Nokia analysis

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NOKIA CASE STUDY Introduction Nokia is a Finnish handset company that is about 140 years old with its headquarters in Espoo, Finland. Nokia as a company it has come a long way. Starting out as a company that produced diapers and rubber boots and rapidly became one of the most important technology companies, the company has been going round acquiring companies. Recently it spent $60 million on Loudeye, the largest independent on-line music distributor and immediately after that, Nokia acquired gate 5 and Twango, the software making company and media sharing site respectively (Schenker, 2007).

Challenges

Nokia was the top mobile provider in the late 90's and the initial years of the 2000's. Nevertheless, in 2003 to 2004 smaller Asian companies threatened to beat Nokia by introducing better products at a lower price. Nokia did not have the coolness factor, for instance they did not make flip phones and were late in introducing cameras to their handsets. When their revenue fell beyond the expected low levels, they had to take drastic measures and were forced back to the drawing table in order to save it from collapsing as had been declared by annalists (Haiko, 2001).

Only the wise survive

Nokia introduced new models, modified designs, and vigorously promoted its products to increase its market share which had fallen by 28%, in a bid to regain its renowned glory. They realized that devices alone were not enough for the customers anymore. Apart from cameras other features that include: an online music store for the music enabled phones, an interactive multiplayer game service and a new site for the users to exchange photos, videos and music were necessary and sufficient to pool a customer base

(BussinessWeek, Sept. 10, 2007).

With the mentioned promotional offers saw Nokia's increase in their service provision, lead to a potential threat to Google and Yahoo internet companies because the two internet providers do not have control over the phone screens while Nokia, on the other hand, can provide imaginative services with consumer friendly hardware (BusinessWeek, Sept 10 2007). Other European mobile operators, who were not paying attention to Nokia's earlier efforts to break into the digital music stores' and other data services' market, can only sit and watch as Nokia portrays its expertise and maturity in their understanding of the market. This is so because many mobile service providers have tried but have failed whereas the subscribers cannot run up monthly data charges to the high that is expected by the operators. Research indicates that mobile phone users prefer Google or yahoo to the offerings created and provided by the operators and download music from their computers to the disappointment of many operators who provide such services. However Nokia has offered to help the operators to earn more revenue from mobile data by offering, Nokia maps, new entertainment and photo services and in return, Nokia expects a cut of its content revenues (Steinbock, 2001).

Conclusion

In successfully running a technology based enterprise, a remarkable novelty is required. Nokia has realized that and has offered to share its findings. Many operators are willing to sign on to Nokia's service offer save for the bigger operators such as Vodafone and Orange. This is because they are reluctant to replace their own music service with Nokia's. This service push by Nokia also puts it into direct competition with Yahoo and Google.

However, with about a billion clientele and established relationships with many mobile operators, it has a lead start in marrying the web and wireless world.

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