

Analysis of telekom in sri lanka



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Dialog Telekom, Sri Lanka's flagship Telecommunications Company operates Dialog GSM, the country's largest mobile phone network, and is a Subsidiary of the Telekom Malaysia Group. The company is also a key player in the Internet Service Provision Market with its state of the art ISP, Dialog Internet, and also operates Dialog SAT, the country's pioneer Mobile Satellite Service Provider. Following an aggressive entry in to the International Services Market, Dialog Global has established itself as a premier provider of International Services in Sri Lanka. They also provide a wide range of products from well known branded Mobile Phones, Palm Tops, Smart Phones and Mobile phone accessories.

Marketing Philosophy

Dialog Telekom; also know as Dialog GSM is based on the societal marketing concept where they determine the needs, wants and interests of target markets and to deliver superior values to the customer in a way that maintains or improves the customers and the society's well beings.

Our product

Our product is a pouch for mobile phones with a rechargeable battery which would charge the mobile phone 3 charge cycles. This product sold under our company, Dialog GSM. This will be manufactured according to the required specification of the following brand names. They are,

Nokia

Sony Ericsson

Samsung

Motorola

Our vision

To be the undisputed leader in the provision of multi-sensory connectivity resulting always, in the empowerment and enrichment of Sri Lankan Lives and Enterprises.

Our mission

To lead in the provision of technology enabled connectivity touching multiple human sensors and faculties, through committed adherence to customer driven, responsive and flexible business processes, and through the delivery of quality service and leading edge technology unparalleled by any other, spurred by an empowered set of dedicated individuals who are driven by an irrepressible desire to work as one towards a common goal in the truest sense of team spirit.

Corporate Values

Total Commitment to our Customers

Dynamic & Human Centered Leadership

Commitment to task & Team work

Uncompromising integrity

Professionalism and accountability

Foremost concern for respect & care

SWOT Analysis

A SWOT analysis helps to evaluate a business through 4 major variables.

These are;

Strengths

Weaknesses

Opportunities

Threats

Strengths

Market leader - 2 million customers

A young, vibrant and motivated workforce.

Visionary leader

Variety of phone packages.

Weaknesses

High competition from Mobitel, Celltel

No nationwide coverage like Celltel

Has a large amount of creditors.

Opportunities

Has partnered with the worlds largest phone service provider Vodaphone.

Studies have shown that phone users are increasing

Threats

Other phone service providers in Sri Lanka are growing fast.

More and more international brands are trying to enter the market. For e. g.

Hutch

Efficient service is difficult to maintain for such a large growing market.

PEST Analysis

PEST analysis is the evaluation of the external environment of a business.

These factors are uncontrollable by the firm. These factors are Political, Economical, Social and Technological.

Political Factors

Political situation of the country - currently the political situation of Sri Lanka is very bad with the threat of a war in the future.

Government laws.

Taxes and legislations

Economical Factors

Inflation

Income distribution

Consumer spending patterns

Social Factors

Culture of the country

Environmental issues

Latest trends and fashion styles.

Technological Factors

Constant research and development

New technological advances

Marketing Research Process

Importance of market research

Launching a new product to a market is not an easy task to be done. This involves a lot of risk and uncertainty. By conducting market research an organization can reduce the risk and uncertainty by predicting the possible outcomes based on the information gathered.

Market research is one important factor to be considered when launching a product because attracting customers to a new product is not an easy task to be done. This helps managers to take relevant decisions according to information derived from the research. As the product we are launching is an innovation launched to a new market, Information plays an important part in market planning.

Methods of market research used

The market research was done according to the 6 steps of market research.

They are,

Define the problem and research objectives

Develop the research plan

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Collect the information

Analyze the information

Present the findings

Take Decisions

Define the problem and research objective

The main problems we faced were the market segment that we had to target our product. That is, what kind of people with different jobs and other occupations should we target our product. The objective of producing this product is to make life easy for continuous mobile phone users who face a problem in recharging their phones batteries in an important situation or when traveling very far trips or traveling in flights.

Developing the research plan

We used primary and secondary research to overcome the problems. The primary research was to find the people who use their phones daily who need it to be recharged and people who travel outstation or foreign travelers. For this we had interviews with business oriented people who use their phone continuously and facing a problem in recharging their mobiles. We also gave away questioners to firms and other organizations to get relevant information of how they would like the pouch to be. The secondary research was found the internet mostly. Because of the unavailability of this innovation research papers could not be found.

Collecting the information

The interviews with the relevant business orientated people showed us that they preferred it to be handy and light weight, another fact was that they were willing to purchase the product if it's under the brand name of Dialog GSM. The questioners showed clearly to us the why people use a pouch, price the people were willing to pay for the rechargeable pouch and comments and suggestions.

Analyze the information

The data gathered by primary and secondary data was analyzed and studied in order to get a clear view of the problems which are being faced. The following information was obtained by interviews and the questioners,

Most of the people who require this are people who are high mobile phone uses and travelers.

How custom made it should be(model wise)

How stylish and light weight the pouch should be(portable)

How much they are willing to pay for it

Not only business people but students are also willing to buy this product

The secondary data shows us the following,

How many people use roaming, this shows us the people who frequently travel

Statistics of phone uses in the western province.

Present the findings

According to the research and the results received by the research, it is clear that travelers and business personals are facing a problem in recharging their mobiles when traveling or in other situations. It also shows us how much they are willing to pay for it and how it should physically look like.

Take decision

The market research which was gone through has proven that the product is feasible enough to launch into the market.

According to our research we have identified the following facts,

Through the questioners we derive that there would be a very high demand for this product.

Our product will survive in the market because of the need of it.

Distribution of the product/Customer accessibility should be more efficient with time according to the product life cycle.

Our product must be manufactured according to the various sizes, the weight and other preferences for the brands we are offering.

Marketing Mix – 4 P's

The marketing mix is the most important aspect of marketing. It is also called the 4 P's, it includes Product, Price, Place, Promotion. Following is a detailed proposed marketing mix for the Cell Phone Charger Pouch (CP - II).

The product will be Test marketed before it is introduced into the market.

This is mainly done to get feedback from the selected target market about

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the product. Necessary improvements according to the likes of the consumers can be done before introducing the product into the market.

INTRODUCTION STAGE

Product

When the product is launched into the market it will have just the basic features of the product. The quality of the product will be very high. This is a technological product; therefore it is necessary that the quality of the product is high. The pouch will be available in three different sizes so that it will fit all phone models. Also, different pouches will be available for different phone brands due to the different charging points.

Price

The price of the pouch will be set using the cost plus pricing method and the strategy used will be Market Skimming pricing. Rapid skimming will be done. This means setting of a higher price for the product as well as high cost of promotion in order to sell the product. The target market at this stage is higher and middle class people. Therefore the buyers of this product will be innovators and the price will be set at Rs. 1000/=.

Place

A selective distribution strategy will be implemented. A concentrated segmentation method will be used at this stage therefore; the product will be available at Dialog outlets in the Western Province. Agents will also be used in order to sell the product. The product will also be sold at the Airport, so that the tourist and businessmen can get the product easily. A website will be opened so that the customers can get information about the product.

Promotion

A huge amount of money will be set aside for promotional activities at this stage. This is because Dialog is entering into a new market. Although it is related diversification, a large scale promotion will be done in order to inform the target market and introduce the product into the market. Advertisements will be shown on all local channels especially after a business program or the news. Other sources of promotion are magazines such as LMD, banners, hoardings. Also brochures will be sent to all existing dialog customers. The promotion campaign will be mainly directed towards the businessmen and travelers. A press release will be done and a launching the product ceremony will also be held. Sales promotion techniques such as games, contests and samples will be undertaken to popularize the product.

GROWTH STAGE

Product

If possible more features will be added to the product. More colors and variety will be available. It is predicted that it will take about 3 to 4 months for the product to reach the growth stage. More segments will be tapped into at this stage and therefore the production will be increased.

Price

The price of the product will remain high but may fall slightly if competitors enter the market. Firms like Nokia or Mobitel may come up with a similar product with additional features. The price will be lowered slightly in order to attract the price sensitive buyers. The main consumers will be the early adopters. Estimated price would be Rs. 900 to 950.

Place

A more intensive distribution approach will be used in order to cater to the bigger market. The product will be made available at all Dialog outlets and also more agents such as Softlogic, Metropolitan etc, will be given rights to sell the product.

Promotion

Promotional activities will be high at this stage as well. Promotion will be mainly done to persuade customers and distinguish the product from the competitors. Few additional advertising campaigns will be carried out due to the larger size of the market. Advertising through newspapers, radio and sponsoring of events will be done in addition to the techniques used in the introduction stage.

MATURITY STAGE

Product

The product will reach its maturity after around 8 to 9 months. At the maturity stage the sales of the product will be at its optimum and will start declining. The production levels will be increased because a undifferentiated segment will be catered to at this stage. No additional features or technicalities will be added to the product. Plans will be made on how to update or redesign this product as its nearing the end of it life cycle.

Price

The price will reduce further at this stage. This is the norm with technological products. This is because more advanced technology is available and the life cycle of products is very short. Discounts will be given and various promotion

activities will be used in order to give the consumer the best price. Estimated price - Rs. 800 to 850

Place

Distribution will be intensive because of the high demand. The product should be available to the consumer at all times. As we will be catering to the whole market at this stage the product will be made available all around the country.

Promotion

The promotion levels will reduce. Only advertising will be still done. This is because the sales of the product will reach its optimum and therefore there is no need to promote the product intensively. Advertising will be done mainly to differentiate brands and remind customers.

DECLINE STAGE

Product

The product will be redesigned or updated depending on the new technology available after about 14 to 15 months. The new technology will enable us to make a better version of the product. The pouch has to be charged after 3 charge cycles. In the future solar energy can be used to charge the pouch. There will be high cost on R&D at this stage.

Price

Price cuts will be offered in order to try n sell as many units as possible. Physiological pricing may be used. The price will be reduced to about Rs. 700/=.

Place

The production will be stopped and only the stocks already there will have to be distributed. Therefore the number of outlets selling the product will reduce.

Promotion

Many sales promotion techniques will be used. Discounts, special offers, price cuts etc. advertising will be done to inform people about the promotions undertaken to sell the stocks left.

Market Segmentation

Identification of the target market

A segment is the division of the market into its distinct group, which consists of buyers with different needs, characteristics or behavior, who may require separate products or market mixes.

It is necessary to identify a particular target market, for the use of the organization to penetrate into. This is because of the following reasons;

Buyers are too numerous

They are too widely scattered

They vary in their buying needs and practices

The organization can identify opportunities in the market.

Among the bases of segmentation, it was evident that the base which should be used is the Demographic Segmentation.

Even though this is the most popular base of segmentation, we decided to exploit it, because as far as the charger pouch was concerned, the above mentioned variables are crucial to grasp the knowledge needed to market the product efficiently. Furthermore, the simplicity of measurement and the fact that even if the organization chose a different base of segmentation, the use of the demographic factors may be necessary to understand the needs of the market.

Characterizing the chosen target market

Demographic Segmentation

The Demographic segmentation can be divided into twelve groups on the basis of the following variables.

Age

Family size

Family life cycle

Gender

Income

Occupation

Education

Religion

Race

Generation

Nationality

Social class

In regard to the above mentioned variables, the most important variables in consideration to our product are as follows;

Age - to identify the buyer by age. E. g. Young adults, middle-aged, old etc.

Gender - to identify taste and preferences. E. g. Male/ Female

Income - to identify the influences in choice. E. g. high income earners, low income earners etc.

Occupation - to identify the necessity. E. g. Businessman, Sales representative etc.

Social class - to identify the main buyer groups. E. g. high-class, middle-class etc.

We have identified that the buyers mentioned above and other buyer interested in our product may vary throughout the product life-time.

Therefore, there will be more than one segment when the product reaches its growth stage.

Segmentation Target Strategy

As far the Product Life Cycle (PLC) in concern, we hope to market this product through the " Concentrated Segment" during the introduction stage. This is to specialize in serving only one specific market.

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Segment - 1

Marketing Mix

Segment - 2

Segment - 3

Segment - 1

Marketing Mix - 1

The main reasons for this decision are as follows;

The focus of resources could be directly directed to it, since it leads to a detailed knowledge the segments needs and wants.

Low costs in order to manage only one segment.

The organization achieves the competitive advantage through the specialization factor.

Stronger position due to the direct resources given to the chosen segment.

Subsequently, we would focus on the " Differentiated Segmentation", after the growth stage, in the PLC.

The main reasons for this decision are as follows;

Obtains the maximum customer satisfaction, because the organization has tailor-made offerings to suit the individual segments.

A failure of a particular segmentation can be rectified through the revenue of another, thereby minimizing the risk.

A vast knowledge of the markets is derived because of the necessary detailed overview of the market.

The threat of tough competition is minimized.

Problems and opportunities in the chosen target market

Consumers may be concerned with many matters during their buying decision process. Therefore, we have to be certain about the problems and opportunities prevailing in the segment. Thus, we can draw closer to the consumer by rectifying the problems and by utilizing the opportunities to enhance our efficiency in marketing our product. The Buying-Decision Behavior is the “ Dissonance Buying Behavior”.

The problems that prevail in the segment

Price - in the initial stage, the price of the product will be the highest.

Therefore, the customer will be hesitant to purchase the product. (Decision of price vs. quality)

Competency - there would be concerned as whether or not the product does what it says it will do.

Convenience - hesitation over the product being bulky or an infuriation to carry around, charge, maintain etc.

Brand -:

Unavailability of the pouch for the phone brands other than the ones marketed.

Customers who are constant change brand/phone i. e. brand switches would not want to purchase the pouch because of the need to change them according to the phone brand and size.

The following are the opportunities that linger in the segment;

Convenience - the product is handy and can be carried around with ease.

Simplicity - usage is uncomplicated

Prevailing demand - MIS shows that the potential customers want the product

Accessibility - Distribution of the product takes it close to the customer.

Buying Decision Behavior - dissonance buying behavior shows that the customer would be quick in purchase.

Conclusion

Our company, Dialog GSM to make a comprehensive argument to market our product, the CP - II. Therefore, we made a team of three comprising of Mr. Hatim, Mr. Zulkifly and Miss. Ilma.

Analyzing the situation, we decided to do research and understand the situation to market our product by convincing the Board of Directors and to get the report prepared to the best of our ability, regardless of the time constraints and the unavailability of the statistics and data needed.

We realized that firstly, we decided to do research and understand the situation to market our product by convincing the board of Directors.

Therefore, we must analyze the market and the segment, the advantages and disadvantages, the opportunities and problems existing in the market.

Furthermore, we should analyze the market mix in terms of the four P's - Price, Product, Place, Promotion.

Although the information and reasons derived from the report suggests that we will be relatively successful, but problems would exist as mentioned in the text. Yet we believe that the CP - II will be very a triumphant one.

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www.dialog.lk

Work Load Matrix

Hatim

Zulkifly

Ilma

Section – A, Q. 1& 2

Section – A, Q. 3 & 4

Section – B, Q. 1

Section – B, Q. 2

Section – B, Q. 3

Conclusion