Ufone marketing strategy



PTML is a subsidiary of PTCL (Pakistan Telecom Company Limited), the largest operator in Pakistan. PTML was established to operate cellular telephonyThe company commenced its operations under the brand name of Ufone from Islamabad on January 29 2001. During the year, as a consequence of PTCL's privatization, 26% of its shares were acquired by Emirates Telecommunication Corporation (Etisalat). Being part of PTCL, the management of Ufone has also been handed over to Etisalat.

Since its inception, Ufone has focused on the people of Pakistan, empowering them with the most relevant communication modes and services that enable them to do a lot more than just talk, at a price that suits them the most. "http://www. ufone. com/about. aspx"

UFONE came in the market when it was mainly captured by Mobilink and InstaOne. It was a difficult task to become a part of such a market in a country like Pakistan where people were not aware about mobile phones and it was a status symbol at that time. Ufone changed the whole scenario and as soon as it came in the market it provided with very cheap mobile connection and calling rates which were offered neither by MOBILINK nor by InstaOne.

Along with the claim of lowest call rates, clear sound and best network,

Ufone offered its customers simplified tariffs with no hidden charges. With a
strong and uniquely humorous communication direction that has now
become Ufone's signature across all advertising media, Ufone gives its
customers many reasons to smile.

During the year July 2005 to June 2006, further expanded its coverage and has added new cities and highways. Ufone has network coverage in more than 750 cities, towns and across all major highways of the country. This customer focus and best offering has allowed Ufone to build a subscriber base of over 20 million in less than a decade. Ufone has network coverage in 10, 000 locations and across all major highways of Pakistan. Ufone expanded its coverage and has added new cities and highways to its coverage network. The company has also been awarded a new License for providing cellular services in Azad and Jammu Kashmir and in northern areas.

Ufone currently caters for International Roaming to more than 260 live operators in more than 150 countries including Saudi Arabia , United kingdom, UAE, Singapore, Portugal, Kuwait and others with lowest rates, featuring no security deposit and activation charges. Ufone also offers Pakistan's largest GPRS & BlackBerry Roaming coverage available with more than 150 Live Operators across 105 countries. More recently, Ufone has become a focused and intensive leader in VAS, constantly introducing innovative services, which have been the first of their kind in the Pakistani cellular industry.

Brand

Ufone mainly comprises of two brands i. e. the Prepaid and the Postpaid. While keeping its tradition of being the trend setter in the industry, Ufone changed the image of mobile phones from a luxury only affordable by the elite, to a necessity affordable by the common man. Since its inception, Ufone has positioned its brand for masses.

In keeping with the upcoming competition and market dynamics, Ufone increased its focus on the youth segment (which comprises 50% of the population), with the Prepay brand. By designing market focused products, Ufone's brand team launched aggressive campaigns, which further increased the brand equity. The new brand image gained huge popularity amongst the targeted market.

Ufone's Brand success has been rewarded in many ways, including increased number of customers, revenue and market share. Apart from these rewards Ufone's nomination for Telecom World Awards Middle East as the Best Brand of the Year 2009. What makes this even more special is that Ufone is the only Pakistani telecom company to be amongst the finalists for these awards from nominations of over 30 operators from the Middle East.

http://commsxpress.com/india/ufone-pakistan-best-brand-award-2009/3905/

UFONE SIGNS AGREEMENT WITH JAFFER BROTHERS:-

Karachi-Pak Telecom Mobile Limited (Ufone) and Jaffer Brothers (Pvt.) Limited (JBL) have signed an agreement for I. T Storage Consolidation and Replication Project. Under the agreement, JBL will implement and deploy Enterprise Storage Consolidation & Replication Solution to enable Ufone strengthening its storage and correlated systems. The agreement was signed by Abdul Aziz Khan, CEO & President, Ufone and Nasser N. Jaffer, CEO Jaffer Brothers (Pvt.) Limited. http://netxpress.com. pk/2009/05/ufone-signs-agreement-with-jaffer-brothers/

UFONE MOBILE BANKING ACCESS:-

Mobile Banking refers the availability of banking and financial services with the help of mobile handset. The scope of offered services are broadly categorized into Transaction Based (Bill Payment e. g., Ufone's ULoad & Postpaid Mobile Bill Payments, Utility Bill Payments etc.) and Non-Transaction based (Bank Account Mini Statement, balance Inquiry, Pin Change etc.) services.

Mobile financial transaction platforms are rapidly emerging around the world; such platforms harness the intrinsically lower costs of mobile banking platforms compared to traditional banks and exploit the increasingly wide diffusion of mobile telephones across all socioeconomic groups and geographical areas.

VALUE ADDED SERVICES

Ufone welcomes to indulge in the true essence of the term on the go. They believe in providing customers with as much convenience as they believe perfect. With Ufone easy to use Value Added Services, customers can pack there entire external environment right in there cell phone.

Ufone always says "It's all about U!" giving priority to its customers and giving them the Experience of complete convenience with Virtual Private Network, Call Management, Missed Call Notification, Phonebook Saver and a host of Infotainment and Entertainment services right On the cell phone.

On a flight? Can't afford to miss out on calls? With Ufone's Missed Call Notification, customer's never loose track of there missed calls. Customers should Stop worrying about cell phone getting lost. Backup of all contacts is https://assignbuster.com/ufone-marketing-strategy/

now possible with Ufone's Phonebook Saver and regaining any lost information directly from there server is very easy.

Creating an account on Ufone website (www. ufone. com), getting access to a host of personalized online services like Address Book, Calendar & Planner, POP3 Alerts, Email Address as well as Infotainment Services allows customers to subscribe with daily horoscope, quotes, jokes and much more. Along with all these services, Ufone also offers GPRS, MMS and WAP access to enhance mobile internet experience.

http://www. ufone. com/mobile_products. aspx

INFORMATION GATHERING

Information gathering was the most essential part of the whole activity. To acquire relevant material, various sources of information were used. Due to the extensive amount of quality information available online, most of the information gathering was done from the internet but other sources such as mentioned below also helped to analyze the strategies of Ufone.

LIST OF SOURCES OF INFORMATION GATHERING:-

INTERNET

UFONE SERVICE CENTRE

BOOKS

NEWS PAPERS

TELEVISION

INTERNET

In today's world what ever information you want, it is all easily available on the internet. For my project it was a difficult task Because of the extensive information available to me, i had to go through an entire selection process in which I had to filter all the information and squeeze out the important points to include in my project as per the requirement of the project.

GOOGLE:-

On the internet I searched www. google. com which is one of the biggest search webs. From here I got good information about Ufone marketing strategies through different links which helped me significantly to know and understand the marketing strategies of Ufone in a better way. It helped to get access to different websites such as www. propakistani. com from where I was able to get information about the number of customers of telecommunication industry

UFONE WEBSITE:-

TO learn about Ufone, its website (www. ufone. com) was a fine source available. It was a good source of information for me to know about what Ufone was and provided information about its brand, services and different value added services for its customers. Ufone's website also gives an idea about its marketing strategy. As it is very colorful and all the rates, services and new offers are prominently shown on the main page, it gives an idea about its marketing strategies.

PTA WEBSITE:-

PAKISTAN TELECOMMUNICATION AUTHORITY web site (www. pta. gov. pk) was another source of information as it provided with rates of other mobile networks. Those rates were used in comparing with Ufone rates during the analysis done.

UFONE SERVICE CENTRE:-

A UFONE service centre located near my residence was a good source of information. I got all the information related to brands of Ufone. It mainly consists of pre-paid, post-paid, blackberry and GPRS. It was a good source to know about all the packages that Ufone provides to its customers using different brands. For pre-paid and postpaid there were a wide variety of packages offered. There were different packages for local and international calling and there were also many packages offered for short message service (SMS). All these tariffs were a good source of information.

BOOKS:-

Related to the marketing strategies I consulted my different ACCA books that helped me in revising all the techniques and models used in formulating marketing strategies of an organization and analyzing its market share. It became a little easier after generally over going the books of FTC and PBP to understand, analyze and examine the marketing strategies of Ufone. The books that I used are as follows

P3 BUSINESS ANALYSIS PBP

P3 BUSINESS ANALYSIS FTC

NEWSPAPERS:-

Ufone advertisements in news papers helped me in the analysis. Its advertisements in different news papers helped in identifying its strategies its tactics and its marketing policies.

Apart from Ufone, even its competitors advertisements were seen in the leading news papers of PAKISTAN such as DAWN, THE NATION, JUNG(news paper in Urdu language) etc.

Mostly news papers are used by telecommunication company to inform about there new packages and rates as a large number of PAKISTAN population reads news paper daily.

TELEVISION:-

On television, mostly during cricket matches showed by GEO SUPER, the first sports channel in PAKISTAN, a lot of Ufone advertisements are seen. Another fact about these advertisements is that three to four different commercial made by Ufone are been run which covers all types of consumers. A brief idea of Ufone monthly expenditure of its advertisements on television will be found in the research part of this report.

LIMITATIONS IN GATHERING INFORMATION:-

As the topic is related to marketing strategies of a company, it is well known that no company suggests or publishes its marketing insights to public available domains i. e. on websites or in news papers as most of the marketing information are a highly confidential part and should be kept as a secret.

The situation gets worst in this case especially because in PAKISTAN, telecommunication is a highly competitive market so Ufone being a part of such a market is very careful that none of its confidential information is leaked to the competitors, because in such a market every competitor is looking to grab opportunities to beat the other company, increase its market share and be the best.

ETHICAL LIMITATIONS:-

None of the information used in this report is copied or used without the permission of the owner. Relevant and real references are provided under every information in the report.

AIMS AND OBJECTIVES:-

The objective of this research and analysis project is to analyze the marketing strategies of UFONE. I aim to do this by using different models which can be used to formulate asses and evaluate different marketing strategies of any organization. As to give a clearer picture of the company's marketing strategies, I will also incorporate in the project a comparative analysis of the marketing strategies of some other companies in the telecommunication industry of PAKISTAN. The main models that I will be using in this report are as follows:-

- 1) MARKETING MIX
- 2) SWOT ANALYSIS
- 3) PORTER FIVE FORCES

Marketing mix includes 7P'S of marketing which is used to analyze both internal and external information of an organization. It includes PEOPLE, PHYSICAL ENVIRONMENT, PROCESS, PRODUCTS, PRICING, PROMOTION and PLACE. It covers major areas to analyze the strategies of an organization.

SWOT analysis are the internal (strengths and weaknesses) and external (opportunities and threats) analysis of an organization. With the help of SWOT analysis an organization can discern its strengths, eradicate weaknesses, work on opportunities and try to minimize and remove threats.

PORTER FIVE FORCES are the main external analysis which will help me in identifying all the external circumstances for Ufone. PORTER FIVE FORCES includes BARGAINING POWER OF SUPPLIER, BARGAINING POWER OF BUYER, THREATS OF A NEW ENTRANT, THREATS OF A SUBSTITUTE AND COMPETITION/RIVALRY. Through Porter forces all the external tribulations, advantages and disadvantages faced by Ufone can be identified.

A comparative analysis of marketing strategies of Ufone with its competitor's strategies such as Mobilink Telenor Warid and Zong will also be provided. I would try to analyze and differentiate the different strategies that are used by all these telecommunication companies in PAKISTAN

I will also highlight different segments of market targeted by Ufone which have helped it in gaining higher market share than its competitors. Some negatives in the marketing strategy of Ufone will also be underlined and how an all round psychoanalysis of what they were, how they progressed and where they aim to reach will be analyzed in this report.

RESEARCH

MARKETING

Marketing strategy is used by an organization for focusing on organization's energy and its use of resources on a set plan leading towards increase in sales and dominance in the market. A marketing strategy combines promotion, pricing, distribution, product development, relationship management and other elements; identifying and explaining firm's marketing goals and also explains ways to achieve it within a stated timeframe. Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement.

IMPORTANCE OF MARKETING STRATEGIES FOR UFONE:-

In the recent times, the competition level in PAKISTAN in the telecommunication industry has raised a lot. Therefore to survive in the market it is not just important for Ufone but also for all other telecom companies to have strong marketing and advertisements in order to grow there market share in this progressing and growing market

MODELS USED TO EVALUATE MARKETING STRATEGIES OF UFONE:-

The first model that I have used to analyze the marketing strategies of Ufone will be Marketing mix.

Marketing mix:-

It comprises of 7P'S of marketing. They are as follows

PEOPLE:-

In this part of the strategy, different segments and class of people will be discussed. From a telecommunication point of view, the following will be normally being large segments of people to target.

Corporate Class

Entrepreneurs (Business class)

Working class

Youth (ageing between 15 & 22)

Government organizations

These are mainly 5 segments in which mobile users could be divided. As for Ufone, at first it tried to focus on the common man such as the labor class to give an idea and concept that mobile phone is affordable for all but after some time it took a strategic shift and now it mainly focuses on the youth of Pakistan. Through its advertisements it tries to attract youngsters, school going and college going crowd.

On the other hand it does not have a lot to offer people from professional field and it never spends heavily on its advertisements for corporate class or business class.

The main competitors of Ufone in this regard are Telenor and Zong which is a china mobile subsidiary in PAKISTAN. The advertisements of Telenor are also very colorful and attractive for the youth and Zong from the very beginning came with the idea of attracting youth of the country.

2 – PRICE

Customers see pricing as the heart of selecting a brand. Cellular service providers are facing intense price competition in present-day market.

Price has always been the core differentiation of Ufone. Ufone is the one who around a year back offered the cheapest rates on-network and off-network. Now it's a strong fight between Zong and Ufone and new rates keep on publishing every month and at times every week.

Ufone strategizes to capture the existing pricing needs of its customers and use it well on occasional or timely basis. For example Ufone offered very good call rates on international calls in Eid day's thus compelling people to use Ufone for international calling.

It also offered hourly call rates in Ramadan when people were least likely to avail the offer that much that it might prove unprofitable for Ufone as in Ramadan people in PAKISTAN mostly fast and mostly people won't talk for hours during there fasting but UFONE made people talk with its extremely special offers and packages.

It was a fantastic strategy to beautify the brand image in term of pricing in customer's minds as well as remain profitable in doing so. Ufone follows market penetration pricing strategy and dynamic pricing strategy to meet the customer needs and ever changing price competition. Ufone also provides with the best SMS rates. They are as follows:- $\tilde{a} \in \mathbb{R}$

PACKAGE 1

165SMS

RS 25+TAX/MONTH

PACKAGE 2

500SMS

RS 50+TAX/MONTH

PACKAGE 3

1000SMS

RS 75+TAX/MONTH

PACKAGE 4

8000SMS

RS 80+TAX/MONTH

PACKAGE 5

UNLIMITED SMS

RS 3+TAX/DAY

Ufone provides the cheapest messages rates in Pakistan. The other company that is close to Ufone is Telenor. Its brand djuice provides its customers with the following packages:

PACKAGE 1

1000SMS

RS 8. 76+TAX/WEEK

PACKAGE 2

3500SMS

RS 29+TAX/WEEK

PACKAGE 3

7500SMS

RS 69+TAX/WEEK

PACKAGE 4

300SMS

RS 3. 71+TAX/WEEK

Mobilink brand JAZZ provides many different packages such as JAZZ BUDGET, JAZZ EASY, JAZZ OCTANE etc. Jazz Octane provides the cheapest sms rated that is just RS 0. 20+TAX/SMS and daily charges of RS 1. 00

Still new in market the brand of ZONG launched by CHINA MOBILE even comes to be a tough competitor as it offers services keeping different types of users in mind. ZONG has the package best suited for customer requirements while keeping the affordability in check.

Daily SMS PACKAGES

500 SMS & 100 MMS for whole day only for Rs. 3. 99

On exceeding 500 SMS, additional SMS to be charged as per tariff plan

This bundle would be valid for 1 day only * In order to resubscribe your number should be active and you must have sufficient balance available

Weekly Bundle

1000 SMS for whole week only for Rs. 10

On exceeding 1000 SMS, additional SMS to be charged as per tariff plan

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This bundle would be valid for 7 days only

In order to re-subscribe your number should be active and you must have sufficient balance available

Fortnightly Bundle

500 SMS / day for 15 days for only Rs. 50

On exceeding 500 SMS a day, additional SMS to be charged as per tariff plan

This offer would be valid for 15 days only

In order to re-subscribe your number should be active and you must have sufficient balance available

Monthly Bundle

500 SMS / day for 30 days for only Rs 80

On exceeding 500 SMS a day, additional SMS to be charged as per tariff plan

This offer would be valid for 30 days only

3 – PLACE

Place plays a very important part in the distribution and promotion of services.

Competitors of Ufone are seeking to penetrate into places where others haven't reached. All cellular service provider companies in Pakistan are trying there best to drastically widen their network & coverage in every area. Mobilink has this edge in place excellence because it is the pioneer in cellular telephonic field.

Ufone strategize to widen its coverage to all places in Pakistan in order to meet the requirements of its increasing customer base. Now Ufone is heading from cities to remote northern areas in expanding its network.

4 – PROMOTION

Ufone believes in Integrated Marketing Communication which is a carefully blended mix of promotion tools. Ufone employ different marketing activities and channels to communicate and deliver value to customer. These activities are coordinated to provide maximum communication output. These communication channels includes Advertising, sales promotion, public relations, direct marketing & personal selling.

Ufone strategizes to carry out promotion in order to increase its market share.

Advertising:-

It if often noticed that Ufone mainly makes new ads when it has to inform the customers about new services. Apart from that it heavily promotes its brands and products through its advertisements on television, radio and news papers seeking to persuade people to purchase their service or switch to their connection from other mobile network. It mainly advertises for pre-paid customers but occasionally it also advertises its other brands such as post-paid, blackberry and GPRS.

Advertising Budget:-

Ufone is a heavy spender on advertising in electronic media as well as other media. They are developing and playing new advertisements on electronic media not even with a month's gap or so.

A single Ufone advertisement played 15-20 times per day on a TV channel costs millions varying with the time of day when it is played. Ufone spends 20% of its profit on advertising.

From a special source in Jung Group which owns one of the leading news channels in PAKISTAN it came to my knowledge that Ufone spends a monthly amount of 20 million on advertisements. This amount is what Ufone pays to Geo channel alone. There are also channels such as ARY, INDUS, EXPRESS etc on which Ufone advertisements are shown day and night.

Sales Promotion:-

Sales promotions are short term incentives to encourage the purchase or sale of a product or service.

Ufone carries out activities to boost its sales. It follows all four of the promotion budgeting methods via affordable method, percentage of sales method, competitive parity method and objective & task method.

Ufone carried out contest for cricket talent hunt in the year 2002. A renowned Pakistani cricketer Shoaib Akhtar was used as patron for this contest. However this contest didn't do much good to Ufone's image or sales. But Ufone holds future plans to carry out such activities in more effective and profitable ways.

All the cellular services are now offering premiums for their customers.

Similarly this premium is also offered by Ufone when a customer doesn't use his/her mobile connection for up to 3-6 months. Premium is given in the form of extra credit balance delivered to customer's numbers for free

Ufone also offered free trip to Dubai. It was Ufone's first Eid offer. Every time a user makes any international call of 5 minutes or longer than 5 minutes, it enters the lucky draw to win a return ticket to Dubai. The more calls made by users, the more chance they had to win.

Public Relations:-

Ufone has always tried to maintain its public relations. It tries to keep all its customers happy by sending greeting messages on all occasions such as Ramzan, Eid and other holy and important days in the country. It has also launched its "Hajj Guide" service.

Direct Marketing:-

Ufone employ on-road umbrella franchises where they directly market and sell their connections and Sims. Apart from that in many different cities of PAKISTAN, Ufone has also made it posters on auto rickshaws which are a unique way of direct marketing.

Ufone has intensive promotion in cities, but it is now improving upon its promotion in rural areas as well.

5 – PRODUCTS

Ufone offers a variety of products and services to its customers. In each product it offers a variety of different packages for its different segment of users. The following are the different products of Ufone:-

Post paid Pre-paid Blackberry **GPRS** The most widely used Ufone brand is the Pre-paid brand through which it targets its main segment customers that is the youth of PAKISTAN. It offers a variety of services for its pre paid users such as:-Internal Excess Online Billing Payment Power SIM **WAP** International Roaming Voice Mail Call Management

Messaging

(All information taken from Ufone customer service center)

On the other hand it also provides a lot of different packages for calls and short message service. These are as follows:-

Tension Free Package

Ufone hourly Package

Super hourly Package

5 ka 15

Public Demand

Life Plus

U Circle Life Plus

INFORMATION REGARDING SOME PACKAGES:-

6 - PHYSICAL EVIDENCE:-

It is a very important aspect of marketing. In this part the most important thing is customer service. One of the examples of physical evidence of customer service that we get is billing. Ufone has a very effective and easy process of billing for its post-paid customers. It can be done through credit cards, by using a scratch card, or by physically going to the outlets of Ufone which are now in big numbers.

For pre-paid customers it is extremely easy to get there recharge done. It can be done by purchasing cards with sealed numbers of Rs. 100, 500 and

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1000 or easy load of any amount of more than Rs. 10 is possible from many outlets of Ufone and even other small shops.

It also has a customer service call centre where customers can call 24hours to gain any information about Ufone packages or to report any problem that they are going through.

7 – PROCESS

For any organization it is extremely important to know what segment of customers they want to target, what are there aim and objective and what they want to achieve. In order to achieve what they desire they will than make a process to attract people from that particular segment of market.

Each organization has a different way and thinking with which they formulate a process to market their product. In case of Ufone it is very evident that through there customer gathering process they are trying to achieve high market share amongst youth of PAKISTAN. This is currently the most growing market segment in telecommunication as all the youngsters as described above are privileged to use low rate offers to talk for hours and message as much as they want.

Apart from normal advertisements and marketing strategies, Ufone also advertises on the internet through www. facebook. com (a website on internet used mostly by teen agers to enhance there friends circle and share there personal information with others), news papers, magazines etc and try to gather as much market share as they can through these processes. It also puts up its stalls in big carnivals, tries a lot of other processes to market its product and to create awareness of its products every where.

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SWOT ANALYSIS:-

STRENGTHS

Strengths include internal capabilities, resources, and optimistic situational factors that may help the company to provide its customers and achieve its goals and objectives.

The strengths of Ufone are as follows:-

Ufone's differentiation is its biggest strength. Ufone offers lowest off-net call rates that differentiate it from its competitors.

Ufone represents PTCL name as it is the subsidiary of PTCL.

Ufone packages for youth are its major strength and a big source of income.

Ufone is offering more and better Value Added Services (VAS) than its competitors i. e. Ufone's Walkie talkie.

Ufone has the most promising and attractive ATL (Above the Line) activities.

WEAKNESSES

Weaknesses include internal limitations and negative situational factors that may interfere with the company's performance.

The weaknesses of Ufone are as follows:-

As Ufone is a subsidiary of PTCL, which was previously under government management, Ufone still has a shadow of a government organization. It is also highly dependable on PTCL. It has a weak marketing strategy to attract post-paid clientele and they are more dependent on pre-paid customers in spite of the fact that Ufone major revenue arises from its Post-paid customers.

They often get carried away with there aggressive marketing strategies.

OPPORTUNITIES

Opportunities are favorable factors or trends in the external environment that the company may be able to exploit to its advantage.

Ufone has following opportunities in its way:-

Ufone's biggest opportunity lying ahead in near future is the phase of conversion of their GSM technology in to 3G (satellite based) technology

It can further target the corporate segment in PAKISTAN.

Ufone has the opportunity of growing its customer base due to increasing trend of using mobile phones.

Ufone has the opportunity to win the customers of its competitors by providing them superior services on lower price.

Ufone has the opportunity that it is pioneer in southern Punjab where it can promote itself and become market leader on the basis of this very fact.

Ufone can astonish its customers by introducing "UFONE KIOSK". These will be machines like ATM and through this service Ufone customers will be

facilitated to load balance in there mobile just like people take out money from ATM.

Ufone still has room for the improvement of its network coverage in comparison to The Market Giant "MOBILINK"

THREATS

Threats are unfavorable external factors or trends that may present challenges to performance.

Ufone is facing/about to face the following threats:-

Ufone's biggest opportunity is its biggest threat as well. The phase of its conversion of GSM