

Marketing plan: new mobile phone

Business



Australian Release Marketing Plan Executive Summary Nokia has proven to the business world that they are one of the most prestigious mobile technology companies in the industry. With more technology advancements than our market can handle at this point in time, Nokia is paving the way for the future in electronics.

One of the most popular “ status symbol toys” in any market today, is the Mobile Phone. The first ever mobile phone without a battery is to be launched in June of 2012, and has already had a major impact on the market with a Press Release advising consumers of its launch to be held in Australia.

With the release later this year, Nokia is set to dominate the market, aiming to control at least 50% of the total market share. Nokia’s product, the new INDUCTECO mobile phone, is incomparable to competition with its ultra-thin transparent screen, Induction Based charging capabilities, It’s brand new windows mobile platform and the amazing new Telstra incorporated plans made just for the INDUCTECO. Although the INDUCTECO is easily filling a gap in the market that has never been reached, we still have very detailed strategies and tactics that we believe will give us an increased competitive advantage over our competition.

Nokia has a strong focus towards sustainability, integration, and amazing innovation. Nokia is always preparing for the next big item to hit the market, which is why their technology is so far ahead of all leading competitors. The recent year has seen us form a strong alliance with Microsoft. We have combined our quality of product recognition, sustainability and reputation with Microsoft’s quality of Operating Systems to create the ultimate high tech latest mobile phone.

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Of course, throughout our journey through this market, we will continue to provide the best ad campaigns for our target market so that they will never forget our product.

We will put as much prominence as possible in the innovative design, the future thinking operating system and the one of a kind induction based charging system, only available in the Nokia INDUCTECO series. By having an effective ad campaign, we will be able to catch the eye of many different target groups. Our major target group is the Gen Y era around the ages of 15-30, both female and male, living in Australian Capital cities. Studies show that this category is more likely to buy the phone to ‘keep up with the Jones’s’ or to own the ‘latest technology’.

Within the Gen Y targeted group are the “gadget gurus”.

These are groups that consist of young people who grasp onto new technology quickly. If the discussed strategies and tactics are successfully carried out, Nokia and the INDUCTECO series Mobile Phone, will hold the top spot in the mobile market for years to come. When this market starts to decline, Nokia will have the technology ready for the next big wave of high tech mobile phones.

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References25 Introduction Nokia is well known as being one of the world's largest mobile communications device manufacturers. Nokia has held a strong competitive leadership position over the past two decades however, with constant changing and new emerging technologies, Nokia as with its competitors, has to strive to be at the forefront of the market. Nokia's mission statement is simple " Connecting People" and that is exactly what the company does.

Nokia has a strong focus towards sustainability and already offer innovative eco-friendly devices.

In 2010 Dow Jones Indexes named Nokia as the " world's most sustainable technology company" for the second year running (as cited on the Nokia Global Website, April 2012). Strategic Focus and Plan In this report we analyse the development of a new eco-friendly mobile phone by Nokia. The initial sections of the report focus on the emerging ' eco-friendly; mobile phone industry and past marketing strategies. The main body of this marketing plan focuses on the introduction of the INDUCTECO Mobile Phone by Nokia.

Nokia will begin a major marketing campaign upon the release of INDUCTECO later this year.

The initial release of the INDUCTECO will be held in Australia where an alliance has been formed with Telstra to offer Australians amazing plan & prepaid deals. The new INDUCTECO Mobile Phone by Nokia displays a large panel of completely unique properties. With its induction based charging system which put simply is ' a charging system where you never have to

plug your phone in' and the latest leading edge Microsoft Mobile Platform the INDUCTECO is undoubtedly at the forefront of today's technology.

In order to actively target our customers Nokia will adopt a differentiation positioning strategy to direct its product towards the Gadget Guru / Gen Y consumer which will aid in Nokia's aim of creating 'hype'. This approach will have a roll on affect as we have seen in recent years with Apple products in particular and this is where we will find the segmentation becomes a lot broader and the phone will start to market itself. The key to the success of the initial launch is to establish INDUCTECO as a premium niche product in the Australian mobile market. Situation Analysis

The mobile phone market in Australia is a remarkable success story. The synthesis of technological advances, and marketing focused on fulfilling societies' needs for communication in both business and personal arenas, has seen market growth that has outstripped anything in recent times. In 1981 a limited mobile service network (Mobile Telephone System, 2007) was introduced that enabled fixed "mobiles" such as those permanently installed as car phones to operate in Australia. However the first actual mobile call in Australia was made from the steps of the Opera House on February 23rd 1987 using a Mitsubishi Electric handset.

According to Telstra, these first handsets were about the size of a briefcase, cost \$4000 or more and had a battery life of approximately twenty minutes. Despite these drawbacks, they were hugely popular, becoming a "must have" status symbol. (SMH, 2007). The major mobile handset suppliers in Australia now include brands such as Nokia, Sony Ericsson, Samsung, LG, Motorola, HTC, Palm, Blackberry, Garmin Asus, Alcatel and Apple iPhone. The <https://assignbuster.com/marketing-plan-new-mobile-phone/>

cost has gone from over \$5000 in 1981 (in car system) to Telstra's cheapest model available today at \$35.

Mobile coverage, customers and functionality has changed dramatically over 30 years and together with the Internet, social media and affordability; mobile communication has permanently changed the way in which people live and work. There are now an estimated 22 million mobile phone services in Australia as at 2011. (Budde. com, 2011).

Situation. The mobile phone market in Australia is highly competitive in terms of both service and phone suppliers. In the area of service providers the dominant player is Telstra, although with a policy of competition, other organisations are developing strong competitive positions.

Pre-paid and post paid plans also form a basis for competition between providers. The chart below provides an insight into both service providers and types of service in 2008.

Item 3 on the chart includes “ other” suppliers. Source: Mobility Magazine (2011) 10 (3). The Swedish Nokia Brand remains the world's largest mobile phone producer; although its market share has dropped to 23. 9 percent (from 28. 2 percent last year), and Samsung, LG and Apple are showing strong growth.

(IBT March 24 2011). Nokia remains the world's #1 brand in sales for 2011 (Gartner August 2011). External Analysis Economic Environment

Economic conditions affect the way in which consumers spend. They also affect the way in which companies spend on such things as product

development, range and inventory of stock. The present world economic crisis in Europe has had an influence on both consumers and manufacturers.

Global sales of all mobile phones showed a growth rate of 5.6 percent in the third quarter (2011) compared to 16.5 percent in the previous quarter.

Global sales of Smartphones were also down from 74 percent growth to 42 percent in the third quarter whilst inventories have grown by 20 million phones during the same period (MobiThinking, 2011).

While Mobithinking declares a drop in smartphone sales Gartner declares a rise in smartphone sales (Gartner August 2011).

Nokia has declared recent losses in GP in certain areas of the business however, that can be seen as a trend related loss, a 'good for the moment' loss. Nokia is the original and it is the best, it has been around for decades and the name is very reliable. Australia has shown better economic performance than that of a lot of other countries, but this too is dependent on factors outside of it's' control.

Given that the major manufacturers of mobile technology are multi-nationals, they will feel the effect of any economic downturn, which may also then be seen here. Consumers have shown reluctance worldwide to purchase new phones during the European credit crisis, although this may be mitigated by consumers waiting for new flagship devices to be released.

(Gartner, 2011). Even if Australia is insulated from the full effects of a major economic downturn in the near future, it is likely to affect the purchasing intentions of the mobile phone market (Griffith MKT103 Template).

However with the gen Y and Gen Z future adults that we see today in our everyday lives here in Australia they all own a mobile phone so the sales and purchasing market will also grow with the generations. Sales and purchasing statistics will fluctuate with trends and downturns so it is up to Nokia to stay at the forefront of 'Connecting People'. Political Legal.

The telecommunications market is important to the domestic economy and as such is subject to political and legal constraints. Politics has led to opening the market to competition, and it is maintaining and strengthening competitive forces.

In terms of service providers, they have to operate within a legal framework that is subject to political influence and overseen by such bodies as the Australian Competition and Consumer Council (ACCC) in accordance with Fair Trade and Trade Practices Acts. There is also protection of intellectual property, as well as trademark/design and brand protection in Australia that companies have to consider when marketing their goods and services. There are legal requirements that relate to truth in advertising, as well as industry norms and an expectation to act in an ethical, socially acceptable, and responsible manner (Griffith MKT103 Template).

There are also strict legal requirements that relate to manufacturing standards for Australian Compliance Technology.

Technology has been an essential driver of the mobile phone market for both carriers and handset providers. The original AMPS (Advanced Mobile Phone System) was launched in 1987 and provided an analogue or 1G service and by 1989 had 100, 000 subscribers. In 1992, both Optus and Vodafone were

licensed and the number of subscribers reached 500, 000 (Griffith MKT103 Template). In 1993 Telstra launched its new 2G network, and by 1996 there were over one million digital subscribers and 2. million analogue users.

Four years later the AMPS service ceased, however, by 2003 the first 3G network together with the Nokia e606 mobile phone allowed for both video calls and high-speed Internet access. By 2005 half the Australian population had a mobile phone, and at present (2011) there are more subscribers than people in Australia. (ActewAGL, 2009). In each stage of development carriers and phone manufacturers worked together to increase the range and variety of applications that could be performed by mobile devices, culminating with the issue of the Apple 4 iPhone in 2011.

Ongoing development includes Apple's new battery solution (Hydrogen Cell) that could power the iPhone for ' weeks' (AEDT, 2011). Nokia has finalized the manufacturing stage of the INDUCTECO with its new technology induction system and will release the product at least a year before Apple even look like being ready with a finalized prototype.

It is obvious that technology will continue to play a huge part in the ongoing marketing of mobile phones, although the emphasis is now being placed on mobile devices that offer better, faster and more reliable communication with the Internet, while using and developing applications (APPS) for various tasks (including marketing). The carrier system is likely to be further developed in areas of high population density, but remote areas are likely to remain reliant on other devices such as satellite communication (Griffith MKT103 Template). The use of mobile phones is defining future trends. According to

the International Telecommunication Union, mobile web access (including laptops and smart mobile devices) will overtake Desktop Web-usage within two years. ITU, 2010). Mobile apps however are likely to remain less popular than mobile web (ComScore, 2011).

Google states that mobile searches have quadrupled in the last year to where one in seven searches is made on mobile devices. Research has shown a likely decrease in APP stores after peaking in 2013 as consumers migrate to mobile web sites and as the most popular apps will be pre-loaded (for example, Facebook) (ABI Research, 2010). Mobile payments (M-payments) are increasing and predicted to exceed one trillion dollars by 2015 (Yankee Group 2011).

Google Ipsos (2011) stated that 4 out of 5 US shoppers used their smartphone to help in information search in shopping related tasks.

M-commerce is taking off due to a confluence of three major developments: (1) rollout of packet-data networks; (2) availability of enhanced data devices, and (3) development of rich content for m-commerce applications. (Telecom Trends International, 2004) Given this, possibilities for CRM (Customer Relationship Marketing) are unprecedented. (Sybase, 2011). The different architecture or platforms used and being developed for the smartphone market will provide both marketing and technology-related opportunities.

Operating Systems (OS) such as Palm and BlackBerry, Symbian and Windows Mobile, are all likely to increase competition and consumer choice in the market. However issues relating to service quality are evident in the market

as shown by the high number of complaints received by the telecommunications ombudsman.

In particular there has been a 73.4 per cent increase in disputes relating to the fairness of internet usage charges (TIO, 2011), which is in addition to the threat of class actions, such as that presently affecting Vodafone. Australian IT, 2011). Competitor Analysis. Both carriers and retailers/manufacturers operate in a dynamic and highly competitive market.

There is a plethora of “deals” in the marketplace covering both service providers and retailers. Continual new product innovations have put pressure on companies to innovate or lose market share. For example, the Apple iPhone radically changed the product landscape realising phenomenal growth since its release in 2007. Australian IT, 2011) The introduction of competing phones and platforms that offer advantages peculiar to an individual system is likely to fuel a continuation of the current technological “war”, which, combined with aggressive marketing from all the major suppliers, makes for an evolving and unpredictable mobile phone market (Griffith MKT103 Template). Mobile phone marketing strategies are aimed at both the business-to-business (B2B) market and the business to consumer market (B2C).

Some of the strategies used include; multiple pricing (B2B) as in supplying all the phones for a specific company (e. . Origon Energy), bundling, where the phone and plan form the purchase and provide value for the bundle for both business and consumer markets, two for one deals, free talk time, (for a specified value above that which is paid for in the mobile phone plan), and

many more. At any one time there will be offers from competing suppliers that make for a high involvement purchase by prospective consumers (Quah and Lim, 2002).

This need for high-involvement however has seen the emergence of simplified mobile plans in the marketplace, in response to increasing consumer dissatisfaction. (McManus, 2005). Nokia will face strong competition from the likes of Apple and Samsung. As per the ' Worldwide Mobile Device Sales to End Users by Vendor in 2011' table put out by Gartner (August 2011), the most direct competitor (currently) is Samsung. As of August 2011 Samsung held a 16.3% market share in comparison to Nokia's 22.

8% share. Apple sits a lot lower at 4.6% however the release of their hydrogen cell iPhone could have an impact on the market share positions. Customer/Consumer Analysis Customers can be classified in terms of business and non-business.

The business sector is more rational, value driven and information hungry. Business customers will adopt a structured approach to analysing costs and, in the main, make choices based on full information. Consumers as individuals constitute a different market, with different needs and associated motivations. From the very beginning mobile phones were seen as status symbols, owning one increased one's social standing and position. This still remains a key driver for innovators who will purchase new and improved phones as soon as they are available, and bask in their (perceived) increased social standing or " Street Cred".

However the desire to own a mobile phone has surpassed the desire to increase one's social standing, and indeed any person without a mobile phone is now seen as totally unsophisticated and maybe a little bit peculiar, especially in generation " Y" cohorts and Millennials.

Mobile phones have had a symbiotic relationship with social media such as Facebook and Twitter. One has supplied the other with the means to expand and capture a huge consumer audience. As such there has been considerable research conducted into other motivations, needs, and influences that affect the interface of mobile phones and social media. (Lenhart, 2009).

For instance, Telstra has released consumer research showing how Australians use their mobiles to connect. It found: * 50 percent of Australians feel panic stricken within five minutes when they think they have lost their mobile phone; 25 percent panic after less than a minute. * Nearly one third of Generation Y consumers check their mobile phones in the mornings before they use the bathroom, have breakfast, or go online. * Nearly half of Australians rank mobile phones as the innovation they value the most, more than the desktop computer to laptop and the oven to microwave. (SMH, 2011). Mobile phones are an integral part of a consumer's life affecting the ways in which they conduct business and leisure activities.

With the introduction of the Smart Phones, consumers now have the capacity to interact with one another in ways that have completely and radically changed the marketing landscape. Apart from using applications for shopping online or as a means of supplementing high street purchases) they

can now join communities and share opinions about goods and services that are really empowering them in the consumer decision-making process (Griffith MKT103 Template).

Internal Analysis Nokia is still the largest mobile phone manufacturing company in the world. Recent statistics and reports show that although some ground has been lost Nokia has maintained a strong market position and has upheld its name over the recent economic downturn. Nokia believe the future is ‘ a place of infinite possibility’.

(Nokia. com 2012). The company mindset is future thinking and they have proven their ability to anticipate environmental legislation changes as seen in the table provided below. Nokia, the company, has adapted to the sustainability needs of the everyday consumer. 2010

Nokia launches its eco hero devices, the C7 is the first device in the industry to use bio paints, the C6-01 is the first device in the industry to use recycled metals.

All new Nokia devices are free of brominated and chlorinated compounds and antimony trioxide (BFR, RFR). Dow Jones Indexes names Nokia as the world’s most sustainable technology company for the second year running. Enough Project ranked Nokia among the top 5 electronics companies for progress on conflictminerals(Nokia. com 2012). 2009 Nokia is ranked the world’s most sustainable technology company by the Dow Jones Indexes (Nokia.

com 2012). 2008

Nokia launches the Nokia 7100 Supernova: the first device to be free of brominated compounds, antimony trioxide and chlorinated flame retardants (Nokia. com 2012). 2007 Nokia is first to introduce unplug charger reminders on its mobile devices We launch the Nokia 3110 Evolve, the first device to use bio plastic in its cover (Nokia. com 2012). 2006 Compact packaging is introduced, reducing the materials used by over 50% All new Nokia devices, headsets and chargers are PVC-free (Nokia.

com 2012). 2005 In line with EU RoHS legislation, the Nokia 5140i launches a year before regulation comes into force (Nokia. com 2012). 2003

For each of our products, we provide Eco profiles that declare their environmental impact Global partnership with WWF is signed to explore new ways to enhance our environmental performance and increase awareness (Nokia. com 2012).

1997 Nokia's first recycling pilot schemes take place in Sweden and the UK (Nokia. com 2012). Nokia have used many media based promotional strategies in the past and recent launches. TV advertisements like the ' Amazing Everyday TV Ad' for the Nokia Lumia 800 Smartphone are really looking outside the box themes. They are very eye catching and energetic at the same time as being not too ' in your face'.

Nokia also regularly advertise on social media sites such as Facebook, they have even taken to employing many staff just to monitor their social media pages and to be there for consumer support and feedback.

Nokia's business to consumer division use indirect channels of distribution. The Nokia Corporation owns production facilities located all over the world

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therefore using indirect distribution methods is far more cost effective and efficient. Nokia are constantly working to make each production facility as sustainable as possible. S. W. O.

T Analysis

The SWOT Analysis for the launch of the INDUCTECO mobile phone is summarised below, identifying the internal and external factors that could create opportunities or threats to the success of the product. Nokia can use its strengths to both overcome threats and take advantage of opportunities. In Nokia's favour are internal factors such as the market release to Australia first where consumers will be able to take advantage of the Nokia/Telstra alliance offering very competitive post-paid and pre-paid plans. We have created a very detailed marketing plan and a solid final prototype of the INDUCTECO is ready for the initial launch.

Favourable external factors include the high demand for the 'newest technology' mobile phones by consumers of all ages as we see the introduction of the new 4G network in Australia.

Nokia has very strong brand recognition and Australia has a large push on for 'sustainability' – we believe our brand strength will allow us to take advantage of the push for sustainability when we release the INDUCTECO later this year. Nokia have a lot of lost ground to recover in the smartphone market but our strength to help us overcome that current weakness will be our Windows Mobile Platform.

Our INDUCTECO mobile phone is so user friendly it's the closest to using your laptop or computer with all the latest programs and functions pre-installed.
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With the 'App' trend and popularity diminishing the windows mobile platform will soon be in control of the market again. The main 'Weakness' with INDUCTECO mobile phone is it is such new technology however as we are possibly looking to target the gen Y gen Z market that weakness will soon turn into an opportunistic strength. The latest firmware paired with exciting new innovative technology will see Nokia regain its lost ground.

S. W. O. T. analysis Internal Factors| Strengths| Weaknesses| Offering| * Superior quality product with multiple environmental and technological benefits * Strong brand equity and recognition worldwide| * Uncommon technology | Marketing| * Structured marketing plan with a strong focus towards INDUCTECO brand awareness and promotional activities * INDUCTECO to be released to the Australian market first * 1. 3 Billion worldwide customer base that is still rapidly growing| * Initial campaign expense could be costly to effectively increase brand awareness Initial introduction to one of the most sales regulated countries in the world.

| Manufacturing| * Alliances with industry leading corporations in mobile services & technologies| * Higher manufacturing costs when using bio plastics & bio paints| Product Development| * The final prototype is up to all QA standards and is ready for market * The Nokia-Microsoft Smartphone OS is and will always be continuously being upgraded to meet the latest platform trends. | * Supply demands may increase rapidly which could cause a shortage or required materials| External Factors| Opportunities| Threats|

Political / Legal| * Introduction of the new 4G Network| * Political changes in the maintaining and strengthening of political forces| Technological| * Global push for Sustainability * Breakthrough innovative technology | * Mobile Virus
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and platform health Trojans| Competitive| * Alliances with Telstra offering a ‘ extended credit roll over’ options on post and prepaid plans| * Could be difficult in the initial stages of promotion to regain lost ground in the smartphone market | Consumers| * Ever increasing demand for the latest technology mobile phones * Environmental sustainability consumer awareness aspects| * Brand loyalty to competitors such as Apple and Samsung| Social| * Mobile phones are still seen as status symbols – having the latest tech and OS gives the INDUCTECO the upper hand * Introduction of the new 4G Network| * Trend Changes and new ideas from our strong competitors (Apple, Samsung)| S. W. O. T.

activity sheet S. W. O. T weakness/ threat| Activity to address weakness/threat| Activity completion date| Uncommon Technology| Promote the Introducing the Nokia INDUCTECO HD Videos via Media Adverts and Online Clips| 30/06/2012| | |

High Initial Launch & Campaign Expense| Quarterly reviews on overall figures outlining venture capital expenses and current profit margins| Quarterly| | | Competitors introduction of competing product| Production and Design Engineers to be constantly researching for any leaks on possible releases of competitor products. | Daily | | | Economic slowdown | In House Economists to provide monthly economic actuals and forecasts to the board for constant review.

In the event of a foreseeable economic slowdown marketing strategies and budgets are to be revised to reflect the down turn. | Monthly| | | The Goals and Objectives The Nokia Mission Statement is: ‘ Connecting People’

The INDUCTECO mission statement is: Connecting People to Our Ecosystem with the Highest Technology' Goals/objectives Our main goal is to Increase Customer Satisfaction. We believe we can create awareness of the new INDUCTECO among at least 75% of the Gen Y/Z target market within 12 months We aim to increase demand for the INDUCTECO by 50% in the last six months of this plan as compared to the first six months. With a strong demand for the ' latest gadget' we project the overall brand awareness and market share will increase by at least 10% over a two year period. The Target Market(s) and Segmentation INDUCTECO will prove to be a competitive product as it targets a specific arket segment in the Australian market.

The typical gadget guru is the younger generations (Gen Y). These consumers are well established ' users' of mobile phones especially the latest models which will provide Nokia with a substantial market to exploit. Furthermore, Nokia's new INDUCTECO serves as the ' Eco Wise' choice to effectively meet the expectations of the ' greener' generations. Our target market consists primarily of teens and young adults ages 15-30. Past the age of 30 there is a significant shift in psychographic and behavioural lifestyle, making older individuals harder to properly market our ' latest gadget mobile' to while still maintaining our ' status symbol' image.

We have incorporated a lot of social media advertising into this campaign as well as a short series of TV commercials to be aired in all capital cities at peak times for our target market These two ways of reaching the targeted consumers have proven to be very effective in the past as with the case of

Apple's 'Introducing the iPhone' video that went viral within days of it being aired.

Australian Bureau of Statistics reported that at the end of June 2010, the estimated resident population of Australia was 22.33 million people with an average growth rate of 1.8% per year. A whopping 70.3% of people aged 25-29 years reside in Australian capital cities. Of the combined capital cities population, 38.

% represents people aged between 20 and 44 this represents a substantial market if we rule out those over 30 for now. In 2007, nine out of ten 17-year-old Australians used a mobile telephone, with young women more likely to have a mobile than young men. By 2007 almost all Australian households (90%) had three or more mobile phones in their household. State of Australia's Young People Kate Ellis, Minister for Early Childhood Education, Childcare and Youth 2009 (JOURNAL REPORT). Market position: Australians buy 1 million mobile phones monthly. As seen in the product positioning map below there is a clear gap in the market for a high quality functionality phone combined with the latest innovative high energy efficiency.

In order to adequately target its customers, Nokia have adopted a differentiation positioning strategy to direct its product towards the younger more 'tech conscious' consumer. The key to the success of the initial launch is to establish the INDUCTECO as a premium niche product in the eco-friendly high tech mobile phone market. Therefore, by offering an extremely innovative new tech choice to the buyers of mobile phones, the product fills a gap in the market which is taking the next step in the 'technological

competition war'. High Functionality High Functionality INDUCTECO iPhone
 Low Energy Efficiency & Sustainability Low Energy Efficiency & Sustainability
 High Energy Efficiency & Sustainability High Energy Efficiency &
 Sustainability Smart Touch

Low Functionality Low Functionality Competitor details Competitor|
 Established date| Size| Market share (%)| Value to customers(as per the
 Good Guide Ratings)| Nokia| 1865 (Nokia name)|1967 (Nokia Electronics)|
 Approx. 130, 000 employees across 120 countries| 26. 6| 7.

2| Samsung| 1938| Approx. 222, 000 Employees with 14 companies within
 the group| 21. 3%| 6. 9| Apple| 1976| Approx. 65, 000 Employees| 6. 0%| 5.

0| LG| 1947| Approx. 40, 000 Employees| 5. 7%| 4. 6| | | | | Anticipated
 demand & Growth Potential: The 12 month duration of this marketing plan
 anticipates a steady growth within the first three months but outstanding
 growth there on.

We project that when we reach the expiry date of this plan the last six
 months sales and demand figures to be at least 50% higher than the first six
 months.

The holiday season falls midway through the launch which will be strongly in
 our favour. Marketing Mix Strategy In Stores 1st June 2012 RRP \$399 AUD In
 Stores 1st June 2012 RRP \$399 AUD INDUCTECO The new Nokia INDUCTECO
 is the very first mobile phone of its kind to combine both the induction and
 solar charging system with the highest of quality, user friendly, windows
 based platform all without the need of a battery. Nokia seeks to combine the

latest functions and apps with the very latest in eco-friendly technology whilst taking advantage of the new high speed 4G network.

Packed with the latest functions and apps on the latest windows mobile platform the Nokia INDUCTECO boasts its Advanced Imaging features with a 10mp 5x optical zoom camera as well as an inbuilt digital video projector. The INDUCTECO features biometrics security so your data is always secure and with the ease of total wireless connectivity there is no need for any leads or plugs whatsoever.

The new windows operating system comes with all social media apps built in as well as all the main software features you would get if you were buying a notebook computer. The INDUCTECO is packaged in 100 % Recycled Cardboard and the box is only 1cm² bigger than the phone itself!

The phone is 100% Biodegradable with initial breakdown stages commencing after just 10 years. The induction based charging system detects EMF Flow which charges internal Capacitors hence the reason there is no battery, this means there is never a need to plug the phone in for charging and with the back of the phone being a solar panel you know you always have back up! The INDUCTECO will be available for outright purchase or in bundled deals in conjunction with Telstra. There are two product lines in the INDUCTECO range with the only differentiation being the phone's memory size (capacity) which are 500 Gig & 1 Terabyte. Nokia will offer a 5 year guarantee on any manufacturer fault on the phone.

The main plan structures created in conjunction with Telstra for the launch of the INDUCTECO are targeted towards the chosen market segment.

Below you will see the proposed plan structures we will be promoting upon release. These are based on the a new plan structure incorporating \$0 upfront INDUCTECO phone purchases on post paid but also discounted phone price for prepaid 24 month plans! The positioning map compares the INDUCTECO to its top five competitors in terms of functionality and innovative high energy efficiency & sustainability. The Nokia INDUCTECO is located in the top right hand corner of the map. It is sitting in a gap in the market and its introductory stage presence will allow for superior differentiation from competitors.

The main point of differentiation of the INDUCTECO is that is the first ever mobile phone to have no battery whatsoever therefore being 100% energy efficient.

Nokia focus to create a stronger brand image in the smartphone market by introducing INDUCTECO as the latest ‘ status symbol’, ‘ keeping up with the jones’, coolest mobile to own! Nokia will continue to use indirect channels of distribution. The Nokia Corporation owns production facilities located all over the world therefore using indirect distribution methods is far more cost effective and efficient. Nokia will sell the first batch release of INDUCTECO to Telstra for the joint marketing campaign to be aired on Television.

Nokia will then sell distributors who will then distribute the product to individual retailers throughout Australia and then to the rest of the world. In order to achieve target market coverage in the primary launch of INDUCTECO, Nokia will utilise extensive Australian distribution and

intermediaries in order to successfully position itself as a premium niche mobile phone.

The INDUCTECO will be available in all major retailers including but not limited to: Harvey Norman, Dick Smith, Telstra Shops and JBHifi. This distribution strategy does not indicate any obvious horizontal or vertical channel conflicts as all of the potential distribution outlets we have chosen are in direct competition with each other. Pricing strategy:

Nokia's, skimming, pricing strategy for the INDUCTECO represents a challenging task as it is influenced by many internal and external factors and therefore must be thoroughly analysed. Externally, the company does not intend to match the prices of the big mobile phone producers such as Samsung or HTC, instead the focus will be on the unique characteristics of the INDUCTECO making it a premium good. Therefore, targeting a niche market of gen y gadget guru consumers will allow Nokia to be competitive while still pricing its product higher than its major counterparts. Another external factor to consider will be the consumer's sensitivity to price.

Even if people aged 15-30 typically have an elastic price sensitivity (meaning that the quantity demanded by them will greatly decrease if the prices go up), our product will target a niche market where people are willing to pay a little higher but reasonable price because of the products superior attributes. Internally, the company faces several challenges due to the specific 'new tech' nature of the product. We believe that INDUCTECO buyers will understand that these aspects have to be reflected in the price of the phone. This also allows blending in the costs of developing, manufacturing and transporting the final product from China or the closest production country.

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Furthermore, by manufacturing the product in China, close to where the main parts are manufactured; the company is able to be competitive by lowering greatly its labour costs. The combination of these attributes lead to Nokia's skimming pricing decision that capitalizes on the quality and features of its product and thus justifies a premium price.

The company's objective is first to penetrate the market and capture the profit potential of its niche market. Numerically, Nokia's pricing strategy for the new INDUCTECO equates to a retail price of \$399.00 when purchasing outright. Nokia has teamed with Telstra for its Australian Launch and together they have created a penetration pricing strategy.

The new 'INFINITE' post and prepaid plans, as outlined below, have been created for initial speed, suitability and affordability. We want to achieve rapid penetration by pricing plans low.

Marginal cost pricing has been calculated so that a predicted volume will cover fixed costs and extra units will only bear variable costs. The Nokia INDUCTECO is a unique product in the introduction stage of the product life cycle, which seeks to gain awareness, differentiate itself from competitors, and communicate brand personality. The promotional program outlines tactics that will be used in order to support Nokia's objective to increase awareness among the target audience.

The promotional budget for the initial year is \$ 863,000 and will focus on online advertising, sales promotion, and public relations in order to create a relationship with the loyal customer while keeping costs low. Advertising media will include radio, internet, and transit. To begin INDUCTECO's course

of advertising, Television advertisements will run from June to December in order to stimulate and ease recognition of the product in subsequent promotions.

Radio advertisements will commence in July on the Australian Top 40 Countdown. Radio reaches 92% of the population aged 15 and over in an average week, it can be effectively used to target specific local audiences.

Over the course of 8 weeks, 3 different media ads will be run, using humour, emphasizing benefits, and comparative advantage. Additionally, relatively low-cost transit advertisements displaying the slogan “INDUCTECO, NOKIA’S EXCELLENCE” and other catch-phrases will be presented in urban cities with high generation Y population, Sydney, Melbourne, Brisbane, and Perth. To capture the attention of the busy consumer, internet advertisements will be used as it is the fastest growing medium in Australia.

Nokia will run a “INDUCTECO, NOKIA’S EXCELLENCE’ Contest”. In order to increase consumer purchases, the highly interactive style of the “Excellence” contest will be used to increase brand identity and encourage customer involvement with the product.

Consumers will send in their best “Inducteco Excellence” voice-recorded advertisement through the official windows mobile Inducteco Platform website and the winner will receive a “Big Bang Theory” themed party for them and 30 guests paid by Nokia as well as an opportunity to record a commercial to be played on the radio. The budget allocated for the party and radio advertisement is \$6, 000. Nokia media communication is intriguing, simple, clear and clever.

It reaches its targeted buyer and allows for flow on effects in sales.

Marketing strategy Marketing activity/milestone| Person responsible| Date of expected completion| Cost (\$)| Success indicator| Increase brand awareness by targeting the Gen Y age 15-30. Grow the INDUCTECO name by at least 50% over a 12 month plan. | Sales and Marketing Product Introduction Team| June 2013| Budget \$656, 000| 50% increase in demand in the last 6 months of the plan duration compared with the first 6 months. |

Advertising and promotional strategy Planned promotion /advertising type| Promotional strategy| Expected business improvement| Cost (\$)| Target date| The product launch will be held in Sydney at Darling Harbour where Nokia will unveil the Face of INDUCTECO... SHELDONfrom| For the initial launch we wanted a distinctive face that would be recognised in conjunction with the INDUCTECO. Sheldon from The Big Bang Theory suits such a high tech new product.

| Nine's Big Bang Theory is one of the most-watched television programs on Australian Monday night television, with an average 1. 5 million tuning in to watch the episodes of the American comedy series.

Nokia's engagement with Sheldon will help fast track an increase in brand awareness. | \$240, 000| June 2012| Media Adverts| BAZINGA! NOKIA INDUCTECO| Series of Media adverts to be aired on TV and radio featuring Sheldon from The Big Bang Theory to aid in creating hype. | \$200, 000| June to December 2012| Media Adverts| INDUCTECO, NOKIA'S EXCELLENCE| Series of Media adverts to be aired on TV to display functionality and create brand awareness.

| \$100, 000| June 2012 to May 2013| Online Advertising| INDUCTECO, NOKIA'S EXCELLENCE| Series of Media adverts, introductory HD Videos and 3D interactivity to display functionality and create brand awareness. \$70, 000| Commence in March 2012| Social Media Support Page| Introducing 24/7 online support offering guidance and tuition in the early stages of marketing. | Facebook Page linked to the INDUCTECO web page to ensure customer satisfaction. | \$40, 000| June 2012 to May 2013| “ INDUCTECO, NOKIA'S EXCELLENCE” Contest | Marketing slogan contest | Create Hype| \$, 6000| June 2012| Evaluation and Control The Nokia Corporation is currently focused on market opportunities related to high tech, energy efficient breakthrough technology. The Company faces significant competition from other companies promoting their own energy efficient products including the up and coming release of Apple's Hydrogen Cell Phone.

The Company expects competition in this space to intensify as competitors attempt to imitate the Company's approach to tightly integrating these components within their individual offerings or by working more collaboratively with each other to offer solutions that are more integrated than those they offer currently.

Some of these current and potential competitors have substantial resources and may be able to provide such products and services at little or no profit or even at a loss to compete with the Company's offerings. There can be no assurance the Company will be able to continue to provide products and services that effectively compete in these markets.

The Company may also have to respond to price competition by lowering prices and/or increasing features which could adversely affect the Company's mobile product gross margins as well as overall Company gross margins. Marketing activity| Date of review| Monitoring methods| Review outcomes| Monitor Brand awareness to ensure percentage is increasing| Monthly Review's| Monthly comparisons to be carried out by the Australian monitoring team. | Report on outcomes and review methods needing implementation for continued success.

| Implementation / Action Plan / Schedule The INDUCTECo will be launched in June 2012. The product launch will be held in Sydney at Darling Harbour where Nokia will unveil the Face of the new INDUCTECo... SHELDON From the Cast of

Planned promotion /advertising type| Promotional strategy| Expected business improvement| Cost (\$)| Target Completion date| The product launch will be held in Sydney at Darling Harbour where Nokia will unveil the Face ofINDUCTECo...SHELDON| For the initial launch we wanted a distinctive face that would be recognised in conjunction with the INDUCTECO. Sheldon from The Big Bang Theory suits such a high tech new product. | Nine's Big Bang Theory is one of the most-watched television programs on Australian Monday night television, with an average 1. 5 million tuning in to watch the episodes of the American comedy series. Nokia's engagement with Sheldon will help fast track an increase in brand awareness.

| \$240, 000| December 2012| Media Adverts| BAZINGA! NOKIA INDUCTECO| Series of Media adverts to be aired on TV and radio featuring Sheldon from The Big Bang Theory to aid in creating hype. \$200, 000| December 2012| <https://assignbuster.com/marketing-plan-new-mobile-phone/>

INDUCTECO introductory campaign where viral advertising will commence on Youtube, Facebook, Twitter etc. June through to November will see Nokia launch a TV and Radio advertising campaign as well as its 'INDUCTECO, NOKIA'S EXCELLENCE' contest. Not only that, viral style online marketing will begin on Facebook, YouTube, Google etc.

This initial approach will aid in the build-up of 'Hype' just in time for the festive season.

Later in the summer, the company will begin a series of Media adverts, introductory HD Videos and 3D interactivity to display functionality and create brand awareness. The Finance's Financial objective To gain a higher % market share therefore increasing the gap between Nokia and its competitors, driving sales and awareness. Finance required = \$4,010,442 To be drawn down from venture capital Marketing Budget = \$656,000
Production Costs = \$2,010,200 Overheads = \$1,344,242 Revenue to Break Even = \$4,010,442 Total Variable Costs = \$1,244,242 Total Fixed Cost = \$2,766,200 Number of Units to Sell = 10,051 To Break Even

In order to predict the profitability of the INDUCTECO launch, an in depth analysis of the forecast profits will determine if the marketing strategy of the company is effective. Our break even analysis indicates we will need to sell at least 10,051 Mobile Phones to our selected target market to break even. In brief, the important growth potential of the high tech mobile phone industry assures the company long run profitability and an increase in revenue following the conditions of a steady fixed cost structure and a steady market share every year. The strong financial planning of Nokia is a

good sign of success as the outcomes expected are achievable, even though the process is never without risks.

NOKIA INDUCTECO MARKETING BUDGET JUNE 2012 – MAY 2013| Item| Jun| Jul| Aug| Sep| Oct| Nov| Total Budget| Marketing/promotion| | | | | | | TV advertising – Sheldon| \$ 20, 000. 00 | \$ 20, 000. 00 | \$ 10, 000. 00 | \$ 10, 000. 00 | \$ 20, 000. 00 | \$ 40, 000.

00 | \$ 120, 000. 00 | Radio advertising – Sheldon| \$ 5, 000. 00 | \$ 5, 000. 00 | \$ 5, 000. 00 | \$ 5, 000. 00 | \$ 10, 000.

00 | \$ 20, 000. 00 | \$ 50, 000. 00 | TV advertising – INDUCTECO, NOKIA’S EXCELLENCE| \$ – | | | | | \$ – | Print advertising| \$ 5, 000. 00 | \$ 5, 000. 00 | \$ 5, 000.

00 | \$ 5, 000. 00 | \$ 5, 000. 00 | \$ 7, 000. 0 | \$ 32, 000. 00 | Online advertising| \$ 5, 000. 00 | \$ 5, 000.

00 | \$ 5, 000. 00 | \$ 5, 000. 00 | \$ 5, 000. 00 | \$ 7, 000. 00 | \$ 32, 000.

00 | Web search optimisation| \$ 1, 500. 00 | \$ 1, 500. 00 | \$ 1, 500. 00 | \$ 1, 500. 00 | \$ 1, 500.

00 | \$ 2, 500. 00 | \$ 10, 000. 00 | Giveaways| \$ 6, 000. 00 | | | | | \$ 6, 000. 00 | Events| \$ 150, 000. 00 | | | | | \$ 150, 000.

00 | Branding ; amp; artwork| \$ 50, 000. 00 | | | | | \$ 50, 000. 00 | Merchandising| \$ 10, 000. 00 | \$ 5, 000. 00 | \$ 5, 000. 00 | | \$ 5, 000.

00 | \$ 10, 000. 00 | \$ 35, 000. 0 | Marketing/ promotion total 1st Six Months| \$ 252, 500. 00 | \$ 41, 500. 00 | \$ 31, 500.

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00 | \$ 26, 500. 00 | \$ 46, 500. 00 | \$ 86, 500. 00 | \$ 485, 000. 00 | | | | | |
 | | | Item| Dec| Jan| Feb| Mar| Apr| May| Total Budget| Marketing/promotion|
 | | | | | | TV advertising – Sheldon| | | | | | \$ – | Radio advertising –
 Sheldon| | | | | | \$ – | TV advertising – INDUCTECO, NOKIA’S
 EXCELLENCE| \$ 20, 000.

00 | \$ 20, 000. 00 | \$ 20, 000. 00 | \$ 20, 000. 00 | \$ 20, 000. 00 | \$ 20, 000.
 00 | \$ 120, 000.

00 | Print advertising| \$ 8, 000. 0 | \$ 3, 000. 00 | \$ 3, 000. 00 | \$ 2, 000. 00 |
 \$ 1, 000.

00 | \$ 1, 000. 00 | \$ 18, 000. 00 | Online advertising| \$ 8, 000. 00 | \$ 3, 000.
 00 | \$ 3, 000. 00 | \$ 2, 000.

00 | \$ 1, 000. 00 | \$ 1, 000. 00 | \$ 18, 000. 00 | Web search optimisation| \$ 2,
 500. 00 | \$ 1, 500.

00 | \$ 1, 500. 00 | \$ 1, 500. 00 | \$ 1, 500. 00 | \$ 1, 500. 00 | \$ 10, 000. 00 |
 Giveaways| | | | | | \$ – | Events| | | | | | \$ – | Branding & artwork| | |
 | | | | \$ – | Merchandising| | | | \$ 5, 000.

00 | | | \$ 5, 000. 0 | Marketing/ promotion total last Six Months| \$ 38, 500.
 00 | \$ 27, 500. 00 | \$ 27, 500. 00 | \$ 30, 500. 00 | \$ 23, 500.

00 | \$ 23, 500. 00 | \$ 171, 000. 00 | Marketing Budget GRAND TOTAL| \$ 291,
 000. 00 | \$ 69, 000. 00 | \$ 59, 000. 00 | \$ 57, 000.

00 | \$ 70, 000. 00 | \$ 110, 000. 00 | \$ 656, 000. 00 | Conclusion and
 Recommendation Mobile Phone Companies targeting to the Gen Y era are
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extremely sensitive to demographic, political, technological and economic developments. Environmental breakthroughs change strategic perspective. With respect to the marketing mix, quality in the Mobile Phone industry is a key factor.

Competition with other mobile phone manufacturers like Apple for instance, is primarily on the basis of new technology. Even though the two companies have different specialities, the price, distribution and promotion are still very similar. In conclusion, if the discussed strategies and tactics are successfully carried out, Nokia and the INDUCTECO series Mobiles will hold the top spot in the Mobile Phone market for years to come. A recommendation is being put forward that this marketing plan be accepted by senior management for implementation, in order to exploit market opportunities necessary for growth. I believe that Nokia should pursue the approach described in this report to make INDUCTECO'S global entrance into Australia.

I have analysed the earnings potential and I believe that by the end of this marketing plan Nokia could realistically reach its target market and easily accomplish its goals. References References – Situation Analysis ABI Research 2010. Smartphone Downloads from Mobile App Stores to Peak in 2013 History of mobile phones in Australia 2011 (May 6, 2010) ActewAGL . Available at: [<http://www.abiresearch.com/press/1651-Smartphone+Downloads+from+Mobile+App+Stores+to+Peak+in+2013>].

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