

A business analysis of sony ericsson



Sony Ericsson is a joint venture owned equally by the telecommunications leader Ericsson and Sony corporation- the consumer electronics powerhouse. It was established in the year 2001 with a capital of 100, 000, 000 Euro and released its first product in the year March 2002. The management team of Sony Ericsson is based in Hammersmith in London. It is the fourth largest manufacturer of phones in the world as of 2009. It has around 8450 employees with over 2500 contractors worldwide. It has a 6. 788 billion revenue and the profit of 836 million in last year. Globally, its market share dropped from 9. 4% to 7. 9% in Q1 2008.(Wikipedia. com, 2010)

Sony Ericsson is a global provider of multimedia devices such as phones, PC cards and accessories. The products with its powerful technology and innovative applications result in mobile imaging, entertainment, communications and music. In areas of music, design and applications the products from Sony Ericsson have a universal appeal. It uses communication technologies such as 2G and 3G platforms in its products, increasing the offerings to the market.

In this assignment our focus will be on the following arguments:

- Sony Ericsson's phone, model number W910i, which is in a declining stage
- Reasons for declining of W910i
- Situational analysis of Sony Ericsson and W910i mobile phone
- A marketing plan for the rejuvenation of Sony Ericsson W910i

The Argument Structure

Sony Ericsson W910i was one of its kinds. It is a slider phone and was branded as the Walkman phone. It had features such as shake control which enable music track change by just shaking the phone, it also had video games based on Java ME and JP-8. It is available in six different colours and included a 1GB or 2GB memory card. It can also play FM radio using the RDS and TrackID service. On the 14 Feb 2008, this phone was awarded the Best Handset 2008 award by the GSM.

Despite all these features the phone had stability issue which led to its decline. The phone used to crash and switch off intermittently and as of November 2009, to fully resolve these issues the company is yet to release a version of software.

The other instability issue which it has includes screen complaints and system freezing, button input failures and restarting. Due to these issues, the phone has received a lot of criticism in many forums and reviews and eventually leading to its decline in the market.

Situational Analysis of Sony Ericsson and its Mobile Phone W910i

Strengths

Sony Ericsson has diversity in its products. The other major strength is Sony as a brand name. Sony Ericsson W910i was branded as Walkman phone. It was the first phone which replace the File manager which is seen in older models to the present Sony Ericsson Media Manager. It had a large number of features such as Java based video games and applications, shake control

feature, was available in six different colors. On account of all these features it was awarded the Best Handset Award in 2008

Weakness

Lack in customer preferences understanding, user-centered designs and brand awareness globally. It had less technology advancement. Sony Ericsson W910i had many stability issues such as crash and intermittent switching off. Other issues included system freezing and button input failures.

Opportunities

The rising young market and developing mobile phone market. High disposable income and customer demand for innovative product. Network capabilities and low tariffs are some of the opportunities for Sony Ericsson. There is an opportunity for Sony Ericsson to bring back W910i into the market by resolving the compatibility issues it has with Windows Media Player for the Walkman function and resolving the stability issues.

Threats

Intense competition, introduction of phones for rural areas and customer bargaining are some of the threats to Sony Ericsson. Sony Ericsson W910i is highly priced when compared to other Sony Ericsson phones and phones by other companies. It has a threat of choices of price, features and good after sales services.

Mc KINSEY'S 7S MODEL:

Shared Values:

Sony Ericsson has over 9000 employees from over 40 countries across the globe and is inspired by the cultures the employees belong. The employees contribute to the unique design, development, marketing, distribution and sales for a variety of products, applications and accessories. The employees in Sony Ericsson have an opportunity to grow and it is a challenge to work for the company.(sonyericsson. com, 2010).

Strategy

Focus on the expansion in the market and resolve the instability issues in W910i. Price the products carefully and appropriately. Realize the vision of Sony Ericsson to become a brand in the communication environment by inspiring people to do more than just communicate.

System

Sony Ericsson follows Business system approach linking performance to strategies. Sony Ericsson has great demand in local and international markets. Its main focus is on the financial aspect along with the other aspects such as customer perspective with constant learning, innovation and establishing its market stand with further growth.

Style

The vision of sony is to become the communication brand with entertainment. Its motto is “ make. believe” and believes in respecting human rights and treating all employees ethically. It believes that people are inspired by the entertainment and communication world. This philosophy drives Sony Ericsson forward from ideas to creation.

Staff

Sony Ericsson has over 9000 employees from over 40 countries across the globe and is inspired by the cultures the employees belong. The employees contribute to the unique design, development, marketing, distribution and sales for a variety of products, applications and accessories. The employees in Sony Ericsson have an opportunity to grow and it is a challenge to work for the company.

Skills

Sony Ericsson's success is the result of the workforce which is driven by the ideas. Sony Ericsson is an inspiring beauty with beautiful and functional products that are complete inside out. Its collaborative work ethic to build up connections with partners and colleagues and gather resources help result in new advances.

Porter's Five Forces

Competitive Rivalry

Sony Ericsson's rivals are Nokia, Samsung and Motorola. These companies constantly bring out new phones into the market which have many new features and are priced at a low price. This is one of the reasons for the decline to Sony Ericsson's W910i

Threats of New Entrants

Many new phones are entering the market and grabbing the attention of the people. As a result these new entrants will harm sony ericsson W910i posing a threat from the new entrants.

Threat of Substitute products

The threat of substitute products will further limit the use of Sony Ericsson W910i. these products include landline phones and technology through the internet such as voice chat and video conferencing.

Bargaining power of Consumers

Due to the demand for low cost phones many mobile phone companies are bringing out phones with many features and at a reasonable price. Thus, customers have the option of switching phones from the competitors as Sony Ericsson W910i is highly priced when compared to other phones.

PESTLE Analysis

Political

Due to the deregulating markets, like other mobile phone companies; Sony Ericsson is has the authority to be independent in every country it operates.

Economical

The increasing young population and the increase in the amount of disposable money demands a lot of choices to the people. People demand more features at a reasonable rate. Though Sony Ericsson W910i has a lot of unique features its price which is high when compared to other phones makes it economical. Moreover, its instability issue further acts as a huge drawback.

Social

Sony Ericsson brings about a change in the people's social life by offering the most attractive and innovative handsets in the industry. It stands by its mission to offer communication with entertainment. Sony Ericsson W910i has <https://assignbuster.com/a-business-analysis-of-sony-ericsson/>

all these features but these features could not make it to the peoples heart due to the stability issues.

Technological

Advancement in the field of technology by other mobile phone companies leaves behind Sony Ericsson W910i. The advancements include touch screen, high resolution cameras etc.,

Legal

Sony Ericsson is unique in its design offering the sense motion technology. But people choose over W910i to other phones due its bad reviews

Environment

All products of Sony Ericsson have a global declaration. It takes initiative to offer solutions which enable people to recycle the products in an environmentally friendly way.

Objective and Goal

The Sony Ericsson W910i though offers very innovative and unique features, its high price and stability problems make it unaffordable by the people.

Sony Ericsson should take initiative to relaunch this innovative and creative phone resolving all stability issues as reported by end users at a reasonable and competitive price. It should further enhance the existing features and offer more features as technology has gone way far ahead. It should focus on the people with limited buying capacity.

Cash Cow:

Sony Ericsson W910i didnt not make any profit and was unsuccessful in establishing its stand in the market.

Sony Ericsson is a leader in the mobile phone market and its stand in the market is very good, to make W910i a cash cow Sony Ericsson needs to take proper decisions.

Dog: