tension for waiting this newest version before actual releasing, for each visit to the official website of Microsoft Nokia Lumia Devices, the " coming soon" words raised the expectation value; besides, the tailor-made two SIM slots for Chinese market

also increased the satisfaction (Crasto, D. 014). 4. 0 Budget Determination and Timings Companies should decide the budget for the promotion, corresponding to the communication objectives. Microsoft officially announced that the main primary goal for Lumia 535 is to increase the sales of this low-cost phone (Mamiit, A. 014). However, Lumia 535 is the first windows phone without the “ Nokia” logo, it maybe struggling once introduced to the market; therefore, it potentially has the communication objective of increasing its brand interest and image.

Microsoft did not spend much on advertising this new product in China, although there has already been in shot supply for the Chinese market (Tianji, 2014), the only element that close to an advertising is a article officially released by Microsoft on the Lumia’s blog, which previously is the blog for Nokia (Edward. 2014) Therefore, Microsoft mainly relies on the interactive/ nternet marketing and the “ world-of-month” publicity in Chinese market, which can minimise the expense on promotion and get a huge positive feedbacks on the sales.

Additionally, because the low-cost of Lumia 535, the product price can be the biggest reasons that influence the budget allocation to the promotion. Thus, in this situation, Microsoft may choose to use the bottom-up approaches to set the budget. Firstly, they set the objective of increasing sales, and then determined to use the Lumia blog to announce Lumia 535, which indicated that Microsoft is confident for its brand public elations. After deciding the social media used for advertising, Microsoft then decided the approximate expenditure of taking this action.

The result in this market seemed satisfied, because the Lumia 535 has been in a short supply, and also implied that the Chinese customers has increased the degree of attention for Lumia. The last stage for the budget determination is the revaluation objective. It is the time to look back and compare the result with the objective, test whether the sales goal has been achieved. To SUM up, the objective has been met, but it's risky by only using interactive/ nternet marketing approaches and relies on the world-of-month.

They do minimise the cost, but sometime it may come up with a negative impact, for example, some customers may only spread the drawbacks of the product, which may affect the decision making when consider buying this Lumia 535. 5. 0 Developing an Integrated Marketing Communications Program Integrated marketing communication is about “ how brand message, the tools and the media channels can be managed to develop into coordinated communication strategies” (Jobber, D. & Chadwick, F. 2013: 500) For Lumia 535, three romotional mix methods will be used.

The methods are Advertising, Interact/internet marketing and Public relations/publicity. The table below is the detailed analysis of these three methods. Advertising Objectives Informative Advertising: Lumia 535 could do advertising based on its low price and the tailor-made two SIM slots feature to gain the favorable impression form Chinese customers. Additionally, Lumia 535 is the first true sense of Windows phone without Nokia logo; the advertising should aim at the product acceptance form customers. Strategies Broadcast and digital Television will be used.

Because with the consideration of the big market size for China, Television can be best choice for advertising. Additionally, internet is also an opportunity for cheaper and lasting advertising. People can visit the webpage and search the information they need at anytime. Message and media strategy and tactics The advertising will combine both rational and emotional appeals. Rational appeals can be the functional introduction to the features, such as the technology improvement for front camera (BlogSpot, 2013).

The emotional appeals could be: with the help of Apps, such as Skype, and the improvement of front camera, users can talk and see clearer image through the front camera and closer contact with friends. Interactive/internet marketing Lumia 535 is the latest version of Microsoft windows phone, thus it should create the awareness and the interests from customers. Microsoft has a strong brand power, it creat a strong brand image got Lumia 535. Strategies Lumia use the blog to launch Lumia 535 for Chinese market, and commercial communities can also be a good platform for promotion, such as Taobao and JD in China.

However, the social network may be most efficient and With the rend, for instance, Weibo and QQ can be used for Push technologies about Lumia 535; Message and media strategy and tactics The message can be more casual; web designer can design the title for Push technologies more concise and attractive, impress the customers and make sure they will click the link and even order. Internet marketing can easily monitor the efficacy by tracking

the click numbers. Public Relations/ Publicity Good relationship with both internal and external customers.

Such as employees, stockholders, community members, suppliers and customers for internal. Media, Governments and other financial groups for external. sing Integrated organizational Structure, and focusing on employee engagement for internal relations. Using the internet and Launch Events for external relations. Message and media strategy and tactics The internal relation strategies can get everybody involved and cooperated for decision-making; and make them feel involved and motivated. As a result, they may become the “ world-of-month”.

The external relation tools, such as launch events, can introduce the Lumia 535 in detail by live show; however, Microsoft did not use this strategy in China Market. All the three promotion methods mentioned above can integrate together for Lumia 535. For example, Microsoft is a big company with strong brand impact on employees, and employees may get involved when deciding the advertising method, which will make employees feel involved and motivated, and then become the loyalty customers for Microsoft.

After launching the Lumia 535, the loyalty customers could advertise the product for free by using “ world-of-month”, they discuss Lumia through online social networks, recommend Lumia to other people, which has combined the advertising, Internet marketing and publicity all together to sent the information about Lumia 535 to its target audience. 6. Monitoring, evaluation, and Control Here comes to the final stage. After the whole

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processes of marketing communication, the results should be tested whether it is matched to the goal.

Otherwise, if there is a negative gap between results and objectives, the analysis of the failure can correct the mistakes and guide the future strategies. The communication methods used by Lumia 535 seemed to be too simple, only a Lumia blog announce the Lumia 535, which indicated that although Microsoft regarded China as one of its main target audiences, it did not pay much attention to this market, or they are extremely confident about heir loyalty customers.

There is a potential risk under the “ world-of-month”, company cannot control what the people think, ‘ Xworld-of-month” may result in an extreme bad reputation for the brand if they just spread the broken parts for Lumia, then Lumia may result in a huge failure. Thus, Microsoft should do both pre- and post-testing. Pre-testing can use online surveys or customer reaction. Before releasing the final product, Microsoft can send out the online survey to test the expectation for Lumia. In this case, Microsoft can do pre-testing by following the “ search terms” for social networks.