



The Nokia logo is displayed in a bold, white, sans-serif font. It is positioned on the left side of the slide, separated from the text on the right by a vertical orange line. In the bottom-left corner, there is a large orange semi-circle.

# NOKIA

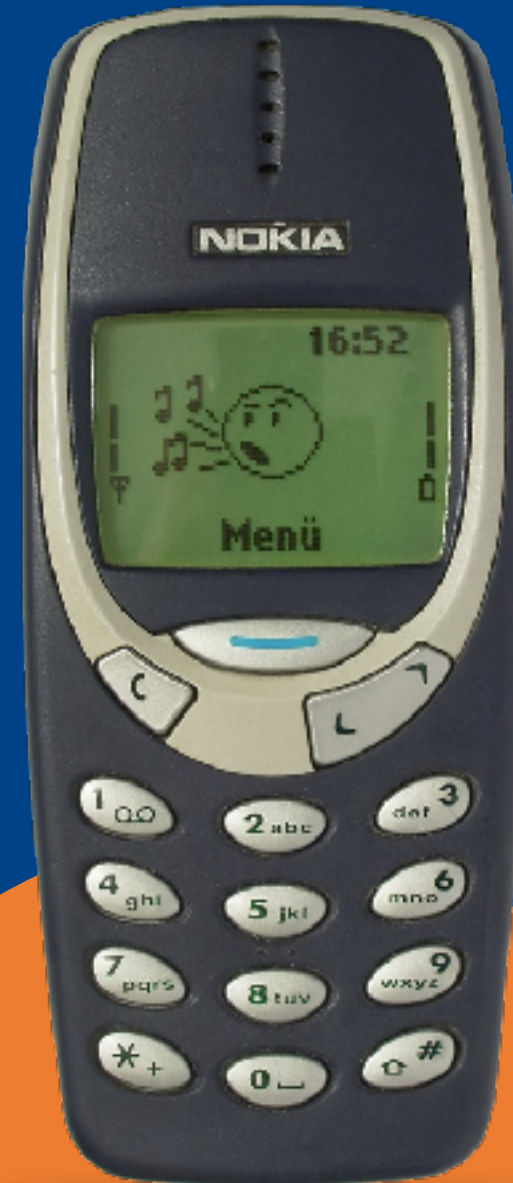
- Founded in 1865 in Finland
- Ventured into different markets: paper, rubber, cable
- Global leader in the mobile market during the early days of the mobile and smartphone era
- Failed to adapt to new technologies

# STRENGTHS

Experience as a former handset manufacturer contributes to Nokia's success in the telecom industry.

Large budget for research & development.

Nokia is moving further with more stability as the 5G network rolls out.

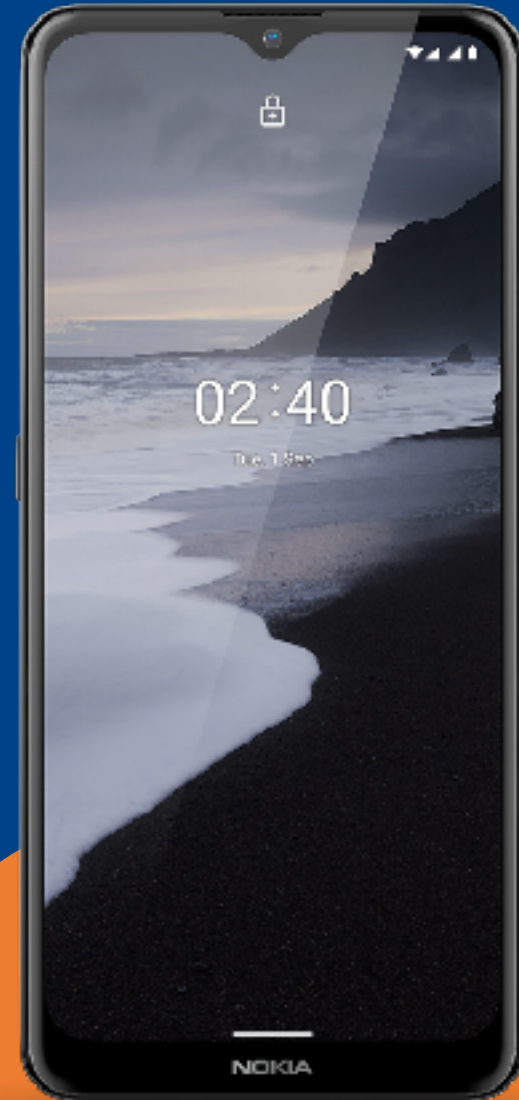


# WEAKNESSES

Low performance financially

Low performance of smartphones and poor designs

Nokia has had a hard time launching a cost effective 5G radio base



# OPPORTUNITIES

Sell selected commodities to increase cash flow and concentrate on fastest growing areas.

Maintain a diverse product range across various segments.

Take advantage of accelerating 5G upgrade costs globally



# THREATS

Samsung and Iphone's popularity

New entrants

It relies on high-margin technology for its profits



# INDUSTRY ANALYSIS

- The smartphone industry was valued 714.96 billion in 2020.
- 10.5% decline in 2020 due to the impact of the COVID-19 pandemic on the industry
- 5G Smartphones Are Forecast to Account for 35% of Total Smartphone Sales in 2021
- Global average selling price of smartphones is expected to reach 317 USD by 2021.
- 1° Samsung (21.8%), 2° Apple (16%), 3° Xiaomi (14.1%). Nokia is part of the Other category (27.2% in total).
- 46.45% of the global population had access to a smartphone in 2020.

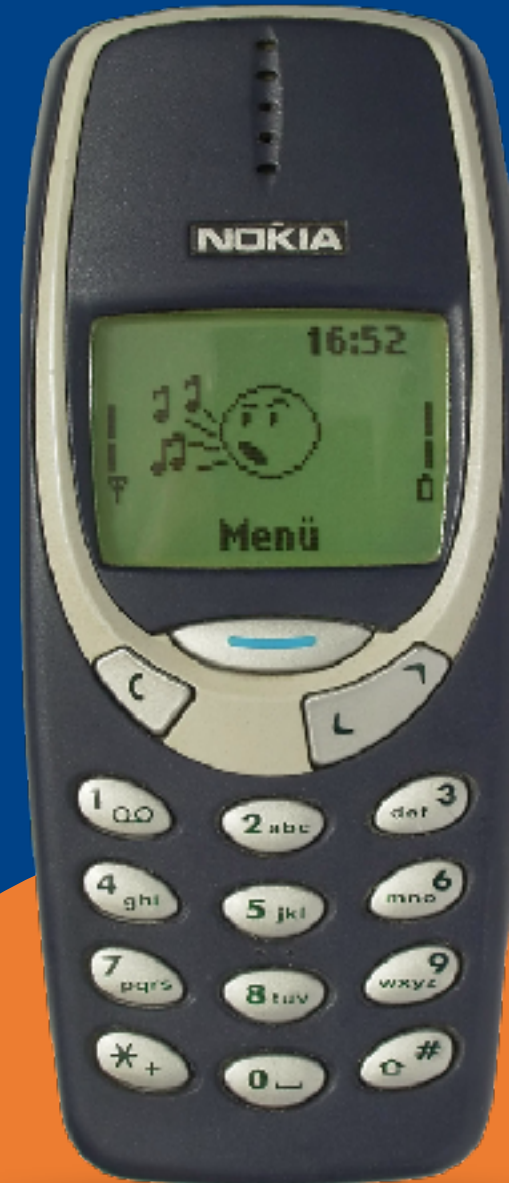
**Table 1. Worldwide Smartphone Sales by Region, 2019-2021 (Thousands of Units)**

Region	2019	2020	2021
Eastern Europe	47,350	42,960	49,364
Emerging Asia/Pacific	369,359	338,897	385,891
Eurasia	46,341	43,473	47,261
Greater China	407,449	368,018	409,968
Latin America	131,954	116,301	134,349
Mature Asia/Pacific	31,085	28,311	30,457
Middle East and North Africa	75,208	71,477	79,112
North America	159,974	136,257	151,750
Sub-Saharan Africa	91,537	84,440	94,293
Western Europe	146,747	125,430	142,796
Japan	31,643	27,159	30,118
<b>Grand Total</b>	<b>1,540,655</b>	<b>1,378,719</b>	<b>1,535,358</b>

Source: Gartner (February 2021)

## "ARROGANCE" OF BEING LEADER ON THE MARKET

In year 2000, Nokia occupied more than 30% market share of phone. Nokia was a big giant in the mobile manufacture market.





# "ARROGANCE" OF BEING LEADER ON THE MARKET

Nokia ignored its retailer or possible distributor, they didn't take into account the customers feedbacks, tastes or preference.

Nokia **didn't use its environment, and didn't analyze and include all the stakeholders** of the phone market thinking they could work there on.

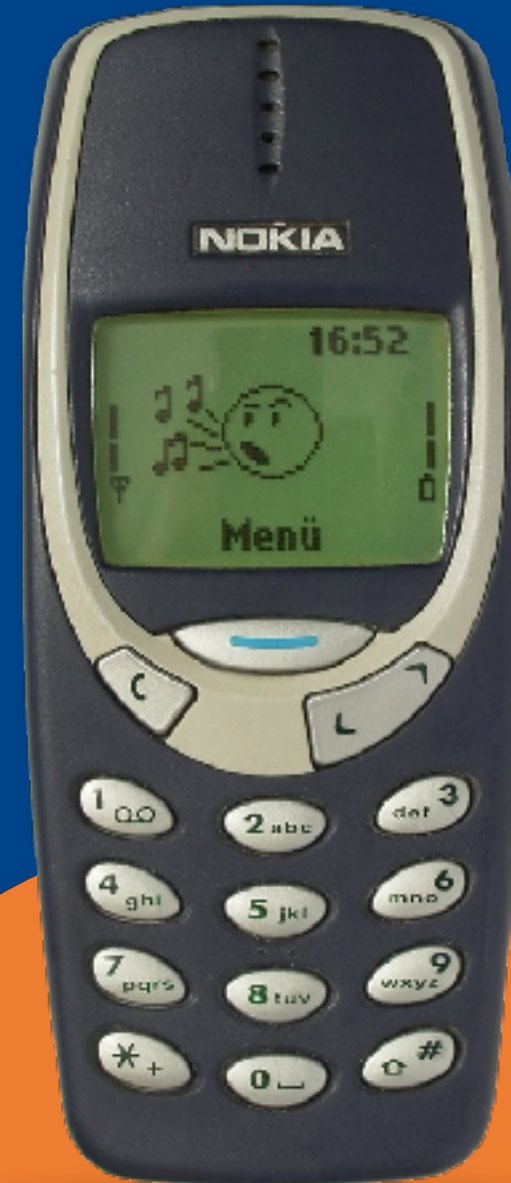
In the early 2000's, their competitors didn't exist, they didn't imagine that they will decline that fast, no one was facing Nokia and challenging the company. The company was counting on the loyalty of the customers, and the innovation they offered.



# "ARROGANCE" OF BEING LEADER ON THE MARKET

Although Nokia didn't pay much attention to the environment outside the company, Nokia's CEO Jorma Ollila chose to restructure within the company because he was scared after such as rapid growth that the company will lack of agility.

Between 2001 and 2005, decisions were made to attempt to reshape Nokia's organization and reimpulse its beginning energy but, one of the decision was the reallocation of important leadership roles. It has not been well implemented into a matrix structure. It has led to the departure of vital members of the executive team, who were important to the strategic thinking and decision making.



# DISCONNECTING STRATEGIES

In 2010, Nokia made a tie up with Intel to develop an OS called **MeeGo** and changed the strategy to sell one flagship phone each year. However this didn't work due to incompatible modular architectures of both softwares.

One obvious route for Nokia was to join Android and it was perfectly compatible with Nokia's hardware. This was a low risk choice but it seemed to be a low reward choice as well for Nokia's management.



## LATE INCUMBENT FOR SMARTPHONES

Weaknesses in strategic planning led Nokia to be a late incumbent into smartphones (only entering in 2010), making it **harder for them to capture Market share**, as well as a series of strategic mistakes after implementing Windows OX later on.