

Marketing management of nokia



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Dr. Jim McCleskey

Introduction

Nokia is a Finnish corporation, which is founded in 1865. At beginning they started as a ground wood pulp mill. In 1967 this Corporation was founded by merging the companies. In 1978 it has started to explore digital phone network. Mobile network was founded in Scandinavia in 1981; which was initially for car phones. In 1994 Nokia introduce the 2100 series, whose sell 20million phones around world. Up to 1998 Nokia became world leader in mobile phones market. From 1996 to 2001 Nokia's turnover increases from £6. 5bn to £31bn. Nokia introduces first mobile phone with a built-in camera in 2001, called Nokia 7650. After a year Nokia launches its first 3G phones, Nokia 6650. 3G technology phones can be used for browsing web, download music, watch TV and much more.

Overview of the Case

Nokia entered India market with services of mobile phones in 1995. It was leading name for cell phones in India working with an aim to ' connect people'. India's telecom sector opened up to private companies after a year Nokia entered to the market. Nokia made giant assembly plant of Vis and component suppliers, by hand with cheap labor, 8000 full time jobs out of a figure of 30. 000 mostly women were hired (MNSambit, 2010). First Indian ringtone " Saare Jahan Se Accha"- was on the phones in 1998. As we all know India is the 2nd most populated country in the world so we can understand why Nokia choose to be in that market. In 2000 Nokia introduced its first phone with a user menu in Hindi, in Nokia 3210. In 2002 Nokia

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introduced their first camera phone for Indian customers. So Nokia was absolutely determined about dominating the telephone sector in India. For the latest information about the mobile subscribers that we can find out is that there were 500 million subscribers in India. Mobile phone sector in India is gigantic with 118 million mobile users and 85 million of this users are Nokia users. While reaching this amount of users Nokia didn't just stay in only one sector they did wire cables, rubber works, in-house electrical device and etc. this helped them to extend all-over the world.

Marketing Issues and Concepts

Nokia was directly concentrating on the Rural India. The total targeted population they estimated were almost 100 million. The users were commonly males. But female users were also not commonly less. The users of the Nokia phone was aged between 25 and 50, which is the segment that makes up 80% of the Nokia mobile phone market. Nokia targeted to stay in the market for more than 30 years. But as we know the era of Smartphones appeared. So teenagers and mostly business class people start to ask for something different and something new. Nokia's decline starts when its rivals arrives in 2004 on arrival of ' smartphones', Nokia 9210 was the first mobile phone with an organizer. Nokia developed the mobile phones with Symbian OS, with which capabilities were expended. But Apple came up with IOS on their iPhone's; which brought new definition to smartphone. Apple introduced iPhone in a way like minicomputer that could make phone calls. Nokia didn't upgrade their phones like the iPhone and still using Symbian OS. Nokia's market shares move more downwards when Samsung came into market with their smartphones. At that period Nokia didn't do anything to

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change itself. Nokia was sticking with the old version of mobile phones that were mainly about calling people. Nokia was unable to notice that they were just making some updates about checking e-mail, surfing and on messaging. In 2011 Nokia has united with Microsoft. The new Windows Phone was going to replace the Symbian OS with smartphones. It was estimated that the union would make Microsoft's Windows Phone a stronger rival against iOS and Android. This new phone by Nokia was called Lumia line. Lumia line sale was increased more than 1 million before 26 January 2012. Continuously in second quarter sales reached up to 5.4 million Windows Phones. The sales of the Lumia line went up, in the second quarter of 2013 Nokia announced that Lumia sales were 7.4 million, which was a new record for Nokia. In 2013 Nokia get back to profit after a series of losses, Microsoft buys Nokia's handset business for £5.44bn. Nokia not only failed to realize competition from Apple, Samsung, Sony, and Blackberry in high end smartphones, they also failed to notice the stiff competition in the lower segments of phone (KaranKamboj, 2014). We can easily say that, Nokia dramatically lost its place on market share. The less you keep up with the case the less you live.

Even if they had the slogan of “ Know our Past, Create the Future” they couldn't figure-out the consequences of ignoring the Smartphones and they couldn't create their future.

Questions

1. Should Nokia pursue full market coverage, market specialization, product specialization, selective specialization, or single-segment concentration? Why?

According to Forbes newspaper Nokia has been losing its market share in a faster rate. In 2009 Nokia's market share in India was 54% and it declined to 36.3% in middle of 2010. With this decline the market share dropped to 20% in 2016 (Trefis Team, 2016). Nokia has tried to keep its market share by a product specialization inventing dual SIM card system. As a result, cell phones with dual SIM card become very popular till the smart phone invention. Nokia had limited social networking system or smart phone industry system which caused rivals to increase their market share in India. Therefore, Nokia should concentrate more on below marketing.

1. Single-segment concentration will not be enough to compete with others.
 2. Product specialization, selective specialization- in order compete with other carrier Nokia needs to increase social networking feature.
 3. Market specialization- Nokia has been inventing its tools to different demographic groups. Providing icon-based menu consisting of pictures and Hindi SMS Saral Mobile Sandesh.
 4. Full market coverage- since entrance to Indian market Nokia has been widely working with telecommunication to use the network.
2. Should Nokia provide post-purchase service by identifying the 'service' that consumers value the most, and the relative importance of each?

Any marketing need to provide post-purchase service/s in order to know what consumers value. Nokia has been opened Nokia Priority Dealers across the country and Nokia Concept Stores.

3. Would technological convergence lead to technological obsolescence?

Any technological convergence lead to technological improvement to Nokia. Since other competitors/rivals Samsung and Apple by adding a new and improved technological convergence tools they have been increasing their market shares. For instance, social networking system.

4. Will responding to heightened competition with a number of models lead to product cannibalization in Nokia?

Since day by day a competition is increasing tremendously, therefore Nokia has been introducing new models of handsets such as Lumia, Asha, Nokia X, Nokia E series to respond to high demand of consumers. However, all series have their different profit margin. In order to compete and increase its market share Nokia needs a technologic cannibalization more often and balanced.

Conclusion

Nokia has been an industry leader for many years however the market has changed quickly and Nokia must right itself. There is a significant risk for Microsoft it should deliver a world class OS or otherwise the customers will turn to Apple and Android.(MNSumbit, 2010)

When Nokia had a scenario and tried to increase their market share on a Lumia series they aimed to stand on market for a long duration. And Lumia series was Nokia's appliance to challenge with smartphone market. But Nokia didn't respond on time and get late to introduce Lumia series, if they would respond on time, in 2007 or 2008, they would have a greater market share as compared to its existing position. But Nokia's market share will grow because Nokia is introducing smartphones of substantial quality for

almost every budget. e. g. Nokia Lumia 520 is a cheap smartphone, which can do everything unlike expensive Lumia. But its features are of less quality. Samsung brings a wide range of smartphones in market to increase their market share. Samsung is going to capture market with their different models. Nokia is also supposed to use that strategy to increase their market share; produce every budget Lumia versions of the consumer. Nokia still needs to compete with the recent and future trends. If not they are not going to adjust with the market they will make loses as we learned from the history.

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