

# [Wireless industry](https://assignbuster.com/wireless-industry/)

[Business](https://assignbuster.com/essay-subjects/business/), [Industries](https://assignbuster.com/essay-subjects/business/industries/)

The Wireless Industry in Canada is comprised of establishments engaged in providing telecommunication and/or services over network facilities operated by them. The establishments in the industry can own a network, lease a network, or combined these two facilities (NAICS , 2010). With limited regulatory barriers and availability of mobile technologies, the internal weaknesses of the industry have been overcome by strengths through job creations and investment and the Canadian Market. These internal strengths have led the wireless industry to become what is known as thefastest growing industryin North America and Western Europe.

Traditional telecommunication companies are having a hard time increasing their customer base because of regulatory barriers and availability of mobile technologies (Anwar, 2003). Market capitalization poses a weakness to the industry. However, this trend is more noted in the European and Asia market, and has not impacted Canada the same. During the boom times, telecom companies maintained high market capitalization which signify an industry that is dominated by digital and Internet-related markets and surging consumer demand (Anwar, 2003).

The wireless industry in Canada contributes $39 billion and roughly 300, 000 jobs to the economy (CWTA, 2008). With more than $1 billion invested by Canadian wireless carriers incommunicationinfrastructure each year, Canada has become stronger in the investments in the country and its people. The demand for highly skilled wireless communications specialists is so great that Canadian post-secondary institutions are creating programs specifically geared to the wireless industry. Furthermore, the wireless sector offers high value employment with an average salary level of $59, 000, compared to a Canadian average salary of $42, 640 (CWTA, 2008).

Wireless carriers in Canada now expand their services to 99 percent of Canadians, increasing yearly the mobile phone subscribers (reaching 24 million in September 2010) (CWTA, 2008). Approximately 75 percent of Canadian households have access to a wireless phone, sending approximately 163 million text messages a day. The total wireless revenues in Canada were $16. 8 billion in 2009 (CWTA, 2008). With this substantial popularity, the evolution of this market within Canada there are still a wide variety of strengths and weaknesses to be utilized and overcome by those organizations ready to effectively take on the challenge.

Despite facing threats from external factors, the wireless industry is continuously evolving, giving it the upper hand, along with many opportunities. Much of the wireless industries success comes from the constant growth oftechnology, as well as, consumer demands. Through consumer trends such as going green, our accustomed lifestyle filled with convenience, and rapid increase in the mobile network, the wireless industry and its infinite possibilities have become the future of communication. Thus this ever-changing ability to develop and evolve is a major external strength for this industry. But having total creative licence to try and pull ahead of the competition, the possibilities in regards to innovation are endless.

Green has become more than just a colour in recent years due to the current trend of becoming environmentally friendly and aware consumers. This has become extremely relevant in the wireless industry since, as mentioned by Anne Leonard in “ The Story of Electronics”, electronics are “ designed for the dump.” (Leonard, 2010) Therefore more garbage means more opportunities for recycling. Not only is this an opportunity to attract and meet consumer demands but, going green in the wireless industry would allow the ability to reuse materials, hence making products less costly. By creating green products, a company would be enabled to remain competitive in their industry to fulfill consumer’s need of convenience, and also environmentally friendly and recognizing the importance of the new consumer attitude.

Time is of the essence and consumers now, more than ever, value convenience and accessibility. This provides the wireless industry the perfect opportunity due to the fact that according to Ericsson, an estimated 50 billion devices will be created by 2020. (Ericsson, 2009) As shown in Figure 1, electronics will overwhelmingly be part of our daily lives whether that is at home, work, or in society as a whole. These rising needs will provide the wireless industry with ample opportunities to create new products, as technology permits. Some specific opportunities may include the simple idea of the ability to communicate closely with your consumers through code scanning, to provide necessary information and by providing mobile services such as mobile coupons, which also ties into the green trend.

The wireless industry is an oligopoly, meaning that there are a few major competitors in the market. This is a great opportunity especially with “ wireless being a cash cow for the industry, it has been “ enormously” profitable for Rogers, Bell, and Telus.” (Report: Canadian Consumers Not Seeing Benefits From Wireless Industry Competition, 2010). As demonstrated in Figure 2, Rogers, Bell, and Telus control the majority of the market share and as the industry grows so will their sales Even though individual electronics may have a short life cycle, the overall wireless industry proves to be one of the largest and fastest growing industries. At the same time, this can be seen as a weakness, depending on which corporation you are examining. By not competing effectively with the major players within the market, it can be very easy to fall behind and eventually out of this very profitable industry.

In order to keep up with Canada’s rapidly growing wireless industry the need for better regulation and easier entry into the industry is a must. There are 99% of Canadians taking advantage of the coverage offered by wireless carriers (C W T A / A C T S). It is imperative for the growth of the industry that international competitors are allowed into the Canadian market. This weakness could easily be turned into a strength as the wireless industry would benefit from increased regulations among carriers; it will allow for more consistency and will aid in capturing the remaining 1% of the Canadian population. Not only does regulation in the industry create happier consumers but it will also allow for customerloyaltyfor the existing competitors and drive their sales up.

Throughout a geographically diverse nation, Canada boasts one of the highest broadband penetration rates in the world and Canadian companies have learned to provide world-class services, despite the geographical challenges and the smaller population centres. This weakness has already been overcome by the strength within the service and technology of this Canadian industry. By overcoming the difficulties of the geography and dispersed population centres within Canada, quality service is being provided to all, as well as upgraded and maintain on a daily basis by teams of professional staff an other industries working together.

Canada also faces challenges within its wireless industry in regards to commercializing innovation and exporting it successfully to international markets. And tying in with this is another weakness of this Canadian Industry, are the limited resources of these small to medium sized enterprises. “ Canadian operators have historically taken a “ smart follower” approach to the commercial deployment of technology” (Kazam Technologies, 2006). Thus the needed resources of people, time and investments that would be required to successfully establish an organization within and international market present many challenges to the industry.

The last current strength within the Canadian wireless industry, is the introduction of a new player which has promised to bring its Canadian organization even closer to the major players of Bell, Telus and now Wind Mobile. The major Chinese telecommunications solutions provider has set up its North American headquarters in Markham Ontario, bringing the province a state-of-the-art test lab designed to help improve the telecommunications industry in Canada (Beta, 2011). The organization named Huawei, headquarters currently employs approximately 200 people and will ” expand our highly competitive offerings and support capabilities to our key customers in Canada” (Beta, 2011). Through this company’s commitment to strengthening the wireless industry in Canada along with our economy, there are sure to be some major advancements in years to come.

There is no doubt that the wireless industry will only continue to grow. Consumers’ demands are an enormous part of the success of this industry and because of this it is absolutely necessary that these companies are paying attention to the constant changes in lifestyles. The extent of this success hinges heavily on the consumers and their wants. Throughout the external analysis of this popular and widely used industry we have mentioned many strengths and weaknesses within the market. Through the careful planning and managing of the concepts in both of these external areas, individual organizations have the potential to flourish and grow within the industry.

http://www. iphoneincanada. ca/carriers/report-canadian-consumers-not-seeing-benefits-from-wireless-industry-competition