Developing an alternative strategy

Business, Management

Developing an Alternative Strategy

The current strategy by Dubai One is based on its pricing strategy. The company suppresses the competitors by ensuring that the producers are glued to the firm through advertising platform. The use of commercial time to lure the advertisers ensures that they remain loyal to Dubai One despite the existence of other private firms in the market. This makes it very hard for the rest of the companies to produce enough content to sustain the viewers. Many of the users feel that Dubai One has monopolized the sector by making it hard for the new entrants to penetrate the market.

(Question ii)

Situational analysis

Strengths

The company has a huge financial base which enables it to remain competitive in the market. The money acts as a barrier of entry for any other interested investors

The business has a strong coverage. For instance, the company has 100% coverage. This makes it hard for the rest of the competitors to segment the market.

Dubai One has an experienced workforce. After being in existence for a very long time, the subordinates have gained enough experience on how to retain the competitive advantage of the company in the market.

Weaknesses

The company does not focus on customer relationship management. Instead, it focuses more on the revenues and how to suppress the competitors. This can be used by the competitors to attract the attention of the customers towards their services.

The cost structure is not effective. The business model being used by the firm which is based on selling half-hour slots of commercial time to program producers and charging them in a minimum guarantee is not effective and sustainable in the modern market.

Opportunities

The company can expand into new Asian markets. This would play a significant role in reducing the risks and uncertainties associated with a single market.

The company has an opportunity to create a strong brand name if it improves its service delivery and change the business model. This would enable the firm to penetrate the global market.

Threats

The company faces a major threat of new entrants in the market

The internal factor is the most significant for the existence of the business. With the increasing levels of globalization resulting from liberalization of markets, efficient flow of information and integration of economies, the firm needs to sort out the internal factor if it has to remain competitive.

(Question ii)

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An alternative strategy would be to merge with one of the firms in order to strengthen the company in the market. Through the new firm that would emerge through merging, the company should change its competitive strategies by adopting the new tactics that were used by the private firm. This would strengthen the company’s position in the market. Acquiring new employees who were in the private sector would enhance the company's chances of privatizing its operations.

(Question III)

I think the proposed alternative is the best because it will allow the company to evolve and diversify its operations. At the moment, the company is rigid to changes and relies on its tactics on program producers to retain its competitive edge. However, the new proposal will make the firm use its funds more efficiently through expanding its operations to untapped market and enhance the reputation of its brand.