

Management



Threats of Substitutes In spite of the highly competitive environment, entrants face substantial amount of barriers for making place in Australian market. Major concerns for Miller Ltd are; monopoly of the premium service providers, keeping pace with technological advancements and regulatory set-up for the service providers. High cost of establishing network and marketing expenses are also potential barriers, but are no issues for Miller Ltd. due to the given financial liberty. On the other hand, four established firms have sufficiently firm share in market, leaving no place for new entrants. Mergers of existing power player like Vodafone and Hochstein also made the situation more vulnerable for entrants, thus making them mighty and unbeatable. For better hold on coverage, working in collaboration with government is highly beneficial for entrants (ZDNet Australia).

Due to substantial growth in the industry over a decade, industry has reached a level of saturation. Therefore, there is a considerable decline in prices and rise in number of buyers. They include kids from 12 years of age to adults Of 60 years. Buyers are driving force for providers; in order to keep them loyal Miller Ltd. needs to provide and edge in price for competitive advantage.

Mobile service industry in Australia is multiple sectors. In a flourishing industry like Australian telecommunication, monopoly can't survive is today's market. Market is diverse which include manufacturing of hardware, carriage service providers (CSPs), content service providers and retailers.

The report by Economic access and ATMA briefly describe the market. Ericsson Australia, Nokia Siemens and Alcatel-Lucent are infrastructure provider in hardware sector. Nokia, Samsung, LG, i-Mate have market in consumer goods. CSPs provide services by utilizing carrier network

infrastructure and have different levels; mobile telecommunication carriers in Australia are; Telstra, Vodafone, Optus, and Hutchison's '3' and Orange. Resellers services include; Primus Mobile, AAPT, Virgin mobile, B Digital, DigiPlus, Sim Plus, People Telecom M8 Telecom and Dodo Mobile. MVNOs or Mobile Virtual Network Operators are basically wholesalers and provide value adding services. B Digital, Revolution, People telecom Primus Telecom and Boost Mobile are a few to name. Content service providers, aggregators and program developers are other dimensions of service providers; Legion Interactive, Touch and Infospace are main content aggregators. CSPs have their own retailers like Hutchison's '3' but other non-branded retailers like Crazy Johns and non-specialty stores provide unbeatable services.

Competition is getting tougher between the established firms, price is getting cheaper and demand for better and advanced services is increasing every day. Four main carriers Telstra, Optus, Vodafone and Hutchison have market share of 97.7%, and resellers have limited ability to fight for share on price basis (Economic Access 2008). Apparently diverse and flourishing market is in hold of one carrier with 95% of the population. The whole situation is dependant on pricing which has caused a stagnant and uncompetitive situation in business. According to Economic Access report, market share of mobile network carriers by revenue in 2007 is; Telstra 42.6%, Optus 31.4% Vodafone 16.8%, Hutchison 8.9% and other 0.3% (2008).

Itim International statistically present the Hofstede's Cultural Dimensions for Italy and Australia.

(Hofstede's dimensions for Italy, source: itim International)

(Hofstede's dimensions for Australia, source: itim International)

<https://assignbuster.com/management-essay-samples-4/>

Itim International statistics state, Australia is 36 on Power distance index, 90 on individualism, 61 on Masculinity, 51 on Uncertainty avoidance index and 31 on long term orientation. On the other hand, Italy is 50 on Power distance index, 76 on individualism, 70 on Masculinity and 75 on Uncertainty avoidance index. Australians are coming towards individualism and Italians have achieved quite a reasonable status on individualism, but both can be considered moving ahead in PDI. On Masculinity, 61 and 70 indicate almost similar situation in assertive nature of cultural values. On Uncertainty avoidance, Australia scores 51 compared to 75 of Italian culture UAI is relatively low in Australia which means better business for Miller Ltd. In addition to these four, long term orientation of Australia is 31 which suggest persistence in customer behavior. On orientation scale, Australians are interested in job security and have short term orientation (Macfarlin and Sweeney 2008, 127)

Hofstede define culture as the collaborative mental programming of people (Thomas 2003, 187). There is a clear observation of similarities between Australian and Italian culture. It suggests a great deal of business for Miller Ltd. in terms of selling innovation, ideas and lifestyle niche. Australian culture is more or less the same or little developed than Italians. A steady but considerable shift towards modernity and acceptability can be observed clearly. As a result, Miller Ltd would rather get better chances to flourish more efficiently in Australian culture than Italian.

Recommendations

Investment in technological advancements; 3G, wireless and internet services, wide coverage network, better download speed is in high demands.

Pricing competitiveness is the only way to survive. Cheaper the price, more likely is the increase in number of customers.

Miller Ltd. is recommended to work in collaboration and in assistance with Australian government in order to get complete and efficient access in rural and regional areas.

Corporate Social Responsibility, recycling and philanthropy counting on the high budget, Millar Ltd. can make a win-win situation.

Competitive prices and continuous improvement is suggested in order to win a share in market.

Marketing and rigorous advertising can prove to be distinguishing and establishing factor

References

Itim International. Geert Hofstede Cultural Dimensions. http://www.geert-hofstede.com/hofstede_italy.shtml.

ZDnet Australia. Competition watchdog recommends tight caps on Telstra Pricing. <http://www.zdnet.com.au/news/business/soa/Competition-watchdog-recommends-tight-caps-on-Telstra-pricing/0,139023166,139166036,00.htm>.

ATMA. Access Economics. Australian Mobile Telecommunication Industry: Economics significance and contribution. <http://www.amta.org.au/AMTA/default.asp?ID=365>.

Macfarlin, Dean, and Sweeney, Paul. 2008. International Management: Strategic Opportunities and Cultural Challenges. India: Dreamtech Press.

Thomas, A. Berkeley. 2003. Controversies in Management: Issues, Debates, Answers. Towbridge, Wiltshire: The Cromwell Press.