

# Why has segmentation been a successful marketing strategy for nokia?

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



1) Why has segmentation been a successful marketing strategy for Nokia?

Market segmentation is essentially a marketing tool which purpose is to “allow your marketing/sales program to focus on the subset of prospects that are “most likely” to purchase your offering” (www. businessplans. org). Nokia understands this very succinctly by offering different product groups to the different subsets of markets. They categorize consumer groups not only according to their usage needs but also the unique requirements of their different lifestyles. In order to succeed at obtaining this type of information, Nokia needed to be sensitive to subtle differences in market needs. That is the main reason why Nokia is successful in their marketing strategy.

2) What customer characteristics were used by mobile phone marketers during the industry’s early stages of growth? Which customer characteristics and segmentation variables does Nokia use?

During the early stages of the industry’s growth, segmentation was done geographically. The initial practice was to start first from the United States, then to Europe then to Asia. This was the time when the Asian market did not overtake the market demand of the United States yet, since it was relatively untapped that time.

Today, Nokia used segmentation variables such as consumer usage, lifestyle, price sensitivity, and individual preferences. That is why Nokia divides its consumer market into six segments: Basic, Expression, Active, Classic, Fashion, and Premium. It also focuses on very specific product lines such as “Communicator”, basically an all-in-one phone with many features; and, “N-

Gage”, which is basically a gaming platform.

3) Create a market-product grid for Nokia today. What potential new markets could you add to the grid?

Product

Description

Basic

1000-2000 series

Easy-to-use, low-priced

Expression

3000 series

Fun, interchangeable colors

Active

5000 series

Sports look

Classic

6000 series

Different useful features

Fashion

7000 series

“ Show-off”

Premium

8000 series

Unique style and materials

New

9000

series

With built-in mini PC with GPS

Reference

<http://www.businessplans.org/Segment.html>