

# The marketing strategy of etisalat



Etisalat is the largest Middle East operator and the third largest corporation in the GCC. The market value of this company is 20 Billion US dollars with annual revenues around \$8.7 billion. Etisalat is expected to be numbered in the top ten operators in the world. The company has operations in seventeen countries situated in continents like Middle East, Africa and Asia. Etisalat is now has the viewership of more than 2 billion people around the world. The subscriber numbers of Etisalat rocketed from 4 million in 2004 to 167 million in 2011, which is roughly a 2500% increase (Etisalat, Company Profile, 2012). Etisalat is the trend setter in innovations and latest technologies. It has brought UAE into the top ten nations list by providing them with the latest technology possible. Etisalat today has the largest LTE network in the Middle East and is also on the verge of introducing 4G technology in the UAE. It offers the fastest broadband services in the Middle East with Speeds up to 30MBPS. The technological expertise of Etisalat has helped it to gather significant market share along with its ever increasing expansion. Etisalat is also concerned about corporate and social responsibility and for this reason it has partnered with many government and nongovernment Organizations. The company reported annual revenues of USD 8.7 billion in 2011. It also has a net profit of USD 1.58 billion in 2011. For this reason Etisalat is ranked as the most profitable company and among the most profitable telecom industries in the world. Etisalat international operations include Thuraya, Zentel, PTCL, Etisalat Afghanistan, Etisalat Misr, canar, Mobily, Atlantique Telecom, Etisalat Lanka, Etisalat Nigeria, and Etisalat DB telecom India.

## THE INDUSTRY

The telecom industry in the GCC includes many top brand names. There are 12 telecom companies listed in the GCC countries overall. The investment in the telecom companies is made by the GCC via wealth funds, pension funds, ministries and government owned entities. The total market capitalization of the twelve GCC Telecom industries is around \$90.8 billion. Out of these 12 companies the market capitalization of seven companies did not exceed five percent. The smallest companies include Nawras, Batelco, and Vodafone Qatar, their market share was 1%, 2% and 2.3% respectively. Whereas only two companies had market capitalization in excess of 20 percent and they include Saudi Telecom Company (23.6%) and Etisalat (20.7%) (NEWS, 2012). This depicts that Etisalat is one of the market dominators in the GCC and its market capitalization exceeds 20% of the overall telecom companies operating there.

## **Marketing strategy**

Basically ETISALAT is a monopoly in the United Arab Emirates. However it faces competition in the international market, it is still the 12th largest voice carrier company in the world, and the largest provider of carrier and wholesale services in the Middle East and Africa. . Etisalat is one of the best companies in the world undoubtedly the best in the UAE (Sources, 2009). As Etisalat is a monopoly so it can use any kind of strategy to target its customers in the UAE. Whereas on the GCC the company is facing competition from various competitors so their approach in the international market is different. The company has been known to use the following strategies in order to attract the target market and target customers.

## **Market Development**

ETISALAT has been the finest example of market development in the telecommunication retail industry. ETISALAT have been focusing heavily on the expansion strategies and have been effective in developing their market gradually by opening new outlets and moving into new markets. This strategy is a very effective one because expansion reduces the risk factor and puts company onto a very strong position. On the international level the company has pursued a strategy of rapid expansion. This is why the company now operates in more than seventeen countries in the world (khan, 2010).

## **Diversification Strategy**

This strategy is actively being used by Etisalat and is the epic center of their business operations. This is because Etisalat has entered many different markets at the same time. Diversification helps the businesses increase the scope and divide the risk factor. This strategy is aimed at a detailed segment of people so as to encourage the company product in the market. Entering new markets helps Etisalat utilize the diversification strategy to a greater level. The constant innovation that is prevalent in the company has helped it to introduce latest technologies in a very short span of time and has been the main source of their success in using diversification strategy. In other words the constant innovation and technology has made the diversification strategy of Etisalat very useful.

## **MARKET ANALYSIS**

Etisalat is a dominating firm in the national market and is striving hard to become the dominating firm in the GCC. The Company has all the required

ingredients to compete in the international market effectively. The company does not face any competition in the domestic market and operates like a monopoly. The bargaining power of the suppliers and the customers in the domestic market is minimal. This is due to the fact that Etisalat is a price maker and the only dominant service provider in the UAE. It can easily switch buyers and customers because it controls the market. From the analysis it was also found that Etisalat is following two marketing strategies, one is the diversification strategy and the other is the expansion strategy. The expansion of Etisalat in the international environment has proved that the company has a presence that cannot be ruled out. And the strategies used by the company have all the qualities to bring consistent success to the company in the future.

## **CONCLUSION**

In conclusion it is true to say that Etisalat is truly one of the best companies in the world. The ultimate focus of this company has been on innovation and technology, and they have proved that they are the pioneers in their field. The reason for the company's success has been continuous improvement and research over the years (REPORT, 2011). The strategies adopted by the company are more than enough to compete effectively in the international market. The company is operating successfully in more than seventeen countries in the world and it is destined to expand further because the marketing strategy followed by the business is flawless.