

The telecommunication industry

[Business](#), [Industries](#)



The problems that have been brought about by the current crisis facing the US economy may be a threat to the survival of the group (Soros, 2008). The apparent recession is having a toll in many countries' economies, and this will prove to be a challenge to the expansion program of Al Fahim. Porter 5 forces. These are the forces that determine the attractiveness of the telecommunication market through portraying the profitability of this market. The first factor that will be analyzed is the bargaining power of customers.

Since the UAE telecommunication industry is relatively competitive, consumers will have almost equal bargaining powers with suppliers. The bargaining power of suppliers will also be relatively low, since there are many players in the market due to the growth of the sector in the recent years. In analyzing the competitive rivalry in this industry, it is important to highlight the growth of the telecommunication industry in UAE. The telecommunication industry has grown at very high rates, with the Telecommunication Regulatory Authority's growth in mobile markets surpassing 166% during the previous year.

This leaves the other operators to share the minority market. This means that Al Fahim will have a relatively difficult time penetrating the market. The threat of new entrants to the market is relatively low due to the high competition that is already existing on the market (Oxford Business Group, 2008). Many firms are not willing to venture in such territories. Finally, the threat of substitute products is also relatively high due to the nature of the telecommunication industry. The major global telecommunication industry players are doing research so that they might be ahead of their competitors.

New innovations are being discovered frequently, and these find their way to markets such as UAE relatively easily. It is up to the local players, including Al Fahim to keep track of latest technology, so that they might have an edge over their competitors, when they enter this industry. In summary, there is active competition in the UAE telecommunication industry and it requires a unique marketing strategy to penetrate this market. PEST environment. Political factors. The telecommunication industry in UAE is largely controlled by the government since it is one of the main players.

It can therefore not be ruled out that Al Fahim may face political interference in its activities, since it is competing with the government. The government issues licenses and consents to other regulation for entrants in the market. This makes it possible to create artificial barriers to prevent Al Fahim from penetrating the telecommunications industry. Economic factors. Al Fahim is an established business enterprise that has operated in UAE for a long time. It is therefore conversant with the present macro and micro environment in the UAE.

This means that it can face any challenges in the economic environment relatively easily. External factors such as the US economic crisis, may prove to be one of the more difficult challenges to overcome (OECD, 2008). Socio-cultural factors. As has been said, Al Fahim has been operational in the UAE for a long time and is conversant with the socio-cultural environment. It however needs to market the products in such a way that the majority Muslim community is comfortable with (England Commercial Intelligence Service, 2002). The minority religions should also not be forgotten, and their needs should also be met.