Vodafone case essay sample

Sociology, Communication

Vodafone is a telecom company formed in 1982. Its goal is establish a voice and data services over cellular communication networks. The mission statement of Vodafone is " The Vodafone mission is to be the communications leader in and increasingly connected world enriching customers lives, helping individuals, businesses and communities are more connected by delivering their total communication needs." (Kasi, 2011) The threats for Vodafone are mainly come from technology. However, it may become an opportunity for Vodafone to gain benefit from it. According to Porter's Value Chain Analysis, it includes two types of activities. One is support activities such as technology development; one is primary activities such as services. Each activity supposes to add value. Technology development and services provided from Vodafone need to do well according to its goal and mission statement. This essay will discuss about 3 threats in PESTEL analysis and talk about how Vodafone may positively manage them. Main body

For discuss the impact macro factors may place upon Vodafone in the future, this essay will mainly use PESTEL analysis to identify. PESTEL analysis divides into 6 factors which are political, economics, socio-cultural, technological, environmental and legal, for identify and list in general environment. First, we will talk about technological factor. New technology for mobile broadband which is called Long Term Evolution (LTE). It is one of the newest technologies that telecom company exploring to improve services for their customers. LTE delivers very fast data speeds – up to 100 megabits per second download and 50 megabits per second upload, faster than most home broadband services. (Vodafone, 2011) The coverage and

signal stability are the point that may impact Vodafone. According to this two points, Vodafone and O2 make one LTE network in UK. They will share 18, 500 masts to provide access to the latest 4G services and extend both 2G and 3G coverage. They aim to offer 4G to 98% of the population by 2015. This partnership will improve the service that customers receive now and give UK the 4G networks that it will need in the future. (Hunt, 2012) However, Vodafone is not the only one telecom company which provides LTE to customers. It is in competitive industry so competition is still occurs. To ensure its influence in the industry, it will focus on the most important parts —price. Vodafone need to reduce its cost of production, so that it can reduce the price of its telecom services. It will attract people choose Vodafone which has same or better quality but lower price than O2.

Nowadays, technology becomes part of our daily life. According to this, UK's leading mobile operators team up on Project Oscar, a digital wallet scheme. They are now aimed to release a smartphone-based service offering an alternative to cash, credit cards and loyalty cards. (BBC-News, 2012) Vodafone has take part in this scheme. They may gain reputation through the scheme. However, if the scheme not working well, bad reputation will go to Vodafone. Due to this matter, Vodafone needs to do well in its part. Especially it needs to focus on security part. During the transaction, lots of customers' personal data such as ID number, debit card pin number will send through it. Vodafone needs to provide high level of security for the transaction data. To manage this problem, Vodafone may organise team of employees to take responsibility in this area. Therefore, the team can upgrade up-to-date virus definitions or measures for against crackers who

with aim to stealing or destroying information in the future. For up-to-date virus definitions, the server can defense the attack from crackers so personal data from consumers will not use for illegal activities. Change in technology will influence the structure of Vodafone. For example, Vodafone may need to form a new department to manage this digital wallet scheme. Therefore, tall structure of Vodafone will change. It may have an impact on the Vodafone's structure. For example, the chain of demand will increase. It influences the time of passing order down the chain.

Second, we will discuss about socio-cultural factor. An unexpected Increasing mobile penetration rates in developing countries. (Anthony et al., 2011) It means the demand of telecom services will increase significantly. This will increase the load of mobile broadband and may lead to unstable signal and slower network connected. To solve the problem, Vodafone may pay more attention to services provided in developing countries. For example, it may upgrade software and hardware within shorter period. It is not only for keeping stable signal to customers, but also gain a good reputation from this. Part of the mission statement state that Vodafone will enrich customers living. If this scheme is successful, Vodafone is not only gain good reputation, but also it can gain the respect from other opponents. Conclusion

To conclude, it is important of scanning macro environment through different tools such as PESTLE analysis, Porter's 5 Forces, etc. To identify the threats in the future and come up strategies to deal with them is important to Vodafone which is in competitive industry. From the essay, you can see technological factor is main factor that affect Vodafone. However, it is not an

only factor affect the business. Being one of the worldwide telecom companies, Vodafone has to minimize the threats for it and develop opportunities through dealing with threats.

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