

The Problems of XYZ Cellular International Management

EXECUTIVE SUMMARY

With increased globalization efforts that are undergoing and a technological revolution implemented through the introduction of the internet and advancements in the communication channels, cellular phones have contributed towards a radical change in the communication channel and the manner by which people communicate. Despite the advancements in the cellular technology, for a long time now, cell phones remain elusive for majority of the citizens. Resulting from this realization cellular companies have geared up efforts towards ensuring that the systems installed within these phones are systems that give the systems higher capacities effectively lowering their costs. This has then facilitated cellular phones to benefit from this research and consequently have emerged as being large-scale consumer products.

Currently, cell phones are recognized truly as being consumer products considering that over 59 million people in the world are subscribed users to one cellular company or another. In the past, these cell phones were held as largely being for the rich, the affluent such as lawyers and other corporate professions but today the situation has changed, and people of all calibers have access to these cellular systems.

This report provided a marketing methods analysis, which identified the form of business to be incorporated together with the analysis of the necessary marketing methods including the micro environment analysis, marketing mix analysis and the SWOT analysis relating to the company's integration within the UK market.

Business Description

The enterprise intends to name itself XYZ Cellular. The reasons for naming the organization thus is that the name Cellular will provide and act as an early indicator to the market, contributing towards the marketing campaign to facilitate the market to identify the products that the enterprise will be using (Cooper and Scott, 2010).

XYZ Cellular phones intends to partake within these industry and raise the opportunity further for more individuals to attain access to the cell phone industry through the sale of cell phones and other accessories. It is the belief that the company will emerge as a highly distinguished and regional leader in the cellular phone industry. It is the goal of the company to emerge as a leading distributor of wireless communication services in the region.

To attain this goal set out by the organization XYZ Cellular intends to ensure its success by placing itself in a position where it will be possible to recognize emerging trends and be in a position to integrate them in the operations that the organization conducts. The organization intends to provide high quality products to the market and ensuring that they are up-to date with the latest changes and trends in the cellular industry through investing resources towards ensuring the conducting of effective marketing campaigns. Further, the organization intends to ensure that the organization remains ahead of the technology curve by conducting constant and regular marketing research activity to identify the latest and emerging trends to contribute towards ensuring that the company remains a regional leader in the cellular industry (Ramon and Ricart, 2011).

Ownership

Michael, B. currently the owner of the enterprise will assume the role of sole proprietor of the enterprise. Michael, B. has a vast experience as a sales person having operated as a sales manager with one Brick Cells organization, which is a large-scale mobile phone and accessorizing enterprise engaged in the activities of selling cell phone accessories and hardware to the consumer market. This experience qualifies him as an established entrepreneur having helped Brick Cells on many an occasion attain their sales targets over the years.

Michael B. who will additionally serve as the overall manager and director of the business enterprise, will solely own the company with the assistance of Samantha, C. who will serve in the capacity of store manager of the enterprise. It is the intent of the proprietor to use this acquired experience to turn the enterprise into a million dollar profit enterprise.

MARKET RESEARCH METHODS

The business incorporate a market and industry analysis, which incorporated several market research methods including:

- I. Micro Environment Analysis
- II. Marketing Mix Analysis
- III. SWOT analysis

MARKET AND INDUSTRY ANALYSIS

Micro Environment Analysis

Products

XYZ will be engaged in the retail business of the following products offered at the store:

- GSM Cellular Phones: They include popular brands such as Apple, Motorola, Nokia, Samsung, Alcatel, and LG Electronics among others.
- Fixed wireless phones
- Cellular Phone Accessories: Batteries, earphones, cables, cases, chargers, and modems among others

Product Description

The afore mentioned products all are a range of products suitable for the evolving population and are not restrictive to any particular segment of the market but rather are suited for all (Cooper and Scott, 2010). The mentioned accessories are meant to provide support to the actual cell phones and modes of communication ensuring that people of all walks are able to maintain efficient communication with each other.

Competitive Comparison

In consideration that quality and timely delivery of service to the consumer market are essential considerations made by the enterprise as they are highly valued by the consumers in addition to their being capable of influencing the buying decisions of the market. Towards this end, the enterprise will strive to meet top quality requirements and timely delivery on the phone products and accessories to ensure that the enterprise generates a potentially competitive lead within the market (Cooper and Scott, 2010). Further, the enterprise will use cost effective strategies to facilitate lower pricing of the products to ensure that the prices offered in the market will be of a competitive nature and capable of generating the company a significant share of the market.

Technology

The owner, Michael, intends to hire a technical expert in the field of cellular technology to ensure that the enterprise is able to meet the demands and requirements of the consumer market. In addition, keeping up with the latest trends and

changes in the technological market will be important through the expert, to ensure that the firm stays up to date with the on-goings in the market (Cooper and Scott, 2010).

Market Analysis

The cellular phone industry and their accessories is a very fragmented, crowded and highly competitive industry. However, most of the competition comes from the widely dispersed kiosks and small shops found in the malls in comparison to the few large-scale enterprises found in London and the larger UK. The niche however identified by XYZ Cellular is supported mainly by its location, the variety of products under one roof and the pricing strategies adopted by the firm. Another supporting factor is that of the expertise found within the enterprise as the consumers specific and required needs and desires are achieved ensuring that the enterprises customer base is satisfied.

The enterprise expects to take advantage of the above-mentioned factors to ensure penetration into the crowded market using good pricing strategies, efficient customer support and specialized support. The enterprise eventually intends to acquire other independent small-scale retailers to minimize on the competition while attaining growth.

Expected Market Share

In the first years of operation, XYZ Cellular does not expect to capture a large market share due to the limitations faced in terms of resources. However, within the long-term projection spanning 5 years, the company projects an acquisition of 10% of the market share within London and the UK translating to a growth rate of nearly 2% per year on average. The market share can however be raised using efficient marketing strategies as well as creating awareness among the public on the benefits of using cellular products. Integration of fair pricing and provision of high quality products will attract more consumers thus expanding the company’s market share.

Target Consumers

Considering that the products being retailed are not specific to any target market and are available for all classes of people, the enterprise is optimistic of attaining good growth upon conception. The identified target market is highly varied and ranges from individuals, government as well as corporate companies among others (Ramon and Ricart, 2011).

Competitors

The competitors to the firm will include other cellular retail enterprises. The aim of the business will not be limited to the retail of cellular handsets but rather will be diversified retailing additionally in phone accessories and gadgets as well as other electronic communicative gadgets such as tablets and phablets. The main competitors to the business therefore, will comprise of other retail outlets engaged in the business of cellular products and accessories.

Competition Reaction

Due to the nature of the competition, other firms are bound to react to the venture and subsequently may drop their prices to minimize out competitive advantage or use other methods to force us out of the market. Use of negative marketing techniques is likely to give a negative impression of the products retailed by XYZ Cellular (Cooper and Scott, 2010). In readiness for these potential outcomes, the company is working to develop strategies to combat the potential moves by the competition.

Customer Outreach

The consumer market will not be dependent on the launch of the enterprise but rather the quality of the products retailed by the enterprise as well as the pricing of the products and service quality. To be successful there is thus the need for the company to introduce itself to the market (Cooper and Scott, 2010). Therefore, to market the enterprise the company will conduct intensive online social media advertising, television advertising as well as newspaper and magazine advertising and other available marketing channels to achieve this objective.

Awareness programs will also be used to raise the levels of awareness amongst the population on existence of XYZ Cellular in the market as well as the technical services that will be offered by the enterprise. XYZ Cellular is aware that the awareness programs are going to be cost intensive and will be expensive to conduct. However, they are the most effective strategy of marketing available to the company.

Table 1: SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none"> • Low and affordable prices • Environmentally friendly products • Low usage of resources 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Machinery unavailability • People may not accept the product if poor marketing techniques are not utilized • Lack of funding to conduct the bulk retail services
<p>Opportunities</p> <ul style="list-style-type: none"> • Increased employment opportunities • The high demand cellular products creates immense growth potential for the business • Increased purchasing power by the consumers as they adopt to the use of our products 	<p>Threats</p> <ul style="list-style-type: none"> • Reaction from the competition may be negative and could affect profitability levels as well as sustainability

Positioning of product in Target Market

This market identifies a highly communicative market as the customers incorporate high levels of communication. This market is beneficial to the company as it provides a unique clientele base attracted to the product that provides the company with immense opportunities regarding a new market with less competitors thus enhancing its consequent maximization. It also provides the company with a strong customer base within this segment of the industry thus enhancing the market position of the company.

The product will incorporate promotional aspects that cater to the target market through incorporation of messages that identify the benefits of incorporating an interactive communication process by identifying the cellular products developed by the company. This will provide a competitive edge for the company’s products leading to increased marketing and promotional efforts. This will seek to attract a larger market.

MARKETING MIX

The following outlines details of the proposed marketing mix for XYZ cellular within the UK market.

Marketing Objectives

Through provision of products tailored to meet the needs of these markets, the company seeks to grow its market share within the UK market, as increased provision of the tailored goods within the two target markets will enhance penetration into the overall market.

Marketing Mix

Product Strategy

The company has incorporated a diverse range of high-quality cellular phones conducive for the UK market. The firm through extensive research has identified the most popular models preferred by customers within the market. Over the next three years, the company seeks to incorporate the preferred products within the market.

Distribution Strategy

The company seeks to introduce the distribution process within the market through the development of an online selling platform together with the incorporation of more outlets will enhance the product's access to consumers within other locations across the country over the next three years. In addition, the company seeks to collaborate with various subsidiaries, joint ventures and distributors throughout the entire nation to enhance promotion of the product within the market. This will enhance wide market coverage and increased market penetration of the products within the market thus enhancing effective incorporation of the product. Development of a strong distributor network will enhance supply of the product within the entire market thus enhancing development of the product's capacity within the market.

Promotional Strategy

The information relating to the business will be communicated through a variety of ways including the Internet, sales promotions, public relations campaigns, direct mailings, and in person. The firms' promotional efforts also seek to differentiate its products from those of its competitors. The company also seeks to engage in cause marketing through its contribution to environmental programs within the surrounding community. The company should develop a three-year plan with the suppliers aimed at ensuring that the suppliers provide the high quality products on time thus enhancing development of the end-product and enhancing increased access to the market. This will enhance the company's competitive advantage within the market thus increasing sales through an enhanced supplier relationship. Through incorporation of vertical integration, the company seeks to enhance the relationship with the suppliers thus enhancing timely and quality provision leading to an increased market share through provision of high quality products (Bray, 2005).

Pricing Strategy

XYZ cellular products will be priced based on the existent market prices. This is necessary, as the development of the product's price is valued against the market's price through evaluation of the existent competitor prices. The company will incorporate value pricing within its products to ensure that the products do not incorporate very high or very low prices, thus catering to all income levels within the population.

Through incorporation of a fair price, the company seeks to attract more distributors, wholesalers and retailers for the product. This will seek to enhance market penetration and

overall growth of the product's market share (Kotler and Keller, 2006). Moreover, the company seeks to incorporate favorable payment periods for wholesalers and retailers through enhanced incorporation of credit terms spanning periods of between one to three months. This will increase the number of the product's retailers thus enhancing accessibility of the product in the entire country.

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