

Relaince swot analysis essay sample



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Summary

Reliance is the second-largest mobile operator in India, one of the fastest-growing mobile markets. Though there is still much growth potential in India, Reliance also wants to become a global player, using its expertise in making money from lower-spending customers to give it advantage. SWOT Analysis

Strengths

Mobile Communications Arm of a Large, Well-Funded, Well-Connected and Ambitious Indian Conglomerate Economies of Scale From Large Subscriber Base

Expertise in a Business Model That Allows It to Maintain High Profitability From Lower-Yielding Subscribers Weaknesses

Cost Structure Disadvantage With Subscribers Spread Across Two Different Mobile Networks Low ARPU Compared With Competitors

Weakness in Rural Markets

Brand Positioning

Limited Availability of Value-Added Services

Opportunities

Aggressive Move Into the Rural Market

Use Upcoming Mobile Number Portability as “ Launching Pad” to Grab Market Share of Higher ARPU Users — and Ramp Up Focus on Data Revenue

Overseas Investments

Lease Spare Capacity on Its CDMA Network to Mobile Virtual Network

Operators Threats

Quicker Than Expected Slowing of Growth in the Indian Marketplace Mobile Number Portability Risks Accelerating Churn of Subscribers From CDMA to

GSM New Competitors

Implication for Company Being Profiled

Company Overview

Methodology

Reliance Communications Ltd. (commonly called RCOM) is an Indian Internet access (commonly called “ broadband”) and telecommunications company headquartered in Navi Mumbai, India. RCOM is India’s second largest telecom operator, only afterBharti Airtel. It is the 15th largest mobile phone operator with over 150 million subscribers. Established in 2004, it is a subsidiary ofReliance Industries. The company has five segments:

Wireless segment

Broadband segment (Internet access operations)

Global segment: national and international long-distance operations (and the wholesale operations of its subsidiaries) Investment segment: investment activities of the Reliance Group companies Other segment: customer care and direct-to-home (DTH) activities

Reliance Communications (formerly Reliance Communications Ventures) is one of India ‘ s largest providers of integrated communications services. The company has more than 20 million customers and serves individual consumers, enterprises, and carriers, providing wireless, wireline, long distance, voice, data, and internet communications services through a number of operating subsidiaries. The company sells communications and digital entertainment products and services through its chain of Reliance Web World retail outlets. The company’s Reliance Infocomm subsidiary

provides wireless communications services throughout India . Reliance Communications is part of the Reliance – Anil Dhirubhai Ambani Group.

The current network expansion undertaken by Reliance is the largest wireless network expansion undertaken by any operator across the world. It was with this belief in mind that Reliance Communications (formerly Reliance Infocomm) started laying 60, 000 route kilometres of a pan-India fibre optic backbone. This backbone was commissioned on 28 December 2002, the auspicious occasion of Dhirubhai's 70th birthday, though sadly after his unexpected demise on 6 July 2002. Reliance Communications has a reliable, high-capacity, integrated (both wireless and wire line) and convergent (voice, data and video) digital network. It is capable of delivering a range of services spanning the entire infocomm (information and communication) value chain, including infrastructure and services – for enterprises as well as individuals, applications, and consulting. Today, Reliance Communications is revolutionizing the way India communicates and networks, truly bringing about a new way of life. Objectives of the Study

- To know the demand of Rcom bundle offer along with LGRD 3000 and 6100 as Ill as the demand of Rcom Bachat pack Sim in the market
- To help in development and introduction of new product
- To identify the company position among competitors
- To determine those factors which persuade retailers for sale of RCOM sims/product
- To find out which type of schemes retailers prefer and why?
- To study the effect of irregular supply on the sale of the product

Significance of the Study

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- To compare the Airtel and Tata indicom Bundle offer with RDLG 3000, 3500 & 6100 for analyzing the status of RCOM Bundle Offer
- To identify the Market share of RCOM
- To find out the basic problems of retailers
- To find out the performance of Distributor
- To find out the basic problems of Channel of Distributor
- To find out the Claims pending of Retailers

SWOT Analysis

The SWOT Analysis template is normally presented as a grid, comprising four sections, one for each of the SWOT headings: Strengths, Weaknesses, Opportunities, and Threats. The free SWOT template below includes sample questions, whose answers are inserted into the relevant section of the SWOT grid. The questions are examples, or discussion points, and obviously can be altered depending on the subject of the SWOT analysis. Note that many of the SWOT questions are also talking points for other headings - use them as you find most helpful, and make up your own to suit the issue being analyzed. It is important to clearly identify the subject of a SWOT analysis, because a SWOT analysis is a perspective of one thing, be it a company, a product, a proposition, and idea, a method, or option, etc. Strength

- Low Entry Cost
- Commission Structure
- Fast Activation Process
- Network
- Connectivity
- Data GPRS

Weakness

- Branding Image
- Distribution problem
- Limited product portfolio- Only Mobile
- Lack of Competitive Strength
- Limited Budget

Opportunity

- Preference of GSM over CDMA
- New Specialist Application
- Rural Telephony
- New Market, Vertical, Horizontal
- Competitors` Vulnerabilities

Threat

- Political destabilization.
- New Entrants
- IT Development
- Market Demand
- Seasonality, Weather Effects

Findings

Services provided by Retailers: -

All the retailers are dealing in all services i. e. providing Recharge Voucher, SIM, and Tariff Voucher of all the cellular service companies present in Bangalore zone. Also most of them provide only pre-paid connection.

Satisfaction: -

Most of the retailers i. e. around 74% of respondents are satisfied with RCOMM brand, 10% of them push RCOMM brand to the customer and rest 16% retailers are not satisfied with RCOMM brand due to claim pending and the distributor. The retailers don't get schemes communicated in time by distributor and distributor does not provide RCV & e-Top properly . Problems:

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Around 15% of the respondents that there is network problem with RCOMM, on the other hand they found its competitors viz. Airtel, BSNL, TATA indicom network connectivity of very good to good level. Around 16% retailers which are under puja enterprises distributor projected problem with distributors. They don't get schemes communicated in time by distributor and distributor does not provide RCV & e-Top. Support from company: -

Most of the retailers ensnared that they are supported by the companies' personnel & companies' helpline. All companies provide POP (Point of presence) at right time and in adequate number. Claim process:-

In case of RCOMM process is be claimed very belatedly i. e. almost 77% of the cases take 60-90 days, where as in case of Airtel most of the i. e. 88% is being finalized in time limit 0-30 days. The claim process services of other competitors viz. AirCel, Smart, & Tata Indicom are almost at par with the IDEA cellular ltd. RCOM cellular ltd. an Anil Ambani Group of cos. is very fast catching up with the market by providing cheaper calling rates. The market strategies adopted by its executives are bearing fruits and the company although being the Second one to enter the market of Bihar & Jharkhand has found a suitable niche and recognition in the consumer.

But this is not a thing for self contentment as the survey reveals that in network, service and distributor, its place is very far behind to other competitors viz. Airtel, BSNL, and Tata indicom etc. so to withstand the competition resources mobilization and technological innovation on the part of cos. To upgrade its quality of network and services is urgently called for. Market access and growth is alright but the improvement of quality on the above counts is necessity of the time.