

# Background the different nokia brands in the



## **Background of the company**

Nokia is an electronics company, founded in 1865 by Fredrik Idestam; the company started as a paper manufacturing company but in the 1970s, it changed its line of business to electronics (Nokia Official website , 2010).

It has a strong brand; some of its products include phones and laptops. In 2009, it was the second largest company in electronics industry from Apple Inc; the company's positioning statement is " technology connecting people". To remain competitive, the company uses an integrated pricing strategy. This paper discusses how the company determines prices of its products.

## **Product attributes**

Nokia phones are in different shapes, technology level and have different features; each category of phone has the target market it aims. The following are the common products attributes of Nokia Phones: They have a target market; the section of the market is in need of phones Has high value products that can be up-sold and cross-sold All the phones have a back-end product-relation The products approach the market from a niche market appeal and through mass-market appeal (Hooley and Saunders, 1993).

## **Needs that the products aims at fulfilling**

Phones have the main purpose of enhancing communication among people, through phone calls, messaging or/and the internet. Other functions that Nokia gargets have include calculators, timers, calendars, time zones and alarm system. The features are the differentiating characteristics of the different Nokia brands in the market.

## **Price range(s) does this item target**

Nokia phones come in different features that target different markets; they are aimed at offering a product for every member in the society. In line with the company's tag line, the company develops different features in their phones with the basic feature being calling and messaging. The prices for the products range from \$10 to \$200 depending with the country of operation, the approach of determining the prices include price skimming and psychological pricing.

## **Market segment of the company's products**

The company has demarcated the market in four main areas using income as the form of differentiation the following are the demarcations: Low earning population The company has come up with low cost products of high quality but with limited features to sell in the market segment; the phones have the basic function of calling and texting. To target the customers, who are the majority especially in developing countries, the company uses penetration pricing model; the model advocates for a pricing method where an organization sets its prices at a low rate than that offered by the competitor; the aim of the approach is attack a large mass of people to the products. Example of phones for this class is Nokia 1200 and Nokia 1210. Middle class They are people who need a higher tech phone than the lower earning class; to target the population, the company has develops phones with more features, for example it may include internet services to the gargets of cheap technologies like GPRS.

Well-to-do Well-to-do people need a number of applications in their phones, when the company is developing products for this target market; it uses high

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technology and includes a number of features and technologies for example they use Edge technology for internet. To sell in this market, the company uses price-skimming strategy Niche markets The company's research and development department has the role of recognizing a need that current phones in the markets are not meeting, then develop product that meet the market. Some of the phones in the market include touch screens ( Kotabe and Helsen, 2004).

## **Distribution**

Depending with the target market, the products are distributed differently; the company has established Nokia collection centers in different countries where traders can get the product for distribution; alternatively, if a trade is willing to buy in bulk, the company offers the option; it has both online and desk selling.

## **Who carries the products?**

In different countries, the company has established collection centers called authorized dealers who are given the responsibility of distributing the products in their countries. When the dealers have received the products, they are supposed to ensure they get to the target market in the best form. The approach to selling increases the cost of the product to the final consumer since all people in the chain will have to benefit from the transaction.

### **Where can it be found?**

Nokia phones can be found in the following places: Authorized dealers and sub-dealers premises Shopping malls Supermarkets Stalls Electronic shops among other electronic garget selling points (Nokia Official website , 2010).

### **What type of promotions does this company use and how does that influence price?**

The company uses “ pull” promotion strategy, under this approach, massive advertisements and persuasion mechanisms are adopted to ensure that an organization’s products knowledge of existence has been created. The end user and the promoters are at close links and interact in the course of advertising. The cost incurred is passed to the final consumer increasing the price of the phones.

### **What are some suggestions on how this product or service could be improved and how might that influence pricing?**

Nokia management team should think of improving operating technology adopted in phones, so as it can accommodate modern applications.

Currently, the highest technology used for internet applications is EDGE technology; however, some of its competitors like Apple Inc have switched to 2G and 3G technology.

When the technology adopted has been improved, then, the company is likely to enjoy a higher share of the market. The second improvement that the company should make is to incorporate low earning and middle class market segments in its twin-Sims products; the approach is likely to increase the company’s sales.

## **References**

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