

# [Nokia- swot analysis](https://assignbuster.com/nokia-swot-analysis/)

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In 1865, Fredrik Idestam, a mining engineer, founded a paper manufacturing company and called itNokia.

Finnish rubber Works became a part of the Nokia Company in 1920 and in 1922, Finnish cable Works joined them. All the three companies were merged to form Nokia group in 1967. But Nokia didn’t stopper here, they foray into new ventures like in power and electronic business in late 1970s. By 1987, consumer electronics became Nokia major business. Nokia Corporation (Nokia) is based at Finland.

By 1998, Nokia becomes the world’s biggest mobile phone manufacturer. Its focus on telecommunications and its early initiative in GSM technologies made it the leader in mobile phones. Till 1991, company had exported to Europe, Nordic countries and Soviet Union. More than a quarter of its turnover still came from sales in Finland. But after the strategic change of 1992, Nokia saw a huge increase in sales to North America, South America and Asia. Nokia saw unparalleled growth in global sales in 1990s.

Due to its strategic change and its decision to cater its product across world, Nokia registered turnover which increased almost fivefold from EUR 6. 5 billion to EUR 31 billion between 1996 and 2001. The company makes a range of mobile devices from basic model to high- end mobile handsets which are having business and multi media features. The services and software developed by Nokia also enable people to experience music, television, image, games, business, business mobility and much more. Nokia also provides equipment. Solution and services for communications network to its customer through Nokia Siemens network.

COMPETITION IN MARKET: NOKIA is a communication based company with main focus on mobile technology. Earlier mobile phones were famous with the technology SMS (short message service). With times there was improvement in technology and NOKIA also came forward with competitively attractive and innovative products with improved technology. Some of the technological advances were: >> MMS, WAP (internet), Polyphonic and MP3 ring tones, Camera phones, Video recording, 3G feature, Wi-FI, Touch screen. With all these technology improvements in the communication market NOKIA have lots of competition. And the main competitors include: Alcatel, Apple, Sony Ericsson, Samsung, Motorola, Siemens, and Panasonic. >> Due to the strong competition in market so as to keep ahead of all NOKIA implemented strong market strategies. And for that main focus was on Marketing. In the current period NOKIA are the world’s best selling Phone Company due to their market strategy plans.

CHANGE IN MARKET STRATEGY: So as to keep ahead of all in market, NOKIA focused on marketing strategy and implemented marketing principles. NOKIA begins with the transformation from a Finnish Conglomerate into the world’s largest top ranked mobile phone makers. NOKIA become a market oriented company and tapped into global market with strong marketing plans. NOKIA’s global view motivates its broad product lines that appeal to all kind of customers all over the world. NOKIA launched range of handsets like N-series with advanced features like camera, video recording etc.

However it was not possible to reach all kind of customers with such high end products. NOKIA implemented to reach all kind of customers and tried to learn what they want and need. NOKIA went into market search to find out the customer’s satisfaction and preferences (regarding this NOKIA also won Best research for telecommunications and IT industry in 2003 for mass-market consumer opportunities in mobile communications market) >> NOKIA launched innovative competitive products, designed to satisfy customer’s preferences. It launched the products to reach all kind of customers with different price range all over the world. ; gt;; gt; NOKIA focused on improving customer experience via developing devices and services as well. ; gt;; gt; NOKIA has acquired new companies, made new partner agreements and invested in new technologies.

Recent example NOKIA went into partnership withIntel, in Feb, 2009 so as to develop Meego software platform which will be used for their next mobile computer that will be launched shortly. gt;; gt; NOKIA worked hard to improve their communication network, deal with operator, customers, suppliers, retailers, developers and even some of its competitors so that everyone is benefited. ; gt;; gt; NOKIA’s main focus was on after sales service also, as they considered customers preferences and if the customers go anywhere they will receive service for their product easily and this helped in raising the NOKIA’s brand name. SWOT ANALYSIS: SWOT is expanded as the Strength, Weakness, Opportunity and Threat.

These parameters are needed to study the market scheme of any company. STRENGTH:- Nokia Strength is the Popularity of the Company. It is the most preferred mobile in any country. It has the sale of 52, 000 in the year 1997 and it is the 34% increase from the previous year 8. The operating profit of this world’s largest mobile manufacturers is 5. 0 and 37% of market share according to Q1 2009 and 35 % in Q1 2010.

They have models for each segment and now placed at very competitive price will surely keep them ahead from their competitors. WEAKNESS: Weakness is considered to be the internal factors. Weakness comes into play while the product is failing in the Market. It is the obvious reason that weakness or loss in only incurred by analyzing the product only. They are only targeting their product at a drenched market sector.

Their salary cost is rising forever. Some of the countries placing high tax for the imported products and no tax cut for the Nokia mobile phones. Supply chain cost is increased considerably and it is incurred in the cost of the product. Nokia is loosing its reliability among the customers. It’s not a big decline but in the future it may give big worries for Nokia. OPPORTUNITY:- Opportunity is the other main parameter that gives any company more focus about what are all the external factors that can be added to improve the performance of a company.

Nokia’s External Factors are mainly depends on two things:- 1. Concentrating on the more advanced version of mobile phones will give good sale to the Nokia. Nowadays customers are looking for mobile phones which are highly competitive to the Apple’s iPhone 3G. Nokia Simplicity makes the customers to expect more from them. They are expecting phones like Blackberry from Nokia. In more simple terms, customers are expecting a phone that exactly works like PDA.

2. Innovation is the key thing for every business to grow upwards in the market. They have to continuously reinvent the strategies and give the customer something new. They have to think and innovate some new ideas that none of the competitors failed to provide. Important opportunity is the reduction in cost of the call charges in many countries provides the opportunity to Nokia to sell more products. THREAT:- Threat is also one of the external factors to effectively analyze the Companies situation in the Market.

Nokia’s development is hampered by the Loosing Market Share and the legislations prevailing in most countries. To get a 3G License in Europe, A company has spend to 110 billions Euros. This extreme high cost will hamper the development of the Nokia’s entry into the 3G arena. Nokia suffers huge competition from the Mobile Manufactures like Sony Ericsson, LG, Samsung, Apple, Motorola, Siemens, and Panasonic. These manufacturers are having the technology in their hand and providing the mobile at the cheapest prices. CONCLUSION:- NOKIA has sensed competition in the market and importance of being the first mover by bringing new featured and relatively lesser costlier mobile in the market.

With having model in every segment and few to be launched in 2010 like Nokia N 8 and X 3, they are really trying to ensure they don’t loose their market share further rather consolidate it.