

Pestle analysis of the telecommunication industry

Business



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In 2016, mobile devices, data and the internet, are the biggest players in the telecommunication industry. Customers, companies, and the government are divided on how the industry should develop.

Here is a PESTLE analysis of the telecommunication industry.

Political factors

Regulation issues come up frequently. The government has one idea how telecoms should be handled. The people have another.

Wifi and internet are a daily part of life. Customers wish the government to acknowledge the internet as a basic human right. It's required for education and many careers. Even applying to a job is an online experience; going to a company website and uploading a resume on their servers is essential.

A battle for and against net neutrality is raging. Customers believe internet and data should be treated the same by service providers and the government. Net neutrality would prevent, for example, service providers from throttling internet and data speeds.

This is a big political fight between government, service providers, and the people.

Economical factors

Interest rates, inflation, and taxes affect the telecommunication industry. Expenses affect the pricing per plan offered to customers too. It's expensive to build towers and resources in rural areas. Customers who don't live in big cities are affected.

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As more houses are built, the need for telecommunication resources increase. This can drive prices (plus revenue) up depending on location, amount of customers in an area, and the need for telecommunication services.

Growth is dependent on the market (customers) and technological advancements. Businesses are using the internet and mobile phones for marketing. They create social media pages, advertisements on sites, and digital marketing campaigns to reach customers around the world.

For this reasoning, jobs are opening up and increasing in the telecommunication industry.

Customer service representatives are hired to solve problems via website live chat. Marketers, writers, and media managers handle online marketing and campaigns. Graphic designers and programmers are necessary to create websites for computers and mobile users.

The need for everything to be available and accessible 24/7 is growing rapidly.

Social factors

Telecommunications horizontal growth is limited. Specifically, it's difficult (and expensive) to expand in rural regions. Customers are left with less than a handful of options when it comes to buying internet, mobile, and television packages.

Because telecommunication corporations are monopolies, they're in charge of both internet and mobile carriers. Customers need these packages to communicate with friends, partake in social media challenges, buy products online, find stable careers and more.

Telecommunication has become a vastly important aspect of the daily life of the average person.

Technological factors

Both needs and requirements for telecom services are advancing. For example, telephone companies install fiber wire in their builds over copper now. Phones are becoming more compact, moving the telecom business into a primarily wireless business.

Basic needs in smartphones, like voicemail, caller ID, and messaging are covered. Now people want internet access on the go. So, data is added to mobile plans. Wifi has been built into buses and cars too.

This ' need' leads to more investments in companies who hold a strong influence over telecom developments in computers, smartphones, and laptops.

Legal factors

The telecommunication industry is often impacted by legislation issues. Particularly issues with the government, monopolies, and customers. But the industry has allowed importing and exporting of telecom products

(international smartphones, for example). Allowing more development in telecom tech devices.

Environment factors

Climate changes and global warming can affect how telecommunication products reach customers. In terms of employment, with technology advancing, employees need to adapt to changes.

Products come and go, often replaced by something 'better' (depending on who is asked, customer or company). The previous version becomes redundant or unnecessary. Which means people who worked on a previous version may now be unemployed.

Customers demand and telecom companies are expected to deliver. But with needs in the telecom industry changing often, it's not guaranteed which technology will stay, be advanced, or discarded.

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