



## Market leadership in the 3G market

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#### Introduction

Hutchison 3G is a major mobile phone company. It is the market leader in 3G technology in the UK. 3G stands for third-generation. It offers voice, video, email, internet, picture messages and other applications. 3 is keen to develop its market further.

#### Product Life Cycle

Mobile phones, like all products, pass through a life cycle. A normal life cycle starts with the launch of the product. Sales will grow if people like the product. This brings new entrants to the market. If too many competitors emerge, the market can become saturated, or over-full. Companies work to keep their share of the market. To do this, they must keep their own products up-to-date and different. 3G has developed a strategy to help it succeed.

#### Marketing strategy

A strategy is a set of plans. 3G has a strategy to help it meet the needs of its market. It is also designed to meet its own aims and covers:

- \* market research - what do customers want?
- \* the product - making the right products
- \* pricing - charging a price that people will pay
- \* advertising - telling customers about the product
- \* promotion - special offers and other ways to persuade customers to buy
- \* consumer tracking - tracking sales and finding out customer views about the product.

#### Orientation

There are two ways for a business to meet customers' needs. It can build products to fit the market. This is called product orientation. It can also take advantage of market conditions. This is called market orientation.

##### Product orientation

3 was the first company in Europe to invest in the 3G market. This gave it 'first mover' advantage. It has continued to improve its product in a number of ways, for instance:

- \* a deal to stream ITV1 to its phones
- \* a deal with handset makers to ensure that their phones are good for the 3G network
- \* links with key internet and software providers.

##### Market orientation

The European Union encouraged networks to transfer to 3G. Licences to operate the services were sold. These were so expensive that those who won them had little left to invest. 3 managed to invest heavily in the market and is now reaping the benefits. It now has the widest UK network reaching 90% of the population. It also provides many other benefits.

These include:

- \* real time communication (even for emails and large files)
- \* global roaming;
- \* video conferencing;
- \* high speed internet access.

### **Asset-led marketing**

Assets are what a business owns. Asset-led marketing is when a business makes good use of its assets to serve its market. Assets work best when they are used to meet customer needs. 3 find out what customers want and then provide it. For instance, it found they wanted to watch ITV1 on their phones so it provided this service by forming the link with ITV.

### **Conclusion**

3G technology provides better and faster ways of communicating. Both business and private users can gain. 3G aims to please both groups. 3 has researched what its customers want. It has then invested to become and remain the market leader. The business is well placed to benefit both now and in the future.