The middle managers

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Short Description
The middle managers

Description

The middle managers CAST STUDY solution

Read the analyse the case and answer the questions given at the end.

The mobile phone industry Competitive rivalry

By 2004 the competitive rivalry between network operators was becoming intense in most countries. In the UK numerous different packages were on offer. Initially if a customer threatened to withdraw, operators would offer a new free phone and several free months of line rental as an enticement to stay. However, as markets matured, emphasis was placed on price, coverage, general customer service and the offering of new products and services (with the advent of 3G technology).

Buying power

Buying power of consumers was high as they had so much choice. The danger for providers was confusing potential customers with over-complex offers. Independent retailers (e.g. in the UK Carphone Warehouse) competed with those owned by network operators (e.g. Vodafone). Others offered cheaper deals through newspaper adverts and the internet.

Power of suppliers

Equipment manufacturers competed for market share. Prior to 3G launch the big manufacturers Nokia, Motorola and Ericsson - had concerns about market saturation. Supplier power was increasing as their sector consolidated through alliances (such as 'Casio and Hitachi in 2003). Network operators could be held back by supply difficulties as with the Hutchison (3-UK) launch of 3G services in 2003/4.

Threat of substitutes

In the 1990s the main threat of substitution was 'technological regression' where customers returned to fixed-line telephony because of high mobile call charges. By 2000 price decreases and the 'need' for everyone to have a mobile phone reduced this threat. By 2004 the greatest threat was the convergence of mobile telephony with PDAs (Personal Digital Assistants) and with the internet (e.g. MSN Messenger). This could switch both voice and text messaging onto the internet - avoiding mobile phone operator networks. Location technology in mobile phones (making the caller easy to find) might encourage this 'drift'.

Threat of entry

The threat of entrants was low because of the enormous cost in both licences (-E22bn (€33bn) in the UK alone) and in the general investment needed to be a player in new 3G (broadband) technology.. Power was a function of who was ahead of the game in 3G and had the licences to operate a service. There was only a threat of entrants if public policy towards this heavy regulation of the sector changed in future.

Questions :

1. Viewing this industry through the eyes of a network operator (such as Vodaphone).

2. Which would you regard as the three most important threats to your business ?

3. How could you respond to each of these to lessen their impact ?

4.Answer questions 1 and 2 for an equipment manufacturer - such as Nokia. What are the main benefits and limitations of five forces analysis ?

Details
1. Case study solved answers

2. pdf/word in 24-48 hrs

3. Fully Solved with answers