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A critical analysis of the Resource-Based View in conjunction with First-Mover Advantages:
A Case Study of multinational mobile phone manufacturers in India

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Abstract

The sustainability of first-mover advantages across varied industries and markets is still questionable as most of the research has been undertaken in the United States. This dissertation analyzes the resource-based view in conjunction with the first-mover advantages in the Indian mobile phone manufacturing industry, in order to explore the relation between sequence of entry and performance of multinational firms.

After conducting the research, it is found that the sustainability of the first-mover advantages is dependent on a combination of factors. Pre-emption of resources by a pioneer during the initial stages assists the first-mover in accumulating resources and knowledge. Moreover, the resource possession of a late entrant needs to be considered as well. With the dynamically evolving environment, the resource portfolio needs to change and be in sync with the transitions. At the time of their entry, first-movers enjoy exclusive benefits before the entry of other competitors. Nevertheless, with enhanced resource portfolio and market knowledge, a late-mover cannot just match the position but also outperform the pioneer.

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Chapter 1: Introduction

1.1 Background

India, one of the world's largest democracies is growing at a rapid pace. Following the economic reforms of 1991, it has attracted huge amounts of foreign direct investments which have contributed immensely towards the accelerated growth of the economy. Many global corporations regard India as both a low cost production base and as well as a strategic market. The Indian mobile phone industry has seen a tremendous growth in the last decade especially due to the astounding economic performance. Several multinational companies have entered the Indian market owing to the large customer base and prospective economic growth. In addition, the changes in the telecommunication policies and the setting up of a regulatory body have drawn in many multinational mobile phone manufacturers facilitating the competition of the industry. The American global giant, Motorola entered India in 1987 and achieved a dominant share during the 1990s. It was then followed by the Finnish corporation, Nokia in the year 1995, which with its resources and capabilities outperformed Motorola to take the lead in the industry. These companies were soon followed by Ericsson, Siemens, Philips and Samsung. Many of the multinationals have introduced local infrastructure in India so as to respond swiftly to the rapidly changing domestic needs.

Presently with the entry of numerous domestic firms like Micromx, Karbonn and Spice, the competition in the industry is more intense than ever. With the evolution of the industry and growth of the economy, the Indian mobile phone industry is presently the fastest growing in the world with 6 million subscriptions added every month (Wharton, 2007). Thus, with the shift in the structure of the industry and level of competition, it is imperative for companies to adjust their strategies in accordance with the evolving environment. Thus, firm resources and capabilities prove to be the source of countering this competition and hence surviving the rivalry.

1.2 Aims and Objectives

The rationale behind this dissertation is to examine whether the entry order in an industry influence a multinational companies' performance in the market. In addition,

the research tries to demonstrate how a late entrant can acquire resources and capabilities similar to those of the already existing players. It also attempts to illustrate whether a latecomer can overcome the inherent disadvantages of being a follower and successfully surpass the leading company by means of its firm's resources and capabilities. Alternatively, the research also wishes to examine why and how the first-movers may suffer at the cost of entry of new players, despite being at an advantageous position. At last, the dissertation will also try to test the sustainability of first-mover advantages in a growing industry.

All of the above research questions essentially focus on a firms' possession of key resources and capabilities and are examined in conjunction with the resource-based view. The resource-based view is regarded among the top three profound theories to explore and discuss emerging economies and the most suitable for assessing complexity of competition (Hoskisson et al., 2000). It has been applied in many areas of study ranging from marketing (Srivastava et al., 2001), human resources (Wright et al., 2001), international business (Peng, 2001) and first-mover advantages (Lieberman & Montgomery, 1998). Hence, it will be interesting to utilize resource-based view to probe into the Indian mobile phone industry.

The sustainability of first-mover advantages as a source of competitive advantage is still a topic of debate (Li et al., 2003). Many studies have been conducted concerning first-mover advantages ranging across industries, like the pharmaceutical industry (Sutton, 1991) and financial items (Tufano, 1989). However, most of these empirical works have been conducted in United States (Lieberman & Montgomery, 1998). Thus studying this phenomenon in a different country would prove to be beneficial for further scholarly studies. Therefore, it can be justified, that resource-based view of the firm and the first-mover advantages can be applied in conjunction to study the Indian mobile phone industry.

1.3 Research Structure

This dissertation includes six chapters. The first chapter explains the background, explicitly specifies the research questions and provides a broad outline of the research structure. The second chapter discusses in detail the literature to be reviewed on strategic management. This chapter initially defines strategy and the process of strategic management. It then touches upon the competitive advantages concerning a firm. Further from here the literature review is structured into two parts - the external and internal analysis of a firm. The external analysis explains the PESTEL analysis which is applied to explore the broad macro environment. It also includes the Porter's five forces framework which is used to explore the threats within an industry. The internal analysis encompasses the resource-based view, wherein the theory suggests that firms' resources assist in forming and implementing strategies in order to achieve a competitive advantage. Moreover, the literature on first-mover advantages is examined and a subsequent link with resource-based view is emphasized upon. The third chapter illustrates the methodology of this dissertation. Furthermore, a dual case study has been undertaken to increase the degree of reliability of the findings.

The fourth chapter explores India's mobile phone industry with a background on the country and its telecommunication policies. In addition, PESTEL is used to analyze the factors that triggered the development of the industry. In addition, Porter's five forces framework is applied to identify the threats in the India's mobile phone industry. The fifth chapter includes the case studies. Motorola and Nokia, two global mobile phone manufacturers, are selected to understand the sequence of entry phenomenon. After a brief introduction of their background, their resources and strategies are compared and contrasted. This research examines the evolution of resources of the two companies, in response to the dynamic environment, exemplifying the relationship between order of entry and accrual of firm resources. The dissertation then concludes with a discussion of the research and then finally with illustrating the limitations and possible future research.

Chapter 2: Literature Review

2.1 Concept of Strategy

The concept of strategy is rooted in the success of military war (Dobson et. al., 2004). The word itself is derived from the Greek verb "*stratego*" which means to "plan the destruction of one's enemies through effective use of resources" (Bracker, 1980, p. 219). According to Kerin et. al. (1992), "Strategy is a fundamental pattern of present and planned objectives, resource deployments, and interaction of an organization with markets, competitors, and other environmental forces." The strategy building function of a firm consists of developing a business concept, establishing a mission and subsequently converting it into specific performance objectives. This then leads to crafting a strategy suitable to achieve the intended performance. Once the chosen strategy is implemented and executed, the final step is to evaluate performance, review the situation and formulate corrective adjustments (Thompson & Strickland, 1992). Since all the above steps need constant evaluation and rectification, strategic management is considered to be an ongoing process. Simply forming a strategy is not sufficient for a firm to stand out in the industry. A strategy is competitive when a competitive set of activities are consciously chosen to deliver a unique mix of value (Porter, 1996). A firm's performance is inevitably dependent on its strategies implemented.

"The task of strategy formulation is one of achieving a match between the organization's internal skills, capabilities, and resources on the one hand and all of the relevant external considerations on the other hand" (Thompson & Strickland, 1986, p. 74). Thus, strategy forms a balance between a firm's internal and external environment. To develop a performance generating strategy, analysis of both external and internal environment is essential. One of the most widely used tools for strategy analysis is the 'SWOT' framework. It divides a firm's strategy into four categories - Strengths, Weaknesses, Opportunities and Threats. The strengths and weaknesses refer to the firm's internal capabilities while the opportunities and threats relate to the external environment (Grant, 2008). However, there are other proficient

tools like Porter's (1979) five forces and the Barney's (1991) VRIO framework for analyzing the firm's environments.

Thus the strategic management process is a sequential set of internal and external analyses than can assist firm to select a suitable strategy that generates competitive advantage (Barney & Hesterly, 2006).

2.2 Competitive Advantage

Competitive advantage is at the *heart of a firm's strategy and performance* when operating in a competitive environment. It is essentially derived from the value a firm can create for its buyers. A firm is considered to have competitive advantage when it is able to generate more 'economic value' than its rivals in the industry. Economic value refers to the difference between the perceived benefits gained by a customer who purchases a firm's products or services and the full economic cost of these products or services (Barney, 2007).

Competitive advantage is *subject to erosion by competition*. The rate at which it can die off is determined by the ability of rivals to challenge their competitor through imitation or innovation (Grant, 2008). Thus, for competitive advantage to be sustained over a period of time (Rumelt, 2003) used a term – "isolating mechanisms", to refer to the "barriers to limit the ex-post equilibration of rents among the individual firms." The sustainability of competitive advantage depends up on the effectiveness of these barriers to imitation.

Competitive advantage can be of *greatest value if it is long lasting*. "A company can outperform rivals only if it can establish a difference that it can preserve" Porter (1996, p. 62). In other words, firms may be said to be experiencing sustained competitive advantages when it is implementing a value creating strategy not simultaneously being implemented by any other competitor (current or potential) and

when these rival firms are unable to duplicate the benefits of this strategy (Barney, 1991).

In addition, a competitive position based on a number of interlocked activities is far more sustainable than those built on individual ones. A competing firm may find it difficult to identify and replicate a collection of the resources utilized for the competitive advantage. Thus a competent strategic fit is necessary for sustained competitive advantage (Porter, 1996)

2.3 External Analysis

A firm cannot operate autonomously and thus needs to manage its resources and capabilities according to the environment in which it functions. This complex and turbulent external environment may damage a firm's financial standing. In order to reduce the impact, it is essential for a firm to understand the dynamics of the external environment and react appropriately. The external analysis may be covered at various levels; general changes in the business environment, changes within the industry and activities of immediate competitors and other related parties (Macmillan & Tampoe, 2000) PESTEL analysis is helpful in evaluating the changes at the general macro level, while the Porter's five forces model is useful in analyzing the threats to the firm within the industry.

2.3.1 PESTEL Analysis

The business environment of a firm consists of all the external influences that affect its decisions and overall performance (Grant, 2008). This broad environment consists of six forces; political, economic, social, technological, environmental and legal (Johnson et. al , 2006). The PESTEL analysis is considered to be a great tool to evaluate a firm's external dynamics since it reflects the idea that a strategy requires a balance between its internal resources and capabilities and the external environment in which it operates (Macmillan & Tampoe, 2000). The PESTEL factors are interdependent and work simultaneously. They may vary across countries and

thus are difficult to identify. If firms are successful in recognizing these drivers, they will be able to respond to these changes effectively. The following gives an explanation of these factors.

Political factors include any change in the domestic political climate of the country, change in government, shifts in world power and any modification of national or world regulations. *Economical* change covers the shifts in commodity prices, fluctuation in currency conversion rates, economic cycle effects and changes in capital and labor markets. *Social* change includes effects of demographic patterns, tastes and habits (Macmillan & Tampoe, 2000). *Technological* change includes the effects in advancement of technology regarding products, distribution channels and processes. *Environmental* concerns have increased over the last couple of years. Companies have become conscious of their contribution to the environment by controlling emission and carbon footprints. *Legal* issues which may affect a firm could include, change in the written law of the country – employment law, consumer protection law, export and import regulations.

The PESTEL model is considered valuable for firms to forecast future trends, examine the impacts and then conceive suitable strategies (Johnson et. al., 2006). Moreover, it can also be combined with Porter's five forces model to foresee and shape the structure of an industry (Faulkner & Bowman, 1995).

2.3.2 Five Forces Analysis

The next level of external analysis is the 'industry'. An industry can be defined as "the group of firms producing products that are closely substitutes for each other" (Porter, 1980, p. 5). An industry analysis looks at an industry's profitability being determined by competition in two markets namely product and input markets (Grant, 2008). Every industry has a structure based on a set of essential economic and technical characteristics, which gives rise to these competitive forces (Porter, 1979).

The threat of entry

The threat of entry is high when the industry appears attractive and when there are low barriers to entry (Macmillan & Tampoe, 2000). Firms are tempted to enter an industry seeing the high levels of profits. The new entrants increase the capacity of the industry, but at the same time decrease the profitability of the incumbent firms. Entry barriers are advantages that already existing firms have, relative to new entrants (Porter, 2008). The desire to enter an industry depends on the barriers which may pose as a threat to potential competitors. High barriers (which in turn increase the cost) can discourage new comers from entering the industry. There are five key sources of barriers to entry (Porter, 1979):

a. *Economies of scale* - This refers to an optimal level of production already held by the incumbent firms, for profitable operations. The new entrants will either have to produce at a large scale or accept a cost disadvantage. Thus, this can pose to be a peril to newcomers and deter them from entering.
b. *Product differentiation* - The incumbent firms possess customer loyalty which is difficult to duplicate. It becomes highly costly for new entrants to achieve the same level of brand identity. But at the same time the incumbent companies can attain an upper hand by advertising heavily and providing superior customer services.
c. *Capital Requirements* - The large pool of financial resources necessary for a new entrant to compete creates a barrier to entry, especially when they are unrecoverable expenditures in the form of advertising or research and development (Porter, 1979).
d. *Cost disadvantages independent of size* – Established firms will definitely have cost advantages regardless of their size of operations or economies of scale. These can be gained through effects of the learning curve, proprietary technology, access to the best raw materials, industry specific know how, favorable geographical locations or government subsidies. Such cost disadvantages may dissuade a company from entering the industry.
e. *Government Policy* –The government at times can create an entry barrier by setting standards, regulations or policies which control the number of firms operating in an industry.

Bargaining power of suppliers

"The supplier power takes the point of view of a downstream industry and examines the ability of that industry's upstream input suppliers to command prices that extract industry profits" (Besanko et al, 2010). A supplier can intimidate the profitability of the industry by increasing their prices and reducing the quality. The threat can be immense when the supplier market is concentrated and the firm is not the main customer of the supplier. Furthermore, supplier power gets enhanced when the product being sold is unique or differentiated and there exists no close substitute of the same. A supplier has the ability erode industry profits if the supplier and customer are not in a relationship – specific investment. Lastly, suppliers may even integrate forward and may threaten the customers by competing within the same industry (Porter, 1979)

Bargaining power of buyers

Buyer power is analogous to supplier power. It refers to the ability of customers to negotiate prices and demand higher quality. They can be in a powerful position when buyers are limited to a small number. If the product is standard and/or not differentiated then the buyers can easily obtain the same product from alternate suppliers. The buyers can be threatening if they have the ability to integrate backward and subsequently become competitors for the suppliers. Another buyer control factor could be based on the ratio spent on this product with respect to its entire expenditure. Buyers are prone to be more price sensitive if the product purchased forms a component of the product or if the firm earns low economic profits (Porter, 1979)

Threat of Substitutes

Substitutes are products which can more or less satisfy same customer needs. They have the ability to erode away profits form a firm in the same manner as new entrants, by stealing market share and increasing the competition (Besanko et al., 2010). By introducing a ceiling on the prices charged within the industry, the

substitute products or services can limit the potential profit of the industry (Porter, 1979). Moreover, the firmness of the price cap placed on the industry depends on the price performance trade-off and the profits earned by the industries producing substitutes; higher the profitability firmer the price ceiling. Hence, substitutes can also be a threat to a firm's profitability.

Internal rivalry

Internal rivalry among existing competitors implies jockeying for share within the industry. This rivalry can take many forms such as price discounting, new product introductions, advertisement campaigns and service improvements (Porter, 2008). Rivalry intensifies when the competing firms are large in number and approximately equal in size and power. Moreover, the competition increases due to slow growth of the industry. In addition, if the products in the market are not differentiated, it will lead to intense price wars, since consumers will always have a suitable alternative. Besides these, exit from the industry becomes costly since the firms may own specialized assets that are difficult to deploy in any other business. This forces the companies to continue competing even during phases of negative returns (Porter, 1979). Thus, it is not only competition from the new entrants but also from the existing firms that acts as a threat to the performance of the individual companies.

Thus in conclusion, an external analysis evaluates the macro environment within which a firm operates and identifies its significant opportunities and threats. It determines how the competition is likely to develop and affect the threats and opportunities.

2.4 Internal Analysis

According to Porter (1979, p143), "knowledge of the company's capabilities and of the cause of the competitive forces will highlight the areas where the company should confront competition and where avoid it". Thus, after exploring a firm's macro environment and industry structure, it is crucial for a firm to identify its internal

strengths in order to utilize them to tackle the five forces and successfully generate competitive advantages.

The focus of strategy research has been swinging like a pendulum back and forth from the internal to the external industry and then back to the internal resource (Hoskisson et al.,1999). Internal analysis helps a firm identify its organizational strengths and weaknesses. It facilitates a firm's understanding of its resources and capabilities which can be utilized to exploit its strengths and neutralize the weaknesses.

2.4.1 Resource – Based View Analysis

Resource-based view, hereafter referred to as RBV, has emerged as a popular perspective for evaluating organizational performance (Newbert, 2007). The term RBV was first coined by Wernerfelt (1984), referring to an approach developed to study firms' internal strengths and weaknesses. This framework forms a link between internal characteristics and firm performance. It is based on two critical assumptions of heterogeneity and immobility of resources which in turn helps a firm to generate sustained competitive advantage (Barney, 1991). The footprints of the RBV can be traced down to five decades where the relationships between a firm's resources and its performance have been emphasized upon. The seminal work of Selznick (1957) on 'distinctive competencies' and Penrose (1959) assertion of a firm being a 'collection of productive resources' and its performance being based on the ability to use them is a great example of the same. Furthermore Chandler (1962) concept of "structure follows strategy", Ansoff (1965) definition of synergy as "one internally generated by a combination of capabilities or competencies" and as well as Andrews (1971) suggestion of "an internal appraisal of strengths and weaknesses, led to identification of distinct capabilities" are all linked to the RBV. This perception gained further attention in the 1980's. Wernerfelt (1984) proposed a relationship between profitability and resources with regard to resource position barriers. He suggested ways to maintain a firm's resources over a period of time which would help it attain sustained competitive advantage. But it was in the 1990's when this view really took

off (Barney, 1991;Grant 1991; Wernerfelt 1991). “Over the last 20 years, the RBV has risen to a pre-eminent position in strategy research” (Lockett *et* al., 2009).

RBV is also considered to be an excellent response to the inconsistencies of industrial organization (IO) economics. The IO perspective focuses on industry level analysis and exemplifies the Structure-Conduct-Performance (SCP) paradigm which links the firm’s performance to the industry structure. This paradigm is not appropriate to question a firm’s competitive advantage since it assumes the firms within the industry to be homogeneous, nature of analysis to be static and not dynamic, the frame of reference is taken to be the society and managers are considered unimportant (McWilliams & Smart, 1995). Thus, Barney (1991), proposed two fundamental assumptions as a response to the IO perspective-heterogeneity and immobility of resources, which are explained in detail later.

Before going ahead it is essential to explicitly define the central focus of RBV, resources. Resources of a firm are viewed as the cornerstones of competitive advantage and firm performance (Conner, 1991;Peteraf, 1993). Understanding the value of a firm’s resources and capabilities is an important first consideration in understanding a firm’s internal strengths and weaknesses (Barney & Hesterly, 2006) A firm’s resources are all assets, capabilities, competencies, organizational processes, knowledge, information, attributes, and so forth, controlled by a firm that enable it to conceive and implement strategies to improve its efficiency and effectiveness (Barney, 1991 & 2007). They may also be defined as “anything which could be thought of as a strength or weakness of a given firm” (Wernerfelt, 1984, p. 172) or tangible or intangible assets which are semi permanently tied to the firm (Caves, 1980).

As mentioned above resources can either be tangible or intangible. Tangible assets include all physical resources like machinery and building while intangible include the technical know-how, in house knowledge and the firm’s reputation. These resources can also be categorized into – financial, physical, human and organizational capital

resources (Barney, 2007). Financial capital resources include different sources in terms of money like, capital from the entrepreneur, equity holders and bond holders, debts and retained earnings. Physical capital resources include plant, equipment and geographical location. Human capital resources comprise of the training, experience and judgment of the employed personnel in a firm which is not just limited to the competent leaders and entrepreneurs but also to managers at all levels. Organizational capital includes a firm's planning structure, control systems, coordinating procedures, culture and reputation (Barney, 2007, p. 134)

Capabilities are a subset of resources which enable a firm to use resources to conceive and implement strategies (Barney & Hesterly, 2006). They can also be referred to as abilities of a firm to organize, coordinate, manage or undertake specific sets of activities (Teece et. al., 1997).

The RBV rests on two crucial assumptions concerning the resources that firms may control. Firms competing in the same industry may have the ability to acquire different stocks of resources. These firms may also differ in terms of skills they possess and hence, some firms could be better in some areas than the rest of them. Therefore, Barney (1999 & 2007) suggested that different firms own different bundles of resources which lead to the assumption of resource heterogeneity. Researchers such as Barney (1991) and Besanko et. al. (2010) also propounded that incase all firms in the industry own the same stock of resources and capabilities, no strategy for value creation is available to one firm that is not available to the others. As a result, any other firm could immediately duplicate a strategy that confers advantage. Thus, besides heterogeneity, resources should be immobile as well. These resources may either be expensive to copy or inelastic in supply and thus the difference between firms can be long lasting. This frames the second assumption of resource immobility (Barney, 2007).

Besides resource heterogeneity and immobility, Barney (1991) explicitly disclosed four important characteristics of a firm's key resources necessary for sustainable competitive advantage:

a) it should be *Valuable*
b) it should be *Rare*
c) it should be *Imperfectly imitable*
d) It should be *Non-Substitutable*

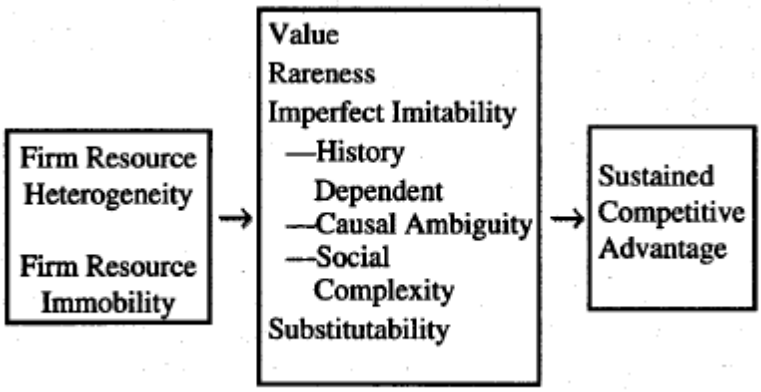

Figure 1: The relationship between Resource Heterogeneity and Immobility, Value, Rareness, Imperfect Imitability and Substitutability
Source: Barney (1991 p. 112)

The above attributes can be termed as empirical indicators of the degree of heterogeneity and immobility of a firm's resources. These have been discussed in detail below.

Value

There is nothing innately valuable about resources. They are only valuable till the extent that they enable a firm to enhance its competitive position. These resources and capabilities to be called valuable should be able to develop and implement strategies that exploit the firm's opportunities and/or neutralize its threats and in turn enhance the firm's performance (Barney, 1991).

Rareness

Resources besides being valuable need to be unique in nature. A valuable resource is said to be rare when it is not possessed by a large number of firms, lest each of the firms having the ability to utilize that resource in a similar fashion will thereby implement a common strategy; eventually giving no one firm the competitive edge. This same analysis can be applied to a bundle of valuable resources. Most strategies involve a mix of capital resources (physical, organizational, human, and financial). If this bundle is not rare, then a large number of firms will be able to execute the respective strategies. Hence, these strategies will not be source of competitive advantage even though the resources in question may be valuable (Barney, 1991).

Whereas Barney (1989) also endorsed the fact that common (that is, not rare) firm resources are not unimportant. In fact, they are needed for a firm to survive in a competitive environment. Yet, resources that are valuable but not scarce can only be sources of competitive parity (Barney & Hesterly, 2006).In addition, as long as the number of firms that possess a particular valuable resource or a bundle of valuable resources, is less than the number of firms required to generate perfect competition dynamics in an industry, that resource has the ability to create a sustained competitive advantage (Hirshliefer, 1980)

Imperfectly Imitable

Firms with valuable and rare resources may often be considered as strategic innovators. They will be competent enough to engage in strategies that others cannot since they lack the relevant resources. However, these resources can be a source of sustained competitive advantage only when the other firms, which do not possess these resources, find it unable to attain them or face a cost disadvantage in obtaining or developing them (Barney, 1991) (Barney & Hesterly, 2006) In other words these resources are imperfectly imitable (Lippman & Rumelt, 1982).

There are three conditions under which a resource may be imperfectly imitable.

a) Unique historical conditions
b) Casual ambiguity
c) Social complexity

a) Unique historical conditions

The RBV states that firms are essentially historical and social entities. But at the same time, their ability to obtain and utilize resources depends up on their place in time and space (Barney, 1991). Once time and history passes, firms that do not hold any space and time dependent resources face cost disadvantage in acquiring them, since doing so would require recreating history (Barney & Hesterly, 2006). Hence these resources are considered to be imperfectly imitable.

b) Casual ambiguity

When imitating firms cannot recognize or identify the relationship between resources and capabilities controlled by a firm, and the firm's competitive advantage, there is said to be casual ambiguity. "Ambiguity in business actions and outcomes creates a barrier to competitive imitations" (DeFillippi & Reed, 1990). To be a source of sustained competitive advantage, both firms (one having the competitive edge and the other trying to imitate it) must be faced with the same level of casual uncertainty (Lippman & Rumelt, 1982). This means that all competing firms in the industry must have imperfect understanding about the link between the resources and the competitive advantages. Alternatively if any of them understands this link, it will be diffused among all competitors in the long run, thus eliminating casual ambiguity and imperfect imitability (Barney, 1991).

c) Social complexity

Hunt & Lambe, (2000, p. 21) describe socially complex resources as "those that enable an organization to conceive, chose and implement strategies because of the values, beliefs and interpersonal relationships possessed by individuals or groups in

a firm." When resources and capabilities used by a firm to generate sustained competitive advantage involve interpersonal relationships, culture, trust, reputation and other social phenomena, the ability of other firms to imitate these resources is drastically constrained. These complex social circumstances may be beyond the ability of firms to systematically manage and influence (Barney, 1991).

Substitutability

The last prerequisite for a key firm resource to generate sustained competitive advantage is that there should be no strategically equivalent valuable resources, which are rare and imperfectly imitable as well. A substitute can either be a similar resource or a very different resource which is capable of conceiving and implementing a similar strategy. Naturally, the strategic substitutability of the resources is a matter of degree. Thus, if enough firms in an industry have valuable substitutes (implies they are not rare) and if they can acquire them (implies they are imperfectly imitable), then none of these firms including firms whose resources are being substituted for, can expect to obtain sustained competitive advantage (Barney, 1991).

2.4.2 Change in Resource Portfolio

Any resource which is valuable, rare, imperfectly imitable and non-substitutable is identified as a VRIN resource. These attributes are necessary for a resource to have the capability to lead to sustained competitive advantages. Even if, a firm owns abundant resources, it may yet find it difficult to perform to its potential. Thus, resources may be a key to success. But at the same time they need to be managed and controlled efficiently. For a firm to be able to fully realize its potential, it must be well organized to exploit its resources and capabilities. Barney (2002) proposed a supplementary framework to the VRIN one, which comprises of the organization's structural capabilities. This integrated framework is known as VRIO where the 'O' stands for organization. This model emphasizes on complementary resources of a firm which if regarded separately have limited ability to achieve sustained competitive advantage. These include resources like reporting structures,

management control systems and policies. However, in combination with other resources, they can enable a firm to realize its full potential for competitive advantage (Barney & Hesterly, 2006).

2.4.3 Limitations of the RBV Approach

Though the RBV of a firm and the VRIO framework provide a powerful tool for analyzing a firm's internal strengths and weaknesses, the approach has its drawbacks as well.

McWilliams & Smart (1995) criticize RBV by stating that the approach is based on static concepts and is considered to be descriptive rather than predictive. It is a valuable framework in understanding reasons behind a firm's competitive edge than for predicting gains from environmental changes. It "measures and describes what is, rather than what could be". The RBV is useful for describing and understanding industries in which the demand is known and the structure is relatively certain, but it lacks feasibility for dynamically changing industries. RBV as mentioned before is all about capturing opportunities and tackling threats while making efficient use of resources. But, if a firm's threats and opportunities change in a rapid and unpredictable manner, it will often be unable to maintain a sustained competitive advantage. Such changes could be in the form of unanticipated shifts in demand, technological developments, and political upheavals (Barney, 2007). Thus, "the RBV can help managers choose strategies to gain sustained competitive advantage only as long as the rules of the game in an industry remain relatively fixed" (Barney, 2007, p. 160).

Another drawback of this approach is its managerial influence. In general, the framework implies that if any firm can acquire or develop resources at a cost advantage then those resources will be imitable and only a source of competitive parity. Hence, it suggests that managers have a limited ability to create a sustained competitive advantage (Barney, 2007). The last limitation which Barney (2007)

mentions is the unit of analysis. He explains that since RBV perceives a firm to be a bundle of resources, gaining access to such intraorganizational data can get extremely difficult. Such problems are intensified once these resources and capabilities are identified as sources for sustained competitive advantage. Thus, despite the challenges associated with firm resources, an appropriate analysis of these intraorganizational phenomena is essential to complete the investigation of the firm (Barney, 2007).

2.4.4 First-Mover Advantage

Lieberman & Montgomery (1988, p. 41) define first-mover advantages "in terms of the ability of pioneering firms to earn positive economic profit i.e. in excess of the cost of capital". They go on to say that a firm achieves a head start over competitors via some initial asymmetry generated. These first-mover opportunities arise due to the firms' possession of some exclusive resources or foresight, or simply owing to luck. Once this asymmetry is created, a number of mechanisms facilitate the firm to exploit its position. Furthermore they point out three key sources of first-mover advantages: technological leadership, pre-emption of assets, and buyer switching costs.

Technological leadership advantages

The technological leadership advantages are derived from two key mechanisms namely 'R&D and patents' and the 'learning or experience curve advantage'. A pioneer can develop a competitive edge by manufacturing the technology integral to the industry. Furthermore, patenting the same and avoiding imitation could give a head start to the firm and prevent rivals from entering the market. These patent races are considered to be important only in some industries such as the pharmaceuticals (Lieberman & Montgomery, 1988). Levin et. al (1984) gathered from their study that imitation varied across industries depending upon the time and cost required. However, it was also found that learning curve advantages were considered to be a more important mechanism than patents to achieve and sustain first mover advantage. A learning curve advantage occurs when the cost of

production falls with cumulative output. An early mover can achieve a sustained low cost position by keeping learning proprietary and maintaining leadership in market share (Lieberman & Montgomery, 1988). But proprietary learning under some conditions, can lead to major entry barriers which could further result in fewer competing firms in the industry (Spence, 1981).

Preemption of Scarce Assets

A first mover can gain competitive advantage by acquiring and controlling rare assets; those which already exist rather than those created by the firm itself (Lieberman & Montgomery, 1988). Possessing superior information provides an upper hand in acquiring both mobile and immobile assets. Immobile assets may include natural resource deposits, retailing and manufacturing locations, while mobile assets which are considered tougher to maintain include employees, distributors and suppliers (Lieberman & Montgomery, 1988). Spatial preemption is another kind of advantage which can dissuade new entrants. First movers can occupy and strengthen their position by capturing appropriate geographical, product characteristics and shelf space. This would give very limited opportunity and hope to probable competitors to enter the industry. According to models by Spence (1977), Dixit (1980) and Eaton and Ware (1981), investment in plant and equipment expands the incumbents' capacity to maintain larger output and thus deter the growth of new entrants. But the study of Gilbert (1986) and Lieberman (1987) shows, that some industries such as chemical product industries might be an exception to these tactics.

Switching Costs and Buyer Choice under Uncertainty

Costs incurred by a buyer while shifting to another supplier are termed as switching costs which are considered to be an advantage for first movers only when they are high. These may be created by a supplier through strong brand awareness and services. Late entrants need to invest additional resources to draw customers away from first mover firms (Lieberman & Montgomery, 1988). These switching costs may arise from the initial transaction costs for adapting to new products and

developing brand specific know how which are difficult to change from. Moreover, intentional contractual costs are also generated by pioneers to sustain their position. Imperfect information may be a valuable aspect for first movers when customers have inadequate knowledge about the product quality. It is rational for a buyer to adhere to a brand which satisfies him or her at the first time itself. Thus, it is simple yet essential for a pioneer to structure the customers' preferences and loyalty in favor of them. The empirical works of Carpenter and Nakamoto (1994) and Kardes and Kalyanaram (1992) illustrated that the order of entry into an industry may manipulate consumer preferences and brand perception. Hence, a first mover must make an inimitable brand position in the minds of the customers.

First-mover Disadvantages

A pioneering firm may achieve an upper handed breakthrough in developing organizational resources and capabilities that are necessary for the product in the market. But, these early movers are often displaced by rivals with a stronger resource base. Thus, the question faced by most firms is about when to enter a new market. The time of entry should be considered after analyzing the firm's weaknesses and strengths. According to Shamsie et. al., (2004) the success of late entrants depends on the size of the firm and the effectiveness of the resources possessed by it. These two factors play an important role in paving a late mover's success through its early critical years. Furthermore as suggested by Lieberman & Montgomery (1988) a firm with an inherent capability base pertaining to skills of new product development is likely to choose a pioneering strategy. On the other hand, firms with stronger marketing and manufacturing facilities may prefer to enter late. Although early entrants may gain a competitive edge by accumulating superior resources and capabilities, they may lose out on opportunities revealed through technological and market uncertainties. Consequently, pioneers may also end up procuring resources which may prove to be of limited value as the market progresses (Lieberman & Montgomery, 1998)

Thus, besides advantages, first movers are likely to face some disadvantages as well. These may also referred to as late mover advantages. Thus, late entrants may gain from the following benefits:

a. Free-rider effects – A late entrant firm has the ability to capitalize on pioneering firm's investments in the field of R&D, consumer awareness and infrastructural development. In addition, it can utilize employee screening performed by early movers and acquire skilled personnel at reduced costs (Guasch & Weiss, 1980).This free rider advantage to the latecomers adversely affects the first mover's profits.
b. Resolution of technological or market uncertainty – New entrants may gain from a pioneers technological and market mistakes. They may emerge as a superior firm if the above information is used properly.
c. Changes in technology or customer needs – Late movers have the ability to exploit technological shifts and overtake the incumbents (Foster, 1986). Similarly, consumer needs and preferences change and evolve over time which can be capitalized by late entrants.
d. Incumbent Inertia: The vulnerability of firms is often exposed due to the following problems. Firstly, an incumbent firm could have invested heavily in specialized infrastructure and thus may find it difficult to be in tandem with environmental changes. Secondly, an early mover may be hesitant to cannibalize its existing product lines. Lastly, the organization may also become inflexible which ultimately inhibits the ability of the firm to react to competitive threats (Lieberman & Montgomery, 1988).
e. Late movers versus first movers: Late movers can outsell pioneers by beating them at the pioneer's own game. The pioneer defines the 'category concept' and 'buyer preferences'. Late entrants can simply understand these preferences and capitalize by undercutting the pioneer, out-advertising and distributing the incumbent (Shankar et. al., 1998).
f. Innovativeness: Innovation can be in the form of the product or strategy being implemented. Innovative late movers diffuse faster and enjoy higher market potential than first movers. Innovation also allows the new entrant to slow down the pioneer's diffusion and reduce its marketing spending effectiveness (Shankar et. al., 1998).

2.4.5 Synergy of First-mover Advantage and Resource-based View

The literature on first-mover advantage though thoroughly discussed has been criticized for being extremely general in nature. “As a focus for empirical research, the concept of first-mover advantage may be too general and definitionally elusive to be useful” (Lieberman & Montgomery, 1988:52). Lieberman & Montgomery (1998) proposed a synergy between first mover advantages and the resource based view of the firm, for further research.

Both RBV and FMA have emerged as important yet independent research approaches. Although they both suffer from deficiencies, first-mover advantages have been criticized for being excessively broad in nature and on the other hand the RBV has been criticized for its lack of empirical evidence (Porter, 1991). Lieberman & Montgomery (1998) suggest that besides complementing each other FMA and RBV also help conceal each other’s limitations. Most of the literature pertaining to FMA offers practical knowledge regarding acquiring resources and capabilities, which can certainly cover up for the absence of empirical studies in RBV. Conversely, RBV’s extensive theoretical framework can provide varied understanding for further and deeper research in the field of timing of entry (Lieberman & Montgomery, 1998). Thus, FMA and RBV can be applied simultaneously for further works.

Kerin et. al, (1992) opine that the first-mover advantage studies need insights into the evolution of resources and capabilities and how they can be transformed into advantages. Thus, as explicitly recommended by Lieberman & Montgomery (1998), researchers studying first-mover advantages should reposition their work within the boundaries of the broad theoretical framework provided by the RBV.

Chapter 3: Research methodology

Research is a general term covering all aspects of a systematic investigation for the sole purpose of obtaining accurate answers to significant questions, by utilizing a scientific method of gathering and interpreting the information collected (Clover & Balsley, 1984). There are various techniques available to perform researches which can be roughly classified under two categories - qualitative and quantitative methods. The applicability of the method depends on the purpose of the research being implemented. Both these approaches have their strengths and weaknesses but neither one of them is superior to the other (Ackroyd & Hughes, 1992) .

3.1 Qualitative Research and Quantitative Research

Clover and Balsley (1984, p. 19) state that "scientific method [in business research] is a systematic step-by-step procedure following the logical process of reasoning." They mention two kinds of reasoning, inductive reasoning and deductive reasoning. Inductive reasoning comprises of studying many cases in order to formulate a general conclusion. Conversely, deductive reasoning consists of reasoning from a general set of rules trying to test a specific case (Clover & Balsley, 1984). Inductive process starts from the specifics and narrows it down to a general theory. It moves back and forth between the research and the theory until the researcher has established a complete set of themes. Qualitative research normally uses inductive reasoning whereas quantitative research generally adopts deductive reasoning (Yin, 2003a).

Quantitative research aims at quantifying the data collected and applies some form of statistical analysis. The key aim of the quantitative approach is to provide comparable data in the form of numbers for the researcher to finally draw upon a conclusive analysis. According to Creswell (2009) quantitative research is an interdisciplinary field, which employs different strategies of enquiry and methods of data collection for the key purpose of testing objective theories by examining the relationship between variables. The quantitative approach attempts to provide a precise measurement of something. (Cooper & Schindler, 2006).

Qualitative research has its roots in disciplines like anthropology, sociology, psychology, linguistics, communication, economics and semiotics. (Cooper & Schindler, 2006:196). It is considered to be an "umbrella term covering an array of interpretative techniques which seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world" (Van Maanen, 1979:520). Hence it can be regarded as a technique that provides a combined general idea of the study rather than quantified personal experiences.

Furthermore, qualitative work is based on an individual's ability to collect. The information gathered could be based on the researchers' convenience and ease. The work is normally bound by the researchers' personal interpretations and perceptions which are in all likeliness, subjective. The end product is narrative and richly descriptive (Merriam, 2009), but is subject to reflexivity.

3.2 Why qualitative research

The method for research is selected on the basis of the research question to be countered. The key aim of this research is to explore the relationship between the sequence of entry and the performance of firms with regards to the resource-based view. Thus, the research needs to take into consideration the growth and development of a firm whilst exploring the firm's resources and capabilities in comparison with the industry. Wide sample studies would be ineffective as they cannot examine the interactions between the variables to be studied (Rouse & Daellenbach, 1999). In addition, if the researcher attempts to exclusively study two companies to reach a generalized conclusion, then that would be the process of inductive reasoning. Therefore, quantitative research would be inappropriate for exploring the competitive advantages in the industry whereas the researcher will be able to comprehensively understand the research concept through the qualitative approach.

Furthermore, qualitative methods explain organizational phenomena with clarity (Yin, 2003a). Besides, since some of the firm resources are intangible and difficult to measure (Hall, 1993) Rouse & Daellenbach, (1999) suggest using qualitative methods for intangible resources. In addition, DeFillippi & Reed (1990) recommend employing case study approach to compare firm performance. A case study approach is thus applied in the research.

3.3 Research design

3.3.1 Case study

Selecting a research approach depends on the assumptions and rationale behind the study. Case study is an approach considered to be a strict strategy usually utilized to gather comprehensive data from organizations (King, 2004). According to Hartley (2004:323), "case study research consists of a detailed investigation, often with data collected over a period of time, of phenomena, within the context, and the aim is to provide an analysis of the context and processes which illuminate the theoretical issues being studied." It provides an in depth, multifaceted investigation by using different qualitative methods to collect various types of information. Hartley (2004) also asserts that the case study approach is typically appropriate for research questions where detailed understanding of social or organizational processes is essential. Yin (2008) also states that a case study design is typically suited where the phenomenon's variables are impossible to separate from their context. In addition, Yin (2009) proposes that the case study approach is preferred when explanatory questions like 'how' and 'why' are to be countered rather than 'what' and 'how much'. The above features justify the use of a case study approach to this research. the key purpose behind this approach is to understand the how and why a latecomer in the industry can overcome obstacles and take lead in the industry.

A case study is a phenomenon situated within a bounded context. "The unit of analysis *not* the topic of investigation characterizes a case study" (Merriam, 2009). The bounded system or unit of analysis could be an individual, a program, a process,

a group, a policy, an institution or even a community. In this research, the case study involves two cases – companies, operating in an industry.

This approach provides a thickly descriptive understanding of the case in question. (Hamel, Dufour, & Fortin, 1993) . According to Creswell (2007:73) “a case study research is a qualitative approach in which the investigator explores a bounded system (a *case*) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information or triangulation of resources, and reports a case description and case-based themes.”

The evolution of an industry and development of a firms’ resources are difficult to understand and take a long time to explore. A case study offers a description of an industry over a period of time (Hill & Jones, 2007). Therefore, undertaking a case study approach in this research is appropriate.

3.3.2 Selection of the case

The main concern in this approach is to choose the case study organizations in order to maximize the learning (Hartley, 2004). Thus, a case(s) is chosen to deepen the understanding of the phenomenon in question. Furthermore, the researcher should consider the time and resources required to undertake the research before determining the number of organizations to be studied. Yin (2003b) suggests that a researcher should list and screen the various possible cases in order to choose the most appropriate one. Alternatively, choosing to study more than one case, depending on the researcher’s ability and resources, increases the reliability of the findings through comparison (Hartley, 2004). Furthermore, the analytical conclusion arising from the independent cases will be considered to be more powerful than that from one (Yin, 2009). Besides, the multiple case studies would also provide for contrasting conclusions enabling the readers to understand the research question better.

Stake (1995) recommends that the researcher should begin with systematically classifying the research issues into specific research questions. The key research question that this dissertation wishes to counter is to understand why and how a latecomer into an industry can overcome the innate disadvantages and effectively lead the market through efficient utilization of resources. Noticeably, the research question focuses on two players, the first-mover and the latecomer. Hence, it is appropriate to use two cases for this research. One case corresponds to the first-mover while the other represents the latecomer. Moreover, it is beneficial if the two organizations selected function within the same industry.

Two cases were chosen from the foreign mobile phone manufacturers operating with the Indian mobile phone industry. Both the companies have a global brand name and reputation. They come from two distinct nations with diverse business environments. However, the researcher doesn't exemplify the cultural differences but rather emphasizes on the identification of opportunities and utilization of resources. The first case, Motorola an American company, pioneer in communications was the first mobile phone manufacturing corporation to enter India in 1987. Being the first-mover in the industry it managed to enjoy the initial stages and attained a dominant share of the Indian mobile phone market. However, due to intensifying competition, its market dominance is decreasing owing to the entry of both global and domestic firms. The second case is of Nokia, a Finnish telecommunication company that entered India in 1995, with an exclusive focus on mobile phones. The success achieved by Nokia is remarkable. It not only managed to cope with the incumbent firm, Motorola, but outperformed it by a huge margin. Nokia presently leads the Indian mobile phone market followed by Samsung, LG and Motorola. The analysis of Nokia offers the resource set that it created and maintained in order to successfully surpass the industry leader, Motorola. In conclusion, the two cases, Motorola and Nokia are selected for this dissertation because they proved to be good examples for the issues to be understood.

3.3.3 Data collection

Findings based on multiple resources are considered to be more reliable. Since data is widely spread out and difficult to find, using various methods of data collection assists the researcher in gathering the required information. In this dissertation, both primary and secondary sources are utilized in order to collect the data.

As mentioned above both primary and secondary sources were used for collection of data. The primary data was collected through semi- structured telephonic interviews. Interviews are a versatile method of data collection and can be employed in different kinds of research, particularly qualitative research (VAN manen 1990). This method is also considered preferable to the questionnaire method as it permits the researcher to ask more open-ended question, thus allowing greater amount of flexibility.

In this research four semi-structured telephonic interviews were conducted. The first interviewee employed at Motorola India, requested anonymity; with regards to that this research will refer to him as interviewee one. The second interviewee, Ms Shefali Chhachhi, till very recently was a senior person in the marketing team of Nokia. Mr Jayanth Kolla, interviewee three, is presently employed with BDA Connect Pvt.Ltd. During the course of his career, he has been employed as Product Manager, Nokia India Pvt. Ltd. and Senior Product Marketing specialist, Motorola India Pvt. Ltd. Interviewee four, Mr. Subrat Padhi, earlier employed with Pepsi Co., is presently the Chief Executive Officer of Vodafone Essar, the Indian subsidiary of Vodafone Group. The secondary data was collected via academic books, journals, online newspapers, magazines, corporate websites and annual reports and government websites. These sources are of great help to the researcher in identifying industry trends, comparing different cases, gathering statistics and thus forming an analysis.

3.4 Limitations

3.4.1 Limited Resources

Longitudinal analysis encompassing both qualitative and quantitative methods is suggested by Barney et al. (2001) for the study of sustained competitive advantages. In addition, a research paper always benefits from triangulation of data (Yin, 2003a). However, given the constraint in time, it is challenging for the researcher to employ both approaches. In addition, due to geographical constraints, the interviews could not be conducted in person.

3.4.2 Case study

As justified earlier, features of the case study approach are suitable for this dissertation. However, there are some limitations of undertaking this method. Generalizing conclusions is a significant part of the case study approach (Eisenhardt, 1989). However, it is inappropriate for one specific case to explain a phenomenon and generalize it across industries. This is a major drawback of lack of representativeness, that the case study approach faces (Hamel et. al., 1993). Hyde (2000), suggest that a single case has the ability to offer sufficient information in order to form a genrealised statement. However, every single case has its own characteristics which need to be considered before chosing a method of investigation. In addition, Hamel et al. (1993) have criticzed the approach for its lack of rigidity as this leads to problem of bias.
(Maanen, 1979) (Yin R. , 2003a) (Yin R. , 2003b)

Chapter 4: Analysis of India's Mobile Phone Industry

4.1 Background on India

Before analyzing the mobile phone industry in India, a brief background on the country would be beneficial.

India one of the largest democracies in the world, is emerging as a highly competitive arena. Presently, the country is highly integrated with the world economy and trades in various products and services with several nations. Prior to 1991, the Indian government owned and controlled almost all services and major industries. With the subsequent economic reforms, including loosening of controls on foreign investment, the growth of the economy began to accelerate. India is also one of the most diverse countries which brings together villages, modern industries, highly urbanized cities, modern agriculture and several services. Though more than half the working population is engaged in agricultural activities, services are the key source of growth and development in the economy. With a population over a billion, the nation has become a low cost hub for manufacturing industries. Although, India's large educated English speaking population has contributed at making the country an IT centre with the country becoming a major exporter all across the world. While the global financial crisis affected major parts of the world, India managed to tackle it due to the cautious banking policies and low dependence on exports for growth. However an industrial slowdown in 2008, led the GDP growth to slow down. The country then faced a high fiscal deficit in the following year due to subsidized fuel and fertilizer and waiving off farmer debts. Since then the process of privatising government owned entities has speeded in order to compensate for the deficit. Despite the growth and development prevalent in India, India faces the problem of a continuously growing population, which by far has been the root cause of all its long term problems. It still faces challenges of unemployment, poverty, inaccessible higher education and lack of infrastructure.

A new era started for India in the 1950s after the British Raj; it marked the end of colonization and the beginning of modernization and industrialization. India has come a long way in 63 years of independence, but it's still miles away from its destination (Central Intelligence Agency, 2010 ; Mahtaney, 2007)

4.2 The Indian Telecommunication Industry

The history of the of the telecommunications industry goes back to the year 1984, that witnessed the establishment of a government run Centre for Development of Telematics (C –DoT). The main directive was to design and develop indigenous digital exchanges and to increase the scale of manufacturing by the Indian industry (Panagariya, 2008). This development was started under the leadership of Prime Minister Rajiv Gandhi (during 1984-1989). His modern thinking coupled with the extraordinarily talented advisor Sam Pitroda, gave a boost to the Indian telecommunication industry (Kumar & Sethi, 2005).

One of the first signs of change in this sector were identified when in 1985, the telecommunications services were separated from the Post and Telegraph (P&T) to form the Department to form the Department of Telecommunications (DoT) and the Telecommunication Board. In the subsequent year the DoT was divided into three parts. The Mahanagar Telephone Nigam Limited (MTNL) a state owned corporation covered the services in Delhi and Mumbai; the rest of the country's services continued to be with DoT and the international telephone services were assigned to a newly set up state owned entity – Videsh Sanchar Nigam Limited (VSNL). In the year 1988, the government initiated a scheme that led to a rapid increase of STD booths all across the country improving the citizens' access to phones (Panagariya, 2008).

The public sector of India has been extremely prominent in the telecommunication sector. However, the sector has undergone a significant amount of growth and development. The telecommunication sector was a state run monopoly until the early 1990s. Better services and lower tariffs in many parts of the world prompted the Indian government to initiate and implement change which finally resulted in the opening up of the telecom services to the private sector (Srivastava & Bhatnagar, 2008).

Following the macro-economic liberalisation in 1991, India implemented the National Telecommunication Policy in 1994 wherein the government opened up the basic telecom sector to foreign investors (Dokeniya, 1999). The main focus of the policy was providing easy access to world class telecommunication services to the citizens of India. Its main objectives included availability of telephones on demand and covering all villages through a well connected telecommunication network by 1997. It also aimed at building India as a manufacturing base of telecommunication equipment. (Policy, 1994). Under this policy the government divided the country into many zones and planned to allot operators for them each. For this purpose DoT conducted auctions and granted licenses accordingly. The policy was accepted with a euphoric response from both Indian and international telecom firms. Many wireless telecommunication international companies also entered India but were highly dissatisfied with the unfriendly telecommunication policies, high licensing fees and absence of a regulatory body. However, this initial enthusiasm didn't last too long since DoT and MTNL had a mere monopoly which made other private operators incur heavy losses (Panagariya, 2008) (Dokeniya, 1999). In the middle of this period the government finally set up the Telecom Regulatory Authority of India (TRAI) for the purpose of setting tariffs and resolving disputes (Panagariya, 2008).

The next step of change was when the government adopted the New Telecommunications Policy, 1999 which got implemented systematically under the leadership of then Prime Minister Atal Bihari Vajpayee. Trying to rectify the chaos, the government separated the policy making and services roles of the DoT. This led to creation of BSNL and the Department of telecom Services in the year 2001. The framework focused on creating an environment which facilitates continuous investment in the sector and in turn offers infrastructure by leveraging on technological development. (Ministry of Communication and Information Technology, 2003 ; Panagariya, 2008).

4.3 The India Mobile Phone Industry:

The Indian mobile phone industry has experienced a dynamic growth since the commercialization of mobiles in 1995. Figure 2 presents the historical data on mobile phone subscriptions in India. It can be seen that the mobile phone subscribers have increased from a mere 0.03 million in the year 1995 to an astonishing 90 million in 2005 (Singh, 2008). By the end of 2006 the nation boasted of crossing the 100 million mark (Wharton, 2007)

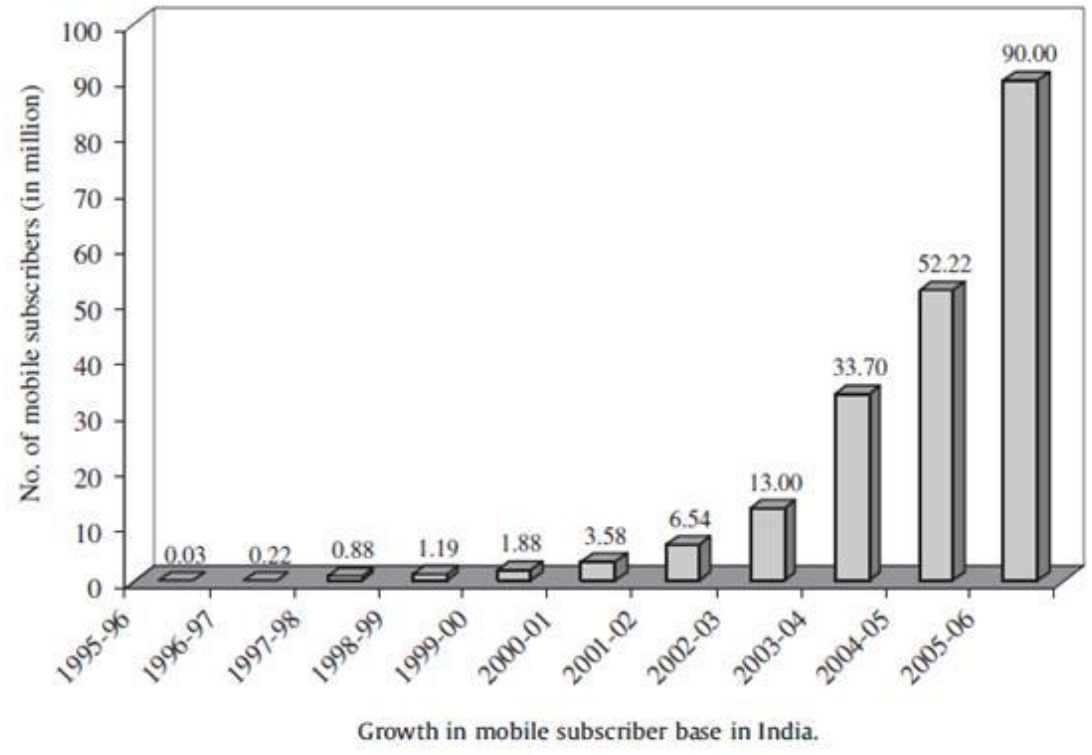

Figure 2: Growth in Mobile subscriber base in India
Source: Singh (2008)

In a span of 5 years the mobile subscribers increased 25 fold from 2000-2001 to 2005-2006. Despite reaching the 100 million mark in 2006 and being ranked amongst the largest telecommunications networks in the world, the mobile density i.e. the number of mobile phones per 100 inhabitants, is still amongst the lowest. Nevertheless, the mobile density has been exceptional. It has improved from 0.35 in

2000-2001 to 8.12 in 2005-2006. Market oriented regulations, liberalization and encouraged competition have played a significant role in the magnificent growth of the industry. The mobile telephony prices for local calls have dropped from Rs. 32 in the late 1990's, Rs.16 in 2000 to about Rs.0.50 presently. It has been projected that the subscriber base should increase to about 433 million by the end of 2011 and nearly 900 million in 2015-2016. On the other hand the mobile-density should rise from 8.12 in 2005-2006 to 36.5 in 2010-2011 to nearly 71 in 2015-2016. This data suggests important implications for mobile operators, handset manufacturers and infrastructure providers (Singh, 2008).

Present Competition in the market

The Indian mobile handset industry was dominated by USA's Motorola, Finland's Nokia and Sweden's Ericsson during the 1990's. Over the years many European players like Siemens and Philips, Asian companies like LG and Samsung have entered the market making it a highly competitive arena. The profitability in the market attracted many manufacturers to enter this underdeveloped industry. Presently, the competition with thin the market is getting intense. Not only the foreign global multinationals but also the domestic companies have subsequently entered the market.

The global players still form a major part of the market, the Indian firms struggled to make their place. Till about 2008, 53 % of the market share was Nokia's followed by LG with 14.4 % , Samsung 9.5 % and Motorola, the onetime pioneer in the market with only a mere 7.2 % (Sinha, 2009) The domestic players though struggled in the beginning, have managed to make a position for themselves in the industry. However, since they are small firms, it is usually difficult for them to develop their own technology, thus they obtain them through joint ventures. With the constantly changing market, the Indian mobile phone industry can be characterized as competitive due to the rapidly changing technologies, several new multifaceted handsets and the various value added services.

The Indian market has recently seen the entry of numerous domestic firms which have raised the local players share in the market form a mere 0.9 % in 2009 to 17.5% in 2010. The number has increased from 5 local manufacturers in 2008 to 28 presently. The top 5 local manufacturers include Micromax, Karbonn Mobiles, Spice Mobiles Ltd, Videocon Industries and Lava International, with Micromax leading them all with 4.8 % (Sinha, 2010). These domestic companies have gained popularity due their low priced yet well designed handsets, targeting the lower segment population. The global companies like Nokia and Samsung are losing out on share due to competition from the domestic players. According to Gartner (2010) the mobile devices are forecasted to reach 138.6 million in 2010, accounting for an increase of 18.5 % since 2009. With a compound annual growth rate of 28.3% Gartner (2007) had suggested that the production of mobile devices would reach to a 107 million unites in 2011. Thus the Indian mobile phone market is presently flooded with carriers and manufacturers leading to intense competition, low rariffs and low cost devices.

4.4 Factors that have triggered the growth of the Indian mobile phone industry

4.4.1 Political / Legal Factors

The Indian mobile phone industry had a sluggish start in the year 1995. The main reasons behind the slow development in the early stages was the high licensing fees being charged, absence of a good regulatory body and unfriendly telecommunication policies. Even though TRAI was established in 1997, its powers were explicitly defined through the TRAI (amendment) Act, 2000. It now had the ability of fixing terms and conditions for licensing, recommending technological improvements and quality standards for service providers (Panagariya, 2008). The subscriber base for mobile phones also remained slow and reached the 1 million mark only in 1998 (figure 2). The implementation of the new telecom policy triggered the Indian mobile phone industry since it allowed unrestricted entry into nearly all mobile services. Among other objectives, the New Telecommunications Policy (1999) allowed free entry into almost all mobile services. It also permitted the cellular mobile service

providers to mutually share infrastructure with other operators. The fixed license fee was also converted into a one-time entry fee but with sharing of revenue. The mobile phone industry now started catching pace. The subscription base crossed the five million mark in 2001 and then nearly doubled to ten million in 2002 (Ministry of Communications and Information Technology, 2003) (figure 2). The industry took off tremendously till 2006 when it touched the 100 million mark and ever since then it is being considered as the fastest growing mobile phone market with 6 million subscribers being added every month (Wharton, 2007) .

4.4.2 Economical Factors

India's economic development has made it one of the fastest developing nations in the worlds. Since the economic reforms in 1991, the economy has been growing at a decent rate.

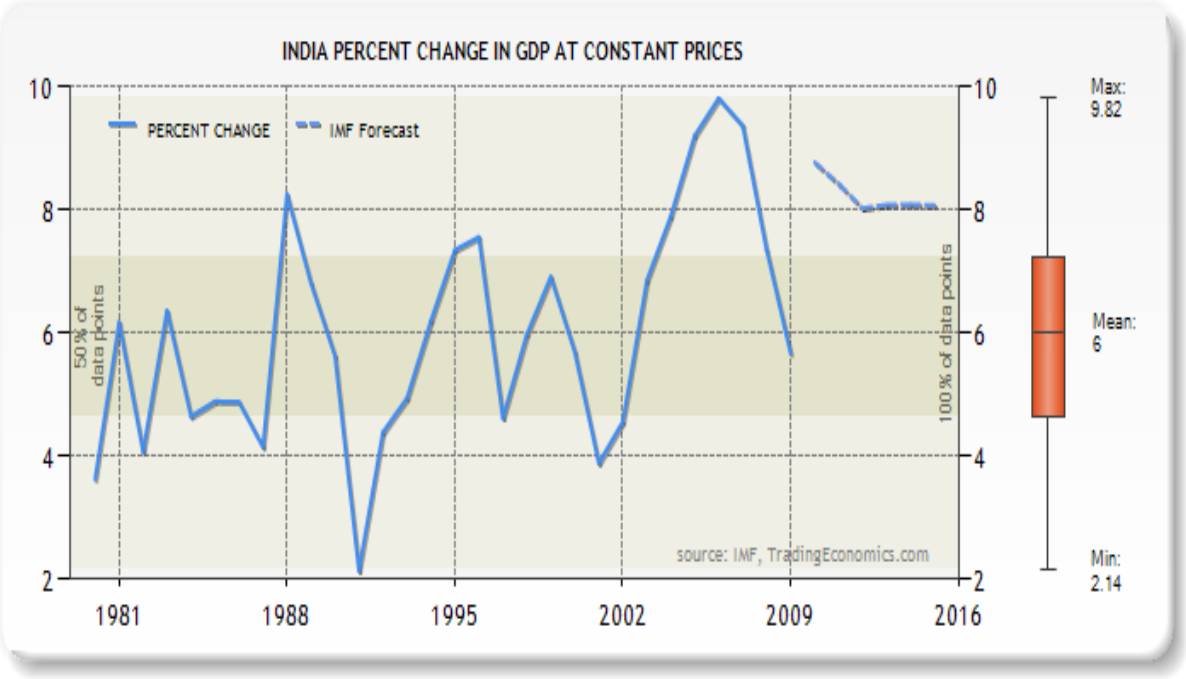

Figure 3: India's percent change in Gross Domestic Product
Source: (TradingEconomics, 2010)

1980 - 3.626	**1987 -** 4.153	**1993 -** 4.939	**1999** - 6.916	**2005** - 9.211
1981 - 6.176	**1988** - 8.258	**1994** - 6.199	**2000** - 5.693	**2006** - 9.817
1982 - 4.072	**1989** - 6.81	**1995** - 7.351	**2001** - 3.885	**2007** - 9.372
1983 - 6.365	**1990** - 5.63	**1996** - 7.56	**2002** - 4.558	**2008** - 7.346
1984 - 4.647	**1991** - 2.136	**1997** - 4.619	**2003** - 6.852	**2009** - 5.668
1985 - 4.891	**1992** - 4.385	**1998** - 5.979	**2004** - 7.897	**2010** - 8.777
1986 - 4.88				

Table 1: India's percent change in Gross Domestic Product
Source: (TradingEconomics, 2010)

Figure 3 and table 1 present data relating to the percentage change in growth rate of India's GDP from 1980 to 2010. As it can be seen, India was facing very low growth rate in the 1980s averaging to 4.5%. But, after the economic reforms in 1991, the growth steadily started to pace up. India reached a considerably high growth rate in 1995 and 1996, with 7.35% and 7.56% respectively. However, despite the fluctuations in the subsequent the performance of the economy has been surprising. The Indian economy saw an all time high between the years 2005 – 2007 when the economy grew at an average of 9%. Although India escaped the brunt of the global financial meltdown in 2008, the growth rate did fall tremendously to 5.6% in 2009. Considering the IMF predictions, India's growth for the next five year will remain stable at an average of 8% (TradingEconomics, 2010).

The sustained economic growth in India as led to major changes in the lifestyle of people and consumer behaviour. With the rising GDP, people's purchasing power has increased. Higher Purchasing power implies that people are willing to spend more than earlier, for better quality and expensive products. Thus, the increasing economic growth has facilitated the rapidly developing mobile phone industry in India.

4.4.3 Technological Factors

Technology plays an important role in the growth of mobile phones in India. Technology in mobile phones has progressed from 1G to 3G. The prevailing familiar technologies in India include GSM , CDMA, GPRS and EDGE. The Global System for Mobile communication (GSM) entered India in the early stages of the industry. It supports voice calls, data transfer and transmission of SMS which operates in different bands varying with continents. Code Division Multiple Access (CDMA), introduced in India in the year 2002 took off rapidly and reached a fastest 50 million subscriber by any technology in India (Entrepreneur, 2009). The General Packet Radio Service (GPRS) is a wireless data service that enables users to connect to the web through their mobile phones, at a speed similar to a dial-up modem. Another technology, Enhanced Data rates for GSM Evolution (EDGE) was introduced recently that provided enhancements to the GSM networks and delivers advanced mobile services like multimedia messaging, downloading video and music clips and high speed access to the internet (GSM World, 2010). Since the manufacturers required to be in sync with the changing technology, numerous mobile phone with various features were offered to the customers by them. Hence, the rapid progress in technologies in the Indian mobile phone market has facilitated it growth immensely.

4.4.4 Social Factors

Mobile phones today have become an indispensable part of human life. They are no longer considered a luxury the way they were back in the 1980's. The high tech gadget nowadays has gone past the purpose of wireless communication and text messaging. Individuals use it for various services such as internet access, camera, video recording, listening to music and FM radio, games, social networking, banking, news reading and navigation. All these services are possible because institutions like railways, banks and various multinationals like Google, MSN and Yahoo have tied up with service providers to contribute to the growth of the mobile phone market. Other company specific stores such as Ovi Store in Nokia and I Tunes Store in Apple have led to development of applications and services. The dynamically emerging

technology has also helped these companies to incorporate new features in their mobile devices to attract customers in order to increase their market share.

Besides being an important source of communication mobile phones are viewed as an indicator of a person's lifestyle. It has become a matter of status symbol especially among the youth where they buy phones according to change in fashion trends. Furthermore, the mobile phone has also become a necessity for a business executive since the multifaceted phones today provide services that help them be connected with their work while on the move.

Mobile phones are not only popular in the urban side of India but the need for them has increased in the rural parts of the country as well. With some mobile handsets priced reasonably and the microfinancing services being offered by Nokia, mobile phones have become easily affordable by the common man. Moreover, it is also considered to be a safety device for women in small towns as it helps them be accessible at all times. These social factors have tremendously accelerated the growth and development of the Indian mobile phone industry (Gandhi, 2010;Srivastava & Bhatnagar, 2008).

4.5 Five Forces Analysis

The Indian telecommunication industry encompasses equipment suppliers, manufacturers, and customers. The interaction and relation between these players is what defines the overall threats of the industry and hence facilitates the selection and implementation of company strategies. The following section applies the Porters five forces framework to analyse and explore the Indian mobile phone industry.

4.5.1 Threat from Substitutes

Substitutes satisfy a consumer's same set of needs and preferences in a different way. They may also be referred to as products that provide more or less the same

utility to a customer. With the converging electronics industry, mobile phones have become more than just a tool to communicate with. They are gradually becoming multifaceted with the increase in the entertainment functions being incorporated within them. Games, internet facilities, cameras and music players are all being integrated with the mobile phone device. Mobile phones, cameras, gaming devices and music players can be broadly classified as consumer electronics. Thus, various forms of consumer electronics such as portable video game players (Sony Play Station Portable and Nintendo Gameboy), handheld personal digital assistants (PDAs), digital cameras and portable music devices (Apple Ipods) are, if not perfect but partial substitutes for mobile phones. But at the same time the difference between these consumer electronics and mobile phones is defined clearly in a consumers mind. Hence, the threat from substitutes in the mobile phone industry is relatively low.

4.5.2 Threat of entry

Seeing the rise in profitability of the Indian mobile phone market, many new firms can be tempted to enter. But their concern lies in the barriers of entry into the industry. The mobile phone industry has various barriers which if high can be disadvantageous to the new entrants.

Product differentiation is one of the factors invariably increasing the costs of entry as all the incumbents have already created their space in the industry. The brand name earned plays an important role, as the customers would like to buy a mobile phone form a company with good reputation. Brand names are valuable resource since customers may lack knowledge to distinguish between competing mobile phones. And thus it would be a familiar brand name which would assist them while taking a decision. Hence, with the industry predominantly being led by international brands; it can be costly and time consuming for new entrants to form a similar standing. In addition, government policies and regulations also play a role in the entry of a firm. In India, with the Foreign Direct Investment Policy in 2006, international telecom manufacturing companies are allowed 100 % investment subject to sectoral requirements. While on the other hand, the equity cap on cellular mobile, paging,

and value added services and Global Mobile Personal Communications by Satellite is restricted to 49% and subject to grant of license from DoT (Government of India, 2006).

Another significant barrier in India is scale of production. Manufacturers with extensive working history in the industry can minimize their cost of production by manufacturing huge quantities to achieve economies of scale. Lastly, within a rapidly evolving telecommunication industry, financial resources for R&D and technology development may pose to be a barrier and thus may perhaps constrain the number of companies in the industry. However, new firms can surpass these barriers and enter the industry by forming joint ventures and alliances to outsource technologies and other services like distribution and marketing. Besides, domestic firms have an upper hand as they may enter this industry with the help of their wide local knowledge. Hence, the barriers to entry in the Indian telecommunication industry are relatively moderate.

4.5.3 Threat from Buyers

India presently boasts of a well spread telecommunications network which further accelerates the growth and development of the manufacturing market place. Since the mobile phone manufacturing companies in India are large in number, there is bound to be intense competition in the industry. In a competitive market the power slowly but surely shifts to the buyer (Veliyath & Fitzgerald, 2000). According to my interviewee four, as consumer needs are the main focus of a company, the manufacturers tend to adopt a consumer oriented approach to fulfil the requirements of consumers before their competitors. The outcome of this approach is varied choices in the market. The supply thus tends to exceed the demand imposing bargaining power of buyers leading to increased threat of buyers.

Furthermore, nowadays consumers have free access to information via advertisements, brochures and the internet and thus can always compare and

accordingly buy the product. They also have the ability to purchase similarly priced alternate products with very low switching cost. Thus in customer oriented industries like these the bargaining power of buyers is extremely high and their actions dictate the profitability of a firm. Therefore, the threat from buyers in the mobile phone industry is gigantic.

4.5.4 Threat from Suppliers

Suppliers in this industry refer to design firms, distributors, software providers, chip makers etc. Most of the international corporations have their own manufacturing and design sites, either in India or abroad. Although for the distribution of their products some of them have formed alliances with local distribution companies. Their ability to manufacture components in house lowers the bargaining power of the suppliers. But, on the other hand Indian domestic manufacturers like Reliance Communications Ltd and Tata Teleservices , import from abroad or purchase these services form other multinational companies present in India (Krishna & Karve, 2010). A couple of months back, the government of India had banned the import of telecommunication equipment from China. This was in the interest of local equipment providers since they felt that Chinese companies would utilize their network to spy into the Indian market and try and hire Indian engineers for their network thus hindering the development of the Indian telecommunication industry. Though the government has now lifted the ban but with strict security regulations (Putcha, 2010). However, since the domestic manufacturers of mobile phone devices purchase the components form a wide range of suppliers and the international companies manufacture their own, the threat from suppliers seems to be extremely low in this industry.

4.5.5 Internal Rivalry

In the initial stages of the Indian mobile phone industry, the players in the market where restricted to multinationals, competition was low and thus profits were high. The market was then dominated by Nokia, Motorola, Samsung and Ericsson. There

has been a recent rise in the number of the local firms which are gradually intensifying the competition in the industry. Since the market attractiveness of the industry is high, entry of new firms is inevitable. The interviewee four also affirmed that with numerous firms in the industry, fierce price competitions in order to maintain market share, is predictable. Hence, the internal rivalry is beginning to get extremely intense.

Chapter 5: Case Studies: Motorola and Nokia

From the previous chapter we can conclude that the Indian mobile phone industry is beginning to get highly competitive. Various players ranging from international multinationals and Indian domestic firms coexist in this competitive environment. Within such a setting the ability of a company to sustain its position relies upon the competitive advantages created and maintained by it. Many of the international players have been present since at least a decade and have proficiently sustained their position in the market. According to the interaction with all the interviewees the main sources of competitive advantages for these corporations lie in their ability to build and maintain a brand. They threw light upon a strong distribution system that needs to be retained. Emphasis was also laid upon the diverse demographics in India and thus a wide product portfolio was considered a valuable resource for sustain competitive advantage.

5.1 Motorola

Motorola's success can be traced back to the year 1928, when it was first established as Galvin Manufacturing Corporation in Chicago, USA. As a pioneer in the communications sector, Motorola manufactured the world's first commercial portable handheld cellular phone in 1983 revolutionizing the way people communicate. Besides this innovation, Motorola has had many firsts. The corporation produced equipment that carried the first words from the moon in 1969. It also led the consumer electronics business by producing the world's first all-digital high definition television in 1990. The popular messaging service available on mobiles today earlier existed through a two-way messaging pager introduced by Motorola in 1995. Besides being the leading American manufacturing brand for mobile phones, it was also ranked at the 52nd spot in the list of fortune 500 companies, in the year 2007. It presently operates through a well maintained global network and provides products and services all throughout the world. With a vast background in communication's inventions and innovations, it is positioned as a world-wide leader in the telecommunication industry (Motorola, 2010a).

The organization comprises of two business units: the mobile devices and home unit and the enterprise mobility solutions and networks unit. With the converging mobility, media and the internet sectors, the mobile devices and home business dimension focuses on offering integrated advanced solutions like smartphones and digital entertainment home systems, to enhance the experience of its customers. At the same time the enterprise, mobility solutions and networks unit provides for infrastructural solutions to enterprises and governments through various safety systems and wireless network infrastructures. In India, Motorola focuses on wireless infrastructure, broadband equipment, trunking and two way radios, mobile handsets and software. In terms of mobile devices, Motorola designs, produces and sells phones and accessory equipment all across the globe (Motorola, 2010b).

Motorola as a part of its business policy decided to enter India in 1987, where it recognized India as its strategic business partner. Motorola perceived India as a development hub as well as a growing market (Srivastava & Bhatnagar, 2008). A pioneer in the Indian subcontinent's telecommunications sector, it presently operates across the nation through a well connected network of offices. Motorola's business in India covers all its globally advanced technologies, products and services. The company's clients encompass all the large telecommunication operators and other commercial organizations in the telecommunication industry. The headquarters situated in Gurgaon (Haryana) comprise of all its business divisions. Its sales offices in Delhi, Mumbai and Bangalore provide proximity to its customers for services. It has design centres in Delhi and Noida and research and development centres in Bangalore and Hyderabad. (Motorola, 2010c) (India, n.d)Owing to its global brand name, Motorola managed to attract customers and gained a dominant share in the industry. The conglomerate was known as the world's leader in mobile devices in the late 1990's. However the corporation has lost its market share to Nokia and other Asian multinationals in the last decade. Motorola which was once considered an industry leader in India presently is positioned after Nokia (60%), Sony Ericsson (8%) and Samsung (7%) with a mere 6% of the market share in 2009 (Wireless Federation, 2009). Motorola is now focussing on offering India with handsets at all price levels.

Being a first mover in the Indian telecommunications industry Motorola has more knowledge and awareness of the Indian business environment than any other company. The global giant however, did achieve the position of a market leader in the beginning of its history, but it lost out to other new entrants. The following are the advantages, resources and capabilities that Motorola has developed during its span of business in India. Though there are some competitive advantages which it did not manage to sustain.

5.1.1 Futuristic Vision

During the mid 1980's India witnessed change with the setting up of the Department of Telecommunications which ensured a bright future for the industry in the country. India's huge population, a key reflection of the market potential, provides a massive opportunity for global companies. Furthermore, with the inundating markets in US and Europe, it has become important for multinationals to exploit emerging economies. Thus, market presence in India is essential. It was this opportunity that Motorola wished to tap and thus decided to penetrate the Indian marketplace in 1987 as a pioneer (Srivastava & Bhatnagar, 2008). Motorola had a futuristic outlook and perceived India as a potential profitable market. As mentioned by interviewee three, motorola chose to take a risk albeit the weak telecommunication technology and equipment present in India then and invested heavily for a long term business. This type of foresight is considered as a critical firm resource that facilitates a corporation to implement a decision in order to surpass its competitors (Lieberman and Montgomery, 1988).

5.1.2 Motorola India Electronics Limited – Software subsidiary

In the early 1990's software was becoming extremely important to Motorola. Problems such as scarcity of resources, dissatisfaction with existing capabilities and intensifying software, induced Motorola to set up its subsidiary. The corporation thus established its software subsidiary company - Motorola India Electronics Limited, hereafter referred to as MIEL, to concentrate on the software development for its

company in India. Since its inception in 1991, “MIEL has achieved a distinguished position in the history of Indian software industry because it was the first organization in India to be rated at level 5 on the Software engineering Institute’s Capability Maturity Model (SEI-CMM)” (Krishnan, 2006). This milestone was later duplicated by other software companies in India resulting in making the country host to the largest companies at that level in the world (Krishnan, 2006).

This resource and development centre is located in Bangalore and Hyderabad, cities best known for their international level environment for software engineering. Thus the corporation has access to best-in-class manpower resources in these areas. MIEL has been responsible for developing software for Motorola’s paging and cellular systems, data communications systems and for the Motorola Satellite Series (India, n.d).

The subsidiary project helped in enhancing Motorola’s business at the early stages where the company needed to overcome barriers in a new country and required to build a credible image. Over the years MIEL has developed an array of competencies related to technologies used for Motorola’s products. It has been successful in establishing a distinguished identity mainly owing to the local intrapreneurial initiatives in software engineering processes it had created and which over time got diffused across other development centres in Motorola globally (Krishnan, 2006).

5.1.3 Human Resource turnaround

The mobile handset division earlier known as the Personal Communications Division was not well equipped, during the initial stages of Motorola in India. With only 7-8 people handling this division the focus on mobile phones was missing (Srivastava & Bhatnagar, 2008). A source of competitive advantage for Motorola in mid 2000 has been its renewed focus on human resources. With the entry of different Asian and

European players, the company realized that the Indian telecommunication industry was growing at a rapid speed and thus decided to regain its lost market in India. As also confirmed with interviewee one, it was “in 2005 [that] Motorola Inc.’s new Chief Executive Officer Edward J. Zander chose India among 107 countries as the headquarters for its high growth markets [HGM]”. Under this initiative Allen Burnes, Vice President HGM, was appointed to recruit and form an Indian management team. Under their guidance the number of employees in the company rose from 6 in 2005 to 75 in 2006. The company welcomed their employees with an energetic inductive program – ‘Prarambh’- meaning the beginning, wherein the Motorola cultures and values were inculcated within them. Interviewee one also mentioned that “by the end of 2006, Motorola boasted of multitalented management and an enthusiastic human resource” ready to take up the challenge of bringing Motorola back into the mobile device business. This turnaround resulted in a dramatic eight fold growth from 2005 to 2006 and was listed in the top five brands in India (Srivastava & Bhatnagar, 2008).

5.1.4 Expanding technical knowhow through alliances

Alliances are business agreements where in two companies decide to come together to form a separate entity with the intention of augmenting the business of the two companies present in the alliance. This coalition aims at achieving and solving both the company’s strategic purpose. Since the very beginning Motorola has been involved in various joint ventures and alliances in India with the sole intention of expanding its operations in the subcontinent. It’s very first joint venture was with software provider Blue Star Ltd. in 1989 wherein Motorola produced its first data communications product in Bangalore. Although this joint venture gave a head start to the company’s business in India, it didn’t last long, as Blue Star Ltd. exited from Motorola (Milestones, 2010) (Annual Report, 1990). Motorola has come a long way since then. In the last five years it has ventured into various alliances with IT services providers. According to interviewee three “one of the main resources behind Motorola’s prolonged existence in India has been due to the technical knowhow owned by the company.” With a vast global history in cellular communications, it has gained and maintained its technical knowledge over the past decades. In India, Motorola extended its information technology in 2006 by being the first global

telecommunication company to tie up with an Indian software provider Wipro to form a joint venture WMNetServ which offers outsourced telecom services to the market (Tippu, 2006). However over two years Wipro started taking full ownership of some of the several components and by 2008 it had completely acquired Motorola's share in the joint venture (Business Standard, 2008). Nevertheless Wipro has been working closely with Motorola to develop technologies and has also invested in those Motorola intends to use in the future (Chaudhuri & Metry, 2009).

Around the same time Motorola also formed CanvasM with Tech Mahindra a leading supplier of IT services and telecom solutions, to deliver solutions for global network providers and enterprises. Tech Mahindra contributed with its expertise in application development and integration capabilities while Motorola contributed to the venture with its application portfolio and mobile technology capabilities (Tech Mahindra, 2006).

The joint venture strategy of Motorola assisted it in boosting its presence in Asia. It saved the company the cost to develop or acquire intellectual capital to expand its technical proficiency in service areas. Besides matching up to the scale of its competitors, these ventures provided the corporation with a standing in budding wireless technologies without hindering its existing service operations (IDC, 2006).

5.1.5 Product Portfolio

Motorola being a global brand did not take long to become popular among people. Besides this, the corporation from the very beginning has aimed at gaining an edge over its competitors through their handset's design and looks. However it lost out to its competitors as the company did not focus on manufacturing handsets for the local needs. The early range of phones though included basic handsets, but as the time progressed the company's product portfolio targeted all segments of the market ranging from the MOTOWX series for the lower end to the smart phones like MOTOROLA BACKFLIP for the higher segments.

Its recent strategy in the last couple of years has been to target the youth with its slim and sleek models. The main reason behind MOTOYuva , MOTOROKR, MOTORAZR becoming a rage among the dynamic youth of India was due to the eye-catching marketing campaigns with young Indian actor Abhishek Bachchan, with whom the youth could relate (Srivastava & Bhatnagar, 2008). The features and prices for the phones were also accordingly set. Some of the key features present in the models included MP3 players, Bluetooth, USB port, Wi Fi and built in web browser.

Despite these models Motorola has not been able to sustain its market share. As affirmed by interviewee one, the main reason behind continuously losing out on share has been a lack of a blockbuster product since the MOTORAZR. But he also mentioned that "with the latest changes in the organization, Motorola should manage to regain what it has lost in the recent years. The main source of my enthusiasm is a renewed focus on research and development of new products." Some of the recent products like the smart phone launched in April 2010, Motorola Milestone has received favourable reviews from experts and customers.

5.1.6 Distribution network

Motorola comprises of a two tier distribution network for its handsets wherein it has five regional distributors for the entire country who in turn handle the distributors at the city level. The distributors include Redington India for the south, Tech Pacific for the western part, Surya Business for east and Agrani and Indian Overseas for the north (The Financial Express, 2003). During 2005 Motorola announced its alliance with Bharti Teletech to expand its distribution network reach across to cities and towns; it was not well connected with. It guaranteed the availability of its new wide range of products to all the segments of consumers through this new distribution system (Webwire, 2005). But, 2009 witnessed the closing down of Motorola's distribution division due to the diminishing sales and increasing competition. The distribution will now be handled by the company's division in Singapore. This decision is in fact in contrast to the decision the company took back in 2005 , to establish India as the headquarters for its 'high growth markets'. According to

interviewee three, Motorola lacked a strong distribution system and was one of the main reasons behind its loss of market share.

5.2 Nokia

Nokia one of the world's pioneers in telecommunications and now the largest mobile phone manufacturer in the world, was once a lumber company. "Nokia started by making paper - the original communications technology" in the year 1865 by Fredrik Idestam, a 25 year old mining engineer. In the year 1967, three firms namely Nokia Ab, Finnish Rubber Works, Finnish Cable Works merged to be known as the Nokia corporation. The conglomerate now comprised of five businesses – rubber, cable, forestry, electronics and power generation (Nokia, 2010b). Even though the company struggled during the 1970's to create an identity (Besanko, et al., 2010), Nokia started diversifying its business into the electronics sector. It was in the mid 1970's that Nokia took the visionary decision to start production of telephone exchanges, in direct competition with Ericsson and Siemens, the leading players in the market. During the 1980's, Nokia's corporate strategy focused on growth through internationalization, acquisitions, expansions and diversification (Häikiö, 2001). The company grew manifold through acquisitions and alliances. It acquired various consumer electronics companies like Luxor and Standard Elektrik Lorenz. The electronic segment of Nokia grew from 10% to 60% in the 1980's (Häikiö, 2001) (Sölvell & Porter, 2007)

"A new era for mobile phones began in 1981, with the launch of the Nordic Mobile Telephone (NMT) service" by Denmark, Finland, Norway and Sweden (Nokia, 2010b) n. While NMT was in progress, Nokia and Salora ventured jointly to form Mobira in 1979, to market and develop radio technology especially concentrating on new NMT specific phones (Sölvell & Porter, 2007). It was in the year 1982 that Nokia launched its first digital telephone switch Nokia DX200 which was equipped with high-level computer language and Intel microprocessors. This advanced into a multifaceted program which till today is a significant part of Nokia's network infrastructure (Nokia, 2010a).

The Nokia Corporation benefitted immensely under the leadership of Jorma Ollila as it was his crucial strategic move of shutting down all side business and solely focussing on telecommunications. Thus, it was Mr. Ollila's long term vision that placed Nokia on the world map (Nokia, 2010d). By 1998, Nokia was regarded as the world leader in mobile phone manufacturing followed by Motorola and Panasonic (Häikiö, 2001).

Nokia saw the potential in the Indian market in the year 1995. The board met and decided to invest in this developing economy. Although many analysts argued that for Nokia to do well in Asia, it needed to concentrate either on China or India. But, Nokia decided to win in both (Steinbock, 2010). The mobile phone industry in India was still in its premature stage when Nokia chose to penetrate the market. Although Nokia was not the pioneer in the industry but it managed to overtake the then leader in telecommunications, Motorola. Even though it came in comparatively late, Nokia played a revolutionary role in the growth of cellular technology in India. 15 years ago the first ever cellular call in the country was made on a Nokia mobile phone over a Nokia deployed network and as of today India boasts of 635.5 million mobile subscriptions (Manish, 2010)

"As a global leader in mobile communications, Nokia is committed towards developing its manufacturing infrastructure and establishing a global sourcing network" (Nokia, 2010e). Nokia presently owns offices in various parts of the country. Its R&D facilities are based in Bangalore, Hyderabad and Mumbai where the employees work toward assimilating the local tastes from the market and convey the information to the global development teams (Nokia, 2010f). Its manufacturing plant situated in Chennai is the corporation's tenth mobile device production base globally. The key reason fostering the development of manufacturing systems is to facilitate superior quality, lowest cost, just in time delivery and world class responsiveness (Nokia, 2010g) (Nokia, 2010e)

Though the telecommunications multinationals were operating in the industry since before, it was Nokia that invested in R&D, manufacturing and distribution networks before anyone else. Globally, India is one of the three countries after Finland and Chnina where Nokia has established the above activities. Investing into the needs of the Indian public was another area that Nokia targeted first (Steinbock, 2010).

5.2.1 Exclusive focus on Mobile Devices

At the time of Nokia's entry, global telecommunication giants like Motorola and Siemens were already present in the Indian industry. Their business portfolio focussed on a variety of telecommunications services and equipments besides mobile handsets. Nokia on the other hand considered focus to be an important factor in the company's expansion in India and chose to concentrate first on building its mobile handset division. After creating a niche in the market, it gradually later ventured into infrastructural businesses. It merged with Siemens in early 2007, aiming to build an industry leader to cater to the rapidly changing customer needs in a converging telecommunications industry (Network, 2007). The Nokia Siemens Network head quartered in Gurgaon (Haryana), offers a wide product portfolio and fixed network infrastructural consulting and solutions (Nokia, 2010g).

5.2.2 Distribution Network

As mentioned by my interviewee two, Nokia's strong distribution network was one the key sources that helped it surpass its competitors in the industry. Nokia started its distribution network in 1996 though a partnership with HCL which already had an existing network for its own products. Both the companies exploited each other's resources in an optimal way to utilize the growing opportunities in the market (HCL, 2010).Through this network the year 2006 witnessed Indian crossing the 100 million telephone mark to become the fifth largest telecommunications network in the world (DQ Channels, 2006)**.** In 2006 they extended their partnership in anticipation of further growth in the industry. They jointly announced a long term distribution strategy to manage and develop the expanding Indian mobile market. My

interviewee two also mentioned that HCL and Nokia chose to initiate a 'go-to-market' strategy to satisfy their customer needs in the urban and rural areas. She also mentioned that in the urban areas like metros and other developed towns, the markets seemed to be mature and consumer needs were constantly evolving. Nokia's mission here was to provide its customers with relevant skills and services and thus they began the concept stores in seven major cities namely Bangalore, Delhi, Jaipur, Hyderabad, Chennai, Ludhiana, Indore and Mumbai. Presently, Nokia's distribution system is widely spread with 1,30,000 outlets across the country. Nokia has also been working closely with the Indian operators to increase its geographical base and to reduce its overall cost of ownership for customers (Nokia, 2010g) (Nokia, 2010e).

Since concept stores can't be set up in non urban areas, Nokia has deployed 300 vans to access its rural customers to create awareness. The staff representatives employed in these vans help in familiarising the customers with the products (Prasad, 2007). Furthermore it has also established collection points in villages like chemists and grocery shops, where distributors and micro distributors collect phones and take them to the nearest customer care centres. This is a trust building strategy employed specifically for first time users (WSJ, 2010). The key objective behind this strategy is to augment its sales and strengthen its distribution network in rural India.

5.2.3 Brand Building

According to interviewee two, another crucial aspect that Nokia aimed at as was building its brand. Celebrating its 15th year in the country, Nokia is distinguished as a market and brand leader in the mobile handset industry. In addition, Nokia has been named the Most Trusted Brand in India according to the Economic Times Brand Equity survey 2010 for the third time in a row (Nokia, 2010h). The corporation boasts of a product portfolio which caters to the needs of various consumer segments. The products range in India extends from the economically priced devices at Rs. 1,500 (£19) to the Rs 45,000 (£560) advanced business phones. But this is

also where Nokia faced a problem. According to marketing experts a brand cannot be all things to all people. Thus Nokia promotes platforms rather than devices, for instance music. Under this approach one model can replace another while the branding remains same or gets a little extended for example N Series to E Series (which are predominately music phones). The company also provides for the requirements of the youth with their high performance multimedia devices with functions for high quality imaging, music and gaming (Nokia, 2010g)

According to Mr. Jagdeep Kapoor, chairman and managing director of Samsika Marketing Consultants, the Nokia brand takes into account five needs of an average Indian consumer. Rational need, fulfilled by providing a good balance between quality and price, aspirational needs fulfilled with new models and features, emotional needs by keeping in touch with family and friends, physical needs been adequately fulfilled through the size and comfort of the devices. And lastly, the spiritual need which has been met through local languages , where the consumers whether 18 or 80 have the facility to greet one another via SMS during festive occasions in their regional language (Knowledge@Wharton, 2007).

5.2.4 Tapping the Indian rural market

D. Shivkumar, Vice President and Managing Director for Nokia India quotes "We saw the rural opportunities ahead of competition" (WSJ, 2010). One of the first steps that Nokia took to enter the rural market was the launch of Nokia 1100 – a made for India phone, in 2003. This phone was accustomed for the needs of people rural India. As the phone caught popularity, Nokia considered the Indian rural market as a prospective opportunity to increase its market share. This decision was a part of the company's social inclusion policy adopted in 2006 which included the low income consumers as a part of their growth strategy (WSJ, 2010). Nokia since then has been undertaking various initiatives as part of its strategy to tackle the India's rural market (Riberio, 2008).

The company's manufacturing plant was then set up in Chennai which began tailoring products exclusively for the rural climate and environment. The phones manufactured though sleek in design, were sturdy devices to withstand harsh weather and living conditions. They had seamless keypads in order to protect them from dust and slip-free grips to make them simpler to hold and mange especially in India's dry and humid weather conditions. Nokia also managed to capitalize on another essential aspect of the Indian rural life – shortage of electricity. Some of the devices - Nokia 1200 and Nokia 1208, doubled up as flashlights besides having good battery life. This innovation became a rage among the rural public because of the frequent power cuts in rural India. Nokia introduced these phones in a plethora of languages with different regional interfaces. These phones were also exported to Africa and Asia (Business Outlook India, n.d.)

Nokia Life tools and Micro financing

The year 2009 witnessed a revolutionary service introduced by Nokia. Nokia collaborated with a variety of private and government enterprises to offer personalized and localized information through their new service called Nokia Life Tools. According to my interviewee two, the primary objective of this initiative is to expand consumer mobility and to create maximum value for customers by minimizing the total cost of ownership.

Nokia Life tools provide a range of innovative agriculture information and education services to non urban consumers. Services available are as follows:

- The Agricultural services seek to remove information gaps for farmers by providing them with information on seeds, fertilizers and pesticides, weather checks and market prices.
- The Educational services aim at offering education and career services, general knowledge, exam preparation and results
- The Entertainment services include astrology, news, sports, politics, jokes and downloadable ringtones.

These services are delivered via SMS, without any additional settings or coverage of GPRS. At the moment, these services are being provided to the subscribers through the telecom operator IDEA.

Besides the Nokia Life tools, the company also launched a unique microfinancing scheme in order to enhance the mobility in the non urban markets particularly to the female population in rural India. Under this scheme the company offers handsets to women customers at a minimal Rs 100 per week instalment over a period of 25 weeks (Nokia, 2010h).

According to the interviewee two the main aim of the company is to make mobile handsets affordable for their rural customers while enhancing their social wellbeing. She also informed that in order to facilitate the scheme, Nokia has collaborated with several local and regional microfinancing companies. Keeping intact Nokia's commitment to inclusive growth, the microfinancing service will contribute extensively at widening their reach and providing universal access. As competition is heating up from the domestic players with reasonably priced handsets, this scheme would definitely set Nokia apart from its competitors and help them penetrate well into the rural segment.

5.3 Discussion

Motorola entered the Indian mobile phone industry as a first-mover. It brought with it a futuristic view of the opportunities present in the Indian economy. It perceived the growth and development in the industry before any other mobile phone manufacturing company did. This insight, a unique resource, is what enabled Motorola to capture the potential Indian market before its competitors. Being the pioneer, Motorola gained technological leadership in the Indian mobile phone industry. It set up MIEL, the first software subsidiary by any global mobile phone manufacturing company, in India and also ventured into an alliance with a software provider Blue Star Ltd. With a vast history in telecommunications, the reliability of its products would be unquestionable. As per the learning curve, the cost of production

decreases as the output increases. Motorola acquired a major share in the Indian market during the early 1990s, proving the cost advantages it achieved through the learning curve.

Even though, Motorola has an extensive history in technological skills, it couldn't sustain its lead position in the market for numerous reasons. With the entry of the new technologies, it became difficult for Motorola to be at pace with other multinationals. It gave in by raising its prices with the purpose of increasing its market share. However, this pricing strategy of Motorola didn't seem to work in its favour as Motorola began to lose out on share. Secondly, it appears that Motorola was compelled to pay a high price to transfer to the new technology in order to penetrate the market. For first movers to benefit from R&D advantages, it must be essentially difficulty for followers to imitate or duplicate it (Lieberman and Montgomery, 1988). Owing to the reasons mentioned above, Motorola made it easier and less costly for its rivals to replicate its technological capabilities. Hence, Motorola's present set of R&D capabilities are not imperfectly imitable and thus cannot be a lead to competitive advantage for the firm. Furthermore since Motorola's market share has been on a decline, the learning curve advantages also seem to be reducing.

Unlike Motorola, the competitive edge with which Nokia entered the scenario was its exclusive focus on mobile handsets. Besides, it decided to penetrate in a yet premature market, with a strong distribution alliance. Its association with HCL has been going strong; they have extended their agreement for another couple of years as mentioned before. On the other hand Motorola did encompass regional distributors; it enhanced its distribution network only in 2005 through alliances. However, it failed to sustain its distribution due to the collapse in sales.

Though Motorola had identified India as a low cost labour centre for software development, it did not realize the customer potential. Motorola failed to realize the shifts in the market and changes in customer needs and preferences. In a land with more than a billion people, the company was offering only five handsets in the

beginning. However, on the other hand Nokia had a wide product portfolio specially customized for the needs of the Indian consumers. It developed handsets for all segments of the society with a specific focus on the rural parts of India. The Nokia handset series with torch lights is a great example of how innovative late entrants may outdo the incumbents and become more profitable (Shankar et al., 1998). Nevertheless Motorola did make a comeback in the early 2000s with its sleek and well designed Motorazr and Motorokr, targeted specifically at the dynamic youth of India.

Customers generally prefer relying on pioneering brands and avoid switching over to new ones, until convinced about the same. While alternatively, incumbent brands are put under contemplation while shopping. In such a scenario, first mover advantages can be generated by pre-empting consumer perception. Furthermore, switching costs are generated while using products of the early entrants. They are advantageous for pioneering firms only if they are high and dissuade consumers from buying the products of the late entering companies. Thus, the sequence in which buyers gain knowledge of brands is definitely significant and benefits can be gained by means of a prior entry. Motorola penetrated the Indian market before Nokia and had already generated a brand name amongst the Indian buyers, through various telecommunication equipments like pagers. This assisted Motorola to pre-empt consumer perception and thus made it difficult in the beginning for Nokia to create a similar image. Motorola benefited from its long history and global brand name in telecommunications to occupy a dominant market share during its initial stages in the Indian industry. However, Motorola couldn't sustain this advantage for long since Nokia invested heavily in other resources such as distribution, branding and marketing in order to gain the interest of the Indian public.

'Me too' strategies for late entrants are considered inappropriate (Carpenter & Nakamoto, 1994) or alternatively, late entrants trying to position themselves close to pioneers is also regarded ineffective for the followers. Therefore, Nokia didn't try and duplicate Motorola's strategy and aimed at forming its own image in the country. It aimed at localising its focus, and targeting directly at the needs of the Indian

customers. Nokia's strategy was to reach the un-tapped rural markets and enhance the mobility of the non urban citizens of India which it very successfully achieved. In addition, the switching costs for buyers also decreased in the Indian mobile phone industry due to easy availability of abundant knowledge which made it simple for the consumers to purchase alternate products, hence diminishing the pioneers' advantage.

Motorola in its initial stages had strong infrastructural, financial and technological resources. The knowledge that the company had obtained due to its prior existence in the country could not be matched by any other following firm. Although, Motorola entered India in 1987 and was a pioneering telecommunication company in the country it failed to exploit its first mover advantages and was soon surpassed by competitors like Nokia, who effectively achieved a near monopoly status in the market. This was due to its ineffective distribution network, an inappropriate product portfolio, inefficient branding and the lack of focus on the Indian customers' needs.

However, the rationale behind Nokia's success was its strong resource base. Its vast distribution network provided it with a competitive edge over its rivals. In addition, its single focus on mobile phones was rare amongst the other competing companies since, multinationals like Samsung, Motorola and Sony Ericsson also aimed at increasing their share in the consumer electronics market. Nokia had the ability to focus exclusively on mobile phones and stick to their strategy. Its localisation approach which no company could duplicate has given the corporation a sustained competitive advantage. Thus Nokia's profitability in India lies in the uniqueness of its distribution, localisation and branding resources which it developed through its historical conditions in India.

Chapter 6: Conclusion

6.1 Findings and Implications

This piece of work has examined the evolution of literature available on resource-based view, with respect to first-mover advantages. In addition the PESTEL framework and Michael Porter's five forces model has been utilized to study India's mobile phone industry. Furthermore it has illustrated the potential first-mover advantages pertaining to a pioneering firm. The study also demonstrates how a late mover in the industry can outperform a successful incumbent firm by utilizing its resources, implementing effective strategies and exploiting market opportunities by means of a case study in the Indian mobile phone industry.

Through this research, it can be established that pioneering firms may perhaps enjoy first-mover advantages and generate major market share in its initial stages. However, these advantages can only be a source of competitive edge provided the resources owned our heterogeneous and immobile in nature. But with changes in the market environment, these first-mover advantages may not be able to guarantee the pioneer a dominating position in the industry. To avoid losing out on share, a first-mover must make sure that the resources owned are inimitable and non-substitutable or must react and develop new resources in accordance with the changing market and technology needs. If the early entrant does not adhere to these rules of an industry, in all likeliness late entrants will identify these changes and build more crucial resources in order to surpass them. Hence, it can be ascertained that the resource portfolio of a firm can and should change as the market and the competition within it evolves.

The case studies chosen to examine the above mentioned theory were of Motorola as the first-mover and Nokia as a following entrant, in the Indian mobile phone industry. Motorola entered the Indian market with its vast history in telecommunications and brought with it its technological ability. Besides establishing one of India's largest software subsidiaries, it also pre-empted the consumers'

perception of its brand. As the market grew, and Nokia entered, Motorola started losing out on its position. With its entry into the market, Nokia developed resources promptly which not just matched Motorola's capabilities but surpassed its position. Nokia's distribution alliance facilitated its reach all across the country. It created and maintained a wide product portfolio and effective branding and marketing, which have helped it, draw the attention of the Indian public. Lastly, Nokia's ability to cater to the Indian needs has been the most significant firm resource which up till now has been difficult to imitate and thus is a major source of its competitive advantage. Hence, the case of Nokia exemplifies how a late entrant can identify, develop and exploit its internal resources in order to generate competitive advantages.

To review, the sustainability of first-mover advantages can be understood through various factors. Firstly, the advantages depend on the ability of the firm to pre-empt market resources and the capacity of the pioneer to manage and develop resources in accordance with the changing environment. In addition, the resources owned by the follower firm, need to be considered as well. In a dynamically changing and emerging economy like India's, the environment is bound to create more opportunities for succeeding new entrants.

To conclude, as the market changes constantly due to various factors around it, first–mover advantages become hard to sustain. The evolving environment continuously generates new opportunities which can be exploited by late entrants, thus proving the fact that first-movers are not always at a gain. The subsequent entrants may develop stronger resources and capabilities to exploit these opportunities and thus subsequently leapfrog the first-movers position

6.2 Contribution of this Study

The objective of this dissertation is to study the importance of first-mover advantages and examine whether subsequent entrants can match or even outperform the

pioneer in its own industry. The research backing this phenomenon till a large extent has been concerning the United States of America. Thus, this dissertation chose India, a flourishing economy; within which the researcher chose to select one of the worlds' fastest growing mobile phone industries, as the research subject. The researcher identified and examined the first-mover advantages in this evolving industry and concluded that late entrants can possibly outshine the pioneering firm by exploiting internal strengths to generate and implement competitive strategies. None the less, these resource and capabilities qualify as competitive only if they are valuable, rare, imperfectly imitable and not equivalently substitutable. The resource-based view used in this research, exemplifies the differences in the resource portfolio of first and subsequent entrants and makes is simpler to form a comparison.

The research may be of significance to firms intending to expand their operations into new markets, industries and economies. In addition, this article could be of interest to companies especially late comers wanting to penetrate the developing Indian economy. Alternatively, it might also be of value to pioneers who have already created their position in the industry before the entry of other firms. This research may be reminiscent of the fact that despite the first-mover advantages gained, a pioneering firm needs to change and evolve with the emerging industry in order to avoid being displaced by late entrants.

6.3 Limitations and Future Research

Limitations

The focus of this dissertation is the mobile phone industry in India wherein it examines the first-mover advantages in concurrence with the resource-based view approach. It identifies the sources of first-mover advantage and how a late mover's ability to exploit resources can assist it in surpassing the incumbent firm. However, the conclusion reached will be purely based on the sample selected within an industry and it may influence the result. The findings and results of this study may also be biased towards this specific mobile phone industry. Since every industry is

encompassed by different features, the first-mover effect in all possibilities would vary across industries. Moreover, a study exclusive to a specific industry may not be able to give a representation of general situations. Besides, national discrepancies are inevitable. Since the research is based in India, a developing and evolving country; studies concentrating on mature and more stable economies may conclude in an absolutely different manner. In addition, companies may perceive first-mover advantages differently while operating in different nations across the globe.

Further Research

This dissertation is based on two companies in the mobile phone industry in India. Thus, its generalization across economies or industries is limited. As regard to future work in this subject area, research could be conducted in other developed or developing countries. The research could also be spread across various industries so as to reach a more universal conclusion. Exploration of first-mover advantages integrated with the resource-based view will certainly prove valuable to the research already accumulated in this sphere.

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Appendices

Appendix 1 : Questions for the interviewee

1. In your industry, what are the competitive advantages that an organization has/can have? How far are each one of them sustainable?

2. What are the competitive advantages that accrue to a pioneering organization in your industry?

3. As a pioneer in the telecomm business, what are the successes Motorola/Nokia has been able to sustain?

4. Which amongst the following factors - technology, technical knowhow, infrastructural, organizational structure and culture, brand identity, visionary leaders, financial and human capital, are the ones that have sustained Motorola's/Nokia's business in India? Which of them provide the best competitive edge over your rivals?

5. Can you list specific strategies which Motorola/Nokia has employed over the years? Which of these succeeded and which of them didn't give the desired results?

6. Who and in which areas do you consider as your business rivals?

7. What has the shift in market share been during 2007-2010 for the following corporations – Motorola, Nokia, Samsung Electronics, Sony Ericsson, LG Electronics, Tata Indicom, Spice, Reliance, Karbonn, Micromax ?

8. Going forward what are the strategies, product innovations and other initiatives that are likely to impact the mobile handset industry in India?

Appendix 2: Consent Letter for the interview

Dear Sir/Ma'am,

I, Samiksha Arora, am currently pursuing a Masters Degree in Management at the University of Nottingham, UK.

My dissertation is titled "A critical analysis of the Resource-Based View in conjunction with First-Mover Advantages: A case study of multinational mobile phone manufacturers in India".

Through this paper I wish to examine and understand how competitive advantages can be achieved and sustained by a firm in an industry. In addition, whether being a first mover can provide an upper hand in attaining the same.

I would really appreciate your help and co-operation in answering a few questions for the same as they would underpin and add value to my research. Any further information would be highly appreciated.

The information will be used for academic purposes only.
Thank you.

Kind Regards,
Samiksha Arora
Contact: samikshaarora2@gmail.com