Nokia strategic plan

In this project I have covered various topics of marketing which are strategic planning, strategic planning process, the domestic strategic planning while the international strategic planning and also the difference among them.

For more clearly understanding this topic I have also briefly discussed the case study of NOKIA. I have deeply studied Nokia's strategic planning in India that is what all measures it took to grow and capture the Indian market. For understanding its international strategic planning and the reason for its success by properly implementing its strategic planning globally. Even the PEST, porter's five stage model and SWOT of the company also made the concept and analysis more clear.

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Introduction

Definition of Strategic Planning:

Strategic planning is the process by which it maintain its competitiveness within its work environment by determining where the organization is and where it want to go, and how it wish to get there. In other words examining what all strategies will enable the corporate or association to prosper in the future. This definition applies to the largest profit oriented as well as to the nonprofit organization.

Definition Strategic Planning Process:

The strategic planning process is a rational approach firms use to achieve strategic competitiveness and earn above- average returns. Thus it is an essential most and foremost step in development of result based accountability system which is “ defined as the process of addressing the following questions:

- Where are we?
- What do we have to work with?
- Where do we want to be?
- How do we get there?”

These are the various steps involved in the strategic planning which has to be achieved or ensured one by one. The first step is to answer where are we? That’s where the company or the organization going to survey or conduct its activity. Then the next step is making themselves clear about on what they have to work that’s their product or services. Then future knowing what is their future goal, where they want to reach and lastly planning that how they will achieve their goals.

The Strategic Planning Process

Mission and Objectives:

Mission and objective of the business describes about the companies values and beliefs. They show what is the goal of the business for which it is working. The objective can also be in financial term as well.

Environmental Scan:

This includes the internal analysis of the firm itself which is done by SWOT analysis of the firm. While the second is analysis of the firms industry which is done by porter's five forces model and third is microenvironment analysis which is done through PEST analysis.

Strategy formulation:

From the above scan the firm will get to know where it stands among the other firm. And then accordingly they have to make their strength into opportunity and also reduce their weakness and threat which can give them competitive advantage. This competitive advantage can be in form of low cost as well as differentiation.

Strategy implementation:

As and now the strategy is been prepared for the firm, so now it's time to implement it. As and when it is implemented then only company can know how much successful is the strategy for the firm.

Evaluation and control:

The implementation of strategy must be monitored and tested and whatever necessary changes required should be made. Thus this process is done in following steps:

- Define the parameters that is to be measured
- Define target values for those parameters
- Then the performance measurement
- Compare the results from the targeted result
- Make necessary changes required in it.

International/global strategy:

An international strategy is a strategy through which the firm sells its goods and services outside its domestic market. The steps in international strategy are:

- Identify international opportunities
- Explore resources and capabilities
- Use core competences
- Strategic competitiveness outcome.

The international strategy has two basic types: business level, corporate level international strategy. There are three corporate level strategies which are -multidomestic, global and transnational.

Global strategy: is the strategy which assumes more standardization of product across country market. Thus global strategy is centralized and controlled by the home office.

Difference between domestic and global strategy planning:

- Domestic strategy is basically defined when the company is been formed while the global strategy is defined when the company enters into the new market.
- Domestic strategy are the goal or the vision mission through which the company was been formed. While the global strategy are been decided according to the customers need, preference and the countries suitability.
- Domestic strategy is been fixed and rarely changes while the global strategy changes according to the need of that country.
- There are chances that the domestic strategy is similarly to global strategy while it can differ also.
- (strategic management-ireland. hoskisson. hitt)

The major challenges that international managers/marketer faces when strategic planning for the global markets:-

- The greater geographical dispersion across country border increases the cost of coordination between unit and distribution of product.
- Trade barrier of the global country also a major challenges for the managers.
- Even the cultural diversification and other differences by country like (access to raw material and different employee skill levels) greatly complicate the implementation of strategy planning for global market.
- Differences in consumer needs, wants, and usage patterns for products is also one of the major challenges for the manager during their strategy planning.

- Some time the religion of the particular country also affects the strategy planning of the company. This is also one the important challenge for the manager to understand.

Nokia Case Study

Domestic strategy:

Vision for future:

The main vision as stated on website and an punch line of Nokia" " Connecting people" is now connecting people to what matters – whatever that means for each person – giving them the power to make the most of every moment, everywhere, any time. Connecting the " we" is more powerful than just the individual. That's how Nokia is needed to help make the world a better place for everyone." (http://www. nokia. com)

Strategy of company:

The Nokia website states on its blog that " To do this we will become the leading provider of mobile solutions. Our solutions strategy leverages one of our greatest assets – a portfolio of outstanding devices, with unmatched scale and geographic reach. We couple them with smart services, integrated via an intuitive and seamless user experience. We differentiate these solutions offerings based on our in-depth consumer understanding, with a strong focus on social location (people and places)." (http://www. nokia. com)

Now NOKIA in India:

The Indian market is huge and diverse and also undraped. As the rural India is the main unexploited which could be captured. But these rural markets have its own challenges in it. This brought Nokia to India and captures its huge market.

Nokia's marketing strategy planning in India-

MISSION:

The mission of NOKIA in INDIA is to provide the customer with the best durable, economical stylish and low cost cell phone with best feature for the common use of customers.

MARKETING OBJECTIVES

- Maintain positive, strong growth every quarter by selling more and more no. of cell phone.
- Achieve a steady increase in market penetration
- To maintain its position of India's no. 1 cell phone producing company.
- Maintaining its reputation.

4p's of marketing mix:

1. Product:

Domestic strategy: Nokia in its domestic strategy had developed many model of cell which been updated time to time.

Global strategy: The product Nokia brought for Indian market was more of user friendly and very durable product. As Indian market always demanded more of rough and tough mobiles which could be used and handled by every person. Even one of the main product features for India was that Nokia came out with the cell phone with torch in it. Which was a good strategy to attract the Indian rural market. As after the analysis Nokia came to know that 60percent of Indian population stays in India. And rural India is facing big problem of electricity. Thus this kind of torch in cell phones attracted the rural India… So Nokia came with the product which was desirable by the market.

2. Price:

Domestic strategy: The prices of mobile phones are comparatively according to the economy of the country. So the call rates in Finland are also comparatively high. But as there are very less competition so price of cell phone is high.

Global strategy: The Indian mobile market has an over 170million subscribers making it the most cost effective player in this industry worldwide. More over India has the most lowest call rates and apart from this mobile phone calling from anywhere around the world is just two cents per minute, as in front of China it is four cents. The market is also aiming at immense growth. But so far Nokia is aiming at its Penetration-Led strategy which means having a mobile phone with every single person of the world. They are targeting at retaining their costumser which they have termed as replacement-Led. From a survey its been known that costumers in India tend to change their mobile phones very frequently. And whenever they come to change their phone are willing to pay an extra penny for a new upgraded handset. Thus in this way Nokia have managed to keep their price change as per the demand of its customers In India.

3. Promotion:

Domestic strategy: Nokia is already a Finland company. So it is already a famous brand. Thus it does not require much of promotional activities to be done.

Global strategy: Nokia made its promotion in various ways to capture Indian market. Among this the main focus was the rural market which was huge. Various film stars were been hired to promote Nokia. Even Nokia sponsored various cultural activities and sports activities and sports teams.

4. Place:

Domestic strategy: In its domestic strategy it is already defined the places it has to cover. Which include whole of the country?

Global strategy: For Nokia it was very important to keep a strong distribution channel so that the customer gets a product at right time and at a right place. Thus for this Nokia started its website, showrooms, marts and etc.

Main strategy:

The most foremost strategy for the company was to maintain the No 1 position in India among the cellular companies. This could be achieved if the firm keep on surveying the huge rural as well as the urban market. For the rural India Nokia adopted low cost strategy while for urban it adopted differentiations.

Nokia external analysis | Porter's 5 Forces Nokia

a. Threat of New Entrant:

Domestic strategy: there is low threat of new entrant. Because it is the first company of Finland with its big brand name.

Global strategy: As Nokia has already built a good brand image in the Indian market. Thus it has a very weak effect of new entrants if any enters the market. Because Nokia has become number 1 as well as most reliable brand in the market now. So it will not be affected by any new players.

b. Threat of the Substitutes:

Domestic strategy: even in the domestic field there is no proper or exact substitute for Nokia cell phone.

Global strategy: As in now there is no direct substitute available for the mobile phones and especially Nokia's advanced feature mobile phone.

c. Bargaining Power of Suppliers:

Domestic strategy: the bargaining power of substitute is low.

Global strategy: As in now Nokia is been No 1 brand thus it holds a strong position in the market. So bargaining power of supplier is very low.

d. Bargaining Power of Buyers:

Domestic strategy: the bargaining power of consumer is moderate. When a new model is been manufactured it is thrown in the market. Thus consumer has less influence on it.

Global strategy: As in mobile phone market is very price sensitive. Thus in that case the buyers demand and supply pattern matters a lot for the company. As it is been working under the assumptions of the buyers demand. Thus they have a stronger influence.

e. Rivalry among Competitors:

Domestic strategy: there is less competition. So rivalry among competitor is also low in this case.

Global strategy: There is a high competition in this industry. There are many competitors like: Motorola, Samsung, LG and etc. thus it can be a problem for the company in the long run.

SWOT analysis of Nokia:

Strength:

- Nokia has the largest selling and distribution network compare to other mobile phone companies.
- It is backed with high quality HR and IT professional as compare to others.
- The financial part is very strong as it has much more profitable business.
- Wide range of product for all class.
- The re-sell value of its hand set is more compare to any other company.
- People trust it more compare to others.

Weakness:

- Price offered by the company for few handsets is high.
- So products are not user friendly.
- Not concern about the demand of lower class people.
- Service center are very less and scare.
- After sales service is not good.

Opportunity:

- It has a great opportunity in this huge.
- Opportunity to capture the rural Indian market.
- Most reliable company so people trust it more compare to others.
- India standard of living is also increases, so people are becoming more and more trend oriented.

Threat:

- New players are entering with new features to attract the customers.
- Previously other companies were not providing user friendly mobile but now they have started meeting customers need.

Conclusion

Thus at the last I want to conclude the following points:

- The domestic strategy should always consist of future oriented goals.
- They should also have some or few global strategy also.
- When a firm enters a new market, its global strategy should be such that it should suit to the customers’ needs and requirement.
- Nokia case study helped to understand the global strategy.
- It also helped me to understand the various reasons and strategy Nokia adopted due to which it become no 1 in India.

The main and the most important thing which Nokia kept in mind while entering the Indian market was its culture and values. Which any company should take care when it is entering into global market with its global strategy.

Recommendation:

- When firm is going to enter a new market it should first study the global market.
- Proper analysis of the market should be done.
- The perception of the customer, their religion, there values all should be studied very well before entering into global market and before preparing global strategy.
- Thus manager good strategy can make firm earn more profit and vice versa.