

## **A STUDY ON BRAND FAILURE OF NOKIA MOBILES PUBLIC LIMITED**

**In Partial Fulfilment of Bachelor Degree in Business Administration  
(International Business)**

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## ‘A Study on Brand Failure of Nokia Mobiles Public Limited’

### Abstract

This study examined the link between strategic partnerships, innovation, and consumer preferences in the smartphone market. Nokia's alliance with Microsoft served as a prime example to explore these dynamics and their impact on tech companies. The study highlighted innovation as a key driver of success. For Nokia, facing giants like Apple and Samsung, continuous innovation wasn't optional. The study emphasized the importance of data-driven decisions. By examining the outcomes of Nokia's partnership and innovation efforts, it highlighted the value of using data and consumer feedback to guide future strategies. Interestingly, the analysis of the Microsoft partnership showed mixed results, suggesting careful evaluation of future alliances, especially those that could significantly impact product offerings and market positioning. This case study serves as a guide for tech companies navigating the complex interplay of innovation, partnerships, and market dynamics. It emphasizes a balanced approach that considers long-term brand value, customer loyalty, and the relentless pursuit of innovation. Ultimately, it's a reminder of the importance of informed, data-driven decisions in shaping a company's future in the competitive tech landscape.

### 2. Introduction

Nokia cell phone history stands out among all the years of mobile development. It is the name that fill the hearts of the most. From being an undisputed ruler of the mobile phone market to walking the path towards great decline, Nokia's story will be studied by many as a reference of strategic market guidance, technological innovation, and branding. The project will reveal all the layers related to the success and failure of Nokia Mobile, from identifying strategic mistakes, explaining technological evolution and analyzing customer preferences that ultimately resulted in its decline. Through the example of Nokia's experience, we can grasp the factors that have the biggest impact on the other hand like foresight, changeability and tireless efforts the brand maintain its position as a leader and to keep the ants of the competition. Considering the reason behind the Nokia's brand failure, one should know its professional height. By the end of the 1990s and in early 2000, Nokia had no other company came close to it when it came to the mobile handsets. The brand famed its best-selling product for industrial-grade hardware, handy interface, and pioneering features. At its best, Nokia had a domineering presence in mobile phones worldwide as it became the leading phone producer in the globe.

The productive competitiveness of Nokia in response to the ever-changing mobile technology space was tempered with major error in strategy. The first mistake made by Nokia was to bet on touchscreen technology too late. Another mistake was a high-degree loyalty to Symbian OS, and its final failure was to underestimate the power of the app-centered model of other competitors. However, the other hand, the partnership of Nokia with Microsoft in 2011 by choosing the Windows Phone as its innovative platform for smartphones was not that strong advantage. Consequently, these and other decisions showed, in the language of Nokia management, the inability to recognize and adjust to newer users' behavior on the mobile platform and thus the washing away of Nokia's market share and brand equity. The falling of Nokia's. In such case of Nokia's fall, strategic agility, constant innovations and the connection between market reality and the organization's culture are clearly shown which is the fact that they are most important. This project will appraise the factors of the demise of a once upstanding brand but additionally explore the considerations necessary be taken to gain market continuation and attain long-term achievement in ever evolving environments.

### **3. Literature Review**

The decline of Nokia, once a dominant force in the mobile phone market, has been a subject of extensive research across various disciplines. Scholars have investigated multiple dimensions to comprehend the complex interplay of factors contributing to Nokia's downfall. Here, we synthesize key insights from a diverse range of studies to provide a comprehensive understanding of Nokia's decline.

#### **Understanding Organizational Dynamics**

Huy et al. (2015) introduced a novel perspective by examining the role of distributed attention and shared emotions among managers in hindering Nokia's innovation process. They highlighted how negative emotions influenced communication and decision-making, leading to strategic missteps. This underscores the importance of understanding organizational dynamics and emotional intelligence in driving innovation and adaptation.

#### **Strategic Decisions and Leadership**

Several studies delved into Nokia's strategic decisions and leadership role in its downfall. Wang (2022) and Johnson (2014) highlighted Nokia's indecision regarding operating systems and its resistance to

change as critical factors. They emphasized how Nokia's leadership failed to adapt to the rapidly evolving market dynamics, ultimately leading to strategic misalignments and missed opportunities.

### **Market Dynamics and Technological Disruption**

Nokia's decline occurred amidst intense competition and technological disruption in the mobile industry. Studies by Doz and Wilson (2023), Green (2016), and Taylor (2016) underscored the impact of disruptive technologies like smartphones and the importance of market adaptation. They highlighted Nokia's failure to anticipate and respond effectively to changing consumer preferences and technological advancements, leading to its loss of market share and relevance.

### **Branding and Consumer Perception**

The evolution of Nokia's branding strategy and its effects on consumer perception were explored by Adams (2015). Nokia's once-strong brand equity eroded as competitors offered sleeker designs and innovative marketing. This highlights the critical role of branding in shaping consumer preferences and loyalty, emphasizing the need for adaptability and relevance in brand management strategies.

### **Sope of study**

The scope of this endeavor is introduced in the following section, which outlines the key areas of concern, the research methodologies, and the anticipated outcomes of the proposed study. The first step involves providing an in-depth examination of the mobile technology landscape prevalent from the late 1990s through the early 2000s, a period during which Nokia reached its zenith. By analyzing the industry's structure, competitive dynamics, and consumer trends, a contextual understanding is established to evaluate Nokia's strategies in alignment with their decision-making processes. The primary focus is on Nokia's pivotal tactical choices, including their commitment to the Symbian platform, their hesitance to adopt emerging technologies such as touchscreens, and their eventual partnership with Microsoft. An evaluation of these decisions in relation to industry trends and consumer preferences is imperative. Additionally, the project aims to scrutinize the impact of emerging technological shifts, particularly the advent of smartphones and the transition towards software-focused platforms and ecosystem-driven operating models. The examination will highlight Nokia's responses or resistance to these changes and their resultant influence on market positioning. An investigation into the influence of Nokia's internal culture on decision-making, risk perception, innovation, and creativity are vital. This section aims to uncover any cultural barriers that may have

impeded Nokia's ability to respond promptly to market shifts. The analysis also underscores the importance of resilience, innovation, and consumer-centricity as critical factors that organizations must address adeptly to maintain relevance and market leadership in dynamic industries. The findings of the study will form the basis for strategic recommendations, with a focus on helping businesses avoid pitfalls by fostering self-update mechanisms, prioritizing customer-centric approaches, and enhancing organizational adaptability. This structured approach aims to provide a holistic understanding of Nokia's decline and offer actionable insights for businesses navigating similar challenges in the contemporary landscape of rapid technological evolution and market disruption.

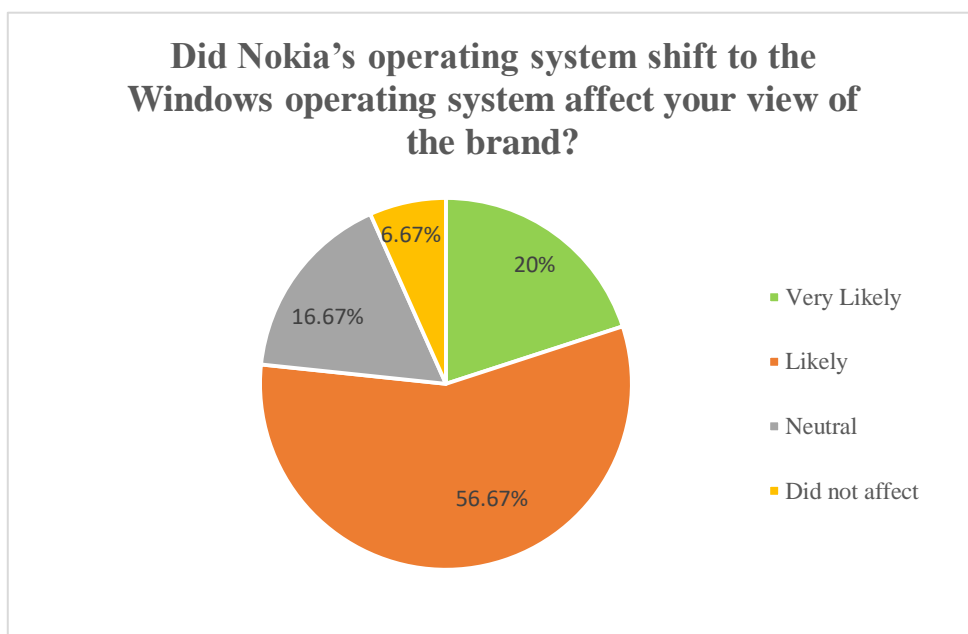
#### 4. Objectives

- To evaluate the role of technological advancements and changing consumer preferences in Nokia's downfall.
- To identify the key factors that contributed to Nokia's decline in the mobile phone market.
- To find the wrong decisions that Nokia implemented.

#### 5. Research methodology

Type of data is quantitative. The primary data has been collected through questionnaire, while the secondary data has been obtained through references from websites, books, articles, and blogs. 60 respondents were taken as population of the study.

#### 6. Results

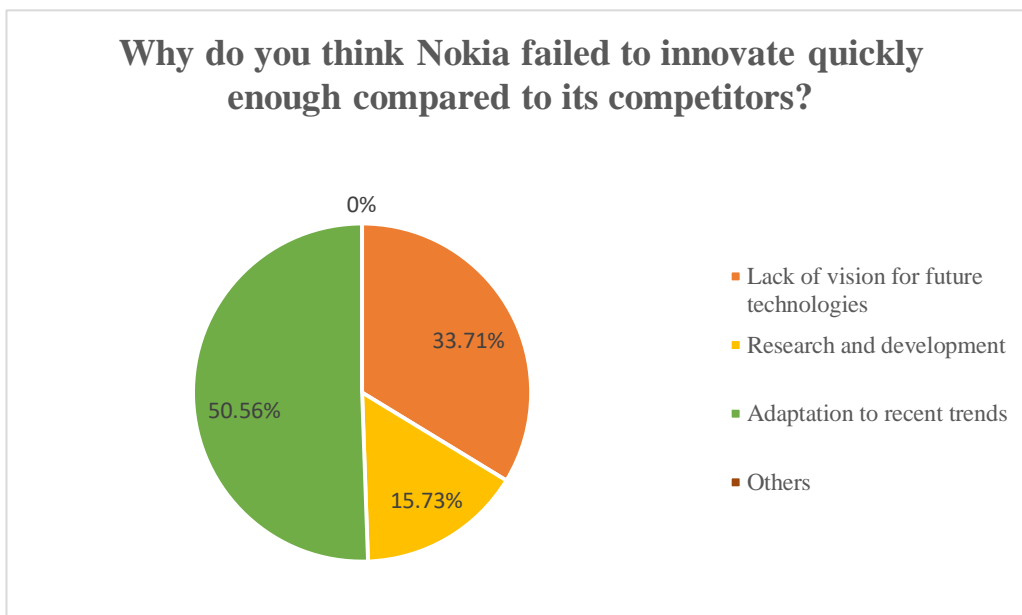


**Fig no. 1**

The figure no. 1 shows how a shift to the Windows operating system affected people's view of the Nokia brand. These were the results:

- 56.67%: This largest slice represents the portion of people who said the shift to Windows likely affect their view of the Nokia brand.
- 20%: This slice represents the portion of people who said the shift to Windows made them very likely to buy a Nokia phone.
- 16.67%: This slice represents the portion of people who said the shift to Windows made them neutral to buy a Nokia phone.

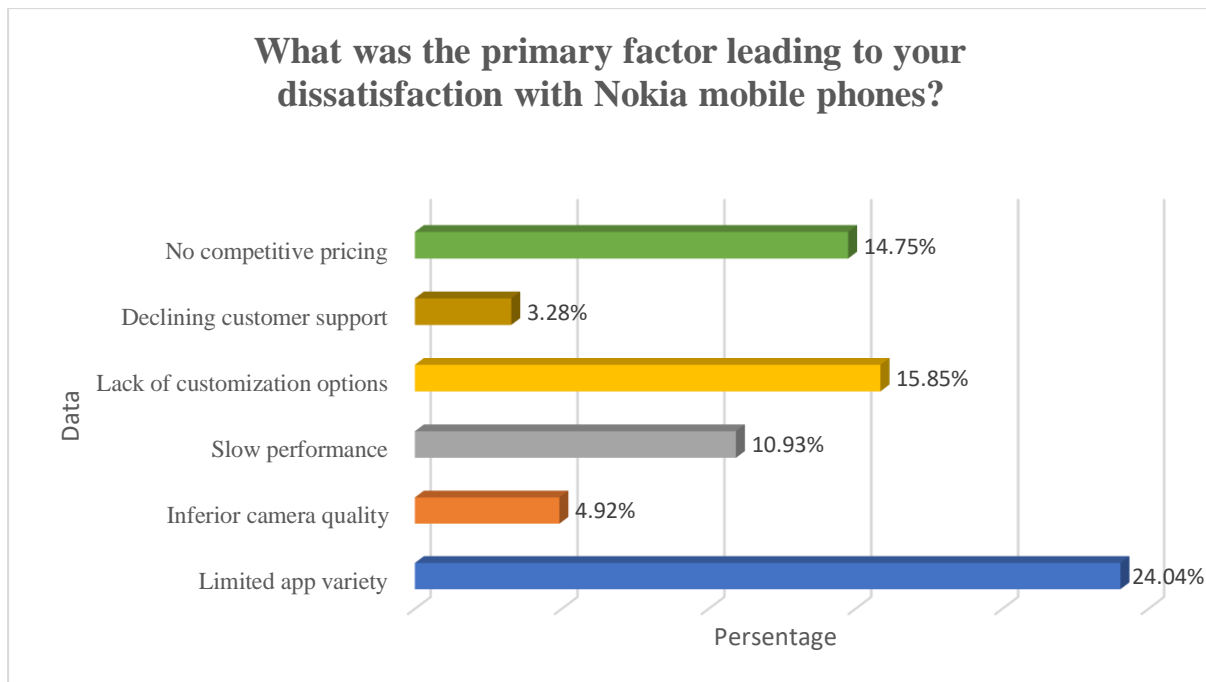
6.67%: This smallest slice represents the portion of people who said the shift to Windows did not affect them to buy a Nokia phone



**Fig. no 2**

The figure no.2 shows why people believe Nokia failed to innovate quickly enough compared to its competitors. Here's a breakdown of the survey results:

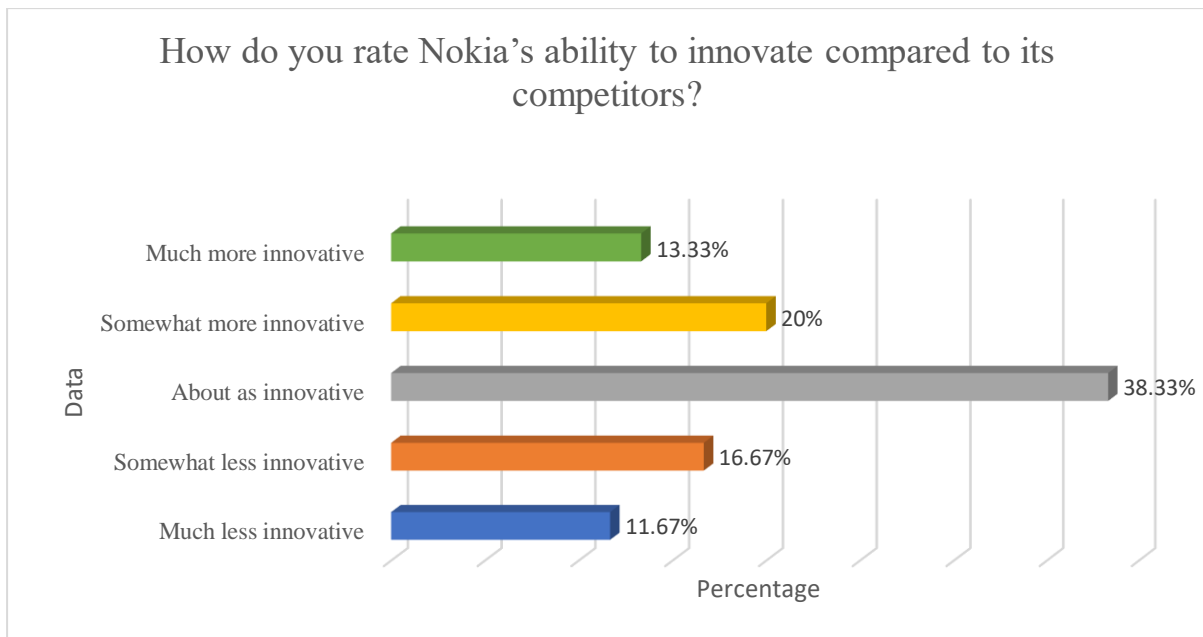
- 50.56% of respondents believe the biggest reason was Nokia's Adaptation to recent trends.
- 33.71% of respondents believe it was due to a Lack of vision for future technologies.
- 15.73% of respondents attributed it to Research and development.
- 0% of respondents selected Others.



**Fig no. 3**

The figure no.3 shows the primary factors leading to dissatisfaction with Nokia mobile phones, according to a survey. These were the results:

- Limited app variety 24.04%: This was the most common reason for dissatisfaction, according to the survey.
- Lack of customization options 15.85%: This was the second most common reason for dissatisfaction.
- Slow performance was the factor according to 10.93% responses
- Inferior camera quality 4.92% were also cited as reasons for dissatisfaction.
- No competitive pricing was factor according to 14.75% responses.
- Declining customer support 3.28% were the least common reasons for dissatisfaction.

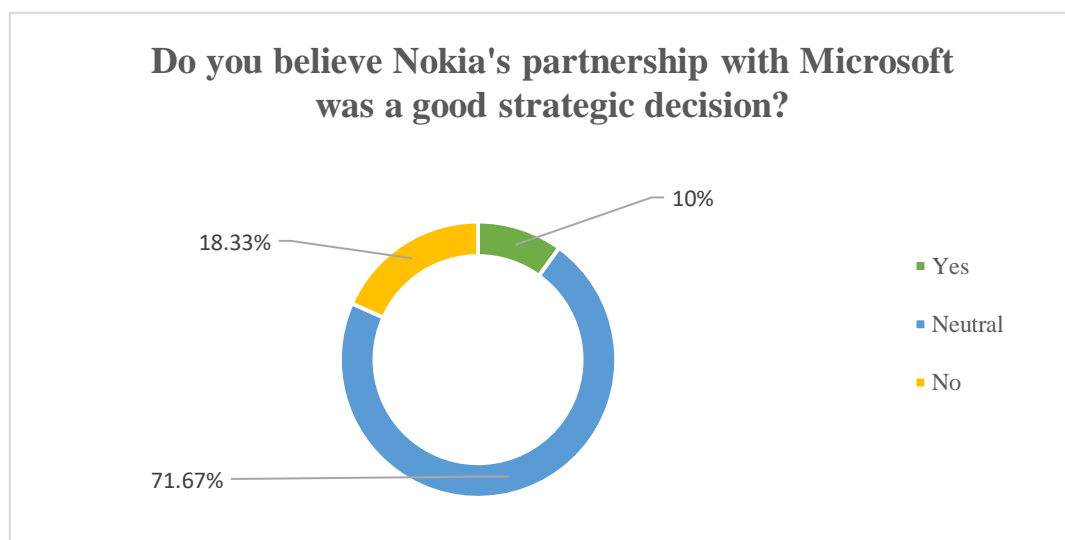


**Fig no. 4**

The figure no. 4 shows how people rate Nokia's ability to innovate compared to its competitors.

These were the results:

- 13.33% of people rated Nokia's ability to innovate as "Much more innovative" than its competitors.
- 20% of people rated Nokia's ability to innovate as "Somewhat more innovative" than its competitors.
- 38.33% of people rated Nokia's ability to innovate as "About as innovative" as its competitors.
- 16.67% of people rated Nokia's ability to innovate as "Somewhat less innovative" than its competitors.
- 11.67% of people rated Nokia's ability to innovate as "Much less innovative" than its competitors.





### Fig no. 5

The figure 5 shows the results of a survey question that asks people whether they believe Nokia's partnership with Microsoft was a good strategic decision. Here are the results of the survey:

- 71.67% of respondents were neutral on the decision.
- 18.33% of respondents believed that the partnership was not good.
- 10% of respondents believe the partnership was a good strategic decision.

### Conclusion

The analysis of consumer data, and market trends regarding Nokia's strategic partnership with Microsoft and its innovation efforts has yielded significant insights into consumer preferences and purchasing behaviors. The findings that Nokia's partnership with Microsoft and its approach to innovation have a notable impact on consumer decisions regarding Nokia mobile phones. A considerable portion of consumers views the partnership as a positive step towards enhancing the technological capabilities and ecosystem integration of Nokia phones, thus making them more appealing. Secondly, the analysis highlighted that Nokia's level of innovation measured through the introduction of new features, improvements in phone specifications, and advancements in user experience plays a critical role in shaping consumer preferences.

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