

# Swot analysis of virgin media assignment



**SWOT Analysis of Virgin Media** Virgin Media is an innovative new media company that was formed as a result of a merger between NTL and Telewest and then a re-branding as Virgin Media. Its main strength lies in the branding and the innovation that the name Virgin offers. Internally, Virgin Media is the only company in the United Kingdom that offers all four of the main media services, i. e. digital television, broadband, fixed line telephone and mobile phone packages.

The ability to offer these products all together in one bundle is the unique selling point of Virgin Media and clearly sets the company apart from its competitors. **Strengths** In offering these combined services, the company has substantial economies of scale as it is able to combine many of its generic roles such as administration and finance, thus allowing the company to price more competitively for the benefit of its customers. Due to its perceived leading brand name in the media, Virgin Media has managed to secure an ongoing contract with Sky, extending further still its inclusive offering to its customers.

Technical ability and infrastructure are also two of the key internal strengths of the company, which have been exploited to produce a market leading position. **Weaknesses** Despite this, the company does have some internal weaknesses that need to be managed. The merger between NTL and Telewest is still relatively new and there are cultural clashes between the two styles and the emerging Virgin style. In recent years, there have been several redundancies and outsourcing of customer services, in an attempt to bring down costs.

This has resulted in a degree of unsettled behaviour and lack of loyalty from staff. Due to the size and complexity of the growing organisation, there are likely to be ongoing conflicts which will need to be managed if this cultural shift is not to impact on the customer experience. Opportunities and Threats

Externally, the opportunities and threats facing Virgin Media are ever changing. The media sector is developing an exceptionally fast pace, resulting in both opportunities and threats for companies such as Virgin Media.

Opportunities are widely available for Virgin Media, predominantly in offering value added services such as online gaming or more reliable broadband connections. Bundling these media services together, as Virgin Media has already done, offers yet further opportunities within the media sector, in terms of grasping greater market share. Consumers like simple, one-stop shopping when it comes to the media options available; this is something that Virgin Media can continue to exploit, particularly now that it has signed an agreement with Sky.

Threats to Virgin Media come from other similar media companies such as Orange or BT who remain as large players in the market. In particular, Virgin Media is rumoured to have difficulties with its infrastructure reliability, which could potentially allow competitors such as BT to increase market share. The media sector as a whole is extremely fast moving; therefore, the main threat is that Virgin Media may fail to keep pace, thus losing its customer base to another more innovative company.