



Marketing Management

SBS – MBA / MSc

Take Home Assignment

STUDENT ID

1	0	2	6	0
---	---	---	---	---

UNIT TITLE / CODE: **Marketing Management - MKT 501**

NAME (in Full): Hattan Faiz Al Juhani

Instruction Name: Mr. Clay Gervais

Total Marks _____ 30



Contents

1.Executive Summary.....	3
2. STC overview	4
3. Competition Overview – Define competition	8
4.Target Market – Define who is being targeted	9
5.Segmentation – Demographics, Behavior, Psychographic	10
6.SWOT – on brand or industry	11
Packaging	14
7.0 The 4ps’ of STC Company.....	15
7.1 Product – BCG matrix.	15
7.2 Place – Choice of retail strategy	17
7.3 Price – penetrative or skimming or competitive	17
7.4 Promotion – pull or push strategy including choice of medium – digital or traditional	17
8. Conclusions and Recommendations	18
9. Appendix	19
References:	20



1.Executive Summary

I assume that looking for a sensible brand to discuss its marketing strategy is a hard task. Finally, I picked to talk about Saudi Telecommunication Company, STC Company. The technological changes have a great impact on many industrial sectors. The communication sector has witnessed many changes due to the rapid transformations in related aspects. In this paper, we will consider a market research style that includes efficient data about the strategic points of the company, goals of the company, and how the market strategy is working on decreasing the company's position to the top rank among its counterparts. Analyzing the product life cycle will be highlighted throughout the research because it is considered the pillar of the company. As much as the company introduces the best performance of the Telecommunication services, as much as the product life cycle is a success. SWOT analysis will be a major figure in the research, we will show up the strengths, weaknesses, opportunities, and threats of the company. I will also define the targeted society and people who are interested in this type of production for this cooperation company. As the competitive feature is hard to be accomplished, we will mention recommendations for a better future for the telecommunication sector in the Kingdom.

Introduction

This market research discusses theoretical aspects of marketing strategy that stimulate the practical marketing actions of STC. The paper includes an overview that gives a comprehensive picture of the brand. Hence, introducing the brand in detail. Studying the brand of STC reflects how big the company is suffering to get a high score among its competitors. We will watch the product life cycle of STC and how it is received by the targeted market. We will also consider internal and external factors that control the existence of the brand in the market.



2. STC overview

As the company is seeking to focus more on the digital aspect, we are attempting to apply innovation and evolution to enhance its existing and being productive and purposeful institution.

The company introduces many of ICT solutions and services related to digital affairs in different classifications. These categories are divided into telecommunication, digital media, cybersecurity, IT, and several progressed digital solutions. As a result, the company is recognized the leader of digital transformation field in the global and local level

(Derived from STC official website)



This table shows the basic info of STC:

Type	Public
Traded as	Tadawl
Headquarters	Riyadh Saudi Arabia
Founder(s)	1998 (founded.)
Key people	HRH Mohammed Bin Khalid Abdullah (Chairman) Eng. Nasser S. Al Nasser(CEO)
Industry	Telecommunication
Product	Fixed-line and mobile, Internet services, IPTV
Website	https://www.stc.com .
Employees	17000
Advertising	Social media channels
Revenue	\$13.9 billion (2018)
Current status	Active
Area served	Worldwide



The product life cycle:

Research marketers define the product life cycle as the stages or phases that the product is passing through since it is manufactured and until the customer receives the service or product. Throughout these major points, many details contribute to flourish or destroy the product. The details form the product life cycle. Getting great results depends on the management of the product life cycle properly. (Kotler. 2018)

The company determines the product characteristics that match the customer aspiration and aligns with the market requirements. The company utilizes the most improved processes, techniques, and materials.

See Appendix 1: The importance of realizing the product life cycle

Current Situation:

The present attitude of the company is the constant attempts to improve the marketing mix strategy to accomplish the set goals in the target market. Achieving progress in the market strategy comes as a result of addressing the figures on various aspects.

STC also want to stress the company's efforts to develop the business to meet the needs of customers and achieve the aspirations of the shareholders, as well as to serve the social objectives and emphasizes the company's leading position in the telecommunications sector not only in the Kingdom of Saudi Arabia but all over the world.

Due to the new experience of customers, STC converts its focus for grow sales and profits within the traditional business which comes as a result of understanding and communicating with customers, as well as building specific and general marketing offers and campaigns.



The Company's mission

The major mission of the company is creating and expanding large dimensions and richness in the personal and practical lives of targeted people.

- The company's vision

STC is a world-rank digital inspirational and professional seeking for providing creativity services and platforms to the clients and strengthen the digital transformation of the MENA region.

- The company's values

1. Dynamism

It discusses how the company achieves sustainability by updating its technological method and finding more progressed digital solutions to cover the needs of the customers.

Agile - Collaborative - Fresh

2. Devotion

The goal to set off a “customer-centric” company for our customers and our recruiters.

Caring – Committed - Trustworthy

3. Drive

It is about being “concerned”, attempting to reach for the best potential resolution for our clients and our employees.

Proactive – Inventive – Inquisitive

The provided data about the vision, missions, and values ensure the ongoing endeavoring of STC staff to provide the best quality of services. As the services of the company are not tangible but could be developed every time. (Derived from the official page).

See appendix 2: how to define the mission, vision, and values of the company.



3. Competition Overview – Define competition

Competition definition (comparison between STC and Zain)

Competing is a comprehensive concept due to the variety of competition frames such as the present and possible rival offerings and potential replacements a client may regard. Competition in the market convey the company to achieve a competitive feature or failing down. The matter is based on how to define the available supplements and apply all possible techniques to stay on the safe side. STC has its local and international competitors. Zain is a gnarled competitor.

In the following table, we will show how both companies work:

STC	Zain
Saudi Telecom Company (STC) is the Arab world's largest phone company and is intent on providing new services in its domestics market, as well as tapping opportunities in Malaysia, India, Indonesia, South Africa, and Kuwait as it seeks to offset declining subscriber growth at home and competition from regional operators in the Arab world's largest economy.	Zain is working to provide a variety of mobile communications services in the Saudi Kingdom. This comes after getting the essential licenses from the Communications and Information Technology Commission. The company is building, owning, maintaining, operating, managing, and developing communication networks and information technology and its facilities on commercial bases in the Kingdom. The company has involved in a management agreement with the Zain Group, whereby the group will provide administrative, technical, and operational services to the company, including the key management personnel.

See appendix 3: the success story of Zain



4.Target Market – Define who is being targeted

The target market indicates to the audience or community a company is trying to reach its product or services to them. It consists of a selective type of people or group of people who have the same goal, needs, characteristics, and properties. Defining the target market is done by estimating the current trading activities and its attractiveness and the potential growth lines of the identified communities. As the world has become recognized as the digital world, the target market of STC is all people who choose or force to utilize the telecommunication products in their lifestyle. (Gilbert. 1999)

This list shows the clients of STC:

Mobile Users

Companies that deal with digital tools and types of equipment.

Software Engineer

Governmental institutions and organizations



5. Segmentation – Demographics, Behavior, Psychographic

Segmentation is a practice of dividing the communities to conclude the targeted market. The segment is a social slice that shares common characteristics, such as age, gender, behaviors, and so on. Preparing mix marketing strategy depends on the critical and precise operation of defining the products and services that match the segment traits.

Demographic segment: it is the first figure of segmentation which depends on studying the general situation of the targeted community. It includes age, marital state, gender, income, and so on. The demographic segment of the STC Company is linked to the data allocated by surveys and common ways to collect such data.

Psychological segment: it is the second shape of segmentation that is based on studying the values, interests, lifestyle, and traits.

The geographic segmentation divides the market according to geographic regions such as the cities, countries, and neighbors. It is crucial to define the geographical division to distribute the services according to their regions. (Wavelength Marketing. 2015)

See appendix 4 to define the Behavior segment



6.SWOT – on brand or industry

SWOT analysis plays a vital function in setting the planning strategy. Marketing and product manager implies the suggested data to make a case analysis of the institution.

What SWOT analysis?

SWOT refers to four major components of the marketing study of the proposed product or service. It gives details about the whole features and marks of the product. It studies the dimensions of the product, the weakness, and power points that encourage and decline the returns and ability to sustain. It also expands the analysis to conclude the chances to enter more deeply in the market and the challenges of being a weak competitor in the market. (Kotler. 2018)

Strength points: the materials, data, tools, and equipment that armed the company to exist strongly in the market.

Weakness points: the places and points that decline the possibility to flourish and achieve the set goals.

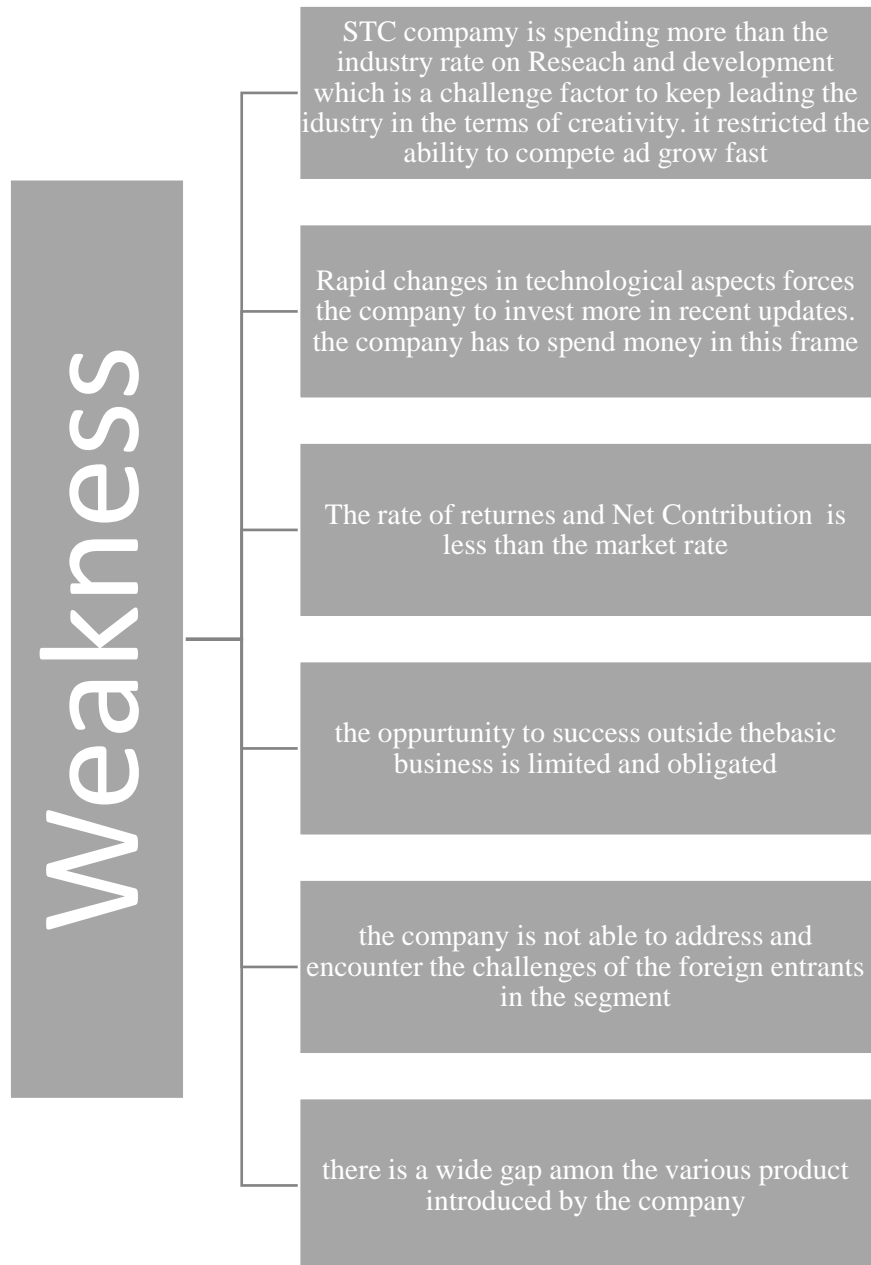
See Appendix 5 for more details:



Strengths of STC – Internal Strategic Factors



The weakness of STC – Internal Strategic Factors





Opportunities



- ☐ New technological aspects support the company with wide range of chances to adopt different pricing strategy.
- ☐ the government facilities provide the company with suitable power to be more opened in the market.
- ☐ Government green plays essential function for more ability to purchase STC products by the state and federal government contractors.
- ☐ the improvement of the market will influence the performance of the company to be raise its competitive advantage

Threats



- ☐ as the operations of the company is distributed in many countries, the company is threatened by currency fluctuations due to the political changes in the market.
- ☐ Increasing pay standards particularly movements such as \$15 an hour and increasing prices in the China can lead to serious pressure on profitability of STC

Packaging:

The testing of materials to conclude papers and packaging is conducted according to the STC regulations and guidelines. This tactic helps to guarantee safety on transporting, shipping, and conveying products to the specific station.

See appendix 6



7.0 The 4ps' of STC Company

(Morgan. 2018)

7.1 Product – BCG matrix.

There are five broad categories the STC Company presents its products through. All its products and services are launched under the brand name of STC. The variety of offers and products gives the customer a chance to choose the best and proper one.

STC also sells famous and common products for the normal design which is good to use. The manner of presenting offers attracts the customers to pick the suitable products to them. Here are the products:

Fixed line and mobile, Internet services, IPTV

What Growth-share matrix:

Defining BCG matrix helps the company to analyze the planning strategy which provides the company to achieve a precise strategy for developing business elements. Four major figures define the growth-share matrix. Cash Cows, Stars, Question Marks, and Dogs. These categories have their traits and features which introduce the growth average of the company.

- ❖ High Growth within High Share: Companies should immediately get in these “stars” as they have potential raise in the future.
- ❖ Low Share within Low Growth. Companies should limit, pause, or reposition these “petted.”
- ❖ Low Growth within High Share. Companies should predict these “cash cows” for cash to endow.
- ❖ High Growth within Low Share. Companies should endow in or cashier these “question marks,” rely on their likelihood of becoming stars.

BCG Matrix Idea



Figure 1: BCG matrix

The matrix focuses on studying two fundamentals that help in evaluating and determining points of investment, corporation competitiveness, and market attractively.

According to the definitions of each unit, the place pf STC is the second number brand Strategic business unit. STC is hosted in the star category because STC owns a 20% market share in this category. It is also considered as the leader of the market in the start position. The overall category is predicted to rise at 5% in the next coming five years, which shows that the market growth rate is expected to stay rising.

I will provide more explanation of the importance to define the position of the company in BSCG matrix in the appendix. See below. Appendix 7



7.2 Place – Choice of retail strategy

As the operations of the company are distributed in many countries, the company is threatened by currency fluctuations due to the political changes in the market. STC Company introduces the products on more than 500 retailers around the country. It walks through a critical marketing strategy that considers including its products on many retail points as much as possible. This reflects that the products of STC are available in distinct divisions of the country. STC also has a fundamental number of online sales with intensive traffic on the website.

STC has wide networking that includes over 500 suppliers to support the company with suitable requirements of raw materials to accomplish the production process.

7.3 Price – penetrative or skimming or competitive

As the pricing data of competitors are available and reachable, the present pricing strategy of STC competes for the ongoing events and occasions. The costs also are taken into consideration to prepare the proper price for launching a new product or offer.

STC sells the products with a higher price system than the competitors. Due to the progressed and improved features provided within the products

7.4 Promotion – pull or push strategy including choice of medium – digital or traditional

Globalization allows companies to present their products and services to the world in many ways. There is a wide range of available methods to introduce your product to the market. STC sells its products via two marketing models. The first model is to deliver the products to the clients directly through STC online website. The second manner is distributing the products to retailers who are exciting in different locations all around the country.

There are multiple media choices to promote the product. Social media channels represent the most outstanding methods. There are traditional and modern models to introduce the services and products to the market. The opening world allows using online and social media advertisings because it is cheaper and more influenced according to the great use of the internet.

STC applies a personal selling way, with a large sales force to increase its presence in retail stores. STC implies a percentage of sales method to specify the promotions budget annually.



8. Conclusions and Recommendations

In conclusion, in this market research, we spot the light on major features in STC Company. As the marketing plan is the most important part to enable the company to introduce the products sensibly to the market. There are relative concepts of marketing because it is a wide field full of challenges, problems, solutions, and analyzing market factors. We present the product of STC and highlight the marketing strategy of presenting this product to the clients. Marketing strategy simulates how to deliver the product to the clients. We figure that STC is a pioneer company in the digital, mobile, and telecommunication filed. Since establishing the company, the marketing strategy has been changing to match the rapid change of the current situation of the market and the clients' new orientations and desires. There are also many aspects to be regarded in preparing market research such as defining the segmentation, products, places of selling the products, pricing strategy, and promotion scale. We successfully discuss these features to supports market research with real data.

Recommendations:

- For developing the telecommunication sector, it is good to build a world-class common organization to study the latest updates of the global market.
- It will also be a productive method if STC studies the impact of serving the clients, not only studying the needs of the clients.
- Applying the self-evaluation technique by considering the employees' of STC company opinions and highlighting their opinions to regard in the next market strategy.
- Focusing on one field in regions after studying the behavior, values, and demographic segments. Because it gives sufficient data and predicted results of the operational improvements.
- I recommend my next fellow to study the basics of cooperation to build a Cooperation Company that challenges international competitors.

9. Appendix

1- The importance of realizing the product life cycle: it provides the product developing manager with sufficient information to shape the new form and adopt new adjustments for the new product. It also raises the confidence of the clients because of the obvious image of the product life circle and the phases a product goes through.

2- **How to define the mission, vision, and values of the company:**

There are many factors used to define the vision of the company, as is considers the next and predicted accomplishments of the company. Where the missions are the applied technique to implement the vision of the company. The values are the considerations that raise the rank of the company.

3- **The success story of Zain**

The story begins when the company adapts its materials and abilities with digital solutions. The company develops creative digital solutions to reach over a wide range of society. Because it keeps motivating the people to use new advantages of its products.

4- Behavior segment: it is based on dividing the clients by their attitudes toward production.

The success market realizes the motivational factors that ignite the desire of the clients to buy. Some clients around the world believe that processing mining production in Saudi Arabia is the best method to gain perfect production. While some clients are looking for general consideration like prices, the local market, and so on. (Kotler. 2012).

5- SWOT is an abbreviation that id derived from the first letter from the collective major four aspects (strengths, weakness, opportunities, threats). The importance of defining these major concepts is a comprehensive understanding covering the brand To highlight each of these factors, we need to define each part.

6- **Image of Packaging:**



Paper, Packing & Product Materials



References:

- Official website of STC:

<https://www.stc.com.sa/wps/wcm/connect/english/individual/individual>

- Morgan. S. (2018). BCG Matrix and VRIO Framework for STC. Derived from the website:

<https://www.case48.com/bcg-matrix/13821-STC>

- Gilbert A. and Churchill, Jr., Marketing Research. Seventh edition The Dryden press. 1999
- White.R. E., Generic Business Strategies, Organizational Context, and Performance: An Empirical Investigation, Strategic Management Journal 7 (1986)
- Kotler. Ph. & others. Marketing management. Library of Congress Cataloging-in-Publication Data. (2012)
- Wavelength Marketing. Product Launch Marketing & Marketing Strategy: Saudi Telecom Company (STC), Riyadh, Saudi Arabia. (2015).

<http://wavelengthmarketing.co.uk/product-launch-marketing-marketing-strategy/>