

Evaluating vodafone's competitive position



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Vodafone is a competitive force in the mobile technology market. In fact, it is the " largest mobile telecommunications network company in the world."

(Wikipedia, May, 2006) Looking through the eyes of Porter's generic strategy framework this paper will discover Vodafone's competitive position in the market today. Topics for discussion will include overall cost leadership and differentiation tied together with focus.

Porter's first consideration is Cost Leadership. The goal is to produce the most products for the cheapest price. Cost leadership for Vodafone lies in their consolidation with several mainstream companies as well as their extension into fifty-nine countries worldwide. In the United States, Vodafone owns majority control of the company Verizon Wireless giving them exposure to a wide range of competitors and customers. Vodafone also strives to acquire new markets and technology to offer the best to their customers. " We are reflecting the different approaches that will be required to continue to succeed, both in terms of our existing operations and in capturing new revenue streams for the future," said Vodafone chief executive Arun Sarin (BBC News April, 2006)

With Vodafone companies spanning the globe, Vodafone has the ability to " respond to changing market conditions and seize opportunities," as they become available. (Gartner, May 2006)Vodafone is capable of wholesale buying around the world. This had the added advantage of setting global trends convincing buyers of the stronghold that exists within the company. In addition, a higher profit margin can be achieved when offering innovative service.

Through cost leadership, Vodafone has restructured its leadership team in order to lower costs and integrate new technology. In April, Vodafone sold its
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deteriorating Japanese affiliate and made the president, Jim Morrow head of the new European market. Central Europe, Middle East, Asia, Pacific and their affiliates were grouped together in another focus market including Verizon Wireless in the United States. The final part of the restructuring consists of a new branch of the company focused on marketing new technology to those markets and increasing their customer base. Using those experiences, Vodafone seeks to open a market in France. Combining the knowledge of the three groups, costs will go down while Vodafone achieves a more diverse customer base. (Vodafone, May 2006).

Bibliography

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