

# Nokia company

[Technology](#), [Mobile Phone](#)





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Introduction 1. 0 Introduction Nokia is currently the largest mobile phone manufacturer in the world. With estimated 38% share of global device market in 2007. Nokia devices available at approximately 350, 000 points of sale in more than 150 countries and make net sales EUR 8. 0billion. It is the fact that Nokia is the World's 5th most valued brand. However, it is difficult to keep its position with the competitors, like Samsung, Motorola, Sony Ericsson and LG(Fig. 1). In this report, we will analyse the data I have collected from different resources and show you some tangible pictures. The initial sections of our report focus on the Nokia's history. Nokia’s success benefits were some advantages they had in the market. These also include

company organization and Nokia's marketing mix. Then, we will talk about their market share and sales. Finally, Nokia SWOT and strategy will be analysed. We will look closely at and discuss all of these elements, and why we think that they are relevant to Nokia. At last, we will try to make a conclusion of the topics discussed and provide some pictures to understand more.

## 2. 0 History of Nokia

### 2. 1 Roots of Nokia

The roots of Nokia go back to the year 1865, when the Nokia wood-pulp mill was founded in Southwestern Finland. The company is named after the Nokia River in southern Finland, next to which the original Nokia pulp mill was located.

### 2. 2 Story of Nokia

Follow the story of Nokia - a century and a half of innovation, from a riverside paper mill in southwestern Finland to a global telecommunications leader. [pic] [pic] From roots in paper, rubber, and cables, in just over 100 years Nokia becomes a powerful industrial conglomerate... [pic] [pic] The newly formed Nokia Corporation is ideally positioned for a pioneering role in the early evolution of mobile communications... [pic] [pic] As mobile phone use booms, Nokia makes the sector its core business. By the turn of the century, the company is the world leader... [pic] [pic] Nokia sells its billionth mobile phone as the third generation of mobile technology emerges...

## 3. 0 Nokia Company Organization

There are four main elements of Nokia's organization in the company. They are playing important roles for Nokia success. â—† Devices is responsible for developing the best device portfolio for the marketplace, including sourcing of components. â—† Services & Software is responsible for developing and growing their offering of consumer Internet services and enterprise solutions and software. â—† Markets is responsible for

management of the supply chains, sales channels, and brand & marketing activities. The Corporate Development Office focuses on Nokia's strategy and future growth, and provides operational support for integration across all the units. Nokia Siemens Networks, which started operations on April 1, 2007, combines Nokia's networks business and Siemens' carrier-related operations for fixed and mobile networks into a company owned approximately 50% by each of Nokia and Siemens, and consolidated by Nokia. At the middle of the year 2007, Nokia thought a few steps ahead and planning its company structure for next year. It means that in 2008, the Devices will create a competing portfolio for the marketplace. Services and Software will take care of making Nokia's offering of consumer internet services grow and bring enterprise solutions and software. Markets, will manage Nokia's supply chains, sales channels and marketing activities. Moreover, they also intend to strengthen the bonds with the CEO through the Chief Development Office.

#### 4.0 Nokia's Marketing Mix Product

Nokia offers many different cell phones with many different features. Nokia phones tend to include all the latest technology and a lot of the consumers favourite aspects such as text messaging and games. When the phones came out, they were big and bulky and quite unattractive. While now they are all quite sleek and stylish. Also, they are small enough to fit in the palm of hand. Most of the phones produced nowadays have accessories that consumers must buy with them, such as hands free kits and in-car chargers. These generate Nokia make a lot of profit.

**Price** The phones that Nokia produce are usually sold at high prices. The price of the new phones usually decreases after an introductory period, which is usually around 2 months. Nokia's prices

are based on competitors. For example, they try to keep the prices a bit lower than those of the closest competitors, but not as low as the "smallest" competition as consumers do not mind paying the extra money for the "extra quality" they will receive with a well known brand, such as Nokia.

**Promotion** Nokia promotes the new technologies and mobile Devices. Also, they create using one big advertising campaign that focuses on a singular technology instead of each individual handset and print advertisements that are placed in magazines and newspapers where the target market will see them, so that they can appeal to a lot of different markets with one campaign. **Distribution** Nokia phones are generally sold at all established mobile phone dealerships such as Carphone Warehouse and The Link.

Moreover, Nokia companies will look for an agent in a country or a large area. Then the products will be provided to branch agents by a main agent.

The products also will be provided to a large chain store or cell phone market.

5. 0 Nokia's market share and sales Nokia is the largest mobile phone manufacturer in the world. Although Nokia is in an increasingly competitive market circumstances, it keeps growth more quicker than market growth. Nokia has about 40% of market share, increasing by 6% between 2006 and 2007. In addition, Nokia has been the head of mobile phone sales since 1998. Nowadays, it has taken one-third of the mobile market, taking twice as much as the second one. In 2007, Nokia had net sales of EUR51. 058 billion and net profit of EUR7. 205 billion. Compared with the year 2006, Nokia's sales increased by 24% and the profit jumped by 67%.(Fig. 2)

6. 0 Audit of Nokia

6. 1 SWOT analysis

**Strengths:**

- Nokia has world-class research, design and engineering team.
- Nokia has global

relationships with all major phone companies worldwide. - Nokia is rated the world's fifth most valuable brand. - Nokia's strong management team has come through many crises unscathed. Weaknesses: - Nokia will likely be late in developing third-generation (internet-enabled) phones. - The feature of some Nokia mobile phone still "brick". Opportunities: - The world biggest phone companies are willing to pay top dollar to offer its customers Nokia's snazzy phones. - There is growing world market for cell phones, especially in developing countries such as China and India. - Nokia will continue to be a growing company, and it will expand to new markets and businesses.

Threats: - The update of mobile phone market is too quick - The European market for cellular phones with current technology is nearly saturated. - Nokia's key customers, Europe's telcos (telecommunications companies) are \$125 billion in debt. - Nokia faces well-financed Japanese rivals. - There are many competitors have been appear except Nokia company in China. 6. 2 Market change trends User experience - Simplicity, rich experience and products consumers can fall in love with. - Sharing of experiences. - Internet communities. Business models - Maga-and regional operators consolidating. - Industry convergence. - Internet-based business models. Technologies - Internet convergence and wireless broadband (cellular and non-cellular). - Fast development in component technologies. - Software platforms.

Geographical and consumer diversity - Geographical differences in consumer behavior. - China and India increasingly drive demand and design preferences. - Internet diversity. 7. 0 Nokia strategy Nokia continues to evolve to realize the vision of a world where everyone can be connected. In addition, Nokia's strategy relies on growing, transforming, and building the

Nokia business to ensure its future success. 7. 1 Nokia vision, landscape and goals They help people feel close to what matters to people. In fulfilling this promise, the aim to excel in the complex and challenging business environment. The resolution is to Grow, Transform and Build. The vision "A world where everyone can be connected." In 2015, 5 billion people always connected, and 100 fold more network traffic. The promise "To help people fulfill the need to communicate and share." To help people feel close to what matters to them. The approach "To act on consumer insights." To take a very human approach to technology. Eg : simple, intuitive, reliable. "To bring the best of internet to mobile. Internet innovation, creativity, media and services will be available anytime, anywhere. The resolution: Grow, Transform, Build " Grow the number of people using Nokia devices. " Transform the devices people use. " Build new businesses.

7. 2 Nokia's five business strategies

- Create new products Nokia company produces many different kinds of attracting mobile phones. Not only the design (beautiful and thin), but also the functions (mobile imaging, media, and Internet Capabilities) will be improved.
- Grow consumer Internet services Nokia offers customers to experience communities, news, blogs, reviews, and weather reports straight to the mobile phone.
- Provide new solutions and capabilities Nokia have developed Intellisync which is a solution with mobile e-mail, equipment management, file synchronization and data synchronization. Intellisync not only make employees enjoy the convenience of happiness with mobile, but also make Nokia win the market of the mobile e-mail business with competitors.
- Build scale in networks Nokia developed the software



platform to build scale in networks. Last year, Nokia built a software platform named Widsets in China. Customers can read news, blogs, e-mails, browse photos, and play games on mobile phone. ¶ Expand professional services In order to expand professional services, for example, Nokia bought Gate 5, a German maker of navigation software and the digital music distributor Loudeye. They offer service for free. People can keep in touch with the content, blogs and communities they love because the service is constantly updated with feedback from the users. Conclusions As we have showed, Nokia is a mobile telecommunications company, and offers far more than just mobile phones for everyday use. Nokia connects people to each other and the information that matters to them with easy-to-use and innovative products, like mobile phones, devices and solutions for imaging, games, media and businesses. Nokia offers networking solutions for businesses that help businesses stay connected and communicate with each other at all times and places. Nokia is all, a national, international, and a global company. They produce and offer services at the national level. With analysing Nokia SWOT and strategy, Nokia is successful in the mobile market, and it still has the opportunities to increase their growth rate as mean by increasing their sales performance and market share. Therefore, this statement can clearly show that Nokia still a huge market in customers' loyalty. In addition, Nokia's Vice President, head of corporate strategy, Jarkko Sairanen, said that in a world where everyone can be connected, they would take a very human approach to technology in the future. Appendix In 2007, Samsung market share is 14. 5%, LG market share is 7. 1%, Motorola market share is 13. 1%, Sony Encsson market share is 8. 8%. [pic] Figure 1: five

companies as Nokia's main competitors [pic] Figure 2: Nokia net profit changes from the year 2003 to 2007. Reference 1. <http://www.nokia.com/> 2. <http://english.cri.cn/855/2005/08/30/262@15519.htm> 3. <http://info.feno.cn/2007/130306/c000089772.shtml> 4. <http://www.rmloho.com/user6/42955/archives/2008/319468.html> 5. <http://www.cww.net.cn/mobile/html/2007/11/22/200711221425231485.htm> 6. <http://et.inutcm.edu.cn/jpk/images/stories/scyx/ppt/3.ppt> 7. <http://www.lava-lava.com/topic/show/38889>