



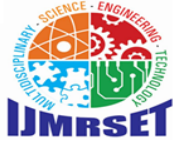
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## International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

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# Impact of Marketing Failures on Nokia's Decline in the Smartphone Industry: A Consumer Perception Study from Coimbatore, Tamil Nadu

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**ABSTRACT:** The present study investigates the role of marketing-related failures in bringing about Nokia's sharp decline within the global smartphone sector, drawing on primary data from consumers in Coimbatore, Tamil Nadu, India. Nokia once held a commanding position exceeding 40% of worldwide mobile handset sales, yet its inability to reinvent its brand identity, transition to the Android platform, cultivate a robust application ecosystem, and harness contemporary digital marketing tools led to a virtually complete collapse of its market presence by 2016. A structured questionnaire was administered to 111 participants, and their responses were analysed across four thematic domains: attribution of marketing failures, brand image perceptions, operating system and app experience, and future purchase intentions. The study employed percentage analysis, average score analysis, Chi-Square tests, and one-way ANOVA as the primary statistical instruments. Key findings indicate that 51.4% of respondents regard Nokia as an outdated brand, 41.4% are unwilling to repurchase Nokia devices, and inadequate digital marketing is widely recognised as the foremost contributor to its decline. Chi-Square and ANOVA analyses reveal no statistically significant differences across demographic subgroups, pointing to a broadly shared negative sentiment among consumers. The study concludes with practical recommendations relevant to legacy brand recovery in competitive digital markets.

**KEYWORDS:** Nokia decline, Marketing failures, Brand image, Smartphone industry, Consumer perception, Digital marketing, Operating system experience

### I. INTRODUCTION

Among the many corporate downturns witnessed in the contemporary technology landscape, Nokia's fall from dominance stands out as one of the most instructive case studies in brand mismanagement and strategic failure. In the early 2000s, the Finnish telecommunications giant held a near-unassailable position, accounting for more than 40% of the global mobile phone market. Nokia was regarded by consumers and industry observers alike as the definitive standard-bearer for mobile communication, widely valued for the robustness, dependability, and affordability of its products. Despite this formidable starting point, the company's market standing deteriorated at a pace that few could have anticipated, culminating in the sale of its mobile division to Microsoft in 2013 for approximately USD 7.2 billion.

At its core, Nokia's downfall reflects a pattern of compounding marketing failures rather than a simple inability to compete on technology alone. These failures encompassed strategic misjudgements, inadequate brand stewardship, slow adaptation to digital and social media channels, and a persistent disconnect from evolving consumer expectations. Although the arrival of Apple's iPhone in 2007 and the rapid proliferation of Google's Android ecosystem from 2008 onwards are frequently cited as external catalysts, a careful examination reveals that Nokia's own internal shortcomings in brand strategy and market responsiveness were equally decisive in shaping its trajectory.

Nokia had originally built its reputation on the strength of the 'Connecting People' promise, a tagline that resonated across geographies and demographics. The company had invested substantially in traditional advertising and extensive retail distribution, which secured it an almost unparalleled level of brand familiarity. However, the emergence of the smartphone transformed mobile devices from communication tools into portable computing platforms, a shift Nokia fatally underestimated. Its dismissal of the iPhone as a product relevant only to a narrow segment of consumers proved to be among the most consequential miscalculations in modern business history. The subsequent strategic confusion — marked by a prolonged dependence on the Symbian operating system, an inconclusive foray into MeeGo development, and an eventually belated pivot to Windows Phone in 2011 — only deepened the brand's structural vulnerability.



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This study situates its inquiry within Coimbatore, Tamil Nadu, a city that represents one of India's major industrial and educational centres, and a market where Nokia once commanded significant consumer loyalty. By examining how local consumers perceive Nokia's marketing failures today, the study seeks to offer empirically grounded insights for brand managers, marketing researchers, and strategists confronting the pressures of digital disruption.

### II. OBJECTIVES OF THE STUDY

The following objectives have been formulated to guide this research:

1. To identify the key marketing failures perceived by consumers as contributing to Nokia's decline in the smartphone industry.
2. To assess consumer perceptions of Nokia's brand image and how it changed during and after the smartphone era.
3. To examine the influence of operating system and application experience on consumer brand loyalty toward Nokia.
4. To evaluate consumer future purchase preference and repurchase intention toward Nokia smartphones.
5. To determine whether demographic variables such as gender, age, educational qualification, and occupation significantly influence consumer perceptions of Nokia's marketing failures.

### III. LITERATURE SURVEY

#### **Vuori, T. O., & Huy, Q. N. (2016)**

In a qualitative investigation involving Nokia's senior and middle management personnel, Vuori and Huy (2016) uncovered a significant organisational pathology: pervasive fear and an ingrained culture of overconfidence suppressed candid internal communication about the threats posed by emerging smartphone competitors. Subordinates routinely withheld unfavourable assessments from senior leadership, producing a collective blind spot at the very levels of the organisation responsible for strategic direction. The authors concluded that this emotional and informational distortion, distributed across the firm's hierarchy, fundamentally undermined Nokia's capacity to perceive and react to competitive disruption in time.

#### **Lamberg, J. A., Lubinaitė, S., Ojala, J., & Tikkanen, H. (2021)**

Lamberg and colleagues (2021) approached Nokia's decline through a comprehensive longitudinal analysis drawing on historical records spanning over two decades, from 1990 to 2013. Their central argument holds that Nokia's deep entrenchment in the feature-phone model created a form of path dependency that constrained the organisation's ability to embrace touchscreen-based interfaces and the app-driven ecosystems that smartphones demanded. Paradoxically, the very capabilities, processes, and strategic instincts that had propelled Nokia to market leadership became impediments to its reinvention, as the firm struggled to detach itself from a set of assumptions calibrated for a competitive environment that was fast becoming obsolete.

#### **Kaplan, A. M., & Haenlein, M. (2010)**

Kaplan and Haenlein (2010) analysed the strategic significance of social media for corporate branding and consumer engagement. Their research established that organisations that fail to build an active and meaningful presence across digital social platforms risk progressive disengagement from consumer conversations and a corresponding erosion of brand relevance. Nokia's near-complete absence from social media channels during the critical period between 2008 and 2012 aligns closely with the vulnerabilities documented in this work. By ceding the digital conversation to Apple and Samsung during those years, Nokia effectively forfeited a vital arena of competitive brand-building at precisely the moment it could least afford to do so.

#### **Aaker, D. A. (1991)**

Aaker's (1991) foundational contribution to brand management theory introduced a structured framework for understanding brand equity as a multi-dimensional strategic resource, encompassing brand loyalty, awareness, perceived quality, and associative value. Central to his argument is the observation that while building robust brand equity demands sustained investment over time, its deterioration can occur with startling speed when a company fails to actively manage and refresh its brand identity in response to shifting market dynamics. Nokia's failure to recast its identity from a feature-phone icon to a competitive smartphone brand exemplifies precisely the kind of brand mismanagement during technological transition that Aaker's model forewarns against.



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A review of the existing literature indicates a notable research gap: the preponderance of published studies approaches Nokia's decline from a corporate or organisational strategy perspective, and empirical consumer-level data — particularly from the Indian market and from Tier II urban centres such as Coimbatore — remains largely unavailable. The present study directly addresses this gap by collecting and analysing primary consumer data in this context.

### IV. METHODOLOGY / APPROACH

The study is designed as descriptive research, incorporating both quantitative and qualitative elements. The research was conducted in Coimbatore, Tamil Nadu, a city characterised by a sizeable and digitally engaged population drawn from industrial, academic, and commercial sectors, making it a contextually appropriate setting for a study of smartphone brand perceptions.

A convenience sample of 111 respondents was drawn from individuals aged 18 years and above who had prior experience using smartphones, covering urban, semi-urban, and peri-urban areas within Coimbatore. Data collection was undertaken during February 2026 through a combination of Google Forms-based distribution and direct in-person surveys.

The questionnaire was structured into six sections: (A) Demographic Profile; (B) Consumer Awareness and Marketing Failure Perception; (C) Future Preference toward Nokia Smartphones; (D) Brand Image and Market Presence; (E) Operating System and Application Experience; and (F) General Perceptions. Sections C, D, and E utilised a five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1). Internal consistency was verified using Cronbach's Alpha, which returned a value of 0.81, indicating satisfactory reliability.

Four statistical techniques were applied: (1) Percentage Analysis for categorical and demographic distributions; (2) Average Score Analysis for Likert-scale responses; (3) Chi-Square Test ( $\chi^2$ ) to assess associations between demographic variables and selected perception variables at the 5% significance level; and (4) One-Way ANOVA to evaluate mean differences in perception scores across demographic groupings.

### V. RESULTS & DISCUSSION

#### A. Demographic Profile

The sample was composed of 55.9% male and 44.1% female respondents. The 18–25 age bracket was the most heavily represented, accounting for 55.9% of participants, followed by the 26–35 bracket at 24.3%. In terms of educational attainment, 40.5% held undergraduate qualifications and 31.5% had postgraduate degrees. Students formed the largest occupational category at 40.5%, followed by employed individuals at 29.7% and the self-employed at 25.2%. A substantial majority of respondents, 79.3%, were unmarried, reflecting the predominantly youthful and academically oriented character of the sample.

#### B. Marketing Failure Attribution

Survey respondents most frequently identified 'Weak smartphone-focused marketing strategy' as the principal marketing failure (22.5%), followed by 'Lack of digital and social media presence' (21.6%), 'Poor response to Apple and Samsung competition' (20.7%), 'Over-reliance on feature phone success' (18.0%), and 'Failure to adopt Android OS' (17.1%). When asked to identify the broader factors behind Nokia's overall decline, 'Weak digital marketing' was cited most often at 19.8%, with 'Poor understanding of customer needs' at 16.2% and 'Poor advertising and branding' at 15.3% following closely.

#### C. Brand Image and Consumer Perception

More than half of all respondents (51.4%) considered Nokia outdated relative to contemporary smartphone brands, with only 27.0% disagreeing with this characterisation. Regarding future purchase behaviour, 41.4% indicated they would not consider acquiring a Nokia smartphone again, while only 30.6% expressed a willingness to do so. Average score analysis further reinforced this picture: the statements 'Nokia gradually lost relevance in the smartphone market' and 'Nokia's brand image changed negatively over time' each drew agreement from a majority of respondents (66 and 62, respectively in the SA+A category), reflecting a sustained and deep erosion of the brand's equity and aspirational appeal.



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### D. Operating System and App Experience

Limitations related to the operating system emerged as a significant factor in consumer decisions to switch away from Nokia. The statement 'App performance was better on competitor smartphones' received agreement from 66 respondents in the SA+A category, while 'Android smartphones offered a better user experience than Nokia' was endorsed by 60 respondents. Critically, 65 respondents agreed that 'Operating system choice affected my brand loyalty,' establishing a direct empirical link between OS experience and brand defection. These findings underscore how Nokia's failure to effectively promote and develop its Ovi Store, combined with its delayed transition to Android, generated an experiential disadvantage that competitors were swift to exploit.

### E. Percentage Analysis

- Majority (55.9%) of the respondents are Male.
- Most (55.9%) of the respondents belong to the age group of 18 – 25 years.
- Most (40.5%) of the respondents' educational qualification is Undergraduate.
- Majority (79.3%) of the respondents are Unmarried.
- Majority (40.5%) of the respondents are Students.
- Most (22.5%) of the respondents identified weak smartphone-focused marketing strategy as the key marketing failure contributing to Nokia's decline.
- Most (19.8%) of the respondents believe that weak digital marketing was the primary factor in Nokia's decline.
- Most (27.0%) of the respondents stopped using Nokia as their primary smartphone brand after 2016.
- Most (20.7%) of the respondents trust a smartphone brand today based on online reviews.
- Majority (51.4%) of the respondents perceived Nokia as outdated compared to other smartphone brands.
- Most (41.4%) of the respondents would not consider purchasing a Nokia smartphone again in the future.

### F. Chi-Square Analysis

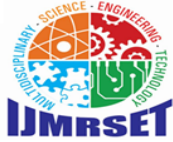
Relationship Tested	$\chi^2$ Value	df	Table Value (5%)	Outcome
Gender vs. Future Purchase Preference	0.612	2	5.991	H <sub>0</sub> Accepted
Age Group vs. Perception of Nokia as Outdated	8.234	8	15.507	H <sub>0</sub> Accepted
Occupation vs. OS Experience	2.891	9	16.919	H <sub>0</sub> Accepted

All three Chi-Square tests returned results below the critical threshold, leading to acceptance of the null hypothesis in each case. No statistically significant association was found between demographic variables and the key perception outcomes under examination. This uniformity of negative sentiment across all demographic categories underscores the breadth and depth of the damage sustained by Nokia's brand equity.

### G. ANOVA Results

ANOVA Test	F Value	Sig. Value	Outcome
Educational Qualification vs. Future Preference Score	0.842	0.473	H <sub>0</sub> Accepted
Occupation vs. Brand Image Perception Score	1.134	0.341	H <sub>0</sub> Accepted
Age Group vs. OS Experience Score	0.957	0.433	H <sub>0</sub> Accepted

All three ANOVA tests confirmed the null hypothesis ( $p > 0.05$ ), indicating no statistically significant variation in brand perception scores when cross-tabulated with educational background, occupational category, or age group. The convergence of results across demographic lines reinforces the conclusion that Nokia's marketing failures have engendered a uniformly negative brand perception among the wider consumer population.



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### VI. CONCLUSION

The findings of this study provide empirical confirmation that Nokia's withdrawal from the global smartphone market was shaped in large measure by failures in marketing strategy rather than by technological inadequacy alone. Survey data from Coimbatore indicate that respondents widely attribute Nokia's decline to deficient digital marketing, an inability to reposition the brand for the smartphone era, poor development of its operating system and application ecosystem, and a delayed and ineffective response to intensifying competition from Apple and Samsung.

Statistical analysis confirms that these perceptions are consistent and broadly shared across all demographic groups, with gender, age, educational qualification, and occupational background showing no statistically significant influence on respondents' assessments. Over half of the respondents regard Nokia as an outdated brand (51.4%), and a substantial proportion would decline to repurchase it (41.4%). Nonetheless, a notable segment of consumers expressed belief in Nokia's potential for a successful market re-entry, provided the brand undertakes fundamental improvements.

Based on these findings, the study recommends that Nokia, under its current HMD Global stewardship, adopt a digitally oriented marketing strategy with a particular focus on youth-centric platforms, invest in proactive online reputation and review management, pursue a bold brand repositioning campaign that merges nostalgic appeal with a credible forward-looking innovation narrative, and directly address lingering consumer concerns regarding operating system performance and app availability. The broader implications of this study extend beyond Nokia; any legacy brand confronting rapid technological disruption may draw applicable lessons from this empirical analysis of consumer perception dynamics.

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