

# [Maxis market opportunity](https://assignbuster.com/maxis-market-opportunity/)

Maxis communications company, is Malaysias largest mobile service provider, or about forty percent of the Malaysian mobile phone market. The company providing a wide range of innovative mobile, fixed and international network services to their customers. Besides that, Maxis was first telecommunication company who launched the 3G services, such as 3G connect Card, PC Webmail, Video Mail and 3G prepaid. It is founded in year 1993. Maxis Mobile Sdn Bhd , which the founder is Ananda Krishnan who are one of the richest man in Malaysia. In 1999, Maxis create the popular prepaid brand “ Hotlink”, which currently has 10 Million customers. In 2002, Maxis purchased from Timecel, a competitor mobile service provider. Before the purchase, Maxis offered phone numbers beginning with 012, and TimeCell 017. Now, user can choose between the two. In 2007, The company in preparation for expansions into the Indonesian and Indian markets. In 2009, The initial public issue and which constitute 30% of the company under the close supervision of the Prime Minister Datuk Seri Najib Tun Razak.

## STRATEGY

Maxis believe that its extensive customers based strong hold in the high value segments, high quality network and services, effective distribution, recognize brands equity and resulting strong cash flow generation will allow it to consolidate its position as the market leader.

Firstly, Maxis focused on conducting business responsibly in the marketplace . Secondly, nurturing talents and developing their potential in the workplace and contributing towards the communities. Lastly, doing their part to mitigate the impact of Maxis operations on the environment.

## OBJECTIVE

Become the leading provider of convergence solutions for enterprises in Malaysia.

Become leading mobile communication service provider in Malaysia.

## MISSION

Today -Malaysia’s leading mobile communications service provider.

Tomorrow -The nation’s premier integrated communications service provider.

## VISION

To bring the future to our customers’ lives and business, in a manner that is simple, personalised and enriching, by efficiently and creatively harnessing leading-edge technology and delivering a brand of service experience that is reliable and enchanting.

## TARGET MARKET

However it is found that most student range from 7-18 are using Digi. While the user range of 19-35 are using Maxis. Maxis company involved in a wide range, suitable for businessmen.

## Product

Maxis provide a variety of products and services in mobile communication flied, such as prepaid call plans, monthly subscription plans,  global roaming,  MMS,  WAP (over both GSM and GPRS), Residential Fixed Line services,  Broadband Internet plans. It was the first to launch 3G services to both prepaid and postpaid subscription customers. Besides that, they offer VSAT services (satellite based communications) and BlackBerry based mobile services besides regular services. Maxis also provide an online Music store for its customers to use it. Maxis most popular service is its prepaid brand Hotlink and focus on the segment of students, family and friend, working adults and business field. Thus, its branding was set up year by year. So far, Maxis is well-known. Product Life Cycle 2. jpg

When a product reaches maturity, sales growth slows and sales volume eventually peaks and stability. This is the stage during which the market as a whole makes the most profit. A company’s primary objective at this point is to defend market share while maximize profit. In this stage, prices tend to drop due to increased competition. Maxis’s fixed costs are low because it is has well established production and distribution. Since the brand of maxis awareness is strong, marketing expenditure might be reduced, although increased marketing expenditure might be needed to retain market share and fight increasing competition. Expenditure on research and development is likely to be restricted to product modification and improvement, and perhaps research into improved production efficiency and product quality.

## Promotion

The main Maxis promotion is through the promoter to help us push up the Maxis’s market share. Those promoters will go into Maxis use the sponsor to let the brand to be more awareness such as: Maxis is official telco sponsor for badminton association of Malaysia. Maxis’ sponsorship will contribute to Badminton Association of Malaysia’s development program and create opportunities for new talent to be nurtured and be prepared for competition at the various international badminton circuits. Maxis is pleased to play a part in achieving Badminton Association of Malaysia’s objectives and goals as well as sustaining success on the court. As a sponsor, Maxis will be supporting Badminton Association of Malaysia in its development program such as running of the training facilities, payment for coaches as well as running costs for the association in participating in various tournaments. Maxis also provide scholarship for the brightest graduate student to pursue their courses in every University in order to promote their company. Maxis also trying to find celebrities to help us increase their brand awareness such as, Dato’s Lee Chong Wei, Frank Lampard and Lionel Messi. Maxis also focus on planning, they always launch a lot of package for customer, such as Value Plus 50, Value Internet Plus 50. It can increase the awareness of customer, and let the customers to become their users. Besides that, Maxis also use the social media to promote their new product for the youngsters, such as Internet, Radio and Television Advertisement. For the odd, they will give them some handbook which clearly list out the latest product for them. Community event is one of the promotions, such as the Maxis Cyberkids Camp 2010. In this camp, the Maxis featured its broadband products and educational programmes.

## Distribution Channels

In a competitive and complex communications industry, the variety change of technological innovation is no any single one company can survive if it operates alone. And Maxis has known about the need to work with a range of different partners locally and globally to broaden out range of offerings and to enhance our capabilities as the preferred communications solutions provide. According to Maxis website, it has 250 outlets in Malaysia to serve their customer. The main distributions channels of Maxis are ZyXEL communications Corporation (M) Sdn Bhd, ZyXEL will help Maxis to provide a value-added service in order to succeed in broadband market and bring out the outstanding performance solutions at the most competitive price. Advanced Broadband Communications Sdn Bhd, they help Maxis to provide total telecommunication solutions and services for both conventional & IP Systems. They also will develop the all IP-based solutions and services are targeted at business and personal users at any levels. Techscience Consultants & Services Sdn Bhd, they provide multi dimensional business solution. The Maxis Partner including application providers, content providers and system Integrators. The application providers provide solution, application and tools to customer propositions. The content providers enhance the valuable information to business by providing information anywhere, anytime and on any device. The System Integrators have industry, domain and application specific-expertise backed up to integrate business solutions. They are including DynaFront, OPTEGRA, QuickNet com and so on. The Maxis Alliances including technology partner, device & hardware partner and consulting partner. The technology partner provides base functionality and interoperability of software, infrastructure and development tool. The device & hardware partner provide the ever changing device and hardware necessary. The consulting partner provides the specialized and consulting service in specific field and specific knowledge. They are including HP, IBM, Microsoft and so on.

## Price

The objective of pricing strategy is based on firm earning and needs of market. Meanwhile, it is also foundation of the pricing strategy. The Maxis’s pricing objectives including profitability objective, its purpose is to maximize the profit and target return. The volume objective, its purpose is to maximize quantity and become market share leader. Thus, the psychological pricing strategy is most being used by Maxis. Psychological pricing is designed to appeal to customers who use emotional rather than rational responses to pricing messages. For Example, Maxis sell the mobile phone at RM999, RM1199. It will make customer to believe the price is cheaper and attract them to buy it. Besides that, it allows Maxis to influence customers view a product without the need to actually the product. Maxis is considered as a dominant company, thus, they also use high pricing strategy to sell their product in order to make more profit to the Maxis.

## Market opportunity of maxis

Market opportunity means that newly identified need, want, or demand trend that a firm can exploit because it is not being addressed by the competitors. There are two market opportunity for Maxis in order to increase their company revenue and profit.

Now days, Maxis had launch many device promotion and plan to attract and also increase their customers. Such as Maxis company is launching some Apple’s company product and also some latest android smart phone. Although the product are not manufacturing by them, but they use this opportunity to attract customer because in days right now, smart phone is playing an important role among the people, it helps people a lot in their daily life such as reading mail in everywhere at any time, and also can access to internet for information easily. But the problem is the price for a smart phone is expensive and are not affordable by many people, so Maxis company had launch the package for purchasing the smart phone in a low price and also at the same time their customer can enjoy the internet which are include in the package. So this attract many people who decide to take the package that Maxis offer because it is useless with a smart phone without internet, if a people buy a smart phone, he will also need to sign up a internet package but in this case, Maxis had launch a two in one package to convenience their customer.

Besides that, Maxis Company is also up to trend. Because they are not just launching Apple’s product but they are also launching others smart phone such as Blackberry and also Samsung’s smart phone. Others than smart phone, Maxis is launching tablet device in different package such as Samsung tab and also Ipad. This will attract many people especially the generation youth and the generation x to purchase and sign up their package.

The second market opportunity that Maxis created is the 3G wireless broadband plans. This wireless broadband is actually for laptop or computer to access to internet at home or everywhere because the broadband need not to charge battery before use and also it also can function without putting a switch to the wall to have electric. It just only needs to plug in to the laptop USB drive to work. This wills convenience people who are travelling to other state in Malaysia and also are very suitable for business and personal use. The package is cheap comparing to others company and the coverage of Maxis is Malaysia is very strong.

Maxis is also launching the fourth generation mobile phone communication standard which we called it 4G in the year 2013. With the latest technology of 4G, it will be faster to download and also access to internet comparing to 3G. So Maxis also grasp this opportunity in market and they are also starting their Research and development in order to launching the latest 4G in the market to increase their customer, their sales volume, their revenue and also the most important is to compete with their competitors such as Tm Unifi, Digi broadband, P1 Wimax, Celcom Broadband and others company that exist in the Market.

## Recommendation for maxis

First of all, it is recommended that Maxis take immediate measures to launch smartphone plan in its call plan or internet plan. “ In fact, according to a March 2010 Nielson survey, more than 50 percent of Americans own smartphones. The smartphone offered in market are mainly from two major players which is Google’s Android and Apple’s iPhone”. Salodow, K. (2012). “ Approximately half of all respondents had a smartphone at the time of the ABI survey. Projections for market penetration indicate that by 2015, three-quarters of business users will be toting smartphones”. Barnes, N., & Barnes, F. (2012). Besides, Blackberry smartphone also can take into account. The growth of mobile smartphone is pretty amazing. By offering these smartphone in low priced together with Maxis plan package, this would attract a lot more new customer to subscribe to Maxis plan. After they started to use Maxis service, they might find the service is affordable and continue to use Maxis service in a long term. Due to the interpersonal determinants of consumer behavior, when everyone has a smartphone, this would influence one another to own a smartphone too. If Maxis offer an affordable price for these smartphone together with a package plan, there would be a lot of customer will consider subscribing the package. Well, smartphone will always introducing the new series of its model. The result of that are smartphone model and package plan must be always up to date in order to catch customer attention. The growth of users of Maxis would be huge and this might leads to a profitable outcome.

Other than launching smartphone plans, it is also recommended that Maxis should focus on its 3G wireless broadband plans. Internet has fundamentally altered the way the world interacts and communicates. Internet use has grown up not only in total numbers, but also in terms of per capita usage. “ Maxis also signs up Siemens for 3G expansion. Maxis had invested US$108m on a controlled roll-out of its 3G network following service launch in July”. Dennis, W. (2005). This shows that the network coverage of Maxis is improving rapidly. The purpose of doing this is to extend its maxis 3G coverage to more areas in the country. “ Maxis CEO, Jamaludin Ibrahim says the company will first focus on the states of Johor, Penang and the Klang valley before going nationwide over a period of two to five years, depending on the success rate in the initial key areas”. Dennis, W. (2005).

With the proper improvement done by Maxis, the 3G service that offered by Maxis would meet customer expectation in the future. “ Rapid advances in mobile Internet technologies now allow consumers to interact, create, and share content based on physical location. Such ubiquitous access tothe mobile Internet also provides companies with new marketing opportunities”. Ghose, A., & Sang Pil H. (2011). Therefore, Maxis should offer more different kind of quota package in order to satisfy their customer needs. With a higher internet quota package, it might cost a little bit more. It leads to a better profit.

Furthermore, Maxis is looking to launch its 4G service early next year in 2013. This is a good market opportunity for Maxis to attract more customers with this brand new service. Therefore, Maxis should spend a little more on their advertisement in order to promote this upcoming service. The purpose of these advertisement made is not just for promoting the service, but also to explain how 4G works and the benefits of using it. In telecommunications,  4G is the fourth generation of mobile phone mobile communications standards.

With hold, Maxis has entered into an infrastructure and spectrum sharing agreement which will enable customers to speed up the development of their 4G LTE mobile networks. Once it built, its 4G LTE will be able to deliver the fastest mobile data connectivity not just in Malaysia, but the region with transmission rates up to 150mbps. “ LTE networks can handle twice the traffic of most 3G networks, the proliferation of smartphones, tablets, and video-streaming and cloud-computing services will drive up demand for mobile data eighteenfold through 2016, according to Cisco”. Burrows, P. (2012). It is an advance service which could meet heavy internet user’s expectation. It is a successor of the third generation (3G) standards. Therefore, the charges will be cost slightly higher than 3G service.

Above all mentioned are the recommendation that suits Maxis to increase their profit and also attract more customers. The basic objective of business is to develop, produce and supply goods and services to customers. This has to be done in such a way as to allow companies to make a profit. In conclusion, Maxis must always come out with new ideas and practice it different ways in order to sustained in the market. Only profitable companies are sustainable in the long term and capable of creating goods, services, processes, return on capital, work opportunities and a tax base.

## Conclusion

At last, we know that the Maxis SDN BHD is a very good company by its use the strategic to all the customer. And control their worker to give the customer the best, let the customer satisfied to its company. And the manager monitor their worker to accomplish the mission. Maxis always do the promotion to let the goodwill of maxis is increasing. The product of maxis is always up to date let the customer can change the plan and to change the mobile phone such as iphone 5 and the data plan of maxis. Maxis also manage the distribution channel to meet the customer demand. The Maxis’s pricing objectives including profitability objective, its purpose is to maximize the profit and target return. The volume objective, its purpose is to maximize quantity and become market share leader. Thus, the psychological pricing strategy is most being used by Maxis. And we recommendation to maxis, that are our people need and want by now. So if the maxis can do that, we think maxis is the leader of the mobile communications service provider.

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