

The upstart's assault case study essay sample

[Business](#), [Customers](#)



Company Overview

Meridicom is a price leader in communications industry with its top of the line broadband, mobile and landline services. It has largest market share in landline and broadband but very small presence in mobile services. Its major competitors which include big mobile companies, cable TV operators and internet providers follow lead as per the prices set by Meridicom.

Case Assessment

Telzip, small company having 5% market share in landline, has challenged Meridicom by offering life time free broadband to business users who are willing to accept a long term contract. The customers largely being affected in this case are the business users which are currently paying around 450 Euros per year to Meridicom. Though the customers might be enticed by the low cost services, the cost of switching involves changing the landline services as well as the uncertainty about the network speed and services offered. Meridicom's primary concern is the other competitors following Telzip in offering free services. Broadband is the highest margin fetching and fastest growing unit within Meridicom and already contributes 25% to the revenues.

If Meridicom follows Telzip in providing free services, it is not only killing a high revenue making unit, but also forcing other competitors to dive into the price war. The other competitors are definitely looking up to Meridicom to react to Telzip's marketing before they make a decision on the pricing policy. The case clearly suggests that Meridicom is a partner of choice for the customers in Broadband and landline with over 60% market share in both even when the competitors offer their services for 10% less price.

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Meridicom's core competency lies in the high speed connectivity that the business customers consider crucial for their success. For this very reason, the customers tend to be loyal to Meridicom. However, there seems to be a disconnection between the three units internally. Rather than thriving to achieve the company goal of building the best brand with highest market share, each unit is concerned with maintaining its own revenues. Little do they realize that it comes at the cost of customer dissatisfaction in dealing with three units separately even though they subscribed to each hoping that the same company name would mean an integrated bundle with fewer problems.

Telzip has timed their pricing policy in the month of August which is not a time for most of the businesses to make decisions on their broadband subscriptions since the subscriptions are usually year long. This buys some time for Meridicom to implement the service improvements and regain and maintain the loyalty amongst the customers.

Recommendations

Service Integration

Rather than Meridicom following Telzip and engaging in the price war, we recommend that the three units work in more integrated fashion to provide better customer experience. Since the Mobile unit head seems to be on the same page, the broadband unit can integrate the billing and the customer service with them. In return, the broadband unit can provide the customers with joint promotional offers. The mobile plans are usually slower yet costlier than the high speed traditional broadband services. The broadband unit can

provide discount to the customers based on their mobile service plan usage. In the long run though, the strategy should be to convince the landline unit heads for an integrated service. Senior management is already convinced that the loss of broadband market share would indirectly result in loss of the landline share as well. Broadband unit should seek the support of the management to make the integration of the units' customer and billing service a priority if it wants to retain the business without turning to price cuts.

Customer Care and Feedback

Meridicom should have customer care representatives that are more knowledgeable and responsive to the needs. Providers should support several contact methods including by telephone and email and facilities like " Call me" and " Schedule a call" on their webpages along with providing helpful information online like FAQs, tutorials, device manuals and other supportive documentation. Customer complaints should be dealt as soon as possible and feedback gathering mechanism should also be put in place.

Data Security

Given the competitive environment and the sensitivity of the data that the companies might be dealing with, data security and privacy is a major concern for the business users. As aspects of the business become more " digitized" and accessible through or gleaned from broadband use, the disclosure of previously private, personal information has made many businesses wary of the medium. Having used Meridicom services for a longer time, business users trust them more. Meridicom can question the data

security being offered by the cheaper broadband alternatives and at the same time ensure that they promote the reliability and security of their network in handling the sensitive information pertaining to the business users.

Segmentation

Business strategy should be different for individual and business customers. Business customers value safer and uninterrupted service and they can pay more to get safe, reliable and uninterrupted service. Attractive value addition services and good customer service is necessary to attract individual customer. They will be more worried about their bill and to avoid giving them uneasy surprises company can provide them reminders of their service expiration and customers should be able to know in advance what his bill going to look like.

Value added services

Value added services will satisfy current customers, it will attract new customers also. They can start benefits scheme according to the usage by customers. For business customer they can start plans for providing better conference calls and video conferencing facility. Loyal landline customers can be given discounts in services and also free mobile connection. Company can offer latest smart phones with their cost distributed evenly for a period to relieve customer from bearing the heavy cost of the phone.