

# Environmental analysis of mobile phone industry marketing essay



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To analyse the external environment of a mobile industry and to identify the implications to the marketing department of a large mobile producer, which is decided to develop a new range of high-tech mobile devices for young professionals, it would need to produce a report covering various external influences that have an impact on the activities of the organisation and research on the effects on our customers and suppliers. Any organisation is affected directly or indirectly by the internal and external factors, whereby the external factors are the ones which an organisation has no control over them but can try to handle the internal ones.

In looking at this report, it has been divided into different parts which will make it clear and explain them accordingly. The first part will go through the marketing research process where in it will explain deeply about the primary (qualitative) research which involves in live interviews & questionnaire survey and secondary (quantitative) research which will be referred from books, magazines and internet and the second part of this report will talk more about the PEST and SWOT analysis.

## MAIN BODY

### Marketing research

Marketing research is the efforts put into finding the feelings and opinions of consumers to make a better product or service. It is the systematic design, collection, analysis and reporting of data and findings to a specific marketing situation facing the company. (Lecturer notes & Kotler p, Marketing management 2009, p 190)

## **Marketing research process:**

### **Define the problem and develop a research plan**

Collect and analyse the information

Present the findings and making decision.

To produce High tech mobiles for young professionals – company should know the current prevailing situations in the external environment. Looking at the above diagram we can see the main ways how marketing research can be processed in marketing by,

Secondary research

Primary research

### **Secondary Research:**

This is a type of research which contains existing information which is published already that can be obtained from; newspapers, magazines, internet, books and even journals. We can get quantitative information from this research and less investment needed for this kind of research.

Advantages and disadvantages of secondary research.

Advantages are:

Its available it can be acquired quickly at any time, unlike the primary research which is being acquired from the field , there for our mobile phone company can acquire their information from internet , journals and books even others.

It is cheap (affordable) less expensive than primary method. Its gotten from books , internet which does not cost them much compared to primary which will male it very hard fro our company to acquire information

provides a good starting point for the research-the exploratory stage. T has happened indeed this is because it shows the outcome of what others have done and what has happened to them there for makes our company know to start

Disadvantages are:

It is not specific since it does not answer the question straight away. And existing information may not be true fro example they could give wrong figures on the answers of the their research

It's often out of date, for example; census is done once in every ten years to become commercially available. The information could have being there for many years for example books are written long time ago hence put of date now

Different sets of secondary data are often inconsistent, especially when it is an international data.

[Based on lecturer notes]

According to the various methods used in conducting the research which involved both secondary and primary data, found various marketing authors such as Geoff Lancaster, David Jobber and Philip Kotler who have defined various external factors which can also be referred to as:

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PEST (Political, Social, Economical and Technological factors) analysis.

SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis.

These external factors are the ones which the company has no control and they are discussed below as follows:

## **PEST ANALYSIS**

### **POLITICAL FACTORS :**

The political law

The company must be up to date with the changes of the political law, which are established by the government and have an influence to the company, because the company must comply with laws made, as it can be seen the labour government in the, Geoff Lancaster et al states that, “ United kingdom in may 1997 led to a whole lay down of new policies made by the newly elected government like training programmes to encourage the unemployed to work.” Imposed taxes can also be seen as another law affecting our company this due to the rise of the taxes that our company must be able to meet with. Due to the fact that this is an external factor, therefore any business institution cannot avoid but get prepared at any time, And thus leads to overcharging of our customers and the company must be aware that the laws are made with action, so if not followed can lead to consequences and thus should be avoided.

The political stability:

It's essential for the company to operate in a peaceful place one in order to increase in the security of the company and thus increase in the confidence of our abroad buyers and suppliers which is good for our business like the country in the UK enjoys a high political stability

## **ECONOMICAL FACTORS :**

This consists of various factors that have an effect on consumer purchasing power and spending patterns, this varies according to the places and its level of income

The company must respond to the changes of social attitudes basing on buyer behaviour like it can be seen in the U. K with recession most people tend not to buy luxury goods so in such a situation the company must know on how to rate their prices. Inflation is also one of external factors affecting the company, therefore this issue must be considered because the company has no power over it (whereby money loses its value). The company cannot control the supply of money in an economy.

## **SOCIAL FACTORS :**

This includes demographic and cultural aspects of the external macro environment, these factors have an effect on our customer needs and the size of the potential market, some of the factors include;

Cultural habits of people and beliefs

Age group

## **TECHNOLOGICAL FACTORS :**

This can be seen as the most dramatic force in our company due to the rapid improvement of technology regarding to the product, the technology seems to be improving on a higher rate before we had phones just for picking up but now we can see phones which serve internet and are touch screen enabled, as a company have to keep up with this high technology in order or else our customers will consider us outdated.

Need to keep track and monitor the technology in order to keep up with our competitors and monitor this will help us in avoiding and missing new products and opportunities.

Preparation of innovating:

Innovating new technology as a company should be prepared with a certain quantity of money in order to purchase and keep up with the upraising technology in the world.

## **SWOT analysis:**

(<http://www.excelsia.ch/htmlgb/blog/images/swot-analysis-image.png>,  
retrieved on 13/02/2010 at 1: 18 am)

The overall evaluation of a company's strengths, weaknesses, opportunities and threats is called SWOT analysis. It is a way of monitoring the external and internal marketing environment. (Philip kotler, marketing management, 2009. P 101)

In SWOT analysis Strengths and Weaknesses are internal factors of a mobile industry.

Strengths are:

Business location.

A good, unique, new advanced innovative product.

Procedures and processes of product quality.

A specialist marketing expertise in the industry.

([http://www.marketingteacher.com/Lessons/lesson\\_swot.htm](http://www.marketingteacher.com/Lessons/lesson_swot.htm), retrieved on 13/02/2010 at 1: 23 am)

Weaknesses are:

Maintaining poor or bad quality of goods and services.

No suitable location for business.

No uniqueness in the product compared to the competitors products.

Damage in reputation.

In SWOT analysis Opportunities and Threats are external factors of a mobile industry.

Opportunities are:



Benefit from converging industry trends and introduce hybrid products in the market.

Making buying process convenient and efficient.

Offer product at lower price and fast delivery.

Customizing the products offered in standard forms.

(Kotler Philip, marketing management, 2009. P 102)

Threats are:

Introduction of tax on the product.

Better distribution channels by competitor.

New unique advanced product from competitor.

Competitors offering products for lesser price.

([http://www.marketingteacher.com/Lessons/lesson\\_swot.htm](http://www.marketingteacher.com/Lessons/lesson_swot.htm), retrieved on 13/02/2010 at 1: 25 am)

## **FINDINGS**

Secondary research:

As about the consumer needs found in the secondary research done by referring the available sources the following results were obtained about the current marketing situation for production of high tech mobile devices for young professionals.

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(<http://www.handcellphone.com/wp-content/uploads/mobile-marketing-coupon.jpg>, retrieved on 14/02/2010 at 4. 24 Pm)

Primary research:

Findings of primary research

### **Personal live interviews:**

I visited few mobile stores called The carphone warehouse on the 15th of February 2010 at 11: 30 Am and Phones 4u on the 15th of February 2010 at 02: 00 Pm to enquire the specifications and requirements of high tech mobile devices for young professionals and interviewed fifteen (15) young professionals who had come for purchasing mobile devices. I personally interviewed eight (8) people at The carphone warehouse and seven (7) people at Phones 4u who were between the ages of 22 to 26 and were professional job holders.

Results:

A multipurpose usable device with wide range of features like internet for email access, camera, music player, touch screen, MMS, GPS receiver, QWERTY keypad and other applications.

Portability of product for convenient carrying (to fit inside pockets).

Affordable pricing of the product (in a range between GBP 300 to 500)

Most of them were choosing phones with good design, quality combined with advanced technology.

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## **Questionnaire survey:**

I prepared a questionnaire consisting of 10 questions with few being multiple choices, dichotomous & rating scale. I visited canary wharf the business and financial capital of England and conducted the questionnaire survey with professional workers in many multi national companies.

The questionnaire used for survey:

Mobile devices should be of multipurpose use?

Yes No

Which kind of mobile do you prefer?

QWERTY keypad

Touch screen

Touch screen and QWERTY keypad

Alphanumeric keypad

Which one do you prefer the most to access email?

Phone Laptop

Would you like to have a music player on phone?

Yes No

What range of pricing would you prefer for a phone with good features?

200-300 pounds

300-400 pounds

400-500 pounds

500+ pounds

Which one do you prefer?

Good design and features helpful for work

Good design

Just helpful for work and work

Any design for communication