Essentials for Marketers and Marketing Communications

Mobile Phone Sector

Sector Macro-Environment

Student's Names

Date of Submission

Introduction

Inception of mobile phones dates back to the 1980's when AT&T hired McKinsey & co to research mobile network (Phonehistory 2011). Since then, number of mobile phone users has been increasing with each year. Furthermore, with the developments in technologies, quality mobile service providers are forced to offer their customer distinct internet services. Due to comfortable access mobile phone users prefer going on the Internet with their mobile phones. According to the Office for National Statistics, more than 30 million mobile phone users accessed the World Wide Web every day or almost every day via their mobile phones. Statics indicates that the rate of access to Internet via mobile phones increased from 23 percent in 2009 to 31 percent in 2010 (Office for National Statistics 2010).

Current report aims to analyse mobile phones sector and issues that could affect it by the means of PEEST analysis.

PEEST Analysis

Political Issues

Government Requirements
Running a business and it marketing activities in specific countries is quite often influenced by government regulations and laws (Jobber & Fahy 2003). Companies need to comply with all the requirements of running a business in host countries. For example, use of Blackberries was banned for security reasons in two Gulf countries. Consequently, RIM could have lost up to one million users of its service due to failure to fulfil requirements in those two countries (BBC News 2010).

Wars and Conflicts

Marketing environment and opportunities can be endangered by wars and conflict in any country. In such situations, companies might be forced to make changes in their business operations in compliance with government requirements. In this regard, for example, governmental regulations in Egypt restricted calls to Egyptian Telecom as well as banned mobile calls through such services as Skype. Such regulations and restrictions affected companies, for example, Vodafone, that provided Internet services via mobile phones (BBC News 2011).

Economic Issues

Economic Growth

Households' and population's income rate determines the opportunities for and possible profits of business launch for some companies in particular countries (Hill & O'Sullivan 2004). The success of business greatly depends on the pace of country's economy growth. Furthermore, customers tend to spend less on mobile phone services, if there are numerous competitors in the sector (Jobber & Fahy 2003).

Social and Cultural Issues

Information Society

Within the shift to information society study from the Office for National Statistics (2010), about 73 percent of the population is reported to have Internet access at home. According to the statistical reports from the Office for National Statistics, about 31 percent of Internet users access it by the means of their mobile phones on daily basis. Consequently, telecom sector is deemed to transform its services in compliance to rapid growth of the sector and pace of the shift to information society.

Technological Issues

Privacy Issues

Due to rapid development of technologies, telecommunications companies are forced to increase measures on protecting personal information of users of their services. Adequate measures have to be taken to protect addresses, bills and financial details, as well as health records from any third party access. Companies need to ensure that private details of their customers stay confidential and secure. For example, according to the Data Production Act of the United Kingdom, no personal data can be sold to a third party. It is straight forwardly stated in the ICS that "If you handle personal information about individuals, you have a number of legal obligations to protect that information under the Data Protection Act 1998"(Information Commissioner's Office 2011).

Conclusion

Success of the company can be defined and predicted by the company's ability to study and evaluate market environment of particular country of interest. Companies will benefit from careful market and sector research to understand customers' needs before launching business in particular area or country. In addition to studying customer needs and demand, companies are obliged to examine governmental regulations in order to launch healthy business in particular environment.

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