Swot analysis for vodafone plc

Vodafone has created a very good Brand Image in the Customers Perception, Vodafone has its services around the world and It is listed in the worlds top 500 Brands and ranked 183 in the year 2006 and is published in " Barron" and also ranked 86th place in the world's 100 largest companies and the ranking of Vodafone came down to number 10 in the year 2010 for the top 100 brands listed and that is published by Millward Brown. According to Brand Finance's A Global Brand Survey done in the year 2010 Vodafone is ranked the 7th Most Valuable Brand.

Best in Class Technology:-

Vodafone is equipped with the most advance Infrastructural Network round the globe which helps Vodafone deliver the most unsurpassed quality of communication. There are over 200. 000 base stations for the wireless signal Transmission and the network traffic is around 700 billion minutes and over 90 pet bytes of data per year, and the peak download speed is around 28. 8 Mbps. This is ultimately serving the Vodafone's customers to best services in the market. Vodafone came up with a new Service in the year 2010 named as " Vodafone 360" which is an excellent service for the customers who are wanting to be connected everywhere and this particular service is perfect for customers who want to access the latest information available on the internet by keeping their contacts in that.

Vodafone 360 is connected to the latest updates from the popular social networking sites, such as Face book, Msn and skype, so Vodafone 360 users can stay update from their Friends and latest news.

Vodafone was the First operator to Provide DRM- Free Bundles and has the largest Digital music Subscriptions In Europe where are over 500, 000 Customers.

Global presence and diversification revenue

Vodafone has expanded its business in different parts of the world like Europe, Middle East, Africa, Asia Pacific and the United States through the company's subsidiary undertaking's and the investments as of FY2010, and Vodafone is the one best World's Leading International Mobile Telecommunications company. Vodafone has partners in more than 40 Countries and has the equity interests over 30 countries; Vodafone has a very good prominent market share in most countries around the world including Europe, The Middle East, Africa, Asia pacific and the United States and Vodafone also has a diversified revenue base for instance in FY2010. Vodafone has its largest geographical market and Germany Contributed 18% of the Total Geographic Revenue. And Italy is the second best revenue generator for Vodafone ie: 13. 5% and Spain with 12. 7% and United Kingdom with 11. 2% of share and Vodacom with 10% followed by India 7% in FY2010, The group's other Africa and Central Europe, and other Asia pacific and middle east operations accounted for 12, 8 and 7. 5 percentage respectively. This in turn led Vodafone to be the largest mobile telecommunications operators.

Prominent market position

At the end of 2009, Vodafone has a sizeable market share in the European region with Italy, Romania Germany Spain and UK at 33. 5, 33. 1, 32, 31. 2 and 23. 4 percentages. Whereas, the market share in the eastern European country of Turkey is at 24. 5%. It is has a truly international customer base of 347 million registered customers as of 30th June 2009. A sizeable portion of it comes from India where it has the largest and growing clientele. It is estimated that by 2010 Vodafone's Indian customer base has the capability to grow up to 111million by the end of 2010 from the present 32 million subscribers. Vodafone subscribers and 85, 000 employees have given it a market capitalization of £80. 2 billion as of August 2010 and global mobile market share of 7%.

Weakness

Mobile phone radiation

It is said that the exposure of RF fields from the cell phone towers has dangerous health hazards. Some research studies suggest that excessive cell phone usage could lead to cancer. This belief, however, remains a debatable issue. The local health authorities and the World Health Organization agree there is no evidence on the same. The damage though has already been done. It is a problem faced by all telecom operators. Government authorities in some countries have already taken precautionary measure by limiting cell phone usage in school and colleges, since pupils are more sensitive to RF fields. To a certain degree, the cell phone radiation concern reduces the quantity of demand since a segment of the market will have minimum usage.

Legal Proceedings

Concerned over allegations of cell phone radiation that will dent telecom industries revenues, operators like Vodafone and Verizon wireless have filed lawsuits against groups alleging various health consequences as a result of mobile usage. Health risks have not been substantiated however, there is no guarantee that the actual or perceived risks of RF exposure will not impair Vodafone's ability to retain or attract new subscribers, or reduce mobile usage or result in future litigation. The litigation may further affect Vodafone's operations adversely than that of other telecom operators since Vodafone's strategic focus is on mobile telecommunications.

Opportunities

Increasing customers and emerging markets

There has been a 20% growth in the telecom industry in the last three years with a 4. 7 billion subscribers. Emerging markets like India, China, Turkey and South Africa have been improving performance with increasing revenue which contributes to the market share. In emerging markets mobile penetration is around 50% as compared to European market. Developing countries are expected to deliver faster GDP with little alternative fixed line infrastructure. Turkey in the fourth year had revenue growing 31. 3%. Vodafone India's revenue increased by 14. 7%. Other Asia pacific regions and middle east service revenue increased by 9. 8%.

Mobile Transfer Service

Mobile money transfer service is a value added service that provided through existing infrastructure with the help of other financial enterprises. It is a growing business with enormous opportunities especially when mobile customers are growing exponentially with an expected penetration of 5. 4 billion by 2015. In the coming years mobile money transfer system will become Vodafone's important source of income.

4G Introduction

4G is all about improved high speed data transmission. The superior ultra-broad band will improved internet connectivity and therefore better live streaming experience. Vodafone again will be using its own infrastructure to launch 4G.

Growth of mobile advertising

The increasing trend of mobile phone users, has led the industry to believe that the global mobile advertising market is expected to grow at a compounded annual growth rate of about 40% until 2014. This has been primarily because of the new handsets that are compatible and improved internet connectivity. In 2008 Vodafone ran several hundred campaigns for global brands. A year later, mobile advertising was devoted to 18 operating markets. This potential market will be a major growth area for telecom players.

Threats

Legal Risks

Vodafone’s group’s revenue comes from emerging or developing countries since they have majority of its customers in such markets. In emerging markets however, political, regulatory, economic and legal systems are less predictable. This environment makes Vodafone’s investments vulnerable and any legal developments are beyond the control of the group. There is also the likelihood of not having achieved any returns in these markets.

Increasing Competition

The exponential growth of new customers has been due to increased competition. The fierce competition has also led to declines in tariffs for mobile services and is expected to decrease further thereby causing drop in revenue. Competition has also led increase in subsidies for handsets. Licensing is also another concern that the telecom industry faces which may also lead to competition.

Delayed Technology

One of the hallmarks of Vodafone’s success has been the innovative technologies which are provided by vendors. The group makes significant expenditure towards setting up new infrastructure for improved communications. These technologies however, do not guarantee that the common standards of specification will be achieved. The technologies are developed according to anticipated schedules that will perform to the expectations of the vendor or their commercial importance. The poor performance from any vendor could result in additional expenditure or reduced profitability.

Adverse Macroeconomic conditions

Poor economic conditions may lead to reduced spending by customers. They may purchase lower priced products and services from a competitor. Externalities like recession or global economic deterioration will only delay the purchasing necessity of the customer. Adverse macroeconomic conditions will only affect Vodafone’s sales income.

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