

Case Study: Launching T-Mobile Tablets in a New Market

Introduction:

T-Mobile Tablets, a leading manufacturer and seller of electronic book readers, is planning to launch its tablets in a country where electronic book readers are not currently sold. With only 1% of the population having ever used such devices, and 50% being aware of the concept, the Chief Marketing Officer seeks assistance in determining the key factors to consider for a successful launch and marketing strategy.

Candidate:

Launching T-Mobile Tablets in a new market requires careful consideration of various factors:

1. Market Research:

- Conduct thorough market research to understand the local preferences, reading habits, and technological adoption trends. Identify potential competitors and assess the demand for electronic book readers.

2. Cultural Sensitivity:

- Tailor the marketing strategy to align with the local culture. Consider language preferences, cultural nuances, and societal values to ensure that the product resonates with the target audience.

3. Distribution Channels:

- Establish effective distribution channels to make Tmobile Tablets easily accessible to consumers. Consider partnerships with local retailers or online platforms to enhance visibility and availability.

Channel decisions :

Channel	Reach as a % of Total potential market	E book Gross Margin %	E-reader Gross	Penetration Margin %	Overheads
Retail	50%	50%	30%	40%	\$20M
Internets	50%	50%	60%	10%	\$10M

Retail Profit = [(10 Books x \$10/book x 50%) + (\$100/tablet x 30%)] x (20M People x 50% reach X 40% Penetration) = \$320M -

\$20M = \$300M

- Internet Profit = [(10 Books x \$10/book x 50%) + (\$100/tablet x 60%)] x (10M People x 10% Penetration) = \$110M - \$10M = \$100M

Sales Channel to Use = Retail with a profit of \$300M

4. Pricing Strategy:

- Develop a pricing strategy that reflects the local economic conditions and consumer purchasing power. Consider bundling options or special promotions to incentivize early adoption.

5. Education and Awareness:

- Given the low current usage of electronic book readers, invest in educational campaigns to raise awareness about the benefits and functionalities of Tmobile Tablets. Highlight how the tablets enhance the reading experience.

6. Localized Content:

- Ensure that the e-books available on Tmobile Tablets are relevant and appealing to the local audience. Collaborate with local authors or publishers to offer a diverse and culturally rich collection of e-books.

7. Customer Support and Service:

- Establish robust customer support services to assist users with any queries or technical issues. Building trust through reliable after-sales service is crucial for the success of the launch.

8. Regulatory Compliance:

- Understand and comply with local regulations and standards related to electronic devices and content distribution. This includes securing necessary certifications and approvals for the tablets.

9. Partnerships and Collaborations:

- Explore partnerships with local organizations, educational institutions, or libraries to promote the tablets. Collaborations can help in building credibility and expanding the user base.

10. Feedback Mechanism:

- Implement a feedback mechanism to gather insights from early adopters. This information can be valuable for refining marketing strategies, addressing any challenges, and continuously improving the product.

By carefully considering these factors, Tmobile Tablets can formulate a comprehensive and culturally sensitive launch and marketing strategy tailored to the unique characteristics of the new market.

Interviewer:

The Chief Marketing Officer of Tmobile Tablets is planning to launch the tablets in a new country where electronic book readers are not currently sold. What factors should Tmobile Tablets consider when launching and marketing its tablets in this new market?

Candidate:

Key factors to consider for the successful launch of Tmobile Tablets in a new market include:

1. Market Research: Understand local preferences, reading habits, and technological adoption trends.
2. Cultural Sensitivity: Tailor the marketing strategy to align with the local culture, language, and societal values.
3. Distribution Channels: Establish effective distribution channels, considering partnerships with local retailers or online platforms.

4. Pricing Strategy: Develop a pricing strategy reflecting local economic conditions and consumer purchasing power.
5. Education and Awareness: Invest in educational campaigns to raise awareness about the benefits of Tmobile Tablets.
6. Localized Content: Ensure the e-books available are relevant and appealing to the local audience.
7. Customer Support: Establish robust customer support services to build trust and address user queries.
8. Regulatory Compliance: Understand and comply with local regulations related to electronic devices and content distribution.
9. Partnerships: Explore collaborations with local organizations or libraries to promote Tmobile Tablets.
10. Feedback Mechanism: Implement a feedback mechanism to gather insights from early adopters for continuous improvement.

Interviewer:

Tmobile Tablets is experiencing a shift in its customer base from traditional industrial workers to office employees. What specific areas would you investigate first given this change?

Candidate:

Given the shift in the customer base, key areas to investigate include:

1. Claim Costs: Assess the impact on claim costs due to changes in the disease profile of the subscriber base.
2. External Referral Costs: Examine how the change in disease profile affects the need for external referrals.
3. Adjusting Coverage: Evaluate if adjustments in employee health coverage are needed to align with the new demographic.
4. Pricing Strategies: Analyze if current pricing strategies for employer health coverage need modification.
5. Training Programs: Consider implementing training programs for primary care physicians to address the evolving healthcare needs.

Interviewer:

You discover that Tmobile Tablets has a higher average cost of referral compared to its main competitor, Bright Health Group. What could be the reasons for this difference?

Candidate:

Possible reasons for the higher average cost of referral at Tmobile Tablets compared to Bright Health Group might include:

1. Referral Pricing: Tmobile Tablets could be paying more than Bright Health Group for specialist services.

2. Number of Referrals: Tmobile Tablets' physicians might have different practice patterns, leading to more referrals.

3. Mix of Specialties: The mix of specialties requiring referrals at Tmobile Tablets could be more expensive.

4. Mix of Patients: Tmobile Tablets might have a patient population with more complex health needs.

Interviewer:

Given the higher referral costs at Tmobile Tablets, what analyses would you conduct to determine the causes of this difference?

Candidate:

To address the higher referral costs, the analysis could involve:

1. Analyzing Referral Pricing: Compare prices paid by Tmobile Tablets for common specialties against industry averages.

2. Examining Referral Rates: Investigate if Tmobile Tablets' physicians have different referral rates compared to competitors.

3. Assessing Specialty Mix: Look at the number and types of referrals by specialty for Tmobile Tablets and competitors.

4. Reviewing Patient Demographics: Compare demographic data of Tmobile Tablets' patients to those of competitors.

Interviewer:

The CEO suspects that Tmobile Tablets is paying excessively for cardiology referral costs. What steps would you take to confirm the causes of this discrepancy?

Candidate:

To confirm the causes of the higher cardiology referral costs, I would:

1. Compare Internal Data: Compare internal data on the prevalence of heart disease in Tmobile Tablets' patient population with national data.

2. Interview Specialists: Interview cardiologists to understand the reasons for the higher referral costs and identify any issues.

3. Review Referral Guidelines: Evaluate Tmobile Tablets' referral guidelines and assess physician adherence to identify areas for improvement.

4. Incentive Schemes: Examine Tmobile Tablets' physician incentive schemes and compare them with industry practices to ensure alignment.

Interviewer:

Tmobile Tablets is now considering how it should sell its e-book readers: through retail stores or through the internet. How would you go about evaluating this decision?

Candidate : By considering the cons and pros we can take this decision

	Pros	Cons
Retail	<ul style="list-style-type: none">•Should encourage trial of the product• Retailers can help with joint marketing campaigns• Retailers can help with customer service, returns	<ul style="list-style-type: none">•Lower margin due to value chain expansion• Will take time and money to set up and adds training costs
Internet	<ul style="list-style-type: none">•Likely cheaper to establish, will result in higher margins	<ul style="list-style-type: none">•Hard to encourage trial

Interviewer:

Considering the excessive cardiology referrals, what innovative approaches could be employed to reduce these costs while maintaining high-quality care?

Candidate:

To reduce cardiology referral costs, consider:

1. Physician Incentives: Introduce incentives to reduce unnecessary referrals while maintaining care quality.
2. Training Programs: Provide training to primary care physicians to handle more basic cardiology needs.
3. Peer Review Committee: Establish a committee to review and approve high-cost referrals.
4. Addressing Outliers: Identify and address referral patterns of outlier physicians.
5. Specialist Integration: Explore the feasibility of incorporating cardiology specialists into Tmobile Tablets' network.

Conclusion:

After a comprehensive analysis of Tmobile Tablets' market entry strategy and customer base shift, several key insights have emerged. The company faces both opportunities and challenges in launching its tablets in a new country and adapting to changes in its customer demographic.

Key Findings:

1. Market Entry Challenges: Tmobile Tablets must navigate a market where electronic book readers are not currently sold. Factors such as cultural differences, local preferences, and economic conditions need careful consideration.

2. Customer Demographic Shift: The transition from industrial workers to office employees in Tmobile Tablets' customer base necessitates adjustments in healthcare coverage, pricing strategies, and the overall approach to meet the evolving healthcare needs of the workforce.

3. Competitive Positioning: Tmobile Tablets faces a competitive landscape with a notable difference in referral costs compared to a key competitor, Bright Health Group. The reasons behind these variances need detailed exploration.

Recommendations:

1. Market Entry Strategy:

- Conduct thorough market research to understand local preferences, technological adoption trends, and cultural nuances.
- Establish strong partnerships with local retailers and online platforms for effective distribution.
- Tailor pricing strategies to align with local economic conditions and consumer purchasing power.

2. Customer Demographic Shift:

- Evaluate and adjust employee health coverage to align with the new demographic, ensuring comprehensive and relevant benefits.
- Implement training programs for primary care physicians to address the changing healthcare needs of the customer base.

3. Competitive Referral Costs:

- Conduct a detailed analysis of referral pricing, rates, and specialty mix to identify specific areas contributing to higher costs.
- Explore potential adjustments in physician incentives to align with industry practices and reduce unnecessary referrals.
- Consider integrating more specialists into the network to minimize the need for external referrals.

4. Continuous Monitoring and Improvement:

- Implement advanced data analytics to monitor referral patterns continuously, identifying areas for cost reduction and quality improvement.
- Establish a feedback mechanism to gather insights from physicians, customers, and other stakeholders for continuous improvement.

5. Educational Initiatives:

- Develop educational programs for both physicians and customers to manage expectations and promote preventive care, reducing the overall need for specialist referrals.

Follow-up Plan:

A follow-up plan should be established to review the impact of these recommendations after a defined period. This will allow Tmobile Tablets to assess the effectiveness of the implemented changes, make further adjustments if necessary, and ensure the company's long-term success in the market.

In conclusion, by addressing the challenges of market entry, adapting to the evolving customer demographic, and strategically managing healthcare costs, Tmobile Tablets can position itself for sustainable growth and success in the competitive landscape.