Quản trị học

Business, Marketing

Nokia , its that name that when comes to our mind we remember the phones that came to our life making a new era of cellular communication , these devices that Nokia made was amazing, cool and full of surprises. however, this brightness didn’t last for long time . At first, Nokia was topping the U. S market with market share of about 30 % but over the years Nokia has lost its popularity and dropped to the bottom by june. 2009 . Nokia’s strategic mistakes in the U. S market Fail in anticipation situation The “ forecast for Nokia was as sunny and clear as an endless Finnish summer day. In the period which in Nokia was actually the top choice for the U. S consumers , Nokia didn’t notice the change in the tastes of the consumers and also didn’t make researches about the new need of those consumers. Otherwise, it continued to work under current strategy and didn’t develop its strategy to adapt with the market condition. It was just forecasting the good to come and didn’t anticipate any competitor in its industry . Dismissing the competitors As mobile phone usage skyrocketed, Nokia was the most popular choice. It was the “ cool" phone–the one that everyone, from business executive to high school student to stay-at-home-mom wanted . In 2005, Nokia had just launched the N series, an innovative new line with a Web browser, video, music, and pictures in a single phone. That device moved Nokia a generation ahead in the race to build the first real smart phone. The “ forecast for Nokia was as sunny and clear as an endless Finnish summer day. arrogant attitude of Nokia despite the new competitors have entered the market, Nokia was still using its old strategy without any change or development process to it, and also did not offer any new initiative phone to the consumers, but it remained A “ dump" mistake from a “ smart" company !! As some executives of Nokia itself said “ Nokia, at the height of its success, decided not to adapt its phones for the U. S. market. That was a mistake and they’re still trying to recover from this. " “ One former Nokia executive" Not adapting to the change is one awful mistake that a big organization can make Also An executive at a North American network operator said, “ The attitude at Nokia was basically: Here is a phone. Do you want it? Nokia wouldn’t play by the rules here, and they have paid a price. " Here nokia wanted to force the consumer to its products without even trying th develop it to meet their new needs and tastes . but this costed Nokia too much and paid the price That arrogant attitude and the global economic slowdown have continued to hurt the company’s sales and earnings. After so long, What have nokia done revitalize its North American business? Strategies to revitalize Finally , Nokia has decided to do something about it , Nokia set up liaison offices in Atlanta, Dallas, Seattle, and Parsippany, New Jersey, cities where the top American operators have big business units. And it has recently revamped its U. S. operations to collaborate more closely with those major operators. For example, * AT&T has begun billing its customers who use Nokia services, keeping those customers from receiving a second bill from Nokia. * Best Buy began carrying a Nokia netbook, which is a model for its new collaborative strategy. * also forged a deal with Qualcomm, the largest maker of mobile phone chips for CDMA devices in the United States. * It also struck a deal with Microsoft to design Windows Office Mobile software applications for phones that use Nokia’s Symbian operating system. Despite these efforts, however, some industry executives remain unimpressed. One analyst said, “ They claim they get it and understand the U. S. market. But the execution still is not there. " Admission : Mark Louison, president of Nokia’s North American unit, who has a seat on Nokia’s global management board, said, “ In the past, we had a one-size-fits-all mentality that worked well on a global basis but did not help us in this market. That has changed now. " Another ! : The company recognized that its former strategy had not worked in North America and began trying to lay the groundwork for long-term success. Louison says, “ Everything you see us doing is to build the broad set of capabilities to take us broader and deeper into the U. S. market. " Analysis Tools for Nokia : SWOT analysis Strengths : At the beginning nokia was topping the market with a market share of 35 % , also Nokia was it was the only-in-the-market organization , this was a big strength for nokia. Weakness : some weaknesses of nokia was that nokia didn’t consider the changing tastes of consumers and didn’t make any step to maintain the big gap that was created between it and the customers, also after the enter of the new competitor “ Apple" to the market it didn’t respond a bit to it and kept for years it’s arrogant attitude toward the competitor costing nokia a big part of it’s market share in the U. S. Opportunities : after “ Apple" entered the market pulling too much market share from the ground of nokia , nokia should have been working to find a way that keeps it in it’s competitive position like changing its operations, strategies, reallocating its resources to fit with the new demands of the market Threats : any organization in business todays is threatened by the new entrants to its industry so good businesses should always scan its environment to find any threat that can impact with it directly to take its place or even influences in that aim. What we actually saw from Nokia that it didn’t do neither from the above to reallocate its resources in order to face the changing environment, but it remained it hands folded toward it. Stars are businesses with a high market share in a fast-growing industry. As we notice from the life cycle of Nokia, In 2002 Nokia was at its top position in the market where it had the biggest market share and a fast growing business . Question Marks : are businesses that have a low market share in a fast growing market. “ If Stars have a goal of becoming Cash Cows, Question Marks have a goal of first becoming starts". This was at the beginning of Nokia when it has just entered the market and began to grow and make a market share . Cash cows : are businesses with high market share in a slow-growing industry. During 2002, Nokia had a big market share _ the biggest market share at that time _ but its Industry was slowly-growing during the few years after . Dogs : are businesses that have a low market share in a slow growing, mature market. During the period 2003 Nokia’s market share and industry growth began to decrease rapidly till it reached a very low market share . the figure 5 below shows the market share for Nokia and other competitors As we notice, The graph shows the Nokia’s market share position During 2007 — 2011 We see a very slow increase during 2007, then in 2008 we see that Nokia’s market share began to decrease rapidly till it arrived to the lowest market share ever . Representing the B. C. G Matrix on the Life Cycle of the Nokia . could Nokia have done better ? Nokia could have done better in its planning for the future and considering the present, Actually , Nokia has done lots of mistakes that could have been avoided by making researches to scan the current status of the market and the changing tastes and new demands of the consumers, also Nokia has lost its position in the U. S market because it has ignored arrogantly the competitors who entered its industry, and they didn’t even do anything about it. What does this story tell about Strategic Management ? Actually, Strategic Management is the most important part when managing an organization, because it involves managing the present and anticipating the future, to predict any change that could impact the organization, strategic management means that the manager should always be aware of the changed environment in order to reallocate resources to fit the change quo Made by :

Ù†Ø¨ÙŠÙ„ Ø®Ù„ ÙŠÙ„ Ø§Ù„ Ø³ÙŠÙ, Ù„ ÙŠ Ù…ØÙ…Ø¯ ØØ§Ù�Ø¸ Ø´Ø±Ø§Ø¨ Ø§Ù„ Ø·ÙŠØ¨ Ù�Ø§Ø®Ø± Ù, Ø¯ÙŠØ Ù†Ù^Ø±Ù‡Ø§Ù† Ø§Ù†Ù…Ø§Ø± Ø§Ø¨Ù^ØÙ^ÙŠØ¬