

Motorola mobile  
manufacturing  
division of the  
motorola inc  
marketing essay



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The organisations cannot sit upon its past success and it continuously look for new products and market to sustain in this every changing competitive market where technological becomes too soon obsolete. The competitive stability and growth can be achieved with continuous improvement and development of new products and look for the innovative ways through out the organisation.

Good Products are not enough for the company to success. It requires proper marketing and an effective positioning strategy. The marketing will not only introduce the product and its benefits to the market but will serve the social objective of giving what the people want.

Here we will be considering the failing Brand, Motorola Mobile Manufacturing division of the Motorola Inc. and how we can capture the opportunities and rejuvenate the brand if it is in the decline stage.

### Introduction of Motorola

Motorola, Inc. is an US multinational corporation. It is the company engaged in wireless telecommunications and has a huge customer base all over the world. It manufactures technological products and services for general consumers, corporations and governments. It was set up in 1930 and has seen a fifteen years of high growth until 2002 due to its invention in the first hand held cellular phone device in 1985, lack of competition and technological inventions in the mobile phone industry. Amongst it other business segments, mobile phone division accounts for one third of its productions and sales and is considered among the top ten mobile phone manufacturer. Currently, the Motorola mobile brand is facing a decline stage

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that could be reflected through its declining market share due to lack of customer acceptance in the handsets portfolio manufactured by it.

Once, on the top, today Motorola's rank fell to fifth to its competitor leaders Nokia, Samsung, LG and SonyEricsson. It is feared that it will further lose its market share due to new entrants such as HTC and Apple and current market leaders such as Nokia, Samsung and LG.

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Current Market Position Analysis

## **Strengths**

The so far achieved success of the Motorola is due to its core competencies, resource availability and exploitation. These strengths enable Motorola to enter and compete the market rigorously and secure and sustain its position.

Brand awareness:

Motorola is a popular brand. It was known as the big daddy as an inventor of the mobile phones. Apart from US, it has successfully raised the awareness of its existence worldwide.

Pricing Policy:

Motorola handsets are middle ranged phones and are available at affordable prices. The company has followed this pricing strategy due to its mission of satisfying the mass market in the developed and growing economies.

Powerful infrastructure:

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The brand is manufactured in different parts of the world but the technology is patented and developed mainly in US. The primary research of the market is done nationwide and the ideas are forwarded to the US. Motorola uses its well established distribution networks to ensure that its mobile are launched on time and at the right place. It is also noticed that Motorola has established good relationship with its host nations.

## **Weakness**

Weaknesses are the drawbacks which hamper the growth of any corporation and Motorola is also suffering certain weaknesses in its product development and marketing.

Weak product portfolio:

It is seen that Motorola despite of having a big advantage of well established infrastructure it is unable to launch variety of products in different market. At one time it is seen that no more that six types of Motorola handsets are available in high street phone stores and this products are gone within a short period of time to say less than three months and then are sold at the discounted price in certain superstores such as in Reliance Stores or Big Bazaar.

Research and Innovation:

Despite of more that \$3b that is about 15% of profits spent on innovations in 2009, so far by mid of 2010 Motorola has not announced any radical invention suggest that the funds are not used properly. It is because of the major weaknesses found in Motorola is that Innovation is not encouraged at

the grass root level and employees are not motivated to take active part for this process. The result is Motorola has lagged behind the race in this ever changing industry. To turn this weakness Motorola requires adequate investment in Research and Development functions.

Design:

The designs of the handsets are not so attractive as compared to the other handsets available in the market. Moreover, the handsets functions are complicated and not as user friendly as that of competitors.

## **Opportunities**

Emerging markets in Asian and Fareast:

The demand in Asian and Fareast countries is increasing at the tremendous rate due to increasing use of technological products and infrastructure under development and there is a scope of successful intervention and locking up the opportunities for growth and sustain this highly competitive market.

4G services

It is the time of 4G handsets that must have multiple features and uses that support the android applications.

Contracting

There are hundreds and thousands of network providers, software and application developers, navigation service providers with whom Motorola should partner and build long-term relationship for mutual benefits.

## **Threats**

### Competitors

There is a constant positioning war between the major handset manufacturers who wish to cease their market share and they follows aggressive marketing strategies of advertising, pricing wars, takeovers, long-term contracting with network service providers, patent breach and developments etc. This all poses a serious threat from competitors.

### Customers:

The customers wants to stay on the edge of the ever changing technology so they demand new products in short time making the current handsets obsolete. Moreover, they are found changing handsets every year and in these circumstances to attract and retain the customers with Motorola has become extremely difficult. The eroding brand loyalty is a major threat to Motorola. Moreover, the network providers are powerful customers who look for huge discount to benefit themselves eroding our profitability.

### New Entrant:

Apple Inc. has eroded the market of the mobile industry through entering this highly saturated market with the innovative iPhone series of handsets.

Motorola should take necessary steps to convert above threats into opportunities by applying strategic market positioning methods and developing an aggressive marketing plan to regain its market share.

### Marketing Plan

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The corporate business statement of Motorola Inc. reads, “ We are a global communications leader powered by a passion to invent and an unceasing commitment to advance the way the world connects. Our communication solutions allow people, businesses and governments to be more connected and more mobile.”[1]

And their vision statement reads, “ Our history is rich. Our future is dynamic. We are Motorola and the spirit of invention is what drives us.” [1]

I, firmly, believe that Motorola has set upon its past and still boasting about its achievement while not clearly addressing the current demands of the market and the future needs to compete to stay in the market. Motorola requires complete rethinking of its marketing objectives to get them out of the gloomy position and a strategic drift they are facing.

From the Motorola sales record (given on page 2), we can clearly notice that Motorola is widely accepted in US and is performing poor in Europe, Asia and has no market share in the African Countries. This marketing plan is developed for emerging economies of Asia like India and China where the demand is very high for telecommunications.

Motorola at the Head Quarter should appoint two continental production managers from respective continents responsible for controlling the whole product and market development. In turn, this Continental Marketing Managers (CMM) will appoint country wise marketing managers for research and partnering of products and market development. The Marketing Manager (MM) appointed for India has partnered with Reliance Telecoms to come to the following market plan that needs the CMM consideration.  
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## **Business Objective:**

The objective is to successfully launch a product “ BigMotto” to rejuvenate the Motorola brand. These handsets will be manufactured as per the design specification of Reliance Telecoms carrying a printed Reliance logo under the touch screen. Currently, India contributes less than 5% of Asian Market Sales and the objective is to double the sales with BigMotto series of Handsets later marketed every quarter by adding features such as inbuilt memory or memory enhancement, increasing the megapixel of cameras, new inbuilt applications such as dictionary, socialising networks, e-mail, WiFi, extension support etc.. It is agreed that the marketing responsibility will remain with the Motorola as these handsets will also be available to general market once the new series of BigMotto is provided to Reliance Telecoms.

## **Marketing Strategy:**

We will use mix of growth strategy and competition strategy to revive Motorola Brand through our revolutionary mobile the BigMotto using Ansoff Matrix.

## **Ansoff Product Market Matrix:**

Our growth strategy will follow the recommendations of Igor Ansoff through his product – market grid. We will choose product development to satisfy exiting market by introducing our new product BigMotto. ansoffs-matrix. jpg

## **The Existing Market:**

Motorola is in India since last 15 years and their market knowledge and experience is quite enough and they are confident that BigMotto will perform extremely well as there are no announcement currently made by our



competitors and the built-in technology of BigMotto. Primary research conducted by MM suggests that market is in need of a revolutionary product and BigMotto is the outcome of this basic research.

### **Partner: The Reliance Telecom:**

The Reliance Telecom objective is to stay on number one position in telecommunications in India and it is very keen about its brand image which is India's most trusted and popular because of a giant business empire. It is considered that Reliance businesses are fuelling the India's growth and economy. For this reasons Reliance is very particular about the quality and performance of BigMotto hand that is the reason that is the Reason Reliance has trusted Motorola Inc. looking at it success in US.

We know the infrastructure well and our Partnership with Reliance Telecom will help us to distribute our product throughout India by using their logistic facilities. It is utmost important and useful that we have aligned our objective of growth and mutual development to be the market leaders.

Reliance will benefit by selling our BigMotto because of the 20% bulk discount on their initial order of 2m handsets that will follow every quarter with an additional 2.5% discount, with a payment in advance that we are offering to them. Reliance Telecom can bundle their attractive service contracts stimulating the demand for our handsets. Partnering with Reliance will give us direct access for doubling our current sales which we are doing through our authorised dealers.

## **The Product : BigMotto:**

Our new handset, BigMotto, is a revolutionary product giving high performance and 100 hours of stand alone battery life with lowest radiation and secondary auto solar panel for auto recharge for receiving calls when battery dies which is considered as the technology breakthrough.

The revenue generated from the initial contract price receipt and secondary sale in the India's direct market will enable us to research and develop new series of handsets to launch in the next year.

Simultaneously, we will launch this product in US and other Asian markets and when the demand of BigMotto starter edition begins to decline, we will introduce this successful product in African countries.

## **The Price for BigMotto:**

Our market is the same and they know our price range for high tech phones that is between Rs. 20, 000 to Rs. 30, 000. Our current cost in Rs. is 18, 000 which will reduce over time because of mass production so we can launch this product at an average price of Rs. 25, 000 giving us a good premium for our breakthrough product, BigMotto. We will want to be known as cost-cum-product differentiator. The customers will attract to this price offer where the Apple Phones are price above Rs. 40, 000 and HTC and other android phones are available in the market for above 30, 000. Considering the features, technology and price BigMotto will be picked up by the market as a hotcake.

**Place:**

Initially, the product will be introduced through Reliance Telecom which has operations throughout the nation. Then after three months a general public launch will take place and that time Reliance will be given a new series of BigMotto.

We have our current and active dealers in India with a network of distribution channels. They will amaze by the demand and will be desperate about BigMotto to add in their portfolio. We will accept the pre-orders from them that will help us to estimate the production and sales.

All we need to do is ensure that BigMotto is reachable to Reliance and our dealers on or before time because of creative stimulated demand.

**Promotion Mix:**

We will use Advertising, Sales Promotion and Sponsorship tools of promotion mix.

**Advertisements:**

We will use an aggressive advertisement strategy through using mass media like television adverts using celebrities, attractive billboards and posters, dedicated website and blog for our product BigMotto, local newspapers and gadget magazines. The focus of our advertisement will be to create awareness, raise interest and stimulate desire and action of the consumers.

Our MM will partner with Reliance Telecom MM to come up with a TV advert campaign. Of course as agreed the final decision will be with us. The benefit of advertisement partnering will be to develop and establish the relationship

for longer partnership. However, we will do the public announcement on the Christmas Eve and until that the project will be kept as confidential as possible by us and our trade partner and that should be agreed upon in the agreement to avoid threat from competitors and then in new year big public launch party to chosen invitees with press and media presented at the Royal Taj Hotels in Mumbai.

### **Sales Promotion:**

We are informed by our partner, Reliance Telecom, that their 20% yearly contracts are to expire by mid February and they will be due for Renewal in mid January. It will be good time for Motorola to agree with its partner to launch the product in the New Year and Reliance will throw an introductory 33. 33% off price offer for upgrades and 20% off for entering the new contracts. Reliance won't lose anything as it is getting the bulk discount and its contract price will cover the costs of the handsets to them. This will help us to meet 25% of our annual target in the first quarter itself.

New customers will be attracted by this introductory offer and they might move from our existing competitors who are not expected to offer or launch new handsets in the New Year. There is also a small segment of Motorola's loyal customers, they will be happy with this introductory offer and will grab a deal. Our sales promotion will depend partially upon Reliance Telecom's own efforts for their advertisement and customer services suggestions, which they in fact will do because of the inventory they will hold of BigMotto.

**Sponsorship:**

We will sponsor 2011 Cricket World Cup that will be held in India and will do a sales promotion of 1, 000 tickets via our dealers in India. By this the sales from the dealers will also increase enabling us to reach closer to our objective of growth and brand re-development.

**Key Actions:**

Now we need to do the key estimates of budget allocation for our promotion mix and draft for promotions schedule for actions.

**Responsibility:**

Marketing Manager has suggested that we tender for TV advert campaign or we can ask Reliance Telecom to introduce to us their Commercials Management Company. Whichever, source selected it will the ultimate responsibility of MM to spend necessary funds of the promotion mixes and oversee and control the end deliverables.

**Budget for promotions:**

In India, 10m BigMotto range of handsets is estimated to be sold in particular 8m through Reliance Contract and 2m via our dealers. The average price of the handsets in revenue earned will be Rs. 20, 000 totalling revenue of Rs. 100bn so it is reasonable to spend Rs. 200m on our promotions mix.

**Following Costs and Schedule of planned activities is ideal:  
(Amounts in Rs. million)**

**Monitoring and Control:**

The monitoring of the whole project launch will be done by the appointed CMM. Marketing manager will be responsible to CMM. He will present the sales report, demand forecasts, any problem in the product functioning etc. to CMM. The CMM will be more interested in the marketing and promotion mix strategy adopted by MM and the performance of the product in the market against its competitors.

For control and intervention purposes CMM will set the sales target, suggests and control the costs of marketing and gather the research report for the future development of products. By all these information, CMM can decide how to make changes to the existing product, what stage of life cycle the product is, any diversification of market required for the product or any other effective strategy to meet the objectives of sales growth in Asian markets.

**Reflection:**

I have learnt that a value in a product or service is identified as how well a product is satisfying the expectations and perceptions a consumer. A consumer in Marketing is both an exiting customer and the prospective customer who are aimed by the organisation to sale their products distinguishing themselves from its competitors in terms of price, quality or features that will be coined in as a value of that goods or service.

My chosen companies, Motorola's Telecommunications business segment of consumer mobile device is not found delivering enough value in its product design, technology and features and that is the reason why its market share is diminishing. The mobile portfolio of Motorola is so dull that both its exiting and new launches are falling behind the technology found in today's android and 4G handsets. It is also seen that Motorola is doing well in the US as it could be due to popularity and a well known brand. But, if, Motorola do not improve or do radical change the way it is competing market no sooner will it start losing its market share in the US. The only value Motorola is providing its consumer is the price as the handsets are not so expensive and it supports the exiting technologies.

The brand in Asian and European countries declined because of a stiff competition and customer fatigue to using traditional type of devices with simple functions of call and receiving phone calls. The designs of most of the Motorola hand set are not so attractive and some of the series of its phones are found having the technical difficulties. Moreover, Motorola are not so durable handsets causing instant damages to display, circuit or keypad if it is dropped.

What I have learnt so far from my tutor Mr. Mo and referring to the Marketing Management by Kotler P., I have come up with the idea of rejuvenating the declining brand Motorola with a revolutionary product BigMotto that hopes to do well in the Asian markets.

Learning Outcomes:

At the start of the module I was like a year one student who had to learn ABC of Marketing. I had a too little prior knowledge of marketing tools and techniques to win the market share. I was very sure from my class one that with my tutor, Mr. Mo, I will get more than I am expecting and the day went along and I now feel that it was a great experience to know and study this subject.

As an accountancy student I considered marketing as simply another function within the organisation and its activities are simply related to sales promotion and launching the product. I was wrong, when I came up with this mind set that sales promotion is just one function, when they actually are not.

I learnt that approach to a market is a marketing plan. It is not just required for launching new products but also required for managing the existing products by identifying their position in their life cycle. I learnt that, if I were employed as a Marketing Manager, I would first identify what product portfolio my organisation is producing or holding and what are their respective shares using product life cycle (PLC) and BCG matrix.

It can be concluded by the study of PLC and BGC how to manage and reposition the portfolio. Does the product require adding new features like repackaging, adding extras or does it require to launch new market or lift it from the market. The products that are on the mature stage or cash cows generate high cash flows that could be used for the development and launching of new products. There are some products classed as question marks where they have a high potential for growth but low market share



thus their growth rate or positioning is uncertain as it is seen that there are some products in the introduction stage going straight to the decline stage of the PLC.

In my prior studies I learnt only 4P's theory to marketing mix that is Product, Price, Promotion and Place, whereas in this module I learnt another 3P's that could be effectively use for marketing of services and they are People, Process and Physical Evidence. This additional knowledge explained me how people and their attitude is a key to the success of successful marketing when it is the direct marketing requirement to introduce our product or service to our prospective consumers. Processes and physical evidence are the way how quickly and effectively the service is delivered. It is necessary to realise at this point that price function of the marketing mix plays an important role and marketing strategy should be aligned with the organisation strategy and objectives. The marketing mix tool price is a factor that affects not only the purchasing power of the consumer but our profitability and competition. Price is such an important factor for which all the battles in marketing are organised and won.

Now, clearing my perception about sales promotion, it is not the only approach for marketing products and services and it is the part of the Promotion Mix to Marketing and there is a whole lot of other approaches to promotions mix and they are advertising, direct marketing, personal selling, public relations and sponsorship. Each of these approaches has a different means of introducing our products or services to the targeted segment.

Whichever promotions mix is chosen it should be effective to achieve the objectives of sales promotion.

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I was surprised to learn that Public Relations are a marketing tool. Whenever I was listening or reading about a person who is a spokesperson for a company I thought that they could be just nominated for managing a particular event or announcement. Now, I well understand the function of PR officer that involves considerations of different stakeholders apart from consumers such as customers, employees, local community who may impact our objective for a product or market development. I mishandling of an event, public relations or commenting without proper consideration could bring organisation unwanted trouble and brand name could be impaired that might have required series of efforts and years of persuasion to built up a brand and customer recognition. It is often said that it takes just one word to lose the brand image and many to construct it.

The essence of successful marketing is a full proof organised marketing plan. The marketing plan is the systematic approach to a product or a market and it involves overall considerations from inception to monitoring and control of product positioning in the market.

The detailed plan provides a road map or a framework for setting objectives, implementing strategy, monitoring and controlling functions of the plan, resource requirements and utilisation, assigning responsibilities and setting deadlines for the key stages of assessment. To be successful, marketing plan requires a full autonomy to the MM without any restriction to resources because he/she is a professional person and knows better in and out.

The first stage of marketing plan is the current situation analysis where we can use different management models such as PESTEL Analysis, Michael

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Porter's 5 forces, SWOT Analysis, Benchmarking or any other model to know whether the market we are choosing to influence is big and profitable enough. This also requires identifying our key segment to which our marketing plan will be focused.

The second stage to the marketing plan is objective setting where the objectives and milestones are set. The key objective of marketing could be competing aggressively, growth in market share, stimulating or creating demand or building brand. The marketing objectives should be clearly defined and they should be quantifiable or measurable to know how effective is the set objectives are met or what are the gap that requires considerations. Those objectives should be realistic and time-bound as the marketing plan has the constraint over timing.

I learnt that the marketing plan might focus upon the either the growth strategy or the competitive strategy. The competitive strategy involves different orientations based upon focus segmentation, differentiation or cost-leadership. All three approaches ensure that an organisation could enter new market or compete in the existing one and do better than its competitors.

Marketing Plan requires huge investment. It is the responsibilities that at the head organisations gives importance to the marketing function and allocate adequate funds for it activities because the survival could be determined by proper approach to managing the market and its requirements through a successful marketing strategy.

Marketing plan is not the end in itself. It is the beginning and a life time process as an important element of the marketing plan is both attracting and <https://assignbuster.com/motorola-mobile-manufacturing-division-of-the-motorola-inc-marketing-essay/>

retaining consumers profitably. Continuous relationship management is a function when products and services are launched in a particular market. The organisations are expected to deliver sufficient quality and quantity of products when they are demanded by their consumer and this could be managed by relationship marketing that involves continuous mutual exchange and fulfilment of promises.

It is seen that organisations have developed various methods to stay in constant contact indirectly with its customers through collecting data about their buying behaviours and providing loyalty schemes and clubbing points for redemption as a discount to their purchases.

I am currently working as a part-time shopper in the Sainsbury's online department. I have realised that the purpose of dealing pleasantly when customers ask what you are doing on the shop floor with this big dolly and we are trained to smile and explain that it's online shopping and how it works. Also, the customers are requested to have the Nectar card, a marketing strategy of building customer relationships. The module studies made me realise that unknowingly, I am the part of a Marketing Plan and a big picture.

I again, thank Mr. Mo for being so explanatory a teacher, clearing my doubts and misconceptions. Well, I could reflect and confidently say that I am ready to become the part of the successful marketing team and take the organisation to the new horizon.