

Nokia  
telecommunications  
equipment  
manufacturers of  
mobile marketing  
essay

[Business](#), [Marketing](#)



**SWOT ANALYSIS OF NOKIA**

**Strength** Nokia has largest network of distribution and selling as compared to other mobile phone company in the world. It is backed with the high quality and professional team in the HRD Dept. The financial aspect is very strong in case of Nokia as it more profitable business. The product being user friendly and have all the accessories one want that is why is in great demand making it No-1 selling mobile phones in the world

**Wide range of product for all class.** The re-sell value of Nokia phones are high compared to other company's product. Nokia has it on manufacture and network. Product innovation and compared to other battery has high back up as well as network. Economy of scale

**Weakness** It's weakness includes the price of the product offered by the company. Some of the products are not user friendly. Not concern about the lower class f the society people. Not targeting promotion toward them. The price of the product is the main issue. The service centers are very few and scare. So after sales service is not good. There is a less number of demand in this days. Technology and functions

**Opportunities** Nokia has sample of opportunity to expand its business. With the wide range in products, features and different price range for different people, it has an advantage over the competitors around. With the opportunity like ' Telecom penetration in India' being at the peak time, Nokia has an opportunity to increase its sales as well as the market share. As the standard of living in India has increased the purchasing power of the people as increased as well, so Nokia has to target right customer at right time to gain the most out of the situation. For eg solar mobile can be example of it.

**Threats:** Nokia has many threats to tackle to maintain its position as market leader. The threats like emerging of other mobile

companies in the market. The companies like Motorola, Sony Ericsson, Cingular (U. S)etc. these companies have come to the Stan tough competition with Nokia in the field of Mobile Phones. Threats can be like providing cheap phones, new features, new style and type, good after sales service etc. So, Nokia has to keep in mind thegrowing competition around. Nokia has to make strategies to tackle problems in the present and the near future. The growing demand of WLL network can cause drop in sales for Nokia as Nokia provides many less CDMA phones to the customer.

PESTLE AnalysisAfter conducting a Porter's 5 forces model on Nokia, I felt a PESTLE analysis would analyse the macro environment of Nokia. These are all the external forces that are out of Nokias' control but have a significant effect on how the company operates and the strategic decision they make. This model looks at the Political, Economical, Social, Technological, Legal and Environmental factors relating to Nokia and the industry they operate in. To understand the macro environment more this article will study each section in depth.

POLITICALThe Political factors relates to the factors which the government also affects such as government instability or rules and regulations which the business must follow. Nokia have recently moved one of its manufacturing facilities to India, and because of this it is important that Nokia follow the rules and regulations that are set in India, so that they can operate as efficiently as possible. The types of things they will have to be aware of is the minimum wage, the maximum hours a week employees can work and especially the Health and Safety regulations; this is to avoid any bad press or revolt from employees that will ultimately damage the reputation of Nokia both short term and long term. As well as foreign

government it is vital that Nokia have a good relationship with their government in Finland, as any political instability such as a change in government or coalition may result in new laws being implemented, which will affect Nokia a lot

## **Economical**

Nokia are vital to the Economy in Finland as it currently occupies a third of the market on the Helsinki stock exchange. The organisation is so important to the economy of Finland that the government had to step in when the business, earlier this year Nokia planned job cuts in Finland and with fears of what that would do to the economy the Finnish government stated they were prepared to help find jobs for those who are sacked (Reuters, 2011). Nokia will also have to be aware of changes in exchange rates, as they operate on a global scale and drastic changes in rates can have a devastating effect on the financial operations of the company if the business do not take appropriate steps to ensure the effects are minimum. The threat of recession on western economy has also had an effect on the interest rates in banks, which means the cost of borrowing money for business activities has increased and Nokia will need to be aware of the changes in interest rate

## **Social**

With Nokia mainly operating in the Western market it is important for them to fully understand the social factors in these markets and the main factor they need to understand is the culture of the society; which is to have the latest and most up to date phone, is considered a key fashion icon.

Consumers are always after the most innovative and best looking

Smartphone because in today's culture people are judge on how fashionable they are by their choice of mobile phone. The increasing trend in Smartphones means when consumers purchase new mobile phones less and less consumers are choosing the standard mobiles phones over Smartphones because of the social trend in today's society. Nokia will be aware of this and may now spend the majority of their efforts developing a Smartphone that can compete with their rivals' products, in order to keep up with the trends of their consumers.

## **Technological**

The technological advances in the industry are vital to the success of any new Smartphone in the market that is continually growing, as the level of competition rises Nokia must ensure that their Smart phones are at the highest level of innovation. With functions such as camera, internet, social networking and email all necessities on Smart phones Nokia will have to think of other functions to help differentiate and stand out from its rivals. As well as function more and more consumers are looking at the software running all the functions as a key indicator of the success and quality of the Smartphone, so Nokia's alliance with Microsoft for their latest Smart phones seems a very good move as everyone are aware of the technological capabilities of Microsoft and the value they can add to any technological product. In the past Nokia were the market leaders in innovation in the mobile phone industry, however in recent times they have seemed well off the mark and struggle to compete with their rivals. This is why Nokia must consider their position in the industry and attempt to once again become the

market leader by offering a new innovative capability and get to the market before its rivals.

## **Legal**

Intellectual property is the key to any technological business and must be cared for and protected to the fullest amount to ensure the business does not lose out to rivals. Nokia operate in an industry where it is very difficult to have a product that is different to its competitors, when they do release a product with an innovative capability it is vital to protect the rights to it through patents, copyright, trademarks or design to ensure they are not "stolen" by their competitors. Not only are competitors a threat of intellectual, but Nokia must ensure they do not fall victim to counterfeiters who claim to be a Nokia products but are cheap knock-offs. As Nokia have manufacturing plants in a various countries it is extremely important that they abide by the laws and regulations set by the different countries as the laws will differ depending on the country, these can be employments laws, Health and Safety or even trade restrictions.

## **Environmental**

In today's culture it is very important for organisations to be seen as environmentally friendly and ethical with its manufacturing, because of the global effect it has on global warming so Nokia must ensure that they operate in an appropriate manner. With mobile phone recycling organisations becoming more and more popular, this demonstrates how important people are regarding it. The main issue with mobile recycling is the disposal of the batteries in the phones as these can become dangerous if

not disposed of appropriately. Nokia was founded over 140 years ago in Finland, and since then has become a global organisation that operates in over 120 countries worldwide. Nokia has also become a market leader in the mobile telecommunications industry and is most known for their mobile phones and Smartphone's. Although recent competition has affected the market share that Nokia has in the telecommunication industry they still hold a strong 29%(2011) of the market share in a forever changing industry.

**5-FORCES OF MODEL**The micro environment is the internal factors that are affected by the customers, staff, shareholders and competitors. The best model for evaluating the micro environment of Nokia is Porter's 5 forces as this takes into consideration the competitors, customers, suppliers and new entrants.

### **Threat of new entrants:**

The mobile phone industry is already a well established market and the threat of a new entrant is quite low, as the technology needed to rival the devices already available is quite advance if they want to differentiate from themThe barriers to entry in the mobile phone industry is high because any new entrants will need high investments in R&D, technology and marketing in order to compete with the established organizations. New entrants want to take market share from the larger organizations but Nokia hold 29% of the market share in the industry, the highest market share in the industry. (BBC News, 2011)The threat of new entrants into the mobile phone industry is very unlikely as the start up cost of entering into the market at a high level needs a lot of investments and time to be considered a respectable

competitor of the already established organizations. Nokia currently hold a 29% of the entire mobile phone market worldwide and for a new competitor to obtain some of their market will take either a very long term plan or something that is truly innovative and unseen before. This is because realistically the new entrant will need very high investment for R&D and marketing, and would not be able to publish positive result for a long time as they try to build a customer base and a name for itself in an established market. In conclusion the threat of new entrants is very low & not a factor which Nokia will have to worry about in the near future.

### **Power of suppliers:**

Although Nokia rely on its suppliers to supply equipment for their advanced mobile phones there are actually a number of large equipment makers, which Nokia could switch to.\* The software suppliers for their Smartphones are now Microsoft, who will have a very high bargaining power. As the leading mobile phone company in the industry they are in a very strong position when bargaining with their suppliers. Nokia are in the position where they can bargain and negotiate with any mobile phone hardware maker because there is a high number of equipment suppliers that are readily available to them should their current suppliers attempt to bargain for more money with them. Nokia's main argument would be the fact that they are a global organization that has the highest market share in the industry, so the suppliers would not want to lose such an illustrious organization. On the other hand, Nokia have recently created an alliance with Microsoft for their software which would be considered a major coup for Nokia more than



Microsoft. As a result, Microsoft will have a lot of power when negotiating a price and share because the deal is more beneficial to Nokia than Microsoft. In conclusion, there is a moderate threat from the powers of suppliers because although the hardware suppliers have a very low power, Microsoft's power over the software is very high because they're very few other organizations who have the expertise and skills to rival Microsoft.

### **Powers of buyers:**

The power that customers have is rising because of the increasing number of choices in the mobile telecommunication industry. With a lot of the Nokia competitors all offering similar packages (e. g. unlimited texts and calls) the industry is very price sensitive with customers seeking out the best value for money. Many of the consumers will also be tied into long term contracts so switching from one handset to another will be difficult and expensive for the consumer, as a result they may not want to change until the contract is finished. The mobile phone industry is a competitive market where the number of choices is very wide, resulting in the consumer having a lot of power because they can choose to go to one of Nokia's many rivals if they feel Nokia are not good enough. As Nokia do not have a direct store to sell to their consumers, intermediaries such as Carphone warehouse or network stores such as Orange also have other handsets readily available for the consumers, which makes it difficult for Nokia to have a direct impact on the selling of their handsets. As a result this has created a very price sensitive market because consumers will always be on the lookout for the best deals.

In conclusion, the buyers have a high amount of power because of the other handsets they can purchase instead of Nokia.

### **Threats of substitute's products**

-Mobile phones are an everyday essential in people's lives today and people would find it hard to replace, as customers would not be able to be in constant contact when away from the house.- On the other hand, it could be said that customers would be able to contact people through others types of media such as social networking websites, email and home telephones. Although staying in constant contact would be hard in customers' day to day life.-However, smart phones are capable of a lot of functions so there are many substitutes if the substitute focuses on one of the functions, e. g. digital camera can take better photos then smart phones, notebooks can surf the web just as effectively and PDAs can plan a day the same way a smart phone can. Mobile phones have become an everyday necessity in peoples' lives because of the important functions that they can do and are all available in just one handset. No other product has the ability to make phone calls, send messages, surf the web and many more in one device. The idea of being in constant communication with someone at anytime and anywhere makes the mobile phone a very important device to people. On the other hand, a mobile phone can be dissected into the key function where there are substitutes for the functions, such as the camera function on a mobile phone can be substituted for a digital camera which can do a better job than the camera in a mobile phone. In conclusion, the threat of a substitute product is very low due to the fact a mobile phone is no longer just for making calls but

for all the other functions as well are expected on all mobile phones. So, the only real substitute is to buy all the functions of a mobile phone in the individual products which would not be plausible to carry all around on a person at the same time. Without mobile phones consumers would find it very difficult to replace, as it can offer so much to the consumers all in one device, no matter what the needs of the consumer are. Consumers rely on mobile phones a lot and would not be able to find a substitute that has all the functions of a mobile phone.

### **Competitive rivalry:**

Nokia rivals have moved to smart phones and androids while Nokia have only just recently released their first smart phones leaving them trailing their rivals such as Apple and HTC. -There is also very little differentiation between the competitors which means any new smart phones in the market, like Nokia Lumia, will find it difficult to tempt existing iPhone and HTC customers to switch. -Intense competition from large companies such as; Apple, HTC, Blackberry, Sony Ericsson and LG, etc Nokia operate in an industry where the competition is extremely fierce with high investment in R&B and marketing to compete with some of the biggest organizations in the world. This year Nokia's market share has dropped to 29% and it is forecast to continue to fall because of the rising popularity of the Apple iPhone. After Nokia's slow move into the Smartphone market it has left them trailing their rivals, and has just released their Lumia range which will find it difficult to compete and win over consumers from their iPhones. In conclusion, competitive rivalry is very top and Nokia must be aware of the threat that competitors have on

their business especially with the growing popularity of the Apple iPhone and RIM BlackBerry. The competitive rivalry is the biggest threat to Nokia because in the Smartphone market they are considerably behind and to increase their market share will take a lot of work in an market where some of the biggest names in business operate in such as Apple and Sony. Value of chain BOSTAN CORPORATION ANSOFF MATRIX They are the option ; - : \* Market penetration is that existing product are focused so that to existing markets. \* Market Development concentrating on finding and developing new market for existing product \* Product development developing new research for product for the existing market. \* Diversification Developing new products and new markets. Market Penetration---- means focusing product which is already their in the market to increase sales within the market place and to be successful at the market penetration it should be aware of what has made the product a successful in leading position. Strategy used by the companies In order to increase sales without the drifting from the original product market . Several methods for penetrating the companies are by competitors' customers, improving quality of the product or service level, attracting non user product with different source of marketing communication through various advertising sources. Market penetration has a limit and once the market approaches saturation strategy must be pursued if the firm is continue to grow. Market development When a company's follows the marketing development strategy it moves beyond, it's customer base towards attracting new customer for its existing product. this helps to experience with specific market of specific product in fresh market on new geographical regions. For this company is expanding into new market, a

marketing development strategy typically has more risk than a market penetration strategy. 3) Product development;-Another strategy is to develop a new product for the existing market. In this case firm is trying to introduce new product to increase profitability and growth of existing product. The reason is to maintain company reputation as a product innovator, to utilize one or more excess production capacity, capture the market share, exploit new technology and to utilize excess. For eg solar mobileDiversificationFinal option is to develop new product for the new market. Diversifications may be related if the firm sees a new opportunity and has investment funds available or alternatively the firm may be forced into type of action because of pressure in existing product ranges it comes with the greatest level of risk based on existing knowledge within the firm. Criticism of the service provided may have some effect on the overall strength of the brand. In Europe the brand established a paper product which is an example. Nokia reveals youth global strategy. Nokia team has an important job to do of balancing the need to demonstrate Windows phone capabilities on lumnia to convince people to convert from iOS or Android. While also why being an lumnia owner is an aspiration lifestyle to lead. Nokia's marketing team has an important job to do of balancing the need to demonstrate Windows Phone's capabilities on a Lumia to convince people to convert from iOS or Android, while also pushing why being an Lumia owner is an aspirational lifestyle to lead. Pushing the company's peerless location based services such as its City Lens augmented reality app and Transport, the companion travel app, may help Nokia along this journey - but there's a bigger piece to be done in terms of changing consumers' preferences away from Apple or

Samsung and back to Nokia. That's not going to be easy with the expected launch of the iPhone 5 next week - underlining why Nokia needs to do something out of this world. It's not that Nokia was not using the right marketing channels before, or indeed that it wasn't investing enough in them; it was more that the overriding brand proposition wasn't quite enough to leave consumers open mouthed. The company should take inspiration from its Deadmau5 stunt last year - a 3D projection concert on the side of London's Millbank Tower, which was attended by thousands - and associate itself with further events and one-offs that make people say not just "Wow, I can't believe Nokia did that" but "wow, nobody else but Nokia could do that". In its new devices, Nokia has the hardware and the software to really shake up the smartphone market. If Nokia can play on its underdog status with some truly brave brand marketing that's prepared to surprise, shock or even polarise consumers it might do just that.

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The specific strategy in global market Nokia has already become far braver and bolder in its marketing since the birth of its Lumia series. . But it's going to have to grow a hefty pair of marketing balls if it is to propel the latest additions in the range to the position. In this Nokia creates industry first twitter. The launch of the Windows Phone-based Nokia Lumia series marks the "rebirth" of the company and will be accompanied by its largest marketing drive ever. New media age spoke to Steven Overman, Nokia VP of marketing creation, about how it plans to promote the phone. The three alternative future strategy are as follow: 1-Build a new winning mobile

ecosystem in partnership with Microsoft a smart-phone<sup>2</sup> Bring the next billion online developing growth markets<sup>3</sup> Invest in next generation disruptive technology Smartphone To increase on speed and focus on accountability Nokia will use Microsoft's Window Phone for its operating system. This helps to change the strategy, leadership, operational structure and approach. The renewed governance will expedite decision-making and improve time-to-market of products and innovations, placing a heavy focus on results, speed and accountability. Microsoft is linked with not only Nokia as well as other partner with a strong ecosystem to bring innovation and change. This might become the future disruption to the market & devices. The next billion Billion people do not currently own a company. Its extensive product portfolio, market research and market presence worldwide make it the best manufacturer to supply the next billions mobile phone users with great device and rich service suited to local needs. Meanwhile they will be taking the internet to the user of these phones in their next step. The series 40 operating system, Ovi life tools and Java development are keystones here. Future Discription Innovation field of mobile device is far from over and Nokia is determined to a play a key role in the future of this fields. It's involved into continued support on revolution of research and development work cross play a key part. Quantity development framework and independent providers will help to fuel this further. SOURCE:

<http://conversations.nokia.com/nokia-strategy-2011/SPECIFIC STRRATEGY IN GLOBAL MARKET>. Nokia reveals youth global strategy. Nokia team has an important job to do of balancing the need to demonstrate Windows phone capabilities on lumnia to convince people to convert from iOS or Android.

While also why being an Lumia owner is an aspiration lifestyle to lead. It has an important job to do of balancing the need to demonstrate Windows. But there is a bigger piece to be done in terms of changing consumer's preference away from Apple or Samsung and back to Nokia. Nokia's marketing team has an important job to do of balancing the need to demonstrate Windows Phone's capabilities on a Lumia to convince people to convert from iOS or Android, while also pushing why being an Lumia owner is an aspirational lifestyle to lead. Pushing the company's peerless location based services such as its City Lens augmented reality app and Transport, the companion travel app, may help Nokia along this journey - but there's a bigger piece to be done in terms of changing consumers' preferences away from Apple or Samsung and back to Nokia. That's not going to be easy with the expected launch of the iPhone 5 next week - underlining why Nokia needs to do something out of this world. It's not that Nokia was not using the right marketing channels before, or indeed that it wasn't investing enough in them; it was more that the overriding brand proposition wasn't quite enough to leave consumers open mouthed. The company should take inspiration from its Deadmau5 stunt last year - a 3D projection concert on the side of London's Millbank Tower, which was attended by thousands - and associate itself with further events and one-offs that make people say not just "Wow, I can't believe Nokia did that" but "wow, nobody else but Nokia could do that". In its new devices, Nokia has the hardware and the software to really shake up the smartphone market. If Nokia can play on its underdog status with some truly brave brand marketing that's prepared to surprise, shock or even polarise consumers it might do just that.