

Sony ericsson



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Sony Ericsson: Introduction

Corporate structure

Sony Ericsson is a global manufacturer and distributor of mobile multimedia devices which includes feature-rich phones, mobile accessories and PC cards. Products are innovative blend of powerful technology with communications, imaging, music, and entertainment applications. As a net result, Sony Ericsson is serving market with enticing brand that provides end users desirable fun products. Sony Ericsson was established by telecom leader Ericsson and consumer electronics giant Sony Corporation in 2001. Its ownership is equally owned by Ericsson and Sony. Its first product came in market in 2002. Its products have universal consumer appeal. They are different in areas of music, imaging and applications. Company has developed products with advanced technologies such as 2G and 3G platforms. Product research & development, design, manufacturing, marketing and customer services are major undertakings by Sony Ericsson. Its global management is headquartered in London while R & D is in U. K, France, Sweden, India, Japan, China and United States. The Firm has around 3, 500 around the globe.

Sony Ericsson is accepted as leader in mobile designs and innovations. Its many products won awards like T 610, K750i as best 3G handset for 2004. GSM Association awarded K800 Cyber-shot phone as best 3GSM in February 2007.

Sony Ericsson has built many partnerships for continuous innovative products development. Partnership with Sony BMG is a way for bringing best and innovative content to its customers. In gaming applications, Sony

Ericsson took the lead in launching first Java 3D-enabled handsets, and is looking forward to bring 3D gaming to a wider segment of mobile users.

Background of Sony-Ericsson

Ever since the Japanese electronics company Sony and the Swedish telecom giant Ericsson came together to form Sony Ericsson, big things were expected in terms of technologically advanced wireless phones as well as improved sales and market shares. However, the first year passed with a lot of disappointment. Sony Ericsson's already low market shares began to drop rapidly and the company was losing money. On the other hand, the much anticipated Sony Ericsson T68i phone was introduced and was a major hit. It was the first GSM/GPRS (global system for mobile communications/general packet radio service) color screen handset. Its Bluetooth technology was also the first of its kind, allowing wireless connections to headsets and PC synchronization. One of the accessories included a snap-on digital camera, which has become quite popular and a must for all new models. In the past year, Sony Ericsson has seen a revival in the company as they continue to introduce new revolutionary devices such as the P800 and T610 and set new standards. All this success has contributed to an increase in market shares and has pushed them back into the top five in cell phone manufacturers. In order to continue this success, a new IMC plan is needed.

Creativity and flexibility is required in order to succeed in the mobile-phone industry. No other industry changes faster, or experiences more sudden and rapid changes to fortunes. The industry was shaken by the alliance of two consumer electronic giants in October 2001, Sony Corporations and Ericsson AB. Sony Ericsson mobile communications is a fifty-fifty joint venture

between Japan's Sony Corp. and Sweden's Ericsson AB. With headquarters located in London, Sony Ericsson became the sixth largest global mobile phone corporation in 2005 following closely behind competitor Nokia.

Motivations for the joint venture alliance as well alternatives to a joint venture will be explored, concluding with an examination of the problems and strategies used throughout the alliance to aid Sony Ericsson to become a world renowned mobile supplier.

Complementary asset sharing and knowledge transfers were among several reasons motivating the alliance. Ericsson was heavily criticized in the past for poor manufacturing capabilities as Ericsson previously outsourced its production procedures to Flextronics in order to reduce costs (Electronic Times, 2001). Alongside that, Ericsson was associated with poor designs in terms of aesthetics and was unable to attract a large pool of consumers especially teenagers and young adults. Furthermore, due to the ever changing industrial environment of the mobile-phone industry, Ericsson was forced behind due to its inability to keep up-to-date with the market and as a consequent, slowly losing its already minimal market share.

Ericsson was buying chips from a single source, a Philips plant in New Mexico. Nokia was also buying chips from same facility. In March 2000, a fire at this facility contaminated the facility. Philips gave assurance to Ericsson and Nokia that production will start again just a week time. But it did not happen. Nokia purchased chips from other sources. So Ericsson faced serious shortages. This reduced Sony Ericsson's competitive ability to introduce new phones and maintaining supply of current phones. Sony Ericsson, after its new identity introduced first phone in 2002 and now has a product portfolio

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for meeting demands of all consumer target groups. Sony Ericsson introduced the Walkman-branded W series music phones in 2005 (fourteen models to date: W200, W300, W550, W600, W610, W700, W710, W800, W810, W830, W850, W880, W900 and W950)

Branding Key to Sony Ericsson Growth Plan

The difference in mid-end hand sets and top-end models is reducing because of technology advancements in mobile phone handset accessories market. Increasing liberalized regional telecommunications is boosting cellular subscriptions and a labor force with high disposable incomes, the Middle East has become a lucrative market for handset manufacturers such as Sony Ericsson. The company has been successful in this emerging market due to successfully fusing innovative technology to develop products. Sony and Ericsson's combination of core competencies is a competitive edge of Sony Ericsson. digital cameras and MP3 players have now become essential features of handsets, Sony Ericsson handsets like Cyber shot and Walkman handset ranges are a direct attempt to tap the Sony's heritage in both markets respectively. Sony Ericsson supports retailers and resellers by advertising and marketing campaigns.

Sony Ericsson has announced fusion of entertainment and communication for their customers as their new brand strategy. They are adopting a new brand message in collaboration with Sony Group, " make. Believe". It will use seven colors in its logo as part of its rebranding strategy. They will involve consumers at a greater extent in their branding process. They plan to do this

by focusing on their interactive digital and social media efforts to communicate with their target consumers.

Sony Ericsson connects on the web

Winning new mobile customers is becoming easy by digital marketing. Two major brands – one big company. Combining a Swedish company, Ericsson with one from Japan, Sony, it shares a design and communications history with history of marketing expertise and gaming, music and entertainment content on the other. Both have invested millions in this venture. The company had a slow start but it got the momentum in 2004. According to Superbrands, Sony Ericsson is among coolest brands in the UK. But in some previous years, it has been facing losses due global slow down and intense competition. Digital has played a good role in its growth. The digital budget is around 15 %. For some sets, it can go up to 30%. The early technology adopters are usually looking online for making their choices. So web is a great leap of imagination. The sector and market segment are worthwhile for its adaptation.

It is a sustainable part of Sony Ericsson's marketing mix and it will continue its evolution in future. The investment is easier to make, getting feedback from consumers is easy. The people in technology now are much more sophisticated than past. Technology is enabling in work and general living. By giving brand experience online, Sony Ericsson provides consumers tangibility and technology, both with explanation of the product. Now the decision making is more dependent on online sources. Marketing mobile phone is quite different from marketing other products. Networks form direct

relationship with customer. Sony Ericsson does not do this one-to-one connection. Sony Ericsson's branding should not have impact only on consumers but also on retailers and its distributors. Mobile up gradation is more frequently than cars, so they have limited shelf life. This should be considered in any campaign.

Digital marketing has solution to tackle such problems. In digital marketing, contact with customer is direct. Sony Ericsson is working closely with networks. They are mindful about direct customers as well. SE works with them to ensure that they do not market product too quickly. Sony Ericsson has been working with Dare for launching its handsets in US. Sony Ericsson has always recognized important role played by digital channels.

To reduce these channels, Sony Ericsson uses a micro site for promotion of each mobile set, providing a brand experience, with having link with corporate site (www.sonyericsson.com). Corporate hub offers more details about handsets. sonyericsson.com is managed by Toon Diependaele, who is director of digital marketing at Sony Ericsson. Sony Ericsson has emphasis on building a global framework with having room for local implementation. It has to [provide wealth of information in 63 country areas with 30 of its main products at any one time. The user benefits are explained in non-technical way for the understanding of the common man. It is about how phone will help you in making your life easier. It can also be about benefits due to some new feature like use of MMS in T610. Design and creativity go side by side in online marketing. The product tells the idea. For example, S700 has the idea of picture quality. So its performance and functionality is the basis of the idea.

The faith in digital marketing is natural for an organization founded 2001 and who is in business of selling E mobile phone. This is a digital age. And Sony Ericsson recognizes this fact in every way of its functions. Even in its logo which is dynamic. The development in this industry is at a surprising speed. So to meet the demands of changing consumer tastes, the products are dynamic too. For T610 camera phone is very popular phone, but new products in the same category have been introduced recently. Sony Ericsson has become pioneer in use two sided online banners for pushing its new handsets.

New generation of camera phones are following dual front strategy. They can be handled horizontally. Quickshare of pictures taken by the camera make these handsets easy to use for picture messaging. Quickshare is one way of sharing of pictures common in all Sony Ericsson mobiles through Bluetooth. Themes are extended from functionality of the handset. The K500i is based on idea that technology should save the time. For a handset with gaming, picture capability and MP3 playback will use broader theme. Users can also give suggestions on website.

Sony Ericsson had an exhibition on its site, featuring picture taken by K700 by celebrities. The exhibition was also shown at an art gallery. Website is considered hub of all the activities. It helps in building positive brand image through its website. Website gives opportunity to Sony Ericsson to expand life span of its products online. This theme is should continue in future as well. Sony Ericsson is doing things differently with its online marketing. It also used iTV channel when the opportunity came on the way. The idea of advertising was very strong, although it presents a problem in production

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cost and accountability. Networks are usually involved in the process selling. So, coordination between Sony Ericsson and networks needs to be increased to sell. The online marketing campaigns create desire in customers. Different approach is used for different segments of the market. When dealing with smart phones, the approach has to be entirely different from a product that is at entry level. Content such as free ringtones and java games are driving factors for the sale. It is also suggested that Sony Ericsson should be picture massaging. Sony Ericsson has realization that imaging trend is going to continue.

About 95% percent of the mobile phones purchased in last years data shows that they were picture enabled. After much taking has been done about gaming, music phones are area where improvement is needed for better services. Music has appeal to all people; they might have different tastes in music. The ringtones are built by ensuring quality.

3G is now more talked about technology and a lot of opportunity in this segment . We need to rely on networks, but nothing has been revealed. No medium will be required for this purpose. The marketing efforts of Sony Ericsson will drive new medium. Purchases of consumer can be helpful in researching customers.. The peer group is involved in the process Handsets with higher value s.

Sony Ericsson to Adopt Sony Branding Identity

Sony Ericsson is reformulating its strategy to move closer to its parent Sony's brand identity. It is now using phrase “ make. Believe.” The decision has been taken at strategic marketing level and several strategic marketing

campaigns will be launched shortly for realignment of the two. A fusion of communication and entertainment had always been focus of Sony Ericsson since start of the joint venture. This make, believe also brings Sony Ericsson closer to Sony group companies. Entertainment strategy becomes more obvious from this campaign. This ongoing transformation is lying foundation fro new outlook of Sony Ericsson. Realignment is vital part of this strategy. It has combined this strategy with a new culture of openness. This will shift the way of planning and building new prepositions. Social and digital media has brought customer closer to Sony Ericsson.

Sony Ericsson shifts adspend into digital

Sony Ericsson is boosting its digital adspend to £13m as it gives the internet a more central role in its global marketing strategy.

The handset manufacturer plans to increase the proportion it invests in website development and online advertising from 15% to 25% of its £50m marketing budget during 2008.

At the Mobile World Congress in Barcelona, Sony Ericsson head of marketing Dee Dutta outlined a strategy to strengthen the brand's online presence in key international markets in an effort to remain relevant to youth consumers.

Over the coming year, Sony Ericsson will begin diverting spend from TV, press and point-of-sale advertising to digital marketing around its handset brands, including Cyber-shot and Walkman.

The company also intends to give the internet a crucial role in establishing its Xperia sub-brand. In the first phase, it will launch a web portal showcasing its X1 handset, which is being seen as a competitor to Apple's iPhone.

Sony Ericsson currently works with Dare on digital global projects, but Dutta is considering appointing a roster of agencies to handle the increased workload. ' Digital will soon be the de facto method by which we communicate and engage with consumers,' he said. ' A strong online presence is crucial to the future of our brand on a global scale.'

Sony Ericsson is the world's fifth-biggest mobile phone manufacturer behind Nokia, Motorola, Samsung and LG. The company hopes its digital strategy shift will help it gain ground on rivals.

Gareth Jones, Sony Ericsson realigns brand in next stage of company transformation

- * Evolves visual identity and brand values as next stage of business transformation

- * Shifts consumer engagement to digital, viral and social media platforms

- * Aligns with Sony Group companies under new ' make. believe' brand message

London – September 3rd, 2009 – Sony Ericsson today announced the next stage of its on-going business transformation with the realignment of its external visual identity and brand values in order to deliver its vision of becoming the Communication Entertainment brand. The company also

confirmed its adoption of the newly announced Sony brand message ‘ make. believe’ in all consumer communication in order to reinforce its entertainment credentials and collaboration with the Sony Group.

“ Fusing communication and entertainment has been at the core of Sony Ericsson’s offering since the start of the joint venture.’make. believe’ aligns Sony Ericsson with the Sony Group companies and reflects the coming together of communication and entertainment. By re-aligning our brand and adopting ‘ make. believe’ we further highlight our entertainment offering to consumers,” said Cathy Davies, Head of Brand Strategy at Sony Ericsson.

“ Our ongoing business transformation is laying the foundations for the new Sony Ericsson. Our re-aligned brand is a vital part of this strategy. Combined with a new culture of openness it marks a shift in the way we plan and build our propositions, as well as how we invite consumers to engage with us via digital and social media platforms”, said Lennard Hoornik, Head of Marketing at Sony Ericsson.

Visually, Sony Ericsson will expand the appeal of its globally recognized ‘ liquid identity’ logo by adding seven new color variations plus a new a ‘ liquid energy’ flowing from the logo to make it more playful and visually appealing for the digital arena. The company also aims to adopt a more open and questioning attitude by inviting greater consumer participation in the brand through a stronger focus on interactive digital and social media channels.

A series of strategic marketing campaigns this autumn will launch the realigned visual identity and showcase the start of make. believe at Sony Ericsson, including a ‘ spark something’ viral campaign for the new Satio,
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Aino and Yari phones and a global activation campaign as the official global handset sponsor for the 2010 FIFA World Cup™ to capture the passion of football fans around the world.

<http://www.fiercewireless.com/press-releases/sony-ericsson-realigns-brand-next-stage-company-transformation>

Sony Ericsson promulgation of a new strategy

Sony Ericsson has been hard on the global economic slowdown, but the company said that the new strategy, focusing on services and entertainment, that he hoped to bring him back on track.

On Sunday evening, here on the eve of GSMA Mobile World Congress, Mobile Phone Maker, which is a joint venture between Sony Maker of consumer electronics and telecommunications equipment Maker Ericsson, unveiled a new strategy that he said fuses communications and entertainment. ”

The new strategy is that, Sony Ericsson calls “ Entertainment Unlimited. Managers have been fine detail at a press conference, but the company is planning a strategy that will integrate mobile phones with PCs and the percentage of TV entertainment content.

In this strategy, the company announced MediaGo, which is a continuation of its PlayNow music service. MediaGo added service that allows users to download movies to their PC and then transfer them to your Sony Ericsson. The company announced W995 Walkman phone that can play the function of the length of films.

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This service will also enable the transmission of other media such as music, photos and podcasts. The service also allows users to synchronize their phone music library automatically subscribe to podcasts, and automatically convert files for best quality playback.

The company also introduced stealthily peek at the new high goals, touch-screen phone called Ido. This 12. 1-megapixel camera phone, supposedly designed for all types of multimedia functionality. But details about the product are limited until he runs in the second half of next year.

Nevertheless, the leaders said that these two new phones will play a much more active role in the company's "new" strategy for more effective integration of entertainment on mobile devices and other devices throughout the home.

What's interesting about this supposedly new strategy is that it does not sound very new. Sony Ericsson was formed in 2001 as a joint venture between media and telecom equipment Maker. And since 2005, he was selling his Sony Walkman phones that allow people to listen to digital music on the go.

But now the company argues that its "Entertainment Unlimited" strategy takes things to a new level, where users can share and access to media of different products from mobile phones to personal computers to their television screens.

"All that we have done to date has led us to this issue," said Lennard Hoornik, head of global marketing and vice president at Sony Ericsson. "

We've created a music phone category in 2005, selling more than 100 million phones Walkman, and we are ready to open the next chapter in the development of the company."

It looks like a good idea, but it happens to one, that the share of its competitors. Nokia, the world's largest mobile phone Maker, develops throughout the Ovi services platform called for more than a year that lets users share files from PC to phone and vice versa. And one of the things that are done in the Apple iPhone has been so successful its integration with existing media iTunes Store, where users have access to music, videos and podcasts.

While Sony Ericsson strategy can not be revolutionary, adding more value to their products is likely required to move. The entire mobile phone market took a beating in the second half of the year, as consumers bought fewer mobile phones because of economic problems. And this trend will continue until the market starts to pick up.

Recession hits Sony Ericsson is particularly difficult. In the fourth quarter of 2008 the company lost 187 million euros, or about \$ 248 million. That compared with a profit of about 373 million euros in the fourth quarter of 2007.

But it is difficult to say if this " new" strategy will enable us greatly. One bright spot in the mobile phone landscape in the next couple of years, seems to be smartphones. Market research firm IDC recently reported that while the overall mobile phone sales fell by 12. 6 percent worldwide in the fourth quarter sales of smart phones actually work 22. 5 per cent.

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The problem that Sony Ericsson is that it is not very well compete in the smartphone category. Last year at the World Congress of mobile devices, the company has made a lot of Buzz with their first device, Windows Mobile, Xperia X1. As of November, the phone was available in North America.

But the problem is that he does not propose any major carrier in the U. S. and \$ 800 prices for the unlocked and unsubsidized phone is too high for consumers, who can get iPhone 3G on AT & T, BlackBerry Storm with Verizon Wireless, or Google Android G1 from T-Mobile USA for the subsidized price of \$ 200 with a two-year contract.

Given the fact that the smartphone market, where all the action is expected to be over the next couple of years, it surprising that Sony Ericsson will select the best feature phones to connect their new “ Unlimited entertainment” strategy.

Details are still too scarce to know exactly how this will shake out. But Sony Ericsson needs a convincing and accessible smartphones that can take advantage of these entertainment and communication capabilities. And to compete effectively in this market, but now need to expand its distribution outside of Europe and Japan. In particular, it should cool and affordable smartphone for North American consumers.

<http://www.wojianfei.net/sony-ericsson-promulgation-of-a-new-strategy/>

Sony Ericsson unveils marketing plans

Sony is rolling out the brand message “ make. believe” (read as “ make-dot-believe”) that will feature in advertising across its businesses Sony Ericsson,

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Sony Computer Entertainment, Sony BMG, Sony Pictures and brands such as Playstation 3 and Vaio.

Lennard Hoornik, Sony Ericsson corporate VP and global head of marketing, says the new tagline aims to reflect the message that “ anything you can imagine, you can make real”.

It has also updated its visual identity, adding seven new colour variants to the logo, as well as a new “ liquid energy” visual flowing from the logo. It was designed by Iris.

Cathy Davies, head of brand strategy adds the brand developments will aim to give the handset maker a more playful identity as well communicating with consumers in a “ more emotive way”.

It is part of the company’s ongoing repositioning strategy to be known as a “ communications entertainment” brand.

Sony Ericsson is planning to invest an estimated £7m in the fourth quarter to promote its new hero handsets, the Japanese named phones Satio, Aino and Yari.

The global launch will be spearheaded in the UK, with work created by Saatchi & Saatchi. It will be first time the handset maker will feature the “ make. believe” tagline in its advertising.

It plans to launch a major above-the-line campaign, as well as digital and experiential flash mob activity centered around an attempt to bring space hoppers back into popular culture.

<http://www.marketingweek.co.uk/>

Sony-Ericsson Declared Most Eco-Friendly Phone

Technology company Sony-Ericsson was recently given the environmental nod, as its cellular phones were declared as one of the most environmentally-friendly technological gadgets.

In its study “ Searching for green electronics,” environmental organization Greenpeace called for computer and phone manufacturers to put forward their most eco-friendly products, ranging from cellular phones to notebooks to gaming consoles.

After examining the products’ environment-related aspects such as amounts of dangerous chemicals, energy efficiency, recyclability and marketing strategies, Greenpeace heralded Sony-Ericsson’s phones, out of 37 other products from other manufacturers, to have obtained top honors for the most environmentally-friendly gadgets.

According to TMCnet, Sony-Ericsson’s phones received a 5.3 rating, out of a possible 10. The generally passable score, according to Greenpeace, was acknowledged as the highest, considering study’s low response turnout.

The results, however, were considered to be a step forward to technology’s adaptability to the demands of a clean environment, and the group recognized that encouragement was a key part of the study that must be further pushed.

“ Since undertaking the survey we have already witnessed the arrival of greener products in the market, such as the Apple’s new laptop, the

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MacBook Air, and Nokia's new phone, the Evolve," Greenbang quoted Yannick Vicare of Greenpeace

"Manufacturers still have a long way to go," Vicaire added, "but more and more now are taking the environmental impacts of their products seriously."

Sony Ericsson's mobile music strategy

Music has become one of the main drivers for 3G and large data entertainment services for the mobile phone end-user and will continue to gain in importance. Sony Ericsson is committed to maximizing the value and experience for the end-user and to increasing revenue for operators, and the Walkman family of mobile phones do this through music. Music-related services, content and applications are fundamental parts of our overall content strategy.

We believe that super-distribution of music is the way forward. By this I mean the easy sharing of music between friends – legally downloaded/transferred or by creating your own – all combined with applications that can manage or personalize the music experience on your mobile phone.

Even though the Walkman portfolio is the main focus of Sony Ericsson's music activities, music solutions for our other series of mobile phones are just as relevant. Network limitations, product market reach, end-user choice and model-version exclusivity to certain operators mean that we need to make sure that the music experience is as good as possible across our product portfolio. We monitor the DRM standards set by the industry and

strive to have products that are media source, and hence DRM, agnostic. All current Sony Ericsson mobile phones support the standard Open Mobile Alliance's (OMA) DRM v 1. 0.

When actively using “branded” music (i. e. official copyright or other rights protected), DRM is the key for everyone who intends to play a role in this market. For the development of applications where branded music is only handled passively, e. g. media players, this is up to the developer, as long as it doesn't have a negative impact on the DRM protection of the music flowing through or being used by the application.

The coming convergence of fixed and mobile broadband network services combined with the convergence of “traditional” audio-visual consumer electronics products with mobile phones will have a massive effect on the mobilemusic market. We foresee a tremendous growth.

Sony Ericsson pins hopes on ‘entertainment’ strategy

At the core of its new strategy is something Sony Ericsson calls ‘Entertainment Unlimited’. Executives were thin on details at the press conference in Barcelona, but the company is planning a strategy that will bring together mobile phones with PCs and the TV to share entertainment content.

As part of this strategy, the company announced MediaGo, which is an extension of its PlayNow Music service. MediaGo adds a service that lets users download movies onto their PC and then transfer them over to a Sony Ericsson device. The company announced the W995 Walkman phone, which will be able play the feature-length movies.

The service will also allow the transfer of other media, such as music, photos and podcasts. The service will also allow users to sync their phone's music library automatically, subscribe to podcasts and auto-convert files for the best-quality playback.

The company also gave a sneak peek at a new high-end, touch-screen phone, called the Idou. This 12.1-megapixel camera phone is supposedly designed for all kinds of multimedia functionality. Details about the product are scarce, but it is due to launch in the second half of next year.

That said, executives alluded to the fact that these two new phones will play a much larger role in the company's 'new' strategy to better integrate entertainment on mobile devices and other devices throughout the home.

Yet this supposedly new strategy for the company doesn't sound entirely new. Sony Ericsson was formed in 2001 as a joint venture between a media company and telecommunications equipment maker. And since 2005, it has been selling its Sony Walkman phones, which allow people to listen to digital music on the go.

The company claims its Entertainment Unlimited strategy takes things to a new level, where consumers can share and access media across multiple products from mobile phones to PCs to their TV screens.

"Everything that we have done to date has brought us to this point," said Lennard Hoornik, head of global marketing and a vice president at Sony Ericsson. "We created the music-phone category in 2005 selling over 100

million Walkman phones, and we are now ready to unveil the next chapter in the evolution of the company.”

The idea happens is one that its competitors seem to share. Nokia, the world’s largest mobile-phone maker, has been developing an entire service platform called Ovi for more than a year that allows users to share files from the PC to the phone and vice versa. And one of the things that has made Apple’s iPhone so successful has been its integration with the existing iTunes media store, where users get access to music, videos and podcasts.

While Son