The target market of nokia

The target market of Nokia is the college students who are mainly aged from 18 to 25 years old. They are selected as the target customers because they have great potentials for the mobile phone category. The target market of college students is based on the segmentation which indicated the i) substantiality, ii) profitability/identifiably/measurability, iii) accessibility and vi) differential responsiveness. The segment of college students is large enough because of the continuous investment ineducationby the government. The number of college students rises rapidly which provides a large pool of potential target customers for the mobile phone market.

Moreover, this segment is very identifiable and measurable, more importantly, college students market provide optimistic potential for Nokia because those students receive the tertiary education are those with high disposable income in the future once they involve in the labour market. According to the MingPao Daily on 16/03/2006, the starting salary of college students in the year 2005 reaches $9, 000 to $12, 000 in average. So we can see the potential of these future middle class, their high disposable income can be the profit of Nokia. Nokia can access college students easily and they show differential responsiveness as this new generation has cultivated a uniquecultureand trend on the multi-usage of mobile phone which spread among the college students.

Competitors Analysis LG LG is a Korea based company which provides ranges of mobile phone for customers to choose. Since its establishment, LG has evolved a lot according to the trend of mobile phone in Hong Kong. However, instead of putting all emphasis on 2-G GSM mobile phone, LG has put more focus on the 3-G mobile phone market and worked closely with the

Hutchison Group, The 3 Hong Kong service provider, to provide high quality 3G mobile to customers. LG has used different means of marketing strategies including print advertisements, TV advertisements and celebrities to promote the products.

Motorola Motorola introduced the first mobile phone in Hong Kong in the 1980's Motorola emphasizes on the transformation of device formerly known as the cell phone into a universal remote control for life by adding more functions and innovations in the mobile phone. Motorola won the Asian Innovations Award by thetechnologyof the product A668 with a " finger writing board" on the mobile phone, also, with the integration of the technology of iTunes(r) by cooperation with Marc(r), Motorola launched the product ROKR E1. Motorola aims to be the leader in multi-mode, multi-band communications products and technologies. Samsung provide a wide range of products for customers to choose from, including the 3G mobile phone, the MegaPixel Camera Phone, the Camera Phone and the Color Display Phone. No matter from the prime mobile phone of the latest 3 G mobile phone, Samsung provides choices for customers to deliver the desirable benefits and solutions for different customers.

Sony Ericsson has the mission to be the most attractive and innovative brand of mobile phone in the world. To achieve this goal Sony Ericsson integrated design into every step of the process - intelligent features, user-friendly applications, innovative materials and attractive visual appearance. Design is the essential differentiator when comparing mobile communications products. The attractive good looking appearance and the sophisticated

integration of technology has contributed to the success of Sony Ericsson, some products like W800i and W550i, with the functions of mobile phone and Walkman(r), has gained market share in this competitive market.

Product attributes used in questionnaires In order to find out the most important product features that will influence our target customers' purchase decision, we have conducted 5 focus groups, each with 6 target customers. At last, we concluded 14 product attributes that are important in affecting their purchase decision. The product attributes consist of product-related and non-product related attributes. Produce-related attributes include design, appearance, ease of use, functional performance, durability, multi-function, advanced features and number of models to choose from. Non-product related attributes include after sales services, price, resale value, level ofadvertisement, accessibility and reputation.

As our target customers are university students, we use convenient sampling as the sampling method and distribute the questionnaires among CUHK students. The sample size consists of 60 CUHK students, which include 29 female and 31 male. Research Findings Based on the Attitude toward the Object Model, the positioning statement which guides the marketing mix strategy was generated by- Factor Analysis: identifying factors affecting customers' attitude toward the brand; - Compare Means: evaluating the current market performance of self and competitors based on the identified factors; - Multiple Regression: revealing the weight of each factor and confirming the significance of the identified factors in attributing the

attitude - Simple Regression: confirming the significance of the attitude towards the brand in attributing the buying intention.

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From the factor loading table (Fig. 1) generated from factor analysis, the 14 attributes were categorized into 2 factors. The identified Factor 1 is " product quality" (multi-functions, stylish design, professional look, excellent functional performance, advanced features, user friendly and durable); Factor 2 is " marketing activities" (purchased everywhere, widely advertised, reputable phone, many models, reasonable pricing, good after-sales services and high resale value).

Compare Means Fig. 2 Mean of FS1 and FS2 for Each Brand Fig. 2 shows the mean of FS1 and FS2 for each brand. They were used as coordinates to plot a perceptual map (Fig. 3). The perceptual map shows the relative positions of the 5 mobile phone brands in respondents' mind. From the map, Nokia is on the most top right hand corner. It is the winner in terms of both factors, which are marketing activities and product quality. However, the differing range of the five brands on product quality is not as large as that on marketing activities.

It implies that Nokia is doing much better on marketing activities than the other brands, but not differing much from the others on product quality although it is the winner. The differences of the five brands were supported by the ANOVA Table (Fig. 4). For both factors, that significant figures smaller than 0. 05 means that the factor scores means of the mobile phone brands

are significantly different. There is at least one brand winning when considering each of the two factors.