

Segmentation targeting and positioning of vodafone



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Vodafone is one of the biggest names in wireless technology, and is continuing to grow a solid, loyal customer base because the company offers excellent product along with excellent customer service.

Vodafone has a an interesting history, back to 1984, when it was still a subsidiary of the well-known Racal Electronics Plc. In September 1991, the Vodafone Group Plc decided to separate itself from Racal Electronics Plc, they later merged with another company, the Air Touch Communications Inc, in July 2000.

In 2001, this wireless company first introduced instant messaging on their networks, to provide for a faster way to communicate among their users. The company also launched the first ever 3G service in Europe with their innovative mobile connect GPRS/3G data card in 2004. In February 2007, the company had another major milestone when it partnered with Yahoo and Microsoft in order to launch instant messaging services that can easily be accessed using either a personal computer or a mobile phone. This is one of the milestones that made it into the wireless giant it is today.

The company continues to offer a variety of services, including data, messaging, voice and broadband. It's continuous advancement in the data services, they offer by developing its 3G networks and the capabilities of various handsets. It's a mobile service that's easy to use, with low-cost telephone line and even DSL broadband connection. It also provides you monthly billing cycle, pre-paid agreement or even a contract. And is known for it's best customer services.

BACKGROUND:-(INTERNATIONAL EXPANSION STRATEGIES).

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Vodafone Group Plc is the world's leading International mobile telecommunications Group, with a major presence in Europe, the Middle East, Africa, Asia Pacific and the United States through the Company's subsidiary undertakings, joint ventures, associated undertakings and investments.

The basic concept of this case is to look at Vodafone's future expansion, growth and global strategies within the concept of internationalization and competitive advantage issues. The reason to launch Vodafone in Mexican market is to gain profitability, gaining high revenues by doing better business in more areas or internationally. Because if Vodafone will not be launched in Mexico some other mobile company will do the same. Being one of the world's largest company it's easy for Vodafone to enter the Mexican market and capture it.

PESTEL ANALYSIS:-

It is the technique of environmental scanning of any industry on the basis of factors like political, economic, social, technological, legal and environmental.

PESTLE analysis uses a framework of external factors for macro-environmental scanning of the industry to help in taking advantage of opportunities and making contingency plans for threats.

SEGMENTATION, TARGETING AND POSITIONING:-

It together comprise a three stage process;

Segmentation (identifying meaningfully different groups of customers)

Targeting (selecting which segment to serve)

Positioning (implementing chosen image and appeal to chosen segment) it further includes product, price, distribution and promotion.

SEGMENTATION:-

Segmentation is the process of splitting (segmenting) the entire market into smaller groups. Demographics is the most common variable of market segmentation that includes age, gender, income, geographic, psychographic and behavioural. For launching a Vodafone in Mexican market, the product is for both the genders, of every area with varying ages and incomes.

Markets are made up of many distinct groups of people who have common characteristics as consumers. Some of those groups may not be immediately obvious. All of them command tremendous buying power. But they direct it to products and services that address them as a highly individual subdivision or segment of the market.

Define those market segments right and you may even end up dominating the market. Because the more you know about a market segment:

- The better you can provide a product or service that attracts it.
- The better you can create marketing materials that appeal to it.
- The more cost-effectively you can direct them at the markets that respond the best.

The easier it is to position your company and product and build brand loyalty. It's hard to successfully address a large, vague, undifferentiated market. It's easy to address a tightly focused, highly individualized group of people with clearly defined preferences and needs. Market segmentation isolates those groups, and makes them accessible. It helps your organization understand them and reach them and profit too.

TARGETING:-

In this step one or more segment is targeted. Generally depend on several factors.

- How well are existing segments served by other manufacturers?
- How large is the segment, and how can we expect it to grow?
- Do we have strengths as a company that will help us appeal particularly to one group of consumers?

It will be more difficult to appeal to a segment that is already well served than to one whose needs are not currently being served well. Mexican market is already being served well but Vodafone being a giant can capture the market by providing equally better or more advanced services.

POSITIONING:-

Positioning basically involves implementing the targeting.

Product (premium, basic)

Price (premium, low price, value)

Distribution (intensive, selective, exclusive)

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Promotion (prestige, fun, powerful)

Being operationally excellent firm, by maintaining exceptional efficiency, the firm providing reliable service to the customer at a significantly lower cost.

Vodafone can capture the market. It's customer intimate firm which excel in serving the specific needs of the individual customer quite well.

Technologically it is providing the most advanced products currently available.

COMPETITOR ANALYSIS AND MARKET ENTRY STRATEGY:-

It's a critical part of firm's activities. Competitor analysis has several important roles in strategic planning;

- It helps management to understand their competitive advantages/disadvantages relative to competitors.
- It generate understanding of competitors past, present and future strategies.
- It gives an informed basis to develop strategies to achieve competitive advantage in the future.
- Also help forecast the returns that are made from future investments i. e how will competitors respond to a new product or pricing strategy?

Entering a new market is always a challenge. The size of the country, number of opportunities and geographical size matters precisely. Solid market entry strategy needs proper market research to know existing opportunities, understand the competitive landscape and to know about potential clients. A market entry strategy has to be developed that fits

companies objectives, timelines and budget. A successful Market Entry Strategy includes, assessing the feasibility of the product in market, what are the industry trends, what potential competitors are doing and what pains clients are facing that can address. If the market research reveals a robust opportunity, then it is time to develop your market entry strategy with a trusted partner that can not only write the strategy, but also help you implement it, in market.