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Why Did Nokia Collapsed: A Study of its Future

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ABSTRACT-

Nokia's downfall was mainly caused by its failure to embrace the smartphone revolution. By continuing to use obsolete platforms like Symbian while competitors like Apple and Samsung advanced, the firm neglected to see the increasing significance of software, user-friendly interfaces, and app ecosystems. Its decline was further hastened by internal mismanagement, slow innovation, and bad strategic decisions. Nokia has changed its emphasis from mobile phones to telecommunications infrastructure, 5G technology, and business solutions as it looks ahead. Nokia intends to continue being a significant player in the worldwide tech and network sector, even if it may not regain its former supremacy in consumer electronics.

INTRODUCTION

Nokia, formerly a worldwide leader in mobile phones, fell as a result of its inability to adjust to the fast-shifting smartphone market. Nokia overestimated the influence of touchscreen technology and the growth of Android and iOS platforms, despite dominating the market in the early 2000s. Its dependence on the obsolete Symbian operating system, sluggish innovation, unwise strategic choices, and internal organizational problems caused it to deteriorate quickly. Nokia had already surrendered a large portion of the market to more nimble rivals like Apple and Samsung by the time it teamed with Microsoft in 2011.

OBJECTIVE-

Nokia's downfall was caused by poor strategic choices, like its delayed alliance with Microsoft, failure to adapt to the smartphone era, delayed innovation, excessive reliance on its old Symbian OS, and a lack of competitiveness. This enabled rivals like Apple and Samsung to take the lead in the industry.

The future Goal:

By concentrating on 5G networks, digital infrastructure, and enterprise technology solutions, Nokia hopes to be a significant facilitator of future connectivity and smart technologies around the world. Its future goal is to take the lead in the worldwide telecommunications industry.

LITERATURE REVIEW-

Numerous academic and commercial publications have examined the causes of Nokia's decline, attributing it to a combination of external market changes and internal errors. Strategic rigidity is highlighted by researchers like Doz and Wilson (2017), who point out Nokia's inability to change from feature phones to smartphones in spite of early advancements. The excessive dependence on the Symbian operating system, which was sluggish and ineffective in compared to Android and iOS, is frequently emphasized in the literature (Vuori & Huy, 2016). Leadership and organizational dysfunction is another prevalent issue. Research shows that Nokia's top-down management style stifled innovation and fostered fear-based decision-making, hindering its ability to respond quickly to market changes. Furthermore, strategic collaborations, such as the exclusive partnership with Microsoft, are said to be more reactive than proactive. Studies indicate that Nokia's emphasis on 5G infrastructure, business technology, and networking solutions offers a plausible route to redemption as we look ahead. Although the company may never reclaim its supremacy in mobile devices, publications predict expansion in business-to-business markets where Nokia's history in hardware and research and development may be applied.

RESEARCH METHODOLOGY-

This study examines the factors contributing to Nokia's decline using a qualitative research approach. It mainly uses secondary data sources, such as industry reports, academic journals, case studies, company financials, and expert interviews that have been released in reliable media. To examine Nokia's strategic choices, technological selections, market conduct, and organizational structure, a case study methodology is used. The study also includes a comparative analysis with competitors such as Apple and Samsung to demonstrate Nokia's shortcomings in innovation and flexibility.

Data is gathered from:

Books and business literature (such as "Ringtone" by Doz & Wilson) Journals that have been peer-reviewed Public statements and corporate reports market analysis reports covering the years 2005 to 2015 This approach aids in pinpointing the internal and external causes of Nokia's decline and offers perspectives on potential strategic options going forward.

DATA COLLECTION-

To gain a thorough insight of Nokia's decline and future possibilities, this study's data is gathered from secondary sources. Important sources are:

- Case Studies and Academic Journals: Insights from management and business academics on Nokia's leadership issues and strategic mistakes.
- Financial Statements and Company Reports – Use official Nokia annual reports and earnings to monitor performance trends and strategic choices.
- Industry Reports – Market share, smartphone trends, and competitive positioning data from Gartner, IDC, and Statista.
- News Articles and Interviews: Insights from interviews with former Nokia executives and business media sources like Forbes, Bloomberg, and the Harvard Business Review.
- Books and Documentaries: In-depth accounts like Ringtone and films that detail Nokia's path and strategic errors. These sources offer trustworthy and multidimensional perspectives on both the failure of Nokia and its developing future in areas like network solutions, 5G, and enterprise technologies.

FINDING-

1. Inability to Adjust to Smartphone Trends: Nokia's transition from feature phones to smartphones was delayed, which allowed rivals like Apple and Samsung to take over the market.
2. Poor Software Strategy: The continued use of the obsolete Symbian OS and the delayed, unsuccessful collaboration with Microsoft's Windows Phone did not entice users.
3. Bad Strategic Choices: Nokia's senior management ignored change and took cautious risks, missing chances for innovation.
4. Ineffective Leadership and Internal Politics: A fear-based, bureaucratic culture hindered innovation and delayed reactions to market shifts.
5. Absence of Ecosystem: Nokia's gadgets were less appealing as a result of its inability to develop a robust application and service ecosystem like Apple and Google.

RECOMMENDATION-

1. Invest in Innovation and R&D: To remain competitive in the tech sector, Nokia must keep investing in cutting-edge technologies like 5G, AI, and IoT.
2. Concentrate on Core Competencies: Change your attention away from consumer phones and toward business solutions, network infrastructure, and telecom services, areas in which Nokia excels.
3. Adopt Agile Leadership: To steer clear of previous errors like sluggish decision-making and internal power struggles, embrace a leadership style that is more adaptable and driven by innovation.
4. Strengthen Partnerships: Work with prominent tech companies and startups to create innovative solutions together and broaden ecosystem offerings.
5. Revamp Brand Image: Leverage its legacy reputation to restore consumer trust and establish a more robust presence in emerging or specialized markets.

LIMITATION-

Reliance on Secondary Data: The study depends on publicly available reports and prior research, which may not adequately reflect a company's internal workings.

Shortage of Primary Insights:

Limited firsthand views due to the absence of direct surveys or interviews with Nokia executives or employees. Time-Bound Analysis: Much of the available data is between 2007 and 2015, which may not accurately represent recent changes or strategic alterations. Subjectivity in Interpretation: Conclusions may be influenced by differing views among analysts and sources. Rapid Tech Changes: The tech industry's quick pace causes some discoveries to become less pertinent over time.

CONCLUSION-

Nokia's demise was mostly due to its inability to keep up with fast technological advancements, misguided strategic choices, and internal organizational issues. The organization was held back by old leadership and a lack of agility, as well as by obsolete software (Symbian) and a lack of flexibility. These factors enabled rivals like Apple and Samsung to dominate the market. Nevertheless, Nokia's outlook is bright in fields other than smartphones. Nokia has the chance to restore its status as a top tech firm by concentrating on its strengths in enterprise solutions, telecom infrastructure, and 5G technology. Nokia may thrive in the changing digital environment with ongoing innovation, strategic alliances, and flexible leadership.

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