

Strategy case study example

[Business](#), [Company](#)



Reasons why Nokia's entry into the U. S. market was so unsuccessful?.

The technological revolutions of the twenty first century have led to myriad changes in the telecommunications industry. Moreover, stiff competition among telecommunication companies has seen constant variations of market share between companies operating in different parts of the world.

For example, Nokia Company, the world's leading cell phone producer based in Finland, has greatly lost its shares following its inability to settle in markets especially the United States of America.

The company's failure is attributed to a number of conscious strategic decisions made by the company that did not suit the American market.

Firstly, Nokia Company built its phones on the European standard GSM format rather than the US standard CDMA format that was being used by half of the population in the U. S. A (O' Brien 1). Even though the GSM format was widely accepted and lowered production costs, it was a mistake to assume it would be accepted in the US, which used CDMAS format.

Secondly, the company failed to forge close ties with wireless providers in the US who controlled ninety-six percent of the US market. Close ties would save customers the cost and time lost in deciding on a range of service providers to choose from when they buy the company's cell phones.

Customers shifted to other companies that offered convenience in terms of service provision (O' Brien 1).

Thirdly, the company did not capitalize on its Smartphone capability. Since it launched the maiden smart phone, it delayed to adopt the touch screen technology that was widely used in the USA (O' Brien 2). This made it difficult to satisfy changing consumer tastes and preferences, and thus consumers

opted for other cell phone varieties .

As mentioned above, failure of the world's leading producer of smart phones was the use of global market strategies to penetrate the US market. The company adopted strategies that eased penetration of its cell phones to the wider market without considering varying tastes and preferences among the American population, which inevitably led to a fall in its market share in the USA.