

Critical success factors of cable tv (pay-tv) against other competitors in hong k...



Abstract

In this proposal, we hope to learn the real business strategies through the findings from research. And try to give some suggestions for these companies to increase their sales and profit.

There are the flows of the research proposal.

First, to introduce the background of Pay-TV Limited and its industry. Let you have a basic knowledge of this industry in the past and now.

Second, to list the objectives to help myself to achieve the proposal aim.

Third, to have a critical review of relevant literature from books, articles, internet, or magazine. Discussing the business theory how to apply in the real business world, and in the case, we can see which strategies the company is using and what success factors here. Most important, what we can understand clearly the marketing strategies in a real situation from the result of the research.

Additionally, to describe the research method which I had used. Including the data collection method, sampling method and the size of sample.

By using questionnaire, 100 to 150 people will be asked, in order to find out the competitive advantage of Cable TV. Relationship between factors (the quality of TV programme, the price, customer supporting service) and the attitude of people towards which Pay-TV will be found.

Aim

This works aims to point out the attractive and competition of Pay-TV and though the research to find out their success factors (competitive advantage with main competitor), and to treat the finding as business strategies learning. Besides, to provide some suggestions and evidences how to get more potential customers, in order to increase the sales and profit of these companies.

Background

Some may not understand why Pay-TV can exist in Hong Kong a long time and have a stable marketing share. In fact, the major choose to watch Free charge TV such as TVB and ATV. However, this free-charge TV programme can not satisfy some people. But, Pay-TV programme focus on this market, they produce special TV programme and buy copyright of overseas TV programme, which free-charge TV have not provided. Besides, another selling point of Pay TV is that provide sport direct seeding such as football and NBA.

In recently years, the more fierce competition was caused by more and more pay-TV service Company had entry to this market. However, the Cable Pay-TV which was the first Limited successfully obtaining a Subscription Television Broadcasting Licence from the Government and can also maintain a stable marketing share these year. And its main competitor is NOW-TV which is subsidiary Company of PCCW. (REVIEW OF PAY TV MARKET)

The following are the background of Cable Pay-TV and Now-TV.

I-Cable

The Pay-TV service is operated by Hong Kong Cable Television Limited, a wholly-owned subsidiary of the Group. The Group successfully obtaining a Subscription Television Broadcasting Licence from the Government in 1993 which Pay-TV service launched in the same year set the trend of multi-channel pay-television service for Hong Kong.

Hong Kong Cable currently produces over 10, 000 hours of programming a year, which is the largest television programs producer in Hong Kong. Throughout the years, it has successfully established a leading position in News, Movies and Sports television programming and will continue to introduce innovative local and international programmes for customers. (<http://www.i-cable.com>)

Now TV

Now TV is a 24-hour pay-TV service provider in Hong Kong. It is transmitted through the company's Netvigator broadband network via an IPTV service. It is transmitted through the company's Netvigator broadband network via an IPTV service, with a total of 175 channels, of which 156now Broadband TV Channels, including eight high-definition channels and 15 music channels and 19 pure TVB PAY VISION Channel, and another 17 categories and VOD service. Launched in September 2003, the service is operated by the leading Hong Kong fixed-line telecom operator PCCW, through its subsidiary, PCCW VOD Limited. As of June 2009, the user up to 990, 002 1000, 700, 005 of them in 1000 to paying customers.

However, I-Cable is like to success maintain their market share against the challenge of Now TV. In order to know clearly the success factors of I-Cable (business strategies, promotion, price, the programme quality, supporting service) we need to ask a number of questions. (<http://www.now-tv.com>)

CableTV VS Now TV

1. Why people choose Pay-TV?
2. What channel of people in contact Pay-TV?
3. Which one is more famous?
4. What is the relationship between factors and the attitude of people towards watch Cable-TV/Now-TV?
5. How do people needs changing?
6. Can Cable-TV/Now-TV meet these changing needs?

The answer will be found in the following.

Objective and research questions

Below are the main points of the objectives of this research

1. Study the general demographic of target customers.
2. Study the TV watching behavior of customers.
3. Determine the customers, performance on various kinds of TV Programme.
4. Identify the reason of choosing Pay TV.
5. Evaluate which attributes of Pay TV are important to customers.
6. Identify which is the most effective promotion channel.
7. Examine the channel people how to get the Pay-TV information.
8. Examine the reasons why they buy Pay-TV services from that channel

9. Examine the impact of price, sport direct seeding of customers towards Pay-TV.
10. Examine the Supporting service of Pay-TV.

We'll analyze the market theories such as 7Ps of market strategies from the results of research. The answers of the above are based on the relevant literature, and the sampling interview. The all detail as follows.

Critical review of relevant literature

There are 5 parts of critical review, the first 4 parts are the finding from the relevant literature. The last 2 parts are the introduction of market strategy of them, and the review of this part.

1. The main difference between free-charge TV and Pay-TV

According the literature, Free-charge TV offer mainly entertainment programme, and the major of programme are made by themselves.

and their programme focuses on popular habit.

However, Pay-TV offer over 100 overseas TV channel and Sport direct seeding, and some of this programme is information programme what offers professional knowledge, the information of special habit to people. (Kotler, P. and G. Armstrong (2008))

In these years, more and more people are willing to pay money watching Pay-TV. The reasons are easy to understand, the two local free-charge TV cant satisfy the people, and young people who aged around 20, their needs of watching TV are changing. In the pass, people treat TV as their main entertainment everyday. However, the young have much other

entertainments, and they watch TV in order to watch sport competition, get information. It means Pay-TV still has a great potential market in the coming years.

2. The current competition of Pay-TV market in Hong Kong

3. The promotion strategies of two Pay-TV limited

The promotion strategies of them is similar, their promotion focus the potential customers who have special needs such habit (cooking, religion, drama) or want to watch non-local TV programme (Discovery Channel, CC TV). And their promotion are also similar, the number of TV programme and sport direct seeding are their selling points.

Now TV is more emphasize their promotion to attract the potential customer now, but Cable TV just keep quality of their original service. In fact, people used to watch Cable TV because their longer history and people know their quality of TV programme more. In marketing, Cable-TV is like a cash-cow,

4. The famous TV programme

Cable TV has the excellent news TV programme, and English league direct seeding. It is one of the reasons why Cable TV can maintain market share. Although English league may be not the highest level football league (many people agree Spain league is becoming the highest league in recently years and the Spain league direct seeding is offered by Now-TV in the future 3 years.), However, anyone know that major of Hong Kong people like to watch English league more than others.

Additionally, Cable TV has also the direct seeding of champions of league and World Cup in 2010. It is a great competitive advantage with Now-TV in

this year and the coming 3 years. (The newest situation of people needs change)

5. The relationships between factors and the attitude of young people towards I-Cable/Now-TV

There are some factor will influence young people how to choose which Pay-TV.

a) Price(extend)

Cable TV adopt non- selectivity Price(packaging of service), we need to buy a number of channel at the same time; Now TV offers selectivity Price, we can pay a basic free, then the extra-charge are based on each channel, but Now TV are also offer a price for the packaging of all services.

According one news, a great number of people are unsatisfying because Cable TV increase the basic charge from \$239 to \$259, and the extra-charge of football direct seeding. ([http://hk. news. yahoo. com/article/091124/4/fbx5. html](http://hk.news.yahoo.com/article/091124/4/fbx5.html))

b) Promotion

c) Sport direct seeding (extend)

It is one important factors why Cable TV success and they can increase the price in a bad economy. Cable TV spend a high cost to get the right of footfall direct seeding, and increase the price to cover the cost. It is their strategy. However, they may ignore the young people needs change.

In recently years, English League is successful in Hong Kong, it has many factors such as the time of competition, and football player stars. However, the Spain League are willing to start early in the next year, and many stars

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transfer from English league to Spain League. It may make people prefer watch Spain league more. (<http://hk.news.yahoo.com/article/091120/4/fa0e.html>)

d) Technique supporting and customer service (extend)

Cable TV had a developed supporting system early, but they don't improve anything. However, Now TV usually improves their Technique supporting system. I believe Now TV will have a developed system what is better than Cable in the coming several years.

6. Market strategies(extend)

Pay-TV adopts the Concentrated Marketing (Kotler, P. and G. Armstrong 2008)(Where the organization concentrates its marketing effort on one particular segment. The firm will develop a product that caters for the needs of that particular group).

The all detail marketing theory and suggestions will describe after the sampling interview.

Research methods/ Methodologies

Category Options

The Exploratory

degree to study

which the Formal study
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crystallize

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The main purpose of our study is needed to find out the comparison of Cable TV and Now TV. We need to collect the primary data and secondary data to analysis the success factors each other.

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First, we collect the secondary data from internet to know backgrounds, histories, and the annual reports of each Pay TV Limited. and collecting other useful information on the internet, articles or relevant literature.

Second, to use “ Personal Interview” (Questionnaire) collecting the primary data. Indeed that information is related to our objective. We will design a set of questionnaire about 7ps.

The method is taken by samples in Hong Kong (different regions in Hong Kong, Kowloon and New Territory), a half of male and female. It can be avoided unfair saturation. The sample size will be 100 to 150. The age distribution limits are around 18 to 65. Our survey method is face-to-face interview, after the interview we'll give them a little gift. (Such as coupon)

We can understand the competitive advantage each other through the result of information and make the recommendations how to maintain market share and what service they need to improve. However, secondary data is limited, so we will get the information mainly come from primary data.

Project Plan

Refer to the page15 or Excel [project plan]