

# Analysis of the company t-mobile



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The reason I have chosen T-mobile for my essay is because of the recent talk of the merger between orange and T-mobile . It will be interesting to get some insight of T-mobile before the merger.

Mission statement

“ T-mobile makes providing services, plans, and a reliable network to their Customers, increasing their customers’ connectivity in a relatively disconnected World” (T-mobile in UK, Nov. 2010)

Opening

T- Mobile is a well known mobile business that operates mobile networks in the United States and Europe. It was formed in 1990. It is owned by Deutsche Telekom. Its headquarters is in Bonn, Germany. T-mobile UK offers two types of contract phone, Pay-as-you-go and pay-monthly and launched their 3G services. (Tmobile UK 2010)

. Methods I use to collect data

In this report I intend to do swot analysis on my chosen company by the help of some newspapers articles and online sources.

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SWOT analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business

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venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective.

### Strengths

T-Mobile's Wi-Fi network is the largest in the world. Its 3G and 2G network covers 84% to 99% of the population. T-Mobile's customer base is over 17 million customers who are served through its 275 nationwide retail outlets. Among T-Mobile's strength is its GPRS roaming footprint covering 27 countries. This makes it the largest GPRS roaming footprint in the world. (T-Mobile in UK, Oct. 2008).

T-Mobile teamed up with Internet based company, Google and launched G1 in the UK on 30th Oct 2008. The phone was built for the internet and is the first of its type. It runs on the innovative Android open source mobile software. (T-Mobile in UK, Oct. 2008).

### Weaknesses

It does not really matter how successful the business and how big the ambitions are, there are always some weaknesses or flaws. Like all the mobile network companies tmobile has some flaws. Tmobile are getting new customers all around the world but they are also seeing Steady decline in average revenue per user which is big problem they are trying to sort. As we see all high street are giving incentives to their customers if they do more business with them. As everyone knows O2 are leading that race tmobile is trying their best but that is not good enough for some customers, eventually they will move to a different company which offers them better incentives.

## Future Prospect

Orange and T-Mobile in the UK will merge, creating the country's largest mobile network. The new plan will see between £600 million and £800 million pumped into the joint venture between 2010 and 2014 for transitional costs, but it's expected the new 50: 50 partnership will realise savings on capital expenditure for the two networks of £620 million, with £100 million a year thereafter.

The merger will create the UK's largest mobile network, with a 37 per cent subscriber base, dwarfing O2's 27 per cent, Vodafone's 25 per cent, and making 3's share of eight per cent look very small indeed. (J. D. Power and Associates(2007, January 25th).

## Benefits of Merger

For the customers, this will mean more competitive pricing as the merger will be able to compete seriously with O2 and Vodafone, but an improved broadband offering, with T-Mobile a market leader in the mobile version and Orange's well-established fixed line offering.

## Market position

T-Mobile is the third largest mobile network operator among their major competitors (O2, 3, Orange and Vodafone) in the UK. But after the merger they will be part of the biggest mobile network provider in the country. (Wireless Intelligence, Oct. 2009)

## Current Strategy

There is a lot of focus on the idea of the T-premium card. This is aimed at capitalizing on brand name to carry across T-mobile's message of doing more with mobile. By forming partnerships with companies in entertainment, retail and fast-food industry, T-mobile would be able to communicate the message that our customers can do more with their mobile on T-mobile.

(Daily Mail. Retrieved, 20 Nov 2010)

### Target Market

Tmobile target market is divided into two groups. First group is 16-25 and the second group is 26-32.

According to the study carried out by T-mobile in UK the first age group was all about new apps and flashy mobile phones. They only had the same mobile for phoning their friends and for music.

In the same study, second age group had separate devices for their phone and MP3, their mobile phone was used to keep up to date and it should be able to send and receive emails over their mobiles was very important. ([www.pocket-lint.com/news/](http://www.pocket-lint.com/news/))

### Financial Footprints

As at the third quarter of 2008, the UK connection market for contract and prepaid service were 36.83% and 63.17% respectively of the total connection market. Tmobile recorded sales of £40 million during the financial year ended December 2008, and an increase of 8.8% over 2007. This increase was a result of increased customer growth, particularly at T-Mobile

USA. The profit of Tmobile was £845 million during financial year 2008 increase of 9. 2%over 2007. (Noble House Media Ltd (2010, February 25th).

### Findings

After my entire research one thing is clear that Tmobile is very courageous company which will do anything to expand.

### Conclusion

With all of these competitors in the market T mobile must keep ahead of the game by running successful strategies, to do this T mobile must focus on the principles of marketing. In my findings it indicate that as a mobile provider, T-mobile took an opportunity to join power with Orange to fund a UK largest phone company, Everything Everywhere Limited with more share in market.

But on the other hand, scandal has serious effect on t mobile. Firstly its image was damaged when customer's details were sold to competitors by their employees. Secondly because of it T-mobile faces a lot of compensation claims as well which will be really damaging.