**CHAPTER 1**

**INTRODUCTION**

**1.1 INTRODUTION**

An internship is a professional learning experience that offers meaningful, practical work related to a student’s field of study or career interest. An internship gives a student the opportunity for career exploration and development and to learn new skills. Help the student develop and achieve learning goals. Internship are supervised, structured learning experience in a professional setting that allow you to gain valuable work experience in a students chosen field of study.

Smartphones are the most demanded electronic devices today owing to a change in the lifestyle of people, where owning a smartphone is not just a necessity but a norm. Rising disposable income increases the probability of consumer spending on media entertainment, and networking and mobile communication. Smartphones have become a necessity for many people throughout the world. The ability to keep in touch with family, business associates and access to email are only a few of the reasons for the increasing importance of smart phones. The organisational study of **Nokia, Lenova, Xiaomi** the leading companies are carried out here

**1.2 OBJECTIVES OF THE STUDY**

The objective of the study are following :

* To study the functioning of three different companies
* To study the Porter’s five force analysics of smartphone industry
* To analys the competetive advantages of three different companies
* To compare the BCG matrix of three different companies

**1.3 SCOPE OF THE STUDY**

The study was conducted for collecting details about smartphone industries. Each activities of the company are studied through secondary data. It may provides a better understanding of different company’s in same industry. The smartphones are the most demanded electronic devices today owing to a change in the life style of people, where owning a smartphone is not just a necessity but a norm. The smartphone industry is growing every year, not just in sales but also in phone size. Before 2007 the only smartphones available in the united States were Blackberries and palm pilots. However that all changed after june29,2007.The mobile industry is subset of the telecommunications industry focused on mobile phones, phone services and peripheral devices. There is significant advances in mobile technology and increasing consumer demand for mobile products. Hence bthere is scope of awarness about the smartphone industry. The study enables the awareness and knowledge about new trends and development of smart phone industry with special concern on Nokia, Lenova, Xiaomi.

**1.4 DATA SOURCES**

A data source is the location where data that is being used orginates from, where physical information is first digitized, however even the most refined data may serve as a source, as long as another process accesses and utilizes.

Here the secondary data are used for the completion of this study. Secondary data collected through organizational manual, magazine websites.

**1.5 LIMITATION OF THE STUDY**

* The time alloted for the study is not sufficient
* Due to time constraints, the collection of secondary data

**CHAPTER 2**

**INDUSTRY PROFILE**

**2.1 INDUSTRY PROFILE**

**SMARTPHONES INDUSTRY**

The smartphones industry has been steadily developing and growing, both in terms of market size and models. Globally, by 2021,40% world’s population is predicted to own a smartphones. According to Ericsson, the number of smartphones subscription worldwide surpasses. Six billion and is expected to further grow by several hundred million in the next few years China, India and united states are the countries with highest number of smartphones users. The covid19 pandemic has severely disrapted the balance between supply and demand in smartphones market. Since, china is the global manufacturing center for most of there devices and components and with nation wide lockdown the smartphones manufacturing sector has been adversely hit by delayed shipments and weakened development of next generation products. Also the country has witnessed being choked off from suppliers, worker sand logistics network moreover customers demand for smartphones, especially of premium segment has witnessed a decline due to the tendency of customers to cut down luxury spending and focus on essentials due to the pandemic. According to the consumer technology sales and forecast study, which was conducted by the Consumer Technology Association (CTA) the revenue generated by smartphones was valued at USD 71 billion a decline of 6%year over year. However, CTA projects the smartphones industry to bounce back in 2021 generating over USD 78 billion in shipments.

Xiamoi, which overtook Samsung to take a dominating spot in Indian smartphones shipment in the recent past, claims to now have seven manufacturing facilities in the country. Xiaomi India claims that 99%off the phones that it sells in the country are locally built. The company has also began exporting device’s to Bangladesh and Nepal albeit in limited quantities. The improvement in consumer outlook sustained learning and working from home, along with pent-up demand from 2020,is boosting sales of smartphones in 2021.In addition, consumers started spending on discretionary items as the pandemic situation improved in many parts of the world and markets opened. However the global chip storage may affect the smartphones industry as the demand and supply equilibrium will not meet and could increases the average selling price of smartphones globally.

Cellular phones with basic facilities such as text messaging, voice calling, audio and video visualization and camera are referred to as mobile phones. Cellular phones that offer advanced computing abilities such as Wi-Fi, web browsing, third party application and solutions for information management, such as documents, emails and contacts, inbuilt, GPS applications and provides features such as voice and video calls and web access are referred to smartphones. Apart from being a communication device, smartphones offer additional features such as internet access bluetooth, gaming, camera multimedia messaging, FM radio, and multimedia function alities with technological advancement, phablets are witnessing gradual growth traction and has resulted in a decline in the rate of adoption for laptops and personal digital assistants globally. Recent years have witnessed a substantial change in the dynamics and structure of the global mobile phone and smartphones landscape. Currently mobile phones and smartphones market is experiencing proliferation owing to factors such as decreased cost improved design and functionalities such as enhancement in mobile browsing and email services, the emergence of new network technologies such as 3G and 4G improved professional and personal data supervision and the standardization and up gradation of all operating systems. The market is highly competitive with major players facing strong competition from the regional players thus creating difficulties for vendors retain their market shares. Currently mobile phone and smartphones market are matured in the developed world with an average of more than one device or subscription per person. The growth of this market is from emerging regions such as Asia-pacific, Latin America, Eastern Europe, the middle East and Africa, where smart phone have witnessed proliferating with regional players introducing low cost products to obtain a competitive edge. China and India are currently the top contributors to this market and with the market still at the nascent stage. It is expected to withness exponential growth in near future.

**2.1.1 HISTORY OF SMARTPHONES INDUSTRY**

A smartphone is a computing platform portable device that combines mobile telephone and computing functions into one unit. They are distinguished from features phones by their stronger hardware capabilities and extensive mobile operating systems, which facilitate wider software, internet (including web browsing over mobile broadband ), and multimedia functionality (including music, video, cameras, and gaming ), alongside core phone functions such as voice calls and text messaging. Smartphones typically contains a number of metal – oxide semiconductor chips, include various sensors that can be leveraged by pre- included and third party software (such as a magnetometer, proximity sensors, barometer, gyroscope )and support wireless communication protocols ( such as Bluetooth, Wi-Fi or satellite navigation ).

Early smartphones were marked primarily towards the enterprise market, attempting to bridge the functionality of standalone personal digital assistant device with support cellular network and the immaturity of wireless data services. The tech company IBM is widely credited with developing the world’s first smartphone – the bulky but rather cutely named Simon. It went on sale in 1994 and featured a touchscreen, email capability and a handful of built-in apps, including a calculator and a sketch pad. Despite this, Simon suffered from a number of issues, such as reportedly having a battery life of just one hour. It was also a bit of a flop, with various reports pointing out that the device only spent six months on the shelves, shifting around 50,000 units. Ultimately, Simon fell victim to the relentless march of technology, which saw the advent of the flip phone in the mid 1990s, the dominance of Nokia throughout the early part of the 21st century and the emergence of internet-enabled phones akin to the smartphones of today. Over the past decade, a handful of players, including Samsung, Apple and Huawei, have risen to control the smartphone market, particularly in the West and large parts of Asia

In the 2000s, NTT DoCoMo’s i-mode platform, BlackBerry, Nokia’s Symbian platform, and Windows Mobile began to gain market traction, with models often featuring QWERTY keyboards or resistive touchscreen input, and emphasizing access to push email and wireless internet. Following the rising popularity of the iPhone in the late 2000s, the majority of smartphones have featured thin, slate-like form factors, with large, capacitive screens with support for multi-touch gestures rather than physical keyboards, and offer the ability for users to download or purchase additional applications from a centralized store, and use cloud storage and synchronization, virtual assistants, as well as mobile payment services. Smartphones have largely replaced PDAs, handheld/palm-sized PCs and portable media players (PMP).

In 1999, Japanese wireless provider NTT DoCoMo launched i-mode, a new mobile internet platform that provided data transmission speeds up to 9.6 kilobits per second, and access web services available through the platform such as online shopping. NTT DoCoMo’s i-mode used cHTML, a language that restricted some aspects of traditional HTML in favor of increasing data speed for the devices. Limited functionality, small screens, and limited bandwidth allowed for phones to use the slower data speeds available. The rise of i-mode helped NTT DoCoMo accumulate an estimated 40 million subscribers by the end of 2001, and ranked first in market capitalization in Japan and second globally. Japanese cell phones increasingly diverged from global standards and trends to offer other forms of advanced services and smartphone-like functionality that were specifically tailored to the Japanese market, such as mobile payments and shopping, near-field communication. Several BlackBerry smartphones, which were highly popular in the mid-late 2000sPhones that made effective use of any significant data connectivity were still rare outside Japan until the introduction of the Danger Hip top in 2002, which saw moderate success among U.S. consumers as the T-Mobile Sidekick. Later, in the mid-2000s, business users in the U.S. started to adopt devices based on Microsoft’s Windows Mobile, and then BlackBerry smartphones from Research In Motion. American users popularized the term “Crack Berry” in 2006 due to BlackBerry’s addictive nature. In the U.S., the high cost of data plans and relative rarity of devices with Wi-Fi capabilities that could avoid cellular data network usage kept the adoption of smartphones mainly to business professionals and “early adopters. “Form factor and operating system shifts. The LG Prada with a large capacitive touchscreen introduced in 2006.The Huawei P30 features three rear-facing camera lenses with Leica optics. The first commercial camera phone was the Kyocera Visual Phone VP-210, released in Japan in May 1999. It was called a “mobile videophone” at the time] and had a 110,000-pixel front-facing camera. It could send up to two images per second over Japan’s Personal Handy-phone System (PHS) cellular network, and store up to 20 JPEG digital images, which could be sent over e-mail. The first mass-market camera phone was the J-SH04, a Sharp J-Phone model sold in Japan in November 2000.It could instantly transmit pictures via cell phone telecommunication. The mobile phone industry is a very innovative segment within the ICT sector and the smartphone is becoming the standard configuration among the different types of mobile devices. Technical change and new product proliferation have made this industry extremely dynamic, even if market shares are highly concentrated in the hands of very few companies. The present article investigates whether a dominant design has emerged in the smartphone industry. In particular, it studies the evolution in hardware components relying upon an original dataset of product characteristics including all smartphones launched in the market between 2004 and 2013.

Results show that, despite some convergence in the introduction of vertical innovations, product differentiation still characterizes the competition among manufacturers and a dominant design has not yet emerged. The emergence of smartphones and its impact on the mobile communication industry.

Handset producers and system developers in different countries adopted very different strategies to achieve this goal. In particular, while companies in Europe and in the US concentrated their efforts on the high-end of the market, commercializing high-price multimedia services over mobile networks, NTT DoCoMo in Japan developed their-mode standard, which achieved widespread adoption thanks to the creation of specific content and to the relatively low commission it took on all mobile transaction (Funk, 2001;West & Mace, 2010).As soon as more advanced mobile data networks (3G) were also developed in the European countries, handset manufacturers started experimenting with new devices that could fully exploit the opportunities provided by the mobile Internet. The first step towards this accomplishment was the development of devices merging personal digital assistants(PDAs) and mobile phones, which embedded advanced computer capabilities. This was stimulated by the need to sell value-added services through high-priced and high-margin products in order to offset the decreasing revenues from voiceservices.The first attempt to combine telephony, computing, and personalization features was prototyped in 1992 by IBM with the Angler. An improved version of the Angler –Simon Personal Communicator –was developed in 1993 as the result of a partnership between IBM and BellSouth Cellular Corp and it was officially launched on 16 August 1994. Simon did notachieve the predicted success: only 50 000 units were sold. The first smartphone developed in Europe was Nokia 9000, even if the description “smartphone ”was first used by Ericsson in 1997 to explain the revolutionary features of its GS88, also known as Penelope.4An important milestone in the evolution of the smartphones was the development of the Symbian joint venture among Nokia, Psion, Motorola and Ericsson, which aimed at creating an operating system (OS) for mobile phones. The development of OS has since constituted an essential feature of smartphones as it manages the hardware and software resources of the smartphones, allowing the exploitation of value added services by users, which are strictly to Internetconnection.Since the end of the 1990s, most companies in the market embraced the smartphones.

**1984:The first portable mobile device**

Nearly 40years ago, Motorola debuted the Dyna TAC 800x the first portable mobile device. This one was never destined to become a must have for the general population. It was clunky, weighing in at a whopping 1.5 pounds earning. Its nickname ‘The brick'. Its battery life 30 minutes. In short the Dyna TAC 800x was mostly a status symbol, but still represents a big step in the evolution of the smartphone.

**1992:The first smartphone**

IBM announced the first smartphones in 1992, which wouldn’t be available for purchase for two more years. Called the Simon personal communicator, it included many features familiar to modern smartphones users, such a touch screen-that required a stylus. Proper touch screen were still more than few years into the future. With a small monochrome LCD screen and a one- hour battery life, however the SPC was still relatively primitive compared to today’s smartphone

**1994:The earliest form of smartphone Apps**

IBM’S SPC finally hit the market in 1994, it was significantly cheaper than it’s predecessor, the Motorola Dyna TAC 8000x, but still only sold about 50000in its first six months. It’s use was pretty limited – it only worked in 15 U. S States. And while it wasn’t as bulky as earlier phones, the spc was still big and boxy. One of the more revolutionary aspects of the SPC was that each phone came with an address book, calculator, calendar, email, notepad and other features. Mobile applications had arrived.

## **1997: The start of mobile gaming**

In 1997 options for mobile gaming were much more limited. Starting that year, Nokia6110 users could play snake, a game developed by Finnish software engineer Taneli Armanto. It was a simple game, but addicting. Plus it was family -friendly, so people quickly became hooked. Snake was the start of mobile gaming industry.

**2000:The first camera phone**

At the start of new millennium, Sharp introduced the world to the wonders of the camera phone. Although the J. SH04 was limited to Japan, it represented the start of a long love affair between phone users and photography. And with a weight of four ounces, the J-SH04 was one step closer to the sleek and slim phones of today. Not surprisingly, the photo quality was nowhere near what modern smartphones users have come to expect. It camera was only 110000 pixels. For comparison the iPhone 11has a 12- megapixel camera. The J-SH04camera was also back facing – the era of the selfie was still to come.

**2001:Cellphones access the internet**

Finally, smartphones and the internet meet. For the first time in 2001,smartphones could connect wirelessly with a 3G network. This opened up a whole new world to smartphone users, who could now send email attachment and video conference with their mobile devices. This evolution didn’t come cheap, however. Although mobile devices were now around the cost of data proved inaccessible to most users.

**2007: Apple joins the game**

This year was a game- changer for smartphones. In January 2007 at the Macworld convention, Steve jobs announced the world’s first iPhone. The first iteration included a touchscreen, iPod, camera, full internet capabilities and a wide LCD screen designed for video. It was sleek, lightweight and available in 4 GB and 8 GB models. Another ground breaking aspect of the iPhone was its software capabilities. Soon, users could download millions of third – party applications, limiting the iPhones capabilities only to the imagination of software developers.Jobs wasn’t wrong when he described the iPhone as a revolutionary and magical product that is literally five years ahead of any other mobile phone. It was far and away the most advanced smartphones the world had seen. In its first year on the market, upwards of 1.4 million iPhones were sold. By 2008that number would reach a truly impressive 11.6million. Since then, the world has never looked back

**2020: The modern smartphone**

**The iPhone debut revolutionized smartphones and triggered a domino effect of rapidly advancing features and capabilities. It was a true turning point in smartphone history. Since 2007, Apple has launched 21 new iPhones and Google brought the Android to market, quickly followed by many of its own iterations. Countless apps have become available and monetized.**

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**CHAPTER -3**

**COMPANY PROFILE OF SMARTPHONES INDUSTRY**

**3 COMPANY PROFILES**

**3.1 COMPANY PROFILE OF NOKIA SMARTPHONE**

The NOKIA is the one of famous smartphones. Nokia Corporation (natively Nokia Oyj, referred to as Nokia; stylized as NOKIA)[a] is a Finnish multinational telecommunications, information technology, and consumer electronics company, founded in 1865. Nokia’s main headquarters are in Espoo, Finland, in the greater Helsinki metropolitan area, but the company’s actual roots are in the Tampere region of Pirkanmaa. In 2020, Nokia employed approximately 92,000 people across over 100 countries, did business in more than 130 countries, and reported annual revenues of around €23 billion. Nokia is a public limited company listed on the Helsinki Stock Exchange and New York Stock Exchange. It is the world’s 415th-largest company measured by 2016 revenues according to the Fortune Global 500, having peaked at 85th place in 2009.It is a component of the Euro Stoxx 50 stock market index.The company has operated in various industries over the past 150 years. It was founded as a pulp mill and had long been associated with rubber and cables, but since the 1990s has focused on large-scale telecommunications infrastructure, technology development, and licensing. Nokia made significant contributions to the mobile telephony industry, assisting in the development of the GSM, 3G, and LTE standards. For a decade beginning in 1998, Nokia was the largest worldwide vendor of mobile phones and smartphones.



**HISTORY OF NOKIA**

.Nokia’s history dates from 1865, when Finnish-Swede mining engineer Fredrik Idestam established a pulp mill on the shores of the Tammerkoski rapids near the town of Tampere, Finland (then in the Russian Empire). A second pulp mill was opened in 1868 near the neighboring town of Nokia, where there were better hydropower resources. In 1871, Idestam, together with a friend Leo Mechelin, formed a shared company and called it Nokia Ab (in Swedish, Nokia Company being the English equivalent), after the site of the second pulp mill.

Idestam retired in 1896, making Mechelin the company’s chairman; he expanded into electricity generation by 1902, which Idestam had opposed. In 1904 Suomen Gummitehdas (Finnish Rubber Works), a rubber business founded by Eduard Polón, established a factory near the town of Nokia and used its name. IN 1922, in a now independent Finland, Nokia Ab entered into a partnership with Finnish Rubber Works and Kaapelitehdas (the Cable Factory), all now jointly under the leadership of Polón. The rubber company grew rapidly when it moved to the Nokia region in the 1930s to take advantage of the electricity supply, and the cable company soon did too. Nokia at the time also made respirators for both civilian and military use, from the 1930s well into the early 1990s.In 1967, the three companies – Nokia, Kaapelitehdas, and Finnish Rubber Works – merged to create a new Nokia Corporation, restructured into four major businesses: forestry, cable, rubber, and electronics. In the early 1970s, it entered the networking and radio industries. Nokia started making military equipment for Finland’s defence forces (Puolustusvoimat), such as the Sanomalaite M/90 communicator in 1983, and the M61 gas mask first developed in the 1960s. Nokia was now also making professional mobile radios, telephone switches, capacitors and chemicals.

After Finland’s trade agreement with the Soviet Union in the 1960s, Nokia expanded into the Soviet market. It soon widened trade, ranging from automatic telephone exchanges to robotics among others; by the late 1970s, the Soviet Union became a major market for Nokia, yielding high profits. Nokia also co-operated on scientific technology with the Soviet Union. The U.S. government became increasingly suspicious of that co-operation after the end of the Cold War détente in the early 1980s. Nokia imported many US-made components and used them in products for the Soviets, and according to U.S. Deputy Minister of Defence, Richard Perl, Nokia had a secret co-operation with The Pentagon that allowed the U.S. to keep track of technological developments in the Soviet Union through trading with Nokia. This was a demonstration of Finland trading with both sides, as it was neutral during the Cold War.

In 1977, Kari Kairamo became CEO and transformed the company’s businesses. By this time, Finland was becoming what has been called “Nordic Japan”.[by whom?] Under his leadership, Nokia acquired many companies including television maker Salora in 1984, followed by Swedish electronics and computer maker Luxor AB in 1985, and French television maker Oceanic in 1987. This made Nokia the third-largest television manufacturer of Europe (behind Philips and Thomson). The existing brands continued to be used until the end of the television business in 1996.

In 1987, Nokia acquired Schaub-Lorenz, the consumer operations of Germany’s Standard Elektrik Lorenz (SEL), which included its “Schaub-Lorenz” and “Graetz” brands. It was originally part of American conglomerate International Telephone & Telegraph (ITT), and after the acquisition products were sold under the “ITT Nokia” brand, despite SEL’s sale to Compagnie General d’Electricité (CGE), the predecessor of Alcatel, in 1986.On 1 April 1988, Nokia bought the Information Systems division of Ericsson,which had originated as the Data Saab computer division of Swedish aircraft and car manufacturer Saab. Ericsson Information Systems made Alfaskop terminals, typewriters, minicomputers and Ericsson-branded IBM compatible PCs.The merger with Nokia’s Information Systems division—which since 1981 had a line of personal computers called MikroMikko—resulted in the name Nokia Data.Nokia also acquired Mobira, a mobile telephony company, which was the foundation of its future mobile phone business. In 1981, Mobira launched the Nordic Mobile Telephone (NMT) service, the world’s first international cellular network and the first to allow international roaming. In 1982, Mobira launched the Mobira Senator car phone, Nokia’s first mobile phone. At that time, the company had no interest in producing mobile phones, which the executive board regarded as akin to James Bond’s gadgets: improbably futuristic and niche devices. After all these acquisitions, Nokia’s revenue base became US$2.7 billion. CEO Kairamo committed suicide on 11 December 1988.In 1987, Kaapelitehdas discontinued production of cables at its Helsinki factory after 44 years, effectively shutting down the sub-company. Following Simo Vuorilehto’s appointment as CEO, a major restructuring was planned. With 11 groups within the company, Vuorilehto divested industrial units he deemed as un-strategic. Nokian Tyres (Nokian Renkaat), a tyre producer originally formed as a division of Finnish Rubber Works in 1932, split away from Nokia Corporation in 1988. Two years later, in 1990, Finnish Rubber Works followed suit. In 1991 Nokia sold its computer division, Nokia Data, to UK-based International Computers Limited (ICL), the precursor of Fujitsu Siemens.

Vuorilehto quit in January 1992 and was replaced by Jorma Ollila, who had been the head of the mobile phone business from 1990 and advised against selling that division. Ollila decided to turn Nokia into a ‘telecom-oriented’ company, and he eventually got rid of divisions like the power business. This strategy proved to be very successful and the company grew rapidly in the following years. Nokia’s operating profit went from negative in 1991 to $1 billion in 1995 and almost $4 billion by 1999.Nokia’s first fully portable mobile phone after the Mobira Senator was the Mobira Cityman 900 in 1987. Nokia assisted in the development of the GSM mobile standard in the 1980s, and developed the first GSM network with Siemens, the predecessor to Nokia Siemens Network. The world’s first GSM call was made by Finnish prime minister Harri Holkeri on 1 July 1991, using Nokia equipment on the 900 MHz band network built by Nokia and operated by Radiolinja. In November 1992, the Nokia 1011 launched, making it the first commercially available GSM mobile phone.Salora Oy as a Nokia subsidiary ended in 1989 when the division was merged into Nokia-Mobira Oy. The brand continued to be used for televisions until 1995.On 12 June 1996, Nokia announced the sale of its television business to Canada/Hong Kong-based Semi-Tech Corporation. The television manufacturing plant in Germany closed down in September 1996. The sale included a factory in Turku, and the rights to use the Nokia, Finlux, Luxor, Salora, Schaub-Lorenz and Oceanic brands until the end of 1999.Some of these brands were later sold to other companies. Nokia was the first to launch digital satellite receivers in the UK, announced in March 1997. In August 1997 Nokia introduced the first digital satellite receiver with Common Interface (CI) support. In 1998 Nokia became the chosen supplier to produce the world’s first digital terrestrial television set-top boxes by British Digital Broadcasting (BDB), which was eventually launched as ONdigital.In October 1998, Nokia overtook Motorola to become the best-selling mobile phone brand, and in December manufactured its 100 millionth mobile.

One of the earliest fashion phones in 1992, from Swiss watchmaker Swatch, was based on Nokia’s 101 handset. The company would also form the Vertu division, creating luxury mobile handsets. Nokia claimed in April 1996 its 447Xav and 447K monitors to be the first with stereo speakers and a sub-woofer. IN May 1999 Nokia introduced their first wireless LAN products.n January 2000 View Sonic acquired Nokia Display Products, the division making displays for personal computers. On 26 April 2001 Nokia partnered with Telefonica to supply DSL modems and routers in Spain. In 1997, Nokia established a joint venture with Brazilian electronics firm Gradiente where they were granted the license to manufacture variants of Nokia mobile phones locally under the Nokia and Gradiente brand names. In 1998, Nokia co-founded Symbian Ltd. Led by Psion to create a new operating system for PDAs and smart mobile phones as a successor of EPOC32. They released the Nokia 9210 Communicator running Symbian OS in 2001 and later that year created the Symbian Series 60 platform, later introducing it with their first camera phone, the Nokia 7650. Both Nokia and Symbian eventually became the largest smartphone hardware and software maker respectively, and in February 2004 Nokia became the largest shareholder of Symbian Ltd. Nokia acquired the entire company in June 2008 and then formed the Symbian Foundation as its success

The company would then be known as a successful and innovative maker of camera phones. The Nokia 3600/3650 was the first camera phone on sale in North America in 2003. In April 2005 Nokia partnered with German camera optics maker Carl Zeiss AG. That same month Nokia introduced , which would become its flagship line of smartphones for the next six years. The Nokia N95 introduced in September 2006 became highly successful and was also awarded as “best mobile imaging device” in Europe in 2007. Its successor the N82 featured a xenon flash, which helped it win the award of “best mobile imaging” device in Europe in 2008.The N93 in 2006 was known for its specialized camcorder and the twistable design that switches between clamshell and a camcorder-like position. They were also well known for the N8 with a high-resolution 1 major consumer segments. The solutions department ensures that it continuously develops solutions whereby ensuring that a particular mobile device has integrated contents and personalized services and the output of these three components results into a leading mobile phone for the end user. The solutions unit works with other departments in close proximity to provide such solutions. The services department creates and designs internet services that enhance the consumer experience when Nokia phone users interact with the web. The main areas where this unit focuses on include messaging, maps, music, and Ovi developer tools. This department also ensures that there is a consistent increase in different services as the market evolves. The other significant department is Markets which acts like a supply chain department for Nokia. The unit is also responsible for sales channels, branding and marketing activities for various products and services.

The corporate development department looks for future growth opportunities and it also plans for future strategic actions that will give the company a competitive advantage against competitors. This department also provides operational supports to other core departments such as Devices, Services, Solutions and markets. Nokia Siemens Networks is a joint venture with Siemens and it provides network infrastructure which is both fixed and wireless. This division also provides communications and networks service platforms.

**Corporate Governance of Nokia**

The way authority and responsibility is organized at Nokia it shows that the company is exemplary in its approach towards corporate governance. The company’s strategic and significant natured decisions are made by the board. These matters might include strategic guidelines, approval of periodic plans and decisions on major divestments or investments. The company charter, article of association and Finnish Companies Act determine the roles and responsibilities of all directors and executive members. According to the auditors and company information strict guidelines are followed in terms of code of conduct and ethical behavior of each employee. Similarly the company complies with all stock market requirements of the Helsinki stock market, New York and Frankfurt stock exchanges. The company provides all necessary data to authorities at NYSE because the under the rules any firm that complies with its national laws must file any differences that exist between its national laws and the laws to be followed under NYSE. Nokia government relations collaborates with governments, regulators, influencers and academia to drive policy environments that encourage investment in digital and broadband technologies. These technologies enable transformation towards a digital economy and society that will enhance productivity and the quality of life on a global scale.

We strongly believe that digital technology contributes to achieving the 17 United Nations Sustainable Development Goals (SDGs). Read more about how Nokia is working towards these goals here

**Competitors of Nokia corporation**

Nokia’s direct and major competitors include Motorola Inc, Cisco Systems Inc, Research in Motion, LM Ericsson Telephone Co., and QUALCOMM Inc. The company faces stiff competition in the business oriented mobile phone market from RIM’s Blackberry series. Nokia’s E-series phones are geared to compete with the Blackberry series. Similarly the company faces challenges from Samsung and Motorola in the touch screen phone markets and the latest Android based phones that offer efficient and extremely user friendly interface to consumers.In the navigations and maps market Nokia, like the traditional manufacturers such as Garmin, TomTom, faces tough competition from the Google and Apple partnership that will make the iPhone the ultimate navigation and smart device for this generation. The difference between this navigation process that iPhone will offer is that consumers wouldn’t need to download maps for a price or they would not need automotive navigations systems rather they would use their smart phones as navigation devices at very low rates.

**Strategies of Nokia**

The world is facing enormous challenges with environmental issues, resource scarcity, inequality and stalling productivity. We believe that critical networks will be a crucial solution in responding to climate change through more efficient use and re-use of the world’s resources to providing more inclusive access globally to work, healthcare and education and to restoring productivity growth by bringing digital to physical

**3.2 COMPANY PROFILE OF LENOVO SMARTPHONES**



The Lenovo is one of the world’s leading personal technology companies, producing innovative PCs and mobile internet devices. Now, #286 on fortune 500 list, Lenovo is the world’s largest PC vendor and fourth largest smartphone company.Group Limited, often shortened to Lenovo Chinese. It is a Chinese-American multinational technology company specializing in designing, manufacturing, and marketing consumer electronics, personal computers, software, business solutions, and related services. Products manufactured by the company include desktop computers, laptops, tablet computers, smartphones, workstations, servers, supercomputers, electronic storage devices, IT management software, and smart televisions. Its best-known brands include IBM’s ThinkPad business line of laptop computers, the IdeaPad, Yoga, and Legion consumer lines of laptop computers, and the Idea Centre and Think Centre lines of desktop computers. As of January 2021, Lenovo is the world’s largest personal computer vendor by unit sales.Lenovo was founded in Beijing on 1 November 1984 as Legend by a team of engineers from the Chinese Academy of Sciences. Initially specializing in televisions, the company migrated towards manufacturing and marketing computers. Lenovo grew to become the market leader in China and raised nearly US$30 million in an initial public offering in the Hong Kong Stock Exchange. Since the 1990s, Lenovo has increasingly diversified from the personal computer market and made a number of corporate acquisitions, with the most notable being acquiring and integrating most of IBM’s personal computer business and its x86-based server business as well as creating its own smartphone. Lenovo has operations in over 60 countries and sells its products in around 180 countries.[citation needed] Its global headquarters is located in Beijing, China,while its operational headquarters is in Morrisville, North Carolina, US. It has research centers in Beijing, Chengdu, Yamato (Kanagawa Prefecture, Japan), Shanghai, Shenzhen, and Morrisville (North Carolina, US), and also has Lenovo NEC Holdings, a joint venture with NEC that produces personal computers for the Japanese market. IBM’s Think-line systems are exclusively developed in Yamato and in Morrisville.

**History of Lenovo**

Liu Chuanzhi, along with a group of ten experienced engineers, officially founded Lenovo in Beijing on November 1, 1984, with 200,000 yuan. The Chinese government approved Lenovo’s incorporation on the same day. Jia Xufu, one of the founders of Lenovo, indicated that the first meeting in preparation for starting the company was held on October 17 the same year. Eleven people, the entirety of the initial staff, attended. Each of the founders was a member of the Institute of Computing Technology of the Chinese Academy of Sciences (CAS). The 200,000 yuan used as start-up capital was approved by Zeng Maochao). The name for the company agreed upon at this meeting was the Chinese Academy of Sciences Computer Technology Research Institute New Technology Development Company.

The organizational structure of the company was established in 1985 after the Chinese New Year. It included a technology, engineering, administrative, and office departments. The group first attempted to import televisions but failed. It rebuilt itself as a company doing quality checks on computers. It also tried and failed to market a digital watch. In 1990, Lenovo started to manufacture and market computers using its own brand name.In May 1988, Lenovo placed its first recruitment advertisement on the front page of the China Youth News. Such ads were quite rare in China at the time. Out of the 500 respondents, 280 were selected to take a written employment exam. 120 of these candidates were interviewed in person. Although interviewers initially only had authority to hire 16 people, 58 were given offers. The new staff included 18 people with graduate degrees, 37 with undergraduate degrees, and three students with no university-level education. Their average age was 26. Yang Yuanqing, the current chairman and CEO of Lenovo, was among that group.Liu Chuanzhi received government permission to form a subsidiary in Hong Kong and to move there along with five other employees. Liu’s father, already in Hong Kong, furthered his son’s ambitions through mentoring and facilitating loans. Liu moved to Hong Kong in 1988. To save money during this period, Liu and his co-workers walked instead of taking public transportation. To keep up appearances, they rented hotel rooms for meetings.Some of the company’s early successes included the KT8920 mainframe computer. It also developed a circuit board that allowed IBM-compatible personal computers to process Chinese characters

Lenovo (known at the time as Legend) became publicly traded after a 1994 Hong Kong IPO that raised nearly US$30 million. Prior to the IPO, many analysts were optimistic about Lenovo. On its first day of trading, the company’s stock price hit a high of HK$2.07 and closed at HK$2.00. Proceeds from the offering were used to finance sales offices in Europe, North America and Australia, to expand and improve production and research and development, and to increase working capital. By 1996, Lenovo was the market leader in China and began selling its own laptop. By 1998 it held 43 percent of the domestic computer market share in China, selling approximately one million computers. Lenovo released its computer in 1998. Designed to make it easy for inexperienced Chinese consumers to use computers and access the internet, one of its most important features was a button that instantly connected users to the internet and opened the Web browser. It was co-branded with China Telecom and it was bundled with one year of Internet service. The Tianxi was released in 1998. It was the result of two years of research and development. It had a pastel-colored, shell-shaped case and a seven-port USB hub under its screen. As of 2000, the Tianxi was the best-selling computer in Chinese history. It sold more than 1,000,000 units in 2000 alone. To fund its continued growth, Lenovo issued a secondary offering of 50 million shares on the Hong Kong market in March 2000 and raised about US$212 million. It rebranded to the name Lenovo in 2003 and began making acquisitions to expand the company. Lenovo acquired IBM’s personal computer business in 2005, including the ThinkPad laptop and tablet lines. Lenovo’s acquisition of IBM’s personal computer division accelerated access to foreign markets while improving both Lenovo’s branding and technology.Lenovo paid US$1.25 billion for IBM’s computer business and assumed an additional US$500 million of IBM’s debt. This acquisition made Lenovo the third-largest computer maker worldwide by volume. Lenovo’s purchase of the Think line from IBM also led to the creation of the IBM/Lenovo partnership which works together in the creation of Think-line of products sold by Lenovo About the purchase of IBM’s personal computer division, Liu Chuanzhi said in 2012: “We benefited in three ways from the IBM acquisition. We got the ThinkPad brand, IBM’s more advanced PC manufacturing technology and the company’s international resources, such as its global sales channels and operation teams. These three elements have shored up our sales revenue in the past several years.” The employees of the division, including those who developed ThinkPad laptops and Think Centre desktops, became employees of Lenovo.

Despite Lenovo acquiring the “Think” brand from IBM, IBM still plays a key indirect, background role in the design and production of the Think line of products. IBM today is responsible for overseeing servicing and repair centers and is considered an authorized distributor and refurbisher of the Think line of products produced by Lenovo.IBM also acquired a 50% share of Lenovo in 2005 as part of Lenovo’s purchase of IBM’s personal computing division.Mary Ma, Lenovo’s chief financial officer from 1990 to 2007, was in charge of investor relations. Under her leadership, Lenovo successfully integrated Western-style accountability into its corporate culture. Lenovo’s emphasis on transparency earned it a reputation for the best corporate governance among mainland Chinese firms. All major issues regarding its board, management, major share transfers, and mergers and acquisitions were fairly and accurately reported.[citation needed] While Hong Kong-listed firms were only required to issue financial reports twice per year, Lenovo followed the international norm of issuing quarterly reports. Lenovo created an audit committee and a compensation committee with non-management directors. The company started roadshows twice per year to meet institutional investors. Ma organized the first-ever investor relations conference held in mainland China. The conference was held in Beijing in 2002 and televised on China Central Television (CCTV). Liu and Ma co-hosted the conference and both gave speeches on corporate governance.

Lenovo sold its smartphone and tablet division in 2008 for US$100 million in order to focus on personal computers and then paid US$200 million to buy it back in November 2009.As of 2009, the mobile division ranked third in terms of unit share in China’s mobile handset market...On January 27, 2011, Lenovo formed a joint venture to produce personal computers with Japanese electronics firm NEC. The companies said in a statement that they would establish a new company called Lenovo NEC Holdings, to be registered in the Netherlands. NEC received US$175 million in Lenovo stock. Lenovo was to own a 51% stake in the joint venture, while NEC would have 49%. Lenovo has a five-year option to expand its stake in the joint venture.[This joint venture was intended to boost Lenovo’s worldwide sales by expanding its presence in Japan, a key market for personal computers. NEC spun off its personal computer business into the joint venture. As of 2010, NEC controlled about 20% of Japan’s market for personal computers while Lenovo had a 5% share. Lenovo and NEC also agreed to explore cooperating in other areas such as servers and tablet computers.Roderick Lappin, chairman of the Lenovo–NEC joint venture, told the press that the two companies will expand their co-operation to include the development of tablet computers. In June 2011, Lenovo announced that it planned to acquire control of Medion, a German electronics manufacturing company. Lenovo said the acquisition would double its share of the German computer market, making it the third-largest vendor by sales (after Acer and Hewlett-Packard). The deal, which closed in the third quarter of the same year, was claimed by The New York Times as “the first in which a Chinese company acquired a well-known German company. This acquisition will give Lenovo 14% of the German computer market. Gerd Brachmann, chairman of Medion, agreed to sell two-thirds of his 60 percent stake in the company.

In September 2012, Lenovo agreed to acquire the United States-based software company Stoneware, in its first software acquisition. The transaction was expected to close by the end of 2012; no financial details have been disclosed. Lenovo said that the company was acquired in order to gain access to new technology and that Stoneware is not expected to significantly affect earnings. More specifically, Stoneware was acquired to further Lenovo’s efforts to improve and expand its cloud-computing services. For the two years prior to its acquisition, Stoneware partnered with Lenovo to sell its software. During this period Stoneware’s sales doubled. Stoneware was founded in 2000. As of September 2012, Stoneware is based in Carmel, Indiana and has 67 employees. Lenovo re-entered the smartphone market in 2012 and quickly became the largest vendor of smartphones in mainland China. Entry into the smartphone market was paired with a change of strategy from “the one-size-fits-all” to a diverse portfolio of devices. These changes were driven by the popularity of Apple’s iPhone and Lenovo’s desire to increase its market share in mainland China. Lenovo surpassed Apple Inc. to become the No. 2 provider of smartphones in the domestic Chinese market in 2012.However, due to there being about 100 smartphone brands sold in China, this second only equated to a 10.4% market share.

In May 2012, Lenovo announced an investment of US$793 million in the construction of a mobile phone manufacturing and R&D facility in Wuhan, Hubei. In 2013, Lenovo created a joint venture with EMC named LenovoEMC. The venture took over Iomega’s business and rebranded all of Iomega’s products under the LenovoEMC brand, and designed products for small and medium-sized businesses that could not afford enterprise-class data storage. Lenovo has since retired all of the LenovoEMC products on their product page advising that the products are no longer available for purchase on lenovo.com.IBM sold its x86-based server lines, including IBM System x and IBM BladeCenter, to Lenovo in 2014. Lenovo says it will gain access to more enterprise customers, improve its profit margins, and develop a closer relationship with Intel, the maker of most server processors, through its acquisition of IBM’s x86-based server business. On 1 October 2014, Lenovo closed its acquisition of IBM’s server division, with the final price put at $2.1 billion. Lenovo said this acquisition came in at a price lower than the previously announced $2.3 billion partially because of a change in the value of IBM inventories. The deal has been already approved by Europe, China and the United States. The United States Department of Treasury Committee on Foreign Investment in the United States (CFIUS) was reportedly the last hurdle for Lenovo, since the United States has the strictest policies. According to Timothy Prickett-Morgan from Enterprise Tech, the deal still awaits “approval of regulators in China, the European Commission, and Canada”.[

After closing, Lenovo said that its goal was to become the world’s largest maker of servers. Lenovo also announced plans to start integrating IBM’s workforce. The acquisition added about 6,500 new employees to Lenovo. Lenovo said that it has no immediate intent to cut jobs. Lenovo said that positions in research and development and customer-facing roles such as marketing would be “100% protected”, but expected “rationalization” of its supply chain and procurement.[50]On 29 January 2014, Google announced it would sell Motorola Mobility to Lenovo for US$2.91 billion. As of February 2014, Google owned about 5.94% of Lenovo’s stock. The deal included smartphone lines like the Moto X, Moto G, Droid Turbo, and the future Motorola Mobility product roadmap, while Google retained the Advanced Technologies & Projects unit and all but 2,000 of the company’s patents.Lenovo received royalty free licenses to all the patents retained by Google.Lenovo received approval from the European Union for its acquisition of Motorola in June 2014.[53] The acquisition was completed on 30 October 2014. Motorola Mobility remained headquartered in Chicago, and continued to use the Motorola brand, but Liu Jun, president of Lenovo’s mobile device business, became the head of the company.

In April 2014, Lenovo purchased a portfolio of patents from NEC related to mobile technology. These included over 3,800 patent families in countries around the world. The purchase included standards-essential patents for 3G and LTE cellular technologies and other patents related to smartphones and tablets.

In May 2015, Lenovo revealed a new logo at Lenovo Tech World in Beijing, with the slogan “Innovation Never Stands Still” ). Lenovo’s new logo, created by Saatchi, can be changed by its advertising agencies and sales partners, within restrictions, to fit the context. It has a lounging “e” and is surrounded by a box that can be changed to use a relevant scene, solid color, or photograph. Lenovo’s Chief Marketing Officer David Roman said, “When we first started looking at it, it wasn’t about just a change in typography or the look of the logo. We asked ‘If we really are a net-driven, customer-centric company, what should the logo look like?’ We came up with the idea of a digital logo first designed to be used on the internet and adaptable to context.”

In early June 2015, Lenovo announced plans to sell up to US$650 million in five-year bonds denominated in Chinese yuan. The bonds were sold in Hong Kong with coupon ranging from 4.95% to 5.05%. This is only the second sale of bonds in Lenovo’s history. Financial commentators noted that Lenovo was paying a premium to list the bonds in yuan given relatively low costs for borrowing in US dollars.Lenovo said that its x86 servers will be available to all its channel partners. Lenovo plans to cut prices on x86 products in order to gain market share. This goes in alliance with IBM’s vision of the future around cloud technologies and their own POWER processor architecture.

Lenovo’s acquisition of IBM’s businesses is arguably one of the greatest case studies on merging massive international enterprises. Though this acquisition in 2005 ultimately resulted in success, the integration of the businesses had a difficult and challenging beginning. Lenovo had employees from different cultures, different backgrounds, and different languages. These differences caused misunderstandings, hampering trust and the ability to build a new corporate culture. At the end of its first two years, Lenovo Group had met many of its original challenges, including integrating two disparate cultures in the newly formed company, maintaining the Think brand image for quality and innovation, and improving supply chain and manufacturing efficiencies.However, Lenovo had failed to meet a key objective of the merger: leveraging the combined strength of the two companies to grow volume and market share. In order to achieve success, Lenovo embraced diversify at multiple levels- business model, culture, and talent. By 2015, Lenovo grew into the world’s number 1 PC maker, number 3 smartphone manufacturer and number 3 in the production of tablet computers.In March 2017, Lenovo announced it was partnering with Fort Lauderdale, Florida-based software storage virtualization company DataCore to add DataCore’s parallel I/O-processing software to Lenovo’s storage devices.The servers were reportedly designed to outperform Storage Area Network (SAN) SAN arrays.In 2017, Lenovo formed a joint venture with Fujitsu and the Development Bank of Japan (DBJ). In the joint venture, Fujitsu would sell Lenovo a 51% stake in Fujitsu Client Computing Limited. DBJ would acquire a 5% stake.In September 2018, Lenovo and NetApp announced about strategic partnership and joint venture in China.

**Market growth of Lenovo**

Lenovo has implemented an aggressive strategy to replace Samsung as mainland China’s top smartphone manufacturer. It spent $793.5 million in Wuhan to build a plant that can produce 30 to 40 million phones per year. Data from Analysis International shows that Lenovo’s China smartphone sales experienced considerable growth in 2012. Lenovo’s market share increased to 14.2 percent during 2012’s third quarter, representing an increase over 4.8 percent sales growth in the same quarter of 2011. IDC analysts said that Lenovo’s success is due to its “aggressive ramping-up and improvements in channel partnerships.

Yang Yuanqing said that Lenovo’s strategy for Lenovo devices dictates an emphasis on its home market of China and emerging markets such as Russia, Indonesia, India, and the Middle East. Lenovo planned significant product releases in those markets in 2013.

The LePhone, as Lenovo smartphones were called in China, is offered at a relatively low price point and is customized for the Chinese market. The LePhone benefited from strong support from Chinese mobile carriers and content providers such as Baidu, Alibaba, and Tencent. Having seen rapid growth in China’s smartphone market, Lenovo has begun efforts to raise its share in the high-end market by cooperating with Taiwanese chip designer MediaTek in 2012. According to HIS iSuppli, Lenovo was a top-three smartphone maker in China with a 16.5 percent market share in the first quarter of 2012. According to a May 2012, report released by IDC Lenovo ranks fourth in the global tablet market by volume. In November 2012, Lenovo became the second largest seller of mobile phones in China when measured by volume.

Lenovo planned to release its smartphones in Nigeria in the second half of 2013 in an effort to find markets where it can sell directly to consumers. Lenovo picked Nigeria, because unlike South Africa and other African countries, there is no requirement to partner with a local telecom firm to sell its phones. Lenovo will sell its phones across as many as six price segments with the most expensive selling for about US$500.

Lenovo sold about 50 million smartphones in 2013. The same year Lenovo increased its smartphone sales by 60% from 2012. Most of these sales took place in China where low and middle-end smartphones were still in great demand.Lenovo has assembled a team of senior managers familiar with the Indian market, launched mobile phones at all price points there, and worked on branding and marketing in order to build market share. Lenovo’s strategy has been create awareness, maintain a broad selection of phones at all price points, and developing distribution networks. Lenovo partnered with two national distributors and over 100 local distributors. As of February 2014, more than 7,000 retail outlets in India sold Lenovo smartphones. Lenovo has also partnered with HCL in order to set up 250 service centres in 110 cities.

Lenovo said that entering the British market would take about nine months due to the fact that most phones in the United Kingdom are sold with service contracts. Carriers have strict requirements for the phones they sell. Lenovo plans to use its current distributors, Exertis Micro-P, Ingram Micro, and Tech Data to sell its mobile phones.In late April 2014, Lenovo announced that it projects selling 80 million smartphones worldwide in the fiscal year that began on 1 April. Lenovo said that it expects smartphones and tablets to drive its profits in 2014. Yang Yuanqing said, “We have to look outside China for a bigger market share and higher profit margins.” He also stated that adding that its partnership with Google, owner of the Android operating system was getting stronger due to Lenovo’s acquisition of Motorola Mobility.In the fourth quarter of 2014, Motorola’s sales grew by 118% year-on-year on a unit basis. Lenovo generally maintains geographic separation of the “Lenovo” and “Motorola” brands in smartphones. For example, Japan where as of May 2015, neither brand of phone was sold, will be reserved exclusively for Motorola.

**3.3 COMPANY PROFILE OF XIAOMI**

 Xiaomi Corporation Chinese registered in Asia as Xiaomi Inc., is a Chinese designer and manufacturer of consumer electronics and related software, home appliances, and household items. Behind Samsung, it is the second largest manufacturer of smartphones, most of which run the MIUI operating system, (software development). In 2020, the company sold 146.3 million smartphones and its MIUI operating system has over 500 million monthly active users.It also is a major manufacturer of appliances including televisions, flashlights, unmanned aerial vehicles, and air purifiers using its Internet of Things and Xiaomi Smart Home product ecosystems. The name “Xiaomi” literally means millet and rice, and is based on the Buddhist concept of starting from the bottom before aiming for the top.Xiaomi was founded in 2010 in Beijing by now multi-billionaire Lei Jun when he was 40 years old, along with six senior associates. Lei had founded Kingsoft as well as Joyo.com, which he sold to Amazon for $75 million in 2004. In August 2011, Xiaomi released its first smartphone and, by 2014, it had the largest market share of smartphones sold in China. By 2015, it was developing a wide range of consumer electronics. In the second quarter of 2021, Xiaomi surpassed Apple Inc. to become the second-largest seller of smartphones worldwide, with a 17% market share, according to Canalys.

**History of Xiamoi**

On 16 August 2010, Xiaomi launched its first Android-based firmware MIUI.In 2010, the company raised $41 million in a Series A round.In August 2011, the company launched its first phone, the Xiaomi Mi1. The device had Xiaomi’s MIUI firmware along with Android installation. In December 2011, the company raised $90 million in a Series B round.In June 2012, the company raised $216 million of funding in a Series C round at a $4 billion valuation. Institutional investors participating in the first round of funding included Temasek Holdings, IDG Capital, Qiming Venture Partners and Qualcomm.

In August 2013, the company hired Hugo Barra from Google, where he served as vice president of product management for the Android platform. He was employed as vice president of Xiaomi to expand the company outside of mainland China, making Xiaomi the first company selling smartphones to poach a senior staffer from Google’s Android team. He left the company in February 2017.

In September 2013, Xiaomi announced its Xiaomi Mi3 smartphone and an Android-based 47-inch 3D-capable Smart TV assembled by Sony TV manufacturer Wistron Corporation of Taiwan. In October 2013, it became the fifth-most-used smartphone brand in China.In 2013, Xiaomi sold 18.7 million smartphones.

**2014-2017**

In February 2014, Xiaomi announced its expansion outside China, with an international headquarters in Singapore. In April 2014, Xiaomi purchased the domain name mi.com for a record US$3.6 million, the most expensive domain name ever bought in China, replacing xiaomi.com as the company’s main domain name.In September 2014, Xiaomi acquired a 24.7% stake in Roborock.

In December 2014, Xiaomi raised US$1.1 billion at a valuation of over US$45 billion, making it one of the most valuable private technology companies in the world. The financing round was led by Hong Kong-based technology fund All-Stars Investment Limited, a fund run by former Morgan Stanley analyst Richard Ji.In 2014, the company sold over 60 million smartphones. In 2014, 94% of the company’s revenue came from mobile phone sales. In April 2015, Ratan Tata acquired a stake in Xiaomi.On 30 June 2015, Xiaomi announced its expansion into Brazil with the launch of locally manufactured Redmi 2; it was the first time the company assembled a smartphone outside of China. However, the company left Brazil in the second half of 2016.On 26 February 2016, Xiaomi launched the Mi5, powered by the Qualcomm Snapdragon 820 processor. On 3 March 2016, Xiaomi launched the Redmi Note 3 Pro in India, the first smartphone to powered by a Qualcomm Snapdragon 650 processor.On 10 May 2016, Xiaomi launched the Mi Max, powered by the Qualcomm Snapdragon 650/652 processor. In June 2016, the company acquired patents from Microsoft. In September 2016, Xiaomi launched sales in the European Union through a partnership with ABC Data.

Also in September 2016, the Xiaomi Mi Robot vacuum was released by Roborock.On 26 October 2016, Xiaomi launched the Mi Mix, powered by the Qualcomm Snapdragon 821 processor.On 22 March 2017, Xiaomi announced that it planned to set up a second manufacturing unit in India in partnership with contract manufacturer Foxconn.On 19 April 2017, Xiaomi launched the Mi6, powered by the Qualcomm Snapdragon 835 processor. In July 2017, the company entered into a patent licensing agreement with Nokia.On 5 September 2017, Xiaomi released Xiaomi Mi A1, the first Android One smartphone under the slogan: Created by Xiaomi, Powered by Google. Xiaomi stated started working with Google for the Mi A1 Android One smartphone earlier in 2017. An alternate version of the phone was also available with MIUI, the MI 5X.In 2017, Xiaomi opened Mi Stores in India, Pakistan and Bangladesh. The EU’s first Mi Store was opened in Athens, Greece in October 2017.] On 7 November 2017, Xiaomi launched sales in Spain and Western Europe. In Q3 2017, Xiaomi overtook Samsung to become the largest smartphone brand in India. Xiaomi sold 9.2 million units during the quarter.

In April 2018, Xiaomi announced a smartphone gaming brand called Black Shark. It beared 6 GB of RAM coupled with Snapdragon 845 SoC, and was priced at $508, which was cheaper than its competitors. On 2nd May 2018, Xiaomi announced the launch of Mi Music and Mi Video to offer “value-added internet services” in India.On 3rd May 2018, Xiaomi announced a partnership with 3 to sell smartphones in the United Kingdom, Ireland, Austria, Denmark, and Sweden In May 2018, Xiaomi began selling smart home products in the United States through Amazon.In June 2018, Xiaomi became a public company via an initial public offering on the Hong Kong Stock Exchange, raising $4.72 billion.On 7 August 2018, Xiaomi announced that Holitech Technology Co. Ltd., Xiaomi’s top supplier, would invest up to $200 million over the next three years to set up a major new plant in India.In August 2018, the company announced POCO as a mid-range smartphone line, first launching in India. In Q4 of 2018, the Xiaomi Poco F1 became the best selling smartphone sold online in India.[72] The Pocophone was sometimes referred to as the “flagship killer” for offering high-end specifications at an affordable price.In October 2019, the company announced that it would launch more than 10 5G phones in 2020, including the Mi 10/10 Pro with 5G functionality.On 17 January 2020, Poco became a separate sub-brand of Xiaomi with entry-level and mid-range devices.In March 2020, Xiaomi showcased its new 40W wireless charging solution, which was able to fully charge a smartphone with a 4,000mAh battery from flat in 40 minutes.In October 2020, Xiaomi became the third largest smartphone maker in the world by shipment volume, shipping 46.2 million handsets in Q3 2020.On 30 March 2021, Xiaomi announced that it will invest US$10 billion in electric vehicles over the following ten years.On 31 March 2021, Xiaomi announced a new logo for the company, designed by Kenya Hara.In July 2021, Xiaomi became the second largest smartphone maker in the world, according to Canalys.[6] It also surpassed Apple for the first time in Europe, making it the second largest in Europe according to Counterpoint. In August 2021, the company acquired autonomous driving company Deepmotion

**Corporate identity**

Xiaomi is the Chinese word for “millet”. In 2011 its CEO Lei Jun suggested there are more meanings than just the “millet and rice”. He linked the “Xiao” part to the Buddhist concept that “a single grain of rice of a Buddhist is as great as a mountain”, suggesting that Xiaomi wants to work from the little things, instead of starting by striving for perfection, while “mi” is an acronym for Mobile Internet and also “mission impossible”, referring to the obstacles encountered in starting the company. He also stated that he thinks the name is cute. In 2012 Lei Jun said that the name is about revolution and being able to bring innovation into a new area. Xiaomi’s new “Rifle” processor has given weight to several sources linking the latter meaning to the Communist Party of China’s “millet and rifle” revolutionary idiom during the Second Sino-Japanese War.

**Career**

Xiaomi is focused on being the most user-centric mobile internet company, and the aim to constantly exceed expectations through innovations in software, hardware and services.Many of our employees were initially fans of Mi products, before they decided to join us. The team is not only passionate about technology, but also relentlessly pursues perfection to break tradition and Push boundaries, all just to ensure that products remain unique and offer an unparalleled user experience.

.The manufacturing is being done at Xiaomi’s two facilities – one at the Sri City special economic zone in Andhra Pradesh and the other at Sriperumbudur in Tamil Nadu.Xiaomi said it has also started exporting phones made in India to Bangladesh and Nepal. Have started exporting to these two countries at a small scale. With more government incentives, the plan to scale up the export of ‘make in India’ phones,’ Muralikrishnan noted.

Xiaomi has been accused of imitating Apple Inc. The hunger marketing strategy of Xiaomi was described as riding on the back of the “cult of Apple”.After reading a book about Steve Jobs in college, Xiaomi’s chairman and CEO, Lei Jun, carefully cultivated a Steve Jobs image, including jeans, dark shirts, and Jobs’ announcement style at Xiaomi’s earlier product announcements. He was categorized as a “counterfeit Jobs.”

In 2012, the company was said to be counterfeiting Apple’s philosophy and mindset. In 2013, critics debated how much of Xiaomi’s products were innovative,and how much of their innovation was just really good public relations.Others point out that while there are similarities to Apple, the ability to customize the software based upon user preferences through the use of Google’s Android operating system sets Xiaomi apart.

In January 2018, Xiaomi was criticized for its non-compliance with the terms of the GNU General Public License. The Android project’s Linux kernel is licensed under the copy left terms of the GPL, which requires Xiaomi to distribute the complete source code of the Android kernel and device trees for every Android device it distributes. By refusing to do so, or by unreasonably delaying these releases, Xiaomi is operating in violation of intellectual property law in China, as a WIPO state.Prominent Android developer Francisco Franco publicly criticized Xiaomi’s behaviour after repeated delays in the release of kernel source code.Xiaomi in 2013 said that it would release the kernel code. The kernel source code is available on the GitHub website.

The Xiaomi Mi 3 was unveiled during the Xiaomi New Product Launch Event 2013 on 5 September 2013, and was released in China in October 2013. It features either a 2.3 GHz quad-core Qualcomm Snapdragon 800 processor or a 1.8 GHz quad plus one core Nvidia Tegra 4 processor, which support WCDMA and TDCDMA respectively.The device was made available in late November 2013 in Manila, Philippines and was later available in Hong Kong, Taiwan, Singapore, China and Malaysia.[6] Upon its release, it became the fastest selling smartphone in Xiaomi’s history; the company sold 200,000 Mi3 units in Philippines within 3 minutes of launch. The phone has enjoyed demand in India, with it going out of stock on e-commerce retailer Flipkart, after just 39 minutes of going on sale at midday on 22 July 2014. In the next batch of sales, the Mi 3 went out of stock in less than 5 seconds and it is believed that the stock consisted of 10,000 phones. On 5 August 2014, Mi 3 was again sold out on Flipkart in just 2 seconds due to unprecedented demand. On 12 August 2014, 20,000 units went out of stock in 2.4 seconds on Flipkart. On 19 August 2014, Another 20,000 units went out of stock in 2.3 seconds on Flipkart.

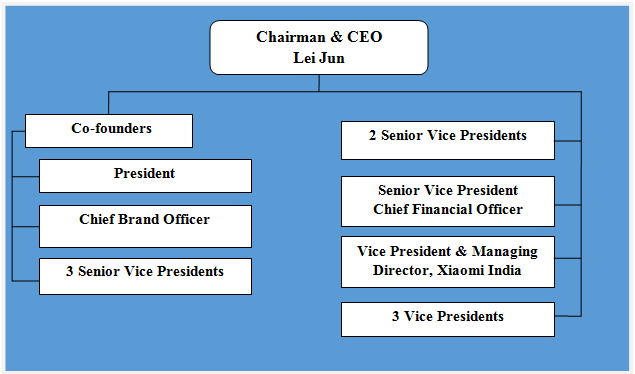
On 4 October 2014, Xiaomi announced on their official Facebook page that Mi 3 would be going for sale one last time. However, there was no flash sale, and only customers who had entered to buy the handset five times or more would be automatically selected by Xiaomi and Flipkart. The handset would be added to their cart automatically on 6 October, and all they had to do was just click on the “Buy Now” button. There was no time limit, but if the customer didn’t want to buy it, it would be allocated for a second batch of buyers.[1

On 19 October 2014, the Indian Air Force issued a warning against Xiaomi phones, stating that they were a national threat as they sent user data to an agency of the Chinese government. In April 2019, researchers at Check Point found a security breach in Xiaomi phone apps. The security flaw was reported to be preinstalled.On 30 April 2020, Forbes reported that Xiaomi extensively tracks use of its browsers, including private browser activity, phone metadata and device navigation, and more alarmingly, without secure encryption or anonymization, more invasively and to a greater extent than mainstream browsers. Xiaomi disputed the claims, while confirming that it did extensively collect browsing data, and saying that the data was not linked to any individuals and that users had consented to being tracked. Xiaomi posted a response stating that the collection of aggregated usage statistics data is used for internal analysis, and would not link any personally identifiable information to any of this data.

Xiaomi’s smartphones run MIUI. MIUI is a stock and aftermarket Android firmware for smartphones and tablet computers based on the open-source Android operating system. It is available on Xiaomi devices as well as devices made by other companies. It is Xiaomi’s earliest known product.Xiaomi’s flagship mobile handset line is the Xiaomi series (formerly known as Mi series).The Mi 3 uses a modified Qualcomm Snapdragon 800 and was found on test to be the world’s fastest Android smartphone according to benchmark testing apps , Quadrant, and Geekbench.Xiaomi showcased its ceramic Mi 5 on 24 February at MWC 2016. It is also equipped with NFC and a mobile payment function Mi Pay launched in April 2016.On 27 September 2016, Xiaomi released the Mi 5s and Mi 5s Plus. On 4 November 2016, Xiaomi released the Mi MIX. .The Xiaomi Mi 5c was launched in February 2017, featuring the debut of Xiaomi’s in-house processor, Pinecone Surge S1.Xiaomi Mi 9 was launched on 20 February 2019 in Beijing, China. This is Xiaomi’s first triple camera smartphone. It is powered by Snapdragon 855 SoC with 8GB RAM.Xiaomi Mi 10 was announced on 13 February 2020. This is Xiaomi’s first phone to feature a Super-AMOLED display with a high refresh rate. This phone is powered by the Qualcomm Snapdragon 865 processor.Xiaomi Mi 10 Ultra was announced on 11 August, 2020. This is Xiaomi’s first phone to support 120 watt wired charging.

**Organizational structure :**matrix and flat

Xiaomi organizational structure can be classified as matrix. Specifically, Xiaomi organizational structure is decentralized, where different business units are managed independently. Despite the large size of the business involving presence in 70 countries with more than 18000 employees, the company has less layers of management compared to other businesses of similar sizes.

Figure below illustrates Xiaomi organizational structure 

Matrix organizational structure allows the mobile internet company to develop its new products and services in a short duration of time. This is due to absence of bureaucracy that is associated with hierarchical organizational structures. However, disadvantages of matrix organizational structure for the business may include lack of strict control by the top management over separate business units and lack of integration between the operations of individual business units.Nevertheless, it is important for Xiaomi to maintain its flat organizational structure in order to remain flexible, so that the mobile internet company can adapt to frequent changes in the global marketplace.

**CHAPTER 4**

**ANALYSIS OF THE STUDY**

**4.1 SWOT ANALYSIS**

**4.1.1SWOT ANALYSIS OF NOKIA**

Nokia, once the world’s largest vendor of mobile phones, is a popular Finnish information technology and communications multinational corporation which provides telecommunication equipment and services. The mobile phone brand, famous for the reliability and durability its phones provide, has ruled the mobile market for many years with its motto ‘connecting people’.Recently, the handset division and services of the brand were acquired by software giant Microsoft and since then Nokia has released a number of phones under the Windows umbrella. So, keeping all these points in mind, let’s do a SWOT analysis of Nokia, to get a proper analytic view of the brand’s strengths, weaknesses, opportunities and threats (SWOT).

**STRENGTH**

The first part of SWOT analysis of Nokia which is strengths:

Experience as a past mobile phone maker helps Nokia advance in the telecom segment.

The company was the world leader in the mobile phone in the 90s and early 2000s, however, it products fell out of popularity when the iOS and Android-equipped smartphones outperformed Nokia’s Symbian software. At the moment, Nokia focuses on the architecture and 5G system-on-chip capabilities for its mobile radio network products, distributed cloud, and network slicing. It also won, by 2019, 62 commercial 5G deals and launched 18 commercial 5G networks in major markets. Its technologies include the one used in virtual mobile devices.

* Large budget for research & development.

Since 2017, after acquiring Alcatel-Lucent to show its serious intention of joining the telecom equipment market, its annual R&D budget has never been less than EUR 4 billion. Its innovation efforts are positively reflected in its earnings-per-share growth rate where Nokia ended its negative growth streak in 2019.

* As the 5G network rolls out, Nokia is on the path to more stable growth.

As sales of its new low-cost base station increase and 5G sales shift from China to other regions where Huawei has fewer advantages**.**

* The biggest strength of the company is their brand name. Many consumers often opt for Nokia more than any other brand because of the reliability, durability, and creativity their phones provide.
* Most of Nokia’s highly qualified personnel have teamed up with Microsoft’s experts as a part of the acquisition deal.
* The phones provided by Nokia have a much higher re-sale value compared to other mobile phone brands.
* Many of Nokia’s products are easy to use and are usually coupled with a variety of handy accessories.
* Products offered by the company are available in all price ranges.

**WEAKNESS**

The next part of SWOT analysis of Nokia is their weaknesses:

* Weak financial performance.

Nokia’s net income has been dragging around the 2% mark since 2016 and a negative free cash flow from 2017 to 2019. The company also has a negative Return on Asset and Return on Equity. To finance its operation amid an operating loss, Nokia raised more long-term debt in 2019, increasing its leverage.

Inventory turnover is below the industry’s average, 4.91x vs. 6.38x, which indicates that Nokia might have a problem with sales.

Having more inventory on hand than needed also ties up cash and increases the risk of inventory impairment (obsolete).

Nokia has struggled to launch a low-cost 5G radio base.

They have not managed to compete with rivals in a timely manner, which could hamper its market shares and narrow its operating margin.

* The company, though, is often criticized for poor after sales services.
* Took a long time to enter the highly productive and booming smartphone market. As a result the company lost a lot of its once huge market share.
* Some of Nokia’s products are not affordable for middle and lower class consumers, which often affects their searches negatively.
* The Finnish mobile company has made comparatively lower profits due to drop in sales that result from tough competition. According to statistics, the company’s profits have fallen by 7% in the second quarter of 2014.
* There are slumps in the company’s development with its Windows Lumia range of smartphones because of constant competition from rivals Android and iOS.

**OPPORTUNITY**

After discussing the internal factors of SWOT analysis of Nokia

* Sell select product segments to raise cash and focus on its highest-growth areas.
* Among the potential segments that could be sold without affecting Nokia’s wireless growth are fixed-access equipment and Optical business.
* Capitalize on accelerating 5G upgrade spending across the world after missing out on early growth in China.
* Huawei is leading the 5G global market with 43.6% as of 2Q of 2020, followed by Ericsson and Nokia, with 18.3% and 12.2%, respectively. Huawei’s share is expected to diminish as the 5G upgrade in China decreases over time and the headwind from the U.S – China trade war begins to pick up
* Keep a diversified product line across different segments to boost growth and spread out its income sources to prevent failure in one segment putting a significant impact on Nokia’s earnings.
* The outlook for the company’s routing, optical, and software look good despite the pressure from competitors and pandemic-related supply constraints. Its router sales are forecasted to pick up once it expands into data-center routing. A rebound for optical sales is on the way once supply constraints ease off and orders begin to ship out.
* The Microsoft-Nokia deal is a win-win situation for both companies. The deal possesses great opportunity if both utilize resources in a proper way.
* Opportunities to expand the range of products and their prices. Also bring in new features and applications on to Windows OS.

**THREATS**

The final part of SWOT analysis for Nokia is the threats:

* Losing 5G Radio Access Network (RAN) market share at Verizon to Samsung due to earlier mistakes that led to the late launch of its low-cost 5G base station.
* Nokia’s revenue could lose up to 4%, according to a worst-case scenario analysis from HIS.As the company is struggling to maintain its share in the 5G base-station market, while optical and IP routing sales might decline amid the pandemic. Competitions in the 5G market is ramping up as well, with Ericsson and Huawei are trying to reap more market shares from Nokia.
* Nokia’s profitability heavily relies on the high-margin technology business.
* Strong competition from other smartphone companies will make it hard for Nokia to maintain and expand their market share.
* Low-cost threats by China mobile companies and others can cause big problems.

So, after proper SWOT analysis, we have come to the conclusion that Nokia is going through a tough time in the market due to a variety of factors. However, with Microsoft and Nokia personnel teamed up, there is no doubt in saying that many of these problems can be overcome if Nokia strategizes, plans and uses its resources properly.

**4.1.2 SWOT ANALYSIS OF LENOVO**

**STRENGTH**

According to an estimate, the research & development budget of Lenovo in 2020 was 1.328 billion dollars, and it has increased by 2.79%. It isn’t merely a coincidence that Lenovo has taken over the world and became the world’s largest manufacturer. The tech company has achieved this status through consistency and research & development.

* **CUSTOMER SUPPORT**The customer support service of Lenovo is speedy, and the company assists customers 24 hours and seven days a week the whole year. Features like fast customer service, innovative products, and research & development have enabled the brand to achieve the highest global market share of 27.1% in the PC and laptop market.
* **MERGER & ACQUISITION**Lenovo has made some very successful mergers and acquisitions over the years. For instance, the company has Fujitsu in 2017, Motorola Mobility from Google in 2014, the server business of Intel in 2014, and IBM in 2005. Such acquisitions have helped the brand to use the technology and gain a competitive edge.
* **SUPPLY CHAIN**Lenovo uses various supply chains and distribution methods. For instance, the brand makes alliances and partnerships with suppliers for the availability of raw materials. It has also got authorized dealers, retail stores, and a network of different channel partners. They work in collaboration for the availability of Lenovo’s products in various countries across the world.
* **COST-EFFICIENT**As we know that Lenovo is a Chinese brand, and it has the advantage of cheap labor at its manufacturing facilities. The cost efficiency provides the company a tremendous competitive edge over competitors. However, it allows the company to offer lower retail prices.

**WEAKNESS**

* .FOCUSED IN CHINALenovo is indeed a multinational brand, but its primary focus is on the Chinese market. The company should shift its focus globally and increase the market share in other countries as well.
* LACK OF DIFFERENTIATIONMany customers have claimed that Lenovo charges premium prices for its products than the competitors’ brands like HP and Dell. But there isn’t much difference between Lenovo and other brands.
* RECALLING PRODUCTSLenovo recalled some of its products in 2015 due to faulty lithium-ion batteries. Such issues are terrible for the reputation of the company. The computer manufacturing brand should avoid such defective product issues.

**OPPORTUNITIES**

* EXPANDING PORTFOLIO Lenovo should expand its product portfolio and add more items to it, especially in the service niche. It would stabilize the company’s sources of revenue.
* INTERNET The trend of internet-based services is increasing among people. Lenovo should promote the sales just like Amazon. It would help to increase the market and capture a much broader market.
* CLOUD COMPUTING

The market of cloud computing is growing, and it has excellent growth potential. Lenovo should start offer cloud storage and iCloud based services like Google.

**THREATS**

* GROWTH OF SMARTPHONESThe worldwide increased usage of smartphones is reducing the market of desktop computers and laptops. It’s because smart devices allow you to perform all the functions like any big computer.
* EMERGING BRANDSTechnological awareness has paved the way for many young brands to enter the market. They’re offering the same quality products at lower prices to capture the market share, which impacts the growth of Lenovo

**4.1.3 SWOT ANALYSIS OF XIAOMI**

External factors that made the company the fourth-largest global smartphone manufacturing brand in a short time. Here’s the swot analysis of Xiaomi as follows;

**STRENGTHS**

* GLOBAL RANKINGAccording to the Fortune Global 500 list ranking, Xiaomi was the world’s youngest brand and ranked at the 468th position of the world’s leading 500 companies. Xiaomi is the world’s 4th largest smartphone manufacturing brand with a market worth of over 46 billion dollars.
* HIGH-PROFIT MARGINXiaomi is a Chinese smartphone manufacturing brand, and the company has a low production cost advantage. It allowed the company to develop quality products and offer them at a lower price. That’s how the company manages to earn a high-profit margin and attracted a significant portion of the smartphone consumer market in a very short time.
* QUALITY PRODUCTSAs we know, Xiaomi offers smartphones at economical prices. It doesn’t mean that the brand has compromised on the quality of its products. Even the top quality and best assembling of Xiaomi electronics devices have impressed many tech critics. Every component and parts of the company’s products have high specifications.
* ECONOMICAL PRICESXiaomi focused its attention on such Asian consumer markets that had budget constraints. The smartphones of other brands like Samsung, Apple, and Huawei are unaffordable for them. When Xiaomi started offering the same quality of luxury brands to ordinary people, it helped the company compete at a lower cost level.
* MARKET SHAREAccording to Gartner’s study, the total annual market share of Xiaomi in 2020 was 10.8%, and it achieved a growth of 15.7% compared to 2019. It’s worth mentioning that Xiaomi is the 2nd brand after Apple, among other top 5 brands that had positive growth. All other smartphone brands had negative growth during the pandemic year of 2020.
* ONLINE STOREXiaomi offers the flash sale of some of its models on its online store, and it’s very popular among customers. The reason is that the company offers its models in a minimal quantity and at a lower price. As soon as the brand launches its flash sale, it makes the customers crazy
* .RECOGNIZED BRANDA unique and charming brand name, quality products, and lower prices have helped Xiaomi attract the global market’s attention in a minimal time.

**WEAKNESSES**

* IMPACT OF LOW PRICEPrice skimming and flash sales are such options for luxury brands, and they could boost the sale and get rid of the old inventory. On the other hand, Xiaomi is a young brand and already offering the products at lower prices. However, if the company keeps offering flash sale under such circumstances, it won’t give the company an expected sale boost just like other brands.
* BRAND PERCEPTIONXiaomi’s product portfolio comprises a limited number of products and services, lower prices, and no customer support service. All of these factors combined have created a poor brand perception of the company. Many brand conscious customers consider the company a cheap brand because of these factors.
* LOWER MARKETINGXiaomi allocates a limited marketing and advertisement budget for the promotion of its products. The lower marketing budget helps the company offer lower prices to the customers instead of marketing. It’s suitable for customers, but it’s a poor marketing strategy.

**OPPORTUNITIES**

* LOWER DEMAND FOR EXPENSIVE PHONESSmartphones companies like Apple and Samsung launch a new model of smartphone annually with the latest tech features. A new model is usually more expelnsive than the previous model. That’s why the demand for costly smartphones is declining. Xiaomi exploited the same gap of the customers market and provided them with economical smart devices.
* INNOVATION & CREATIVITYIt’s challenging to be in the fourth position of the market and follow other leading brands’ trends. Xiaomi should keep on adding innovative and creative features. Most importantly, the company should promote the application of its innovate features.
* PRODUCT PORTFOLIOXiaomi has a limited product portfolio, and it’s responsible for the overall profit of the company. In other words, it’s a risky strategy for the company. Therefore, the smartphone brand should increase its product portfolio to diversify its asset and stabilize its earnings.
* BRAND PROMOTIONAs we know, Xiaomi spends limited resources on marketing and promotion of its products. Even though the company’s products are far superior to Oppo and Vivo in terms of quality, therefore, the company should increase its investment in brand promotion
* DISTRIBUTION CHANNELXiaomi has limited offline distribution channel. If the company wants to achieve its first market position, the smartphone brand should establish brick and mortar stores and franchise to provide a personalized experience.

**THREATS**

* NO BRAND DIFFERENTIATIONXiaomi is offering the same products and features that other top brands are offering. The company won’t be able to attract brand conscious customers. Because the smartphone isn’t just a brand, it’s a status symbol to them.
* LIMITED CUSTOMER SERVICEThe customer support service of Xiaomi is deficient, because technical issues of the smart devices, and electronic products are bound to happen. When any of the problems arise, the customer support service of Xiaomi should be there to resolve them.
* COMPETITORSOppo and Vivo are the two main competitors of Xiaomi because they both are Chinese brand and have the cost efficiency advantage. Most importantly, they have a strong distribution network

**4.2 PORTER'S FIVE FORCE ANALYSICS OF SMARTPHONES INDUSTRY**

The smartphone industry is marked by heavy competition. The leading brands in this industry with the highest market shares are Samsung, Apple, and Huawei. In recent years, the demand for smartphones has plateaued. Overall while adoption and use throughout the world have grown, smartphone demand fell in 2018 and 19 compared to previous years. To maintain their competitive position in the industry, smartphone companies are focusing heavily on research and development as well as marketing. There are several forces that affect the competitive position and success of smartphone companies. Porter’s five forces model is an analytical tool to analyze the competitive position of businesses and the profitability of a particular industry. These five forces are a part of every industry. They also play a critical role in the smartphone industry and affect the profitability of individual brands. Following is a five forces analysis of the smartphone industry.

**Bargaining power of suppliers :**

The bargaining power of suppliers in the smartphone industry is generally low except for the few large players like Google. Google is one of the largest suppliers in the smartphone industry. Most smartphones run on the Android operating system. Recently, the ban on Huawei related to the use of Android OS caused its sales to fall. Otherwise, most of the suppliers are smaller players and most of them are located in the Asian region. Apple has its own operating system and so in its case, the bargaining power of suppliers is even limited. Some of the main factors that limit the bargaining power of suppliers in the smartphone industry include their smaller size and lower financial strength compared to smartphone makers. Leading smartphone brands like Apple, Samsung and Huawei are comparatively larger firms with enormous financial strength compared to the suppliers. It is why suppliers have to follow the quality standards set by the smartphone makers and their bargaining power remains limited. Moreover, most suppliers lack forward integration capability which also leads to lower control.

**Bargaining power of buyers**

The bargaining power of buyers in the smartphone industry has increased owing to several factors. One of the primary reasons behind the growing bargaining strength of the customers is the high number of substitutes in the industry. Increasing competition in the industry has added to the bargaining strength of customers worldwide. Moreover, customers are well informed and have several choices before them. While the number of smartphone models has grown in the market, they are now more affordable than some years earlier. Companies invest aggressively in marketing and customer retention. Apart from that, they also invest aggressively in research and development to make their smartphone models stand out from the competition. The focus on customers and customer experience is much higher than ever before. Overall the bargaining power of customers is moderate. Some of the factors that control the bargaining power of the customers include product quality, brand image, and prices. Products with higher quality are higher in demand. For example, smartphones with higher processing power and efficient cameras are higher in demand compared to other models.

**The threat of substitutes :**

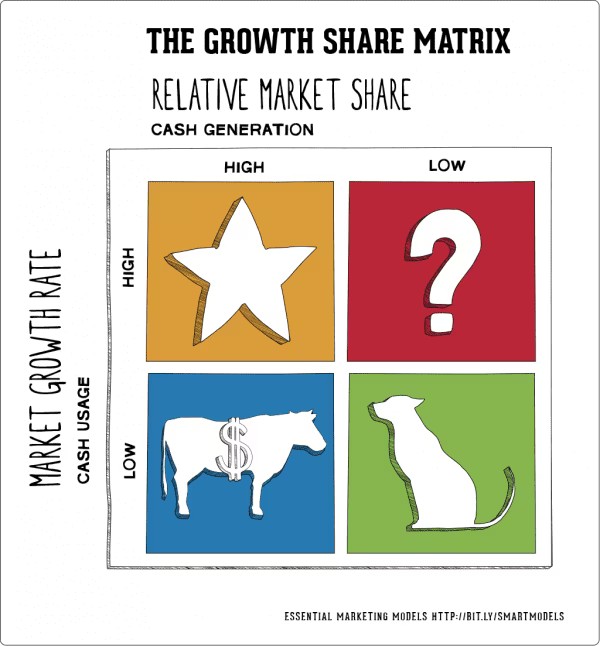
The threat of substitutes in the smartphone industry mainly comes from rival brands and their products. There are several smartphone brands in the market. The top five brands with the largest market share include Samsung, Huawei, Apple, Xiaomi, and Oppo. Except, Apple’s iPhone rest of the smartphones run on the Android OS. The number of models with large screen smartphones is very high. While Apple makes only premium models, its products compete with the premium offerings from Samsung and Huawei as well as Xiaomi. The threat of substitutes emerging from competing products also grows higher because differentiation has become difficult. Most models in a category come with similar features and nearly similar processing power. To overcome the threat from substitutes brands invest in marketing and product innovation. Achieving differentiation is difficult and so apart from technology, companies focus on their pricing strategies and customer experience. However, some factors that can moderate the threat from substitute products include product quality and brand image. The overall threat arising from substitute products is moderately high in the smartphone industry.

**The threat of new entrants** :

The threat of new entrants in the smartphone industry is moderate. The barriers to entry are not very high and generally, you do not need to invest very large capital to enter the market. However, the incumbent players aggressively invest in marketing and innovation to retain their market share and so winning a significant market share is very difficult for any new player. Moreover, companies have to deal with some major challenges to strengthen their competitive advantage in the industry. Apart from investing in technological innovation, which is essential for differentiation and market share, they also need to focus on marketing and customer experience. The legal framework in most countries also acts as a barrier to entry. Another important factor that deters new players is the level of demand which has plateaued in recent years. Stagnating demand also works as a barrier to entry for new brands since they will have trouble winning customers for new products. The number of substitutes is already high in the market since there are several models in each segment. Other factors that moderate the threat from new players include the brand image of existing players, their focus upon research and innovation and high standards of product quality. All these factors together limit the threat that arises from the entry of new players in the market. However, large players with a strong image and sufficient investment can still enter. Google entered the market with its Pixel smartphone. While it is still not a leading player in the industry, still the market share of Pixel in the US market has increased over time.

**The intensity of rivalry in the industry**:

The intensity of rivalry in the smartphone industry is very high. Demand has plateaued in recent years, leading to an increased focus on innovation and customer retention. Companies are investing aggressively in R&D to maintain their market shares. The leading companies are also among leading spenders on research and development. Samsung is one of the top spenders on research and development. Apple has also grown its investment into R&D during recent years. Moreover, while Samsung and Huawei have managed competitive pricing strategies, Apple which is known for its premium prices also priced the base model of the iPhone 11 competitively in order to maintain demand. The result was heavy sales. Xiaomi and Oppo have also maintained competitive prices to retain their market share. Apart from the top five, there are other brands also competing

**4.3 BCG MATRIX**

The Boston Consulting Group Matrix (BCG Matrix), also referred to as the product portfolio matrix, is a business planning tool used to evaluate the strategic position of a firm’s brand portfolio. … It classifies a firm’s product and/or services into a two-by-two matrix.

**4.3.1 BCG MATRIX OF NOKIA**

The BCG matrix is a strategic management tool that was created by the Boston Consulting Group, which helps in analysing the position of a strategic business unit and the potential it has to offer. The matrix consists of 4 classifications that are based on two dimensions. These first of these dimensions is the industry or market growth. The other of these dimensions is the relative market share of the strategic business unit. Strategic business units are placed in one of these 4 classifications. The BCG matrix for Nokia Beyond 2003 A Mobile Gatekeeper will help decide on the strategies that can be implemented for its strategic business units. Strategic business units with high market growth rate and high relative market share are called stars. Businesses should invest in their stars and can implement vertical integration, market penetration, product development, market development, and horizontal integration strategies. Strategic business units with high market growth rate and low relative market share are called question marks. These strategic business units require close considerations whether the business should continue with them or divest. Strategic business units with low market growth rate but with high relative market share are called cash cows. The business should invest in these to maintain their relative market share. Lastly, the strategic business units with low market growth rate and low relative market share are called dogs. The business should divest these strategic business units.

**Star**

The financial services strategic business unit is a star in the BCG matrix of Nokia Beyond 2003 A Mobile Gatekeeper. It operates in a market that shows potential in the future. Nokia Beyond 2003 A Mobile Gatekeeper earns a significant amount of its income from this SBU. Nokia Beyond 2003 A Mobile Gatekeeper should vertically integrate by acquiring other firms in the supply chain. This will help it in earning more profits as this Strategic business unit has potential.

The Number 1 brand Strategic business unit is a star in the BCG matrix of Nokia Beyond 2003 A Mobile Gatekeeper, and this is also the product that generates the greatest sales amongst its product portfolio. The potential within this market is also high as consumers are demanding this and similar types of products. Nokia Beyond 2003 A Mobile Gatekeeper should undergo a product development strategy for this SBU, where it develops innovative features on this product through research and development. This will help Nokia Beyond 2003 A Mobile Gatekeeper by attracting more customers and increases its sales.

The Number 2 brand Strategic business unit is a star in the BCG matrix of Nokia Beyond 2003 A Mobile Gatekeeper as Nokia Beyond 2003 A Mobile Gatekeeper has a 20% market share in this category. It also the market leader in this category. The overall category is expected to grow at 5% in the next 5 years, which shows that the market growth rate is expected to remain high. Nokia Beyond 2003 A Mobile Gatekeeper should use its current products to penetrate the market. This could be done by improving its distributions that will help in reaching out to untapped areas. This will help increase the sales of Nokia Beyond 2003 A Mobile Gate keep

**Cash Cows**

The supplier management service strategic business unit is a cash cow in the BCG matrix of Nokia Beyond 2003 A Mobile Gatekeeper. This has been in operation for over decades and has earned Nokia Beyond 2003 A Mobile Gatekeeper a significant amount in revenue. The market share for Nokia Beyond 2003 A Mobile Gatekeeper is high, but the overall market is declining as companies manage their supplier themselves rather than outsourcing it. The recommended strategy for Nokia Beyond 2003 A Mobile Gatekeeper is to stop further investment in this business and keep operating this strategic business unit as long as its profitable.

The Number 3 brand strategic business unit is a cash cow in the BCG matrix of Nokia Beyond 2003 A Mobile Gatekeeper. This is an innovative product that has a market share of 25% in its category. Nokia Beyond 2003 A Mobile Gatekeeper is also the market leader in this category. The overall category has been declining slowly in the past few years. Nokia Beyond 2003 A Mobile Gatekeeper has the power to influence the market as well in this category. It should, therefore, invest in research and development so that the brand could be innovated. This will help the category grow and will turn this cash cow into a star. The overall benefit would be an increase in sales of Nokia Beyond 2003 A Mobile Gatekeeper.

The international food strategic business unit is a cash cow in the BCG matrix for Nokia Beyond 2003 A Mobile Gatekeeper. This business unit has a high market share of 30% within its category, but people are now inclined less towards international food. This change in trends has led to a decline in the growth rate of the market.

**Question Marks**

The local foods strategic business unit is a question mark in the BCG matrix for Nokia Beyond 2003 A Mobile Gatekeeper. The recent trends within the market show that consumers are focusing more towards local foods. Therefore, this market is showing a high market growth rate. However, Nokia Beyond 2003 A Mobile Gatekeeper has a low market share in this segment. The recommended strategy for Nokia Beyond 2003 A Mobile Gatekeeper is to invest in research and development to come up with innovative features. This product development strategy will ensure that this strategic business unit turns into a cash cow and brings profits for the company in the future.

The Number 4 brand strategic business unit is a question mark in the BCG matrix for Nokia Beyond 2003 A Mobile Gatekeeper. This strategic business unit is a part of a market that is rapidly growing. However, this strategic business unit has been incurring losses in the past few years. It has also failed in the attempts made at innovation by research and development teams. The recommended strategy for Nokia Beyond 2003 A Mobile Gatekeeper is to divest and prevent any future losses from occurring.

The confectionery strategic business unit is a question mark in the BCG matrix for Nokia Beyond 2003 A Mobile Gatekeeper. The confectionery market is an attractive market that is growing over the years. However, Nokia Beyond 2003 A Mobile Gatekeeper has a low market share in this attractive market. The low sales are as a result of low reach and poor distribution of Nokia Beyond 2003 A Mobile Gatekeeper in this segment. The recommended strategy for Nokia Beyond 2003 A Mobile Gatekeeper is to undergo market penetration, where it pushes to make its product present on more outlets. This will ensure increased sales for Nokia Beyond 2003 A Mobile Gatekeeper and convert this strategic business unit into a cash cow.

**Dogs**

The plastic bags strategic business unit is a dog in the BCG matrix of Nokia Beyond 2003 A Mobile Gatekeeper. This strategic business unit has been in the loss for the last 5 years. It also operates in a market that is declining due to greater environmental concerns. The recommended strategy for Nokia Beyond 2003 A Mobile Gatekeeper is to divest this strategic business unit and minimise its losses.

The Number 5 brand strategic business unit is a dog in the BCG matrix for Nokia Beyond 2003 A Mobile Gatekeeper. This is operating in a market segment that is declining in the past 5 years. The company also has negative profits for this strategic business unit. However, it is expected that the market will grow in the future with environmental changes that are occurring. The recommended strategy for Nokia Beyond 2003 A Mobile Gatekeeper is to invest in the business enough to convert into a cash cow. This will ensure profits for Nokia Beyond 2003 A Mobile Gatekeeper if the market starts growing again in the future.

The synthetic fibre products strategic business unit is a dog in the BCG matrix of Nokia Beyond 2003 A Mobile Gatekeeper. The market for such products has been declining, and as a result of this decline, Nokia Beyond 2003 A Mobile Gatekeeper has been facing a loss in the past 3 years. The market share for it is also less than 5%. The recommended strategy for Nokia Beyond 2003 A Mobile Gatekeeper is to divest this strategic business unit to minimise any further losses.

The artificially flavoured products strategic business unit is a dog in the BCG matrix for Nokia Beyond 2003 A Mobile Gatekeeper. These products were launched recently, with the prediction that this segment would grow. However, with increasing health consciousness, people are now refraining from consumption of artificial flavours. The market is shrinking, and Nokia Beyond 2003 A Mobile Gatekeeper has no significant market share.

**4.3.2 BCG MATRIX OF LENOVO**

The BCG Matrix for Lenovo will help Lenovo in implementing the business level strategies for its business units. The analysis will first identify where the strategic business units of Lenovo fall within the BCG Matrix for Lenovo.

**Stars**

The financial services strategic business unit is a star in the BCG matrix of Lenovo. It operates in a market that shows potential in the future. Lenovo earns a significant amount of its income from this SBU. Lenovo should vertically integrate by acquiring other firms in the supply chain. This will help it in earning more profits as this Strategic business unit has potential.

The Number 1 brand Strategic business unit is a star in the BCG matrix of Lenovo, and this is also the product that generates the greatest sales amongst its product portfolio. The potential within this market is also high as consumers are demanding this and similar types of products. Lenovo should undergo a product development strategy for this SBU, where it develops innovative features on this product through research and development. This will help Lenovo by attracting more customers and increases its sales.

The Number 2 brand Strategic business unit is a star in the BCG matrix of Lenovo as Lenovo has a 20% market share in this category. It also the market leader in this category. The overall category is expected to grow at 5% in the next 5 years, which shows that the market growth rate is expected to remain high. Lenovo should use its current products to penetrate the market. This could be done by improving its distributions that will help in reaching out to untapped areas. This will help increase the sales of Lenovo.

**Cash Cows**

The supplier management service strategic business unit is a cash cow in the BCG matrix of Lenovo. This has been in operation for over decades and has earned Lenovo a significant amount in revenue. The market share for Lenovo is high, but the overall market is declining as companies manage their supplier themselves rather than outsourcing it. The recommended strategy for Lenovo is to stop further investment in this business and keep operating this strategic business unit as long as its profitable.

The Number 3 brand strategic business unit is a cash cow in the BCG matrix of Lenovo. This is an innovative product that has a market share of 25% in its category. Lenovo is also the market leader in this category. The overall category has been declining slowly in the past few years. Lenovo has the power to influence the market as well in this category. It should, therefore, invest in research and development so that the brand could be innovated. This will help the category grow and will turn this cash cow into a star. The overall benefit would be an increase in sales of Lenovo.

The international food strategic business unit is a cash cow in the BCG matrix for Lenovo. This business unit has a high market share of 30% within its category, but people are now inclined less towards international food. This change in trends has led to a decline in the growth rate of the market. The recommended strategy for Lenovo is to invest enough to keep this strategic business unit under operations. If it no longer remains profitable and turns into a dog, then Lenovo should divest this strategic business unit.

**Question Marks**

The local foods strategic business unit is a question mark in the BCG matrix for Lenovo. The recent trends within the market show that consumers are focusing more towards local foods. Therefore, this market is showing a high market growth rate. However, Lenovo has a low market share in this segment. The recommended strategy for Lenovo is to invest in research and development to come up with innovative features. This product development strategy will ensure that this strategic business unit turns into a cash cow and brings profits for the company in the future.The Number 4 brand strategic business unit is a question mark in the BCG matrix for Lenovo. This strategic business unit is a part of a market that is rapidly growing. However, this strategic business unit has been incurring losses in the past few years. It has also failed in the attempts made at innovation by research and development teams. The recommended strategy for Lenovo is to divest and prevent any future losses from occurring.The confectionery strategic business unit is a question mark in the BCG matrix for Lenovo. The confectionery market is an attractive market that is growing over the years. However, Lenovo has a low market share in this attractive market. The low sales are as a result of low reach and poor distribution of Lenovo in this segment. The recommended strategy for Lenovo is to undergo market penetration, where it pushes to make its product present on more outlets. This will ensure increased sales for Lenovo and convert this strategic business unit into a cash cow.

**Dogs**

The plastic bags strategic business unit is a dog in the BCG matrix of Lenovo. This strategic business unit has been in the loss for the last 5 years. It also operates in a market that is declining due to greater environmental concerns. The recommended strategy for Lenovo is to divest this strategic business unit and minimise its losses.The Number 5 brand strategic business unit is a dog in the BCG matrix for Lenovo. This is operating in a market segment that is declining in the past 5 years. The company also has negative profits for this strategic business unit. However, it is expected that the market will grow in the future with environmental changes that are occurring. The recommended strategy for Lenovo is to invest in the business enough to convert into a cash cow. This will ensure profits for Lenovo if the market starts growing again in the future.The synthetic fibre products strategic business unit is a dog in the BCG matrix of Lenovo. The market for such products has been declining, and as a result of this decline, Lenovo has been facing a loss in the past 3 years. The market share for it is also less than 5%. The recommended strategy for Lenovo is to divest this strategic business unit to minimise any further losses.The artificially flavoured

products strategic business unit is a dog in the BCG matrix for Lenovo. These products were launched recently, with the prediction that this segment would grow. However, with increasing health consciousness, people are now refraining from consumption of artificial flavours. The market is shrinking, and Lenovo has no significant market share. The recommended strategy for Lenovo is to call back this product.

**4.3.3 BCG MATRIX OF XIAOMI**

The BCG Matrix for Xiaomi will help Xiaomi in implementing the business level strategies for its business units. The analysis will first identify where the strategic business units of Xiaomi fall within the BCG Matrix for Xiaomi.

**Stars**

The financial services strategic business unit is a star in the BCG matrix of Xiaomi. It operates in a market that shows potential in the future. Xiaomi earns a significant amount of its income from this SBU. Xiaomi should vertically integrate by acquiring other firms in the supply chain. This will help it in earning more profits as this Strategic business unit has potential.

The Number 1 brand Strategic business unit is a star in the BCG matrix of Xiaomi, and this is also the product that generates the greatest sales amongst its product portfolio. The potential within this market is also high as consumers are demanding this and similar types of products. Xiaomi should undergo a product development strategy for this SBU, where it develops innovative features on this product through research and development. This will help Xiaomi by attracting more customers and increases its sales.

The Number 2 brand Strategic business unit is a star in the BCG matrix of Xiaomi as Xiaomi has a 20% market share in this category. It also the market leader in this category. The overall category is expected to grow at 5% in the next 5 years, which shows that the market growth rate is expected to remain high. Xiaomi should use its current products to penetrate the market. This could be done by improving its distributions that will help in reaching out to untapped areas. This will help increase the sales of Xiaomi.

**Cash Cows**

The supplier management service strategic business unit is a cash cow in the BCG matrix of Xiaomi. This has been in operation for over decades and has earned Xiaomi a significant amount in revenue. The market share for Xiaomi is high, but the overall market is declining as companies manage their supplier themselves rather than outsourcing it. The recommended strategy for Xiaomi is to stop further investment in this business and keep operating this strategic business unit as long as its profitable.The Number 3 brand strategic business unit is a cash cow in the BCG matrix of Xiaomi. This is an innovative product that has a market share of 25% in its category. Xiaomi is also the market leader in this category. The overall category has been declining slowly in the past few years. Xiaomi has the power to influence the market as well in this category. It should, therefore, invest in research and development so that the brand could be innovated. This will help the category grow and will turn this cash cow into a star. The overall benefit would be an increase in sales of Xiaomi.The international food strategic business unit is a cash cow in the BCG matrix for Xiaomi. This business unit has a high market share of 30% within its category, but people are now inclined less towards international food. This change in trends has led to a decline in the growth rate of the market. The recommended strategy for Xiaomi is to invest enough to keep this strategic business unit under operations. If it no longer remains profitable and turns into a dog, then Xiaomi should divest this strategic business unit.

**Question Marks**

The local foods strategic business unit is a question mark in the BCG matrix for Xiaomi. The recent trends within the market show that consumers are focusing more towards local foods. Therefore, this market is showing a high market growth rate. However, Xiaomi has a low market share in this segment. The recommended strategy for Xiaomi is to invest in research and development to come up with innovative features. This product development strategy will ensure that this strategic business unit turns into a cash cow and brings profits for the company in the future.The Number 4 brand strategic business unit is a question mark in the BCG matrix for Xiaomi. This strategic business unit is a part of a market that is rapidly growing. However, this strategic business unit has been incurring losses in the past few years. It has also failed in the attempts made at innovation by research and development teams. The confectionery strategic business unit is a question mark in the BCG matrix for Xiaomi. The confectionery market is an attractive market that is growing over the years. However, Xiaomi has a low market share in this attractive market. The low sales are as a result of low reach and poor distribution of Xiaomi in this segment. The recommended strategy for Xiaomi is to undergo market penetration, where it pushes to make its product present on more outlets. This will ensure increased sales for Xiaomi and convert this strategic business unit into a cash cow.

**Dogs**

The plastic bags strategic business unit is a dog in the BCG matrix of Xiaomi. This strategic business unit has been in the loss for the last 5 years. It also operates in a market that is declining due to greater environmental concerns. The recommended strategy for Xiaomi is to divest this strategic business unit and minimise its losses.The Number 5 brand strategic business unit is a dog in the BCG matrix for Xiaomi.. The company also has negative profits for this strategic business unit. However, it is expected that the market will grow in the future with environmental changes that are occurring. The recommended strategy for Xiaomi is to invest in the business enough to convert into a cash cow. This will ensure profits for Xiaomi if the market starts growing again in the future.The synthetic fibre products strategic business unit is a dog in the BCG matrix of Xiaomi. The market for such products has been declining, and as a result of this decline, Xiaomi has been facing a loss in the past 3 years. The market share for it is also less than 5%. The recommended strategy for Xiaomi is to divest this strategic business unit to minimise any further losses.The artificially flavoured products strategic business unit is a dog in the BCG matrix for Xiaomi. These products were launched recently, with the prediction that this segment would grow.

**CHAPTER 5**

**FUTURE PROSPECTS, CONCLUSION**

**5.1FUTURE PROSPECTS**

**5.1.1 FUTURE PROSPETS OF NOKIA**

Nokia announces plans to reset its cost base to invest in future capabilities

* New business groups announce plans to reset their cost bases.
* On a group level, this is expected to lower the company’s cost base by approximately EUR 600 million by the end of 2023. These savings will offset increased investments in R&D, future capabilities and costs related to salary inflation.
* Nokia expects approximately EUR 600–700 million of restructuring and associated charges by 2023.
* The company maintains its 2021 outlook.
* Planned restructuring is expected to result in an 80 000–85 000 employee organization, over an 18–24-month period, instead of the approximately 90 000 employees Nokia has today.

Espoo, Finland – Nokia’s business groups today announce plans to reset their cost bases and invest in R&D and future capabilities including 5G, cloud and digital infrastructure, as well as other areas that will benefit Nokia in the long-term. In October last year the company announced a new operating model designed to better position the company for changing markets and align with customer needs.

Nokia’s business groups have outlined the following actions:

* Mobile Networks aims to be the indisputable top in wireless mobility networks and associated services. To achieve this goal it will focus on strengthening technology leadership and will further invest in 5G R&D. It will also accelerate efforts to digitalize processes and tools across the value chain.
* Cloud and Network Services’ customers are shifting away from owning products to consuming outcomes, delivered as-a-service from the cloud. The business group’s priorities and how it operates must align with this shift.

**5.1.2 FUTURE PROSPECTS OF LENOVO**

* Creating more natural ways to connect people with devices
* Building device and network connections that are reliable, seamless and ubiquitous
* Making devices interconnected for rich interactions
* Giving customers the power of big data and their own personal cloud
* Leveraging smart connectivity to let customers pick the services they want and create their own unique experiences

In addition to products available this year, Lenovo also gave an inside look at three of its upcoming research and technology projects. These concepts demonstrate the innovative thinking today that holds the promise of changing the face of technology tomorrow.

2021 Lenovo unveiled its vision to redefine meaningful innovation in technologies that have become more essential than ever to the user experience. Innovation has traditionally always focused on breakthrough technologies and new form factors, but 2020 has reframed the idea of meaningful innovation in a year where people sought changes to existing technologies that helped them improve the way they lived, worked, and studied. Lenovo is predicting that the next decade will be defined by smarter technology for all and targeted innovations and breakthroughs in a few existing technologies that have become essential today to the user experience. This shift is a catalyst that will bring about more meaningful innovation that serves more people going forward..

**5.1.3 FUTURE PROSPECT OF XIAOMI**

Xiaomi held a massive launch event earlier today where they unveiled multiple new products from the brand, including the Xiaomi 12 smartphone lineup, MIUI 13, Xiaomi Watch S1, and many more. But the products were not the only thing revealed in this conference as Xiaomi’s CEO and Founder Lei Jun took to the stage to announce the company’s future plans. Earlier this year, Xiaomi briefly overtook Apple in the total global shipment volume, making it the 2nd largest global smartphone manufacturer for a while. Now, the CEO of Xiaomi announced that the company intends to take on the global leaders in the smartphone industry and become the number one smartphone brand in the next three years. A similar statement was made earlier in November by Lu Weibning, the Senior VP of Xiaomi Group China and GM of Redmi, who posted on Weibo clarifying Xiaomi’s goals in the future. Lu Weibing explained that Xiaomi’s Founder Lei Jun had put forward a goal of No.1 sales of Xiaomi smartphones in the world by 2024.

The announcement by Xiaomi’s founder Lei Jun has also raised some questions about how they plan to achieve global dominance in the smartphone market. Recently, Xiaomi has constantly ranked 3rd, trailing closely behind Apple. MI Becomes No.1 Smartphone Brand Globally for First Time Ever. Xiaomi surpassed Samsung and Apple and other big giants in June 2021 to become the number one smartphone brand in the world (first time ever), according to Counterpoint Research’s Monthly Market Pulse Service. Smart devices maker Xiaomi India said that they are planning to export their smartphones and other products from the country due to a boom in domestic demand post the COVID-19 lockdown.Xiaomi India Managing Director Manu Kumar Jain also told that the company is expanding production capacity

**5.2 CONCLUSION**