



Report

Subject: British Telecom Internal and External Environmental Analysis

Marketing Management – Assessment 2

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Table of Contents

Introduction.....	3
Mission Statement.....	4
Pestle Analysis of BT.....	4
Porter's 5 Forces.....	6
SWOT Analysis of BT.....	7
STP Analysis of BT.....	8
4P's Marketing Mix.....	9
Recommendations.....	10
Ansoff Matrix Mix.....	11
Conclusion.....	13
References.....	14

Introduction

The following assessment will evaluate the marketing probabilities of British Telecom and how it has approached the economic propositions of the organizations based on the consumer's approach towards the company. The assessment will analyse the marketing approaches of British Telecom through different marketing models such as Porter's 5 Forces, SWOT, STP Marketing Strategies, and 4P of Marketing. The macro environment of the organization will be evaluated through a PESTLE analysis. A set of recommendations will also be provided for the organization to enhance its marketing capabilities in the future, and these recommendations will be supported by the analysis of the Ansoff Matrix Model.



Figure 1: British Telecom Company Logo

Source: (bt.com, 2023)

BT Group plc, originally known as British Telecom, is a globally operating corporation for telecommunications companies with its headquarters located in London, England. The organization operates in almost 180 nations and represents the biggest resolved-line, internet, including cell phone service provider in the UK. It additionally delivers technical support and premium programming (bt.com, 2023). The Electric Telegraph firm, the first commercial telecommunications firm in history that built a national connectivity system, was established around 1846 and is where the roots behind BT may be discovered. 20.845 billion has been the company's revenue in 2022, along with 3.172 billion operating incomes. 1.274 billion has been the net income of the company in 2022 (bt.com, 2022).

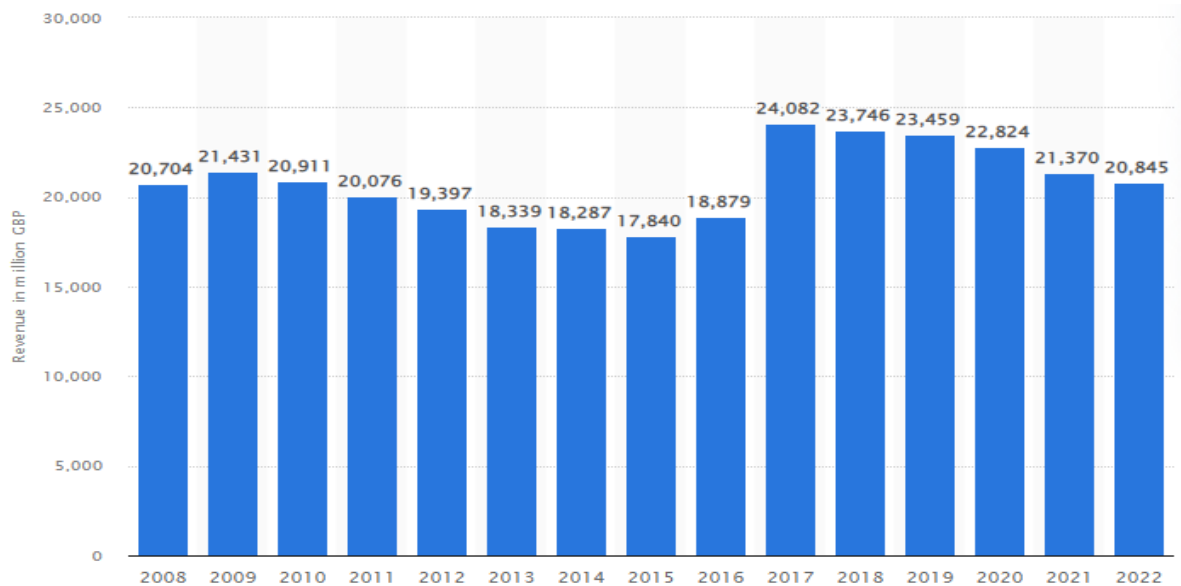


Figure 2: Revenue of British Telecom from 2008 to 2022

Source: (statista.com, 2023)

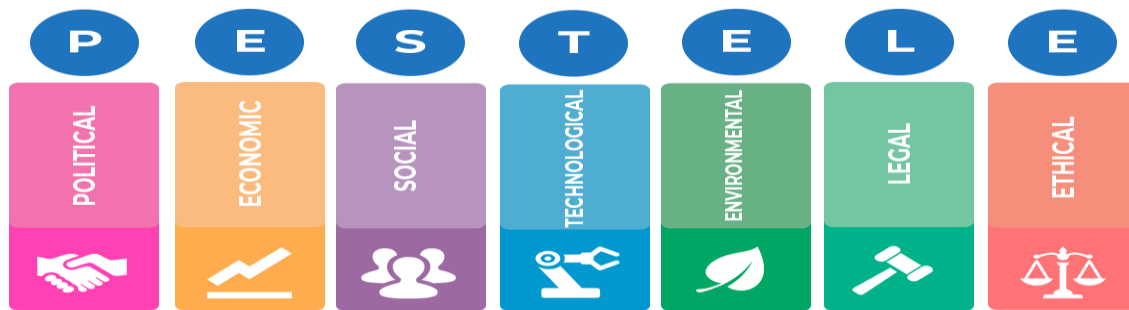
20.85 billion British pounds were created by the British Telecommunications (BT) Group in 2021, a reduction of 2.5% from the year before but a spike of over three billion euros over the record-low amount of 17.84 billion euros seen in 2015 (statista.com, 2023).

Mission statement

The mission statement of the organization has been focused on connecting people all over the world with robust telecommunication services along with advanced IT services to different smaller companies for better market growth.

PESTLE Analysis of BT

The following term, PESTLE, represents Political, Economic, Sociological, Technological, Legal, and Environmental components that impact the Macro Environment of any business organization. Pestle analysis is a source of relevant information for the smooth functioning of companies like British Telecoms in the circumstances regarding operating challenges in real-world situations other than difficulties that have arisen from rival companies.



PESTELE FRAMEWORK **Source:**(Professional Academy.n.d.)

Political Factor: A number of civil society organizations expressed their concern that Brexit might make it more likely for UK businesses to threaten to leave the country and result in the potential loss of UK jobs as a bargaining chip in discussions with prosecutors over charges which might lead to further corruption cases such as internal bribery (The Guardian, 2017). Brexit was a major reason for the enforcement of a lot of new revisions and also affected the rollout of superfast broadband service across the UK because it got restricted to bringing skilled workers from other European states.

Economic Factor: UK, in recent times, has experienced double-digit inflation since September 2022; the inflation has risen to 10.1%, surging housing costs and factors like the Covid-19 pandemic when the global markets or suppliers suffered to meet the demands (Statista, 2023). Adding to all this misery the UK faces a cost-of-living crisis as the energy price cap has substantially increased making it increasingly hard for lower-income groups to provide for amenities and has added to the decrease in the company's quarterly earnings at its global services division and higher costs of pensions as mentioned in the official UK Parliament article.

Sociological Factor: The factors involved here in this context are the demographics, spending habits, lifestyle, and on-going changes in trends and tastes of the people. The surge in migration to the UK and the onset of BREXIT is a blazing factor. Although media outlets play a huge role in spreading the name of British Telecom to the masses and influencing their opinions, this is a tool that can be used to further alleviate the status of the company among its users (Phan, 2021).

Technological Factor: The Company has to be vigilant in its development of new products, in this case, the new technological advancement such as the 5G Technology and enhancement of its technologies for it to be more user-friendly as an option for the customer base. The company has to work on its research and development area to further safeguard the software issues.

Legal Factor: British Telecom is dedicated to seeking and adhering to proper legal clauses in case of any issue concerning The Labour Law of the UK, like the National Minimum Wage Act 1998, are to be followed by The British Telecom Company to function in The UK where the employees have to be compensated with the basic standard remuneration as set by the government and not based on some internal decision of BT (Legislation.gov.uk, 2023).

Environmental Factor: The priority areas according to the environment Act 2021 in the UK are Air Quality, Water, Biodiversity, resource efficiency, and waste management, elements that BT has to keep in mind. The company needs to set targets to reach the goal as specified by the government, and the bold goal of the BT Group Manifesto is to accelerate growth with inclusive, accountable, and sustainable technology (*Environment Act 2021*).

Porter's Five Forces Analysis at BT

The Five Forces model is frequently used to evaluate a company's corporate strategy as well as its industry structure.

Competitive Rivalry: This is the company's ability or to undercut another rival company and to stay at the top of the market to seek better profits. This can be achieved when a company finds more relevance in its customer base. Some of the major competitors of BT are telecom companies like AT&T, Vodafone, Orange etc., leading to a more tough competition (Galvin, 2020).

Supplier Power: This is to see if suppliers can drive up the cost of inputs and the fewer the supplier the more the need for a company to avail their help. Alcatel, Cisco, and Siemens are some of BT's main suppliers. They collaborate with BT in five strategic domains of access, metro, core, I-node and transmission.

Buyer Power: The customer always has a bigger role to play as it is through them that a company can function, the clientele has the power to negotiate and this might lead to cost-cutting or promotion of several other user-friendly products.

Threats of Substitution: Rival companies would always have options for substitutes to sabotage the marketing strategy, so a company has to be mindful of it and have strategies ready to combat such situations. Substitute services are offered by companies like Vodafone Network Services Global, Tata Communications Network Services, etc.

Threats of New Entry: An effective new competitor can be a serious threat to the survival of an old company; there has to be newer ideas inflow to combat such situations, and forethought also.

SWOT Analysis of BT

<u>Strength</u> Among BT's key advantages includes the computerization of all duties and endeavours, which has dramatically enhanced the quality of products' reliability (Harman, Bernawati and Airlangga, 2020). The business has successfully handled extremely devoted consumer connections. The BT Corporation invests significant financial investments in its workers' skills development and education.	<u>Weakness</u> A large portion of the manufacturer's costs is related to improving what they produce (Lesaint, Voudouris and Azarmi, 2020). The corporation could utilize the funding more effectively than what has been done in the past, as seen by the present equity proportion's comparison to the circulating asset percentage.
<u>Opportunities</u> Recent environmental legislation is expected to establish an equitable chance for every industry member. The consistent revenue offers chances to make purchases of corresponding goods (Dennis, King, Hind and Robinson, 2020). The chance for businesses to advertise their services somewhere also exists because worldwide moves towards financial prosperity and emerges from a recession. As a result, the firm continues to expand into new nations.	<u>Threats</u> Since intriguing telecommunications companies and businesses alongside cutting-edge concepts and technologies emerge, there currently are increasing rivalries (Coelho, 2022). Featuring some cutting-edge technologies, novel rivals are eroding BT Group's whole market penetration. Nationwide instability due to Brexit can occasionally be a hindrance to commerce.

The Advantages and Disadvantages of SWOT Analysis

The advantages help to understand British Telecom Business better.

- Assist in managing the company's vulnerabilities and assisting in thwarting attacks.
- Capitalise on the company's advantages and seize chances.
- Create strategies for reaching your company goals.

Managing two-sided aspects is difficult since the model presents the problems as strengths, weaknesses, opportunities, or dangers. The approach is very arbitrary, and the information employed could have been based on presumptions that later turned out to be incorrect (CIPD2021).

The disadvantages of the strategy include:

- The hierarchy is not followed, and the concerns are not prioritised.
- Systematic validation of the models to check whether vulnerabilities and threats are mitigated or managed.
- The right alternative choice or solutions are not offered.

STP Marketing Strategy

STP MARKETING ANALYSIS OF BRITISH TELECOM PLC		
SEGMENTATION Age Geographic Location Requirements Internet Access	TARGETING Younger Generation Social Media Driven 24 hour <u>internet</u> <u>availability</u> Easily Approachable	POSITIONING Domestic and International Easily Accessible Quality Service Provider Robust Client Base

Figure: STP Marketing Analysis of British Telecom

Source: (Self-made)

Segmentation: The Company has segmented the consumer market according to the age preferences of mobile phone usage and Internet consumption (bt.com, 2023). The primary market for BT Group has been 16 to 44 years old who have been extensive users of internet services due to the growing craze of social media.

Targeting: BT ought to establish an effort to attract clients in this specific generation (Nassef *et al.* 2023). Certain individuals are also acquainted with the use of social networks, discussion forums, electronic mail, and other online activities that can be performed from their residences or within restaurants; therefore, BT ought to supply unique eatery programs.

Positioning: The worldwide Positioning System (GPS) and Global Navigation Space Systems (GNS), which belong to the worldwide broadcasting-navigation infrastructure, are able to be used by BT to place the Wi-Fi connection throughout its consumers (Herrera *et al.* 2023). Additionally, language proficiency is one of the key strategies used to raise consumer consciousness of Wi-Fi offerings throughout the sequence to create a unique brand identity.

4P's Marketing Mix



Figure: 4P Marketing Mix Analysis

Source: (researchgate.net, 2020)

Product: British Telecom has expanded the range of its products throughout antiquity to include solutions and everyday items by fusing old and modern technology. The aforementioned tend to involve satellite television, smartphones and telephone lines phones, broadband interactions, and computer services (Lesaint, Voudouris and Azarmi, 2020). In an effort to rule over several sectors, British Telecommunication additionally entered the consulting and corporate software industries.

Price: Pricing matter when it concerns products and solutions in the telecommunications sector. Many rivals have innovative rates that their competition might employ to steal their clients. Within its overall marketing strategy, BT offers price bundles to earn the majority of its offerings (McKeown, 2023). Take BT's commercial connectivity and online offerings for a prime instance. According to the consumer electricity tariff, they provide a variety more offerings.

Placement: Whenever analysing both current and coming developments in the media consumers, the channel of delivery turns crucial (Harman, Bernawati and Airlangga, 2020). A business has to find alternatives that reflect business and client demands in order to succeed. British Telecommunication was exceedingly careful to prevent any channel collisions because they were aware of the issue since the start.

Promotion: As a result of marketing its experience throughout the telecommunication services industry, it's developed an understanding of the value of ads and marketing. British Telecom employs the same advertising strategies as Virgin Media (Lesaint, Voudouris and Azarmi, 2020). Through radio waves, advertisements, TV, and online platforms, their bodies proactively endorse. The company lacks any establishments that might make straightforward advertisements.

Recommendations

The recommendations are listed below:

- According to Dennis *et al.* (2020), the company should start thinking about investing more in artificial intelligence, which can help the organization reach out to a large audience with improved quality of services.
- Implementation of AI can also help the corporation to improve the technical prospects of their products.

- The company should also opt for innovative social media marketing through different platforms for more recognition in the IT market (Coelho, 2022).
- Another option for the company is to opt for omnichannel marketing, which can help the company to grow on a larger scale on a global level.
- The company should also invest more in research and development for their marketing strategies to attract the younger generation at a faster pace (McKeown, 2023).

Ansoff Matrix Model

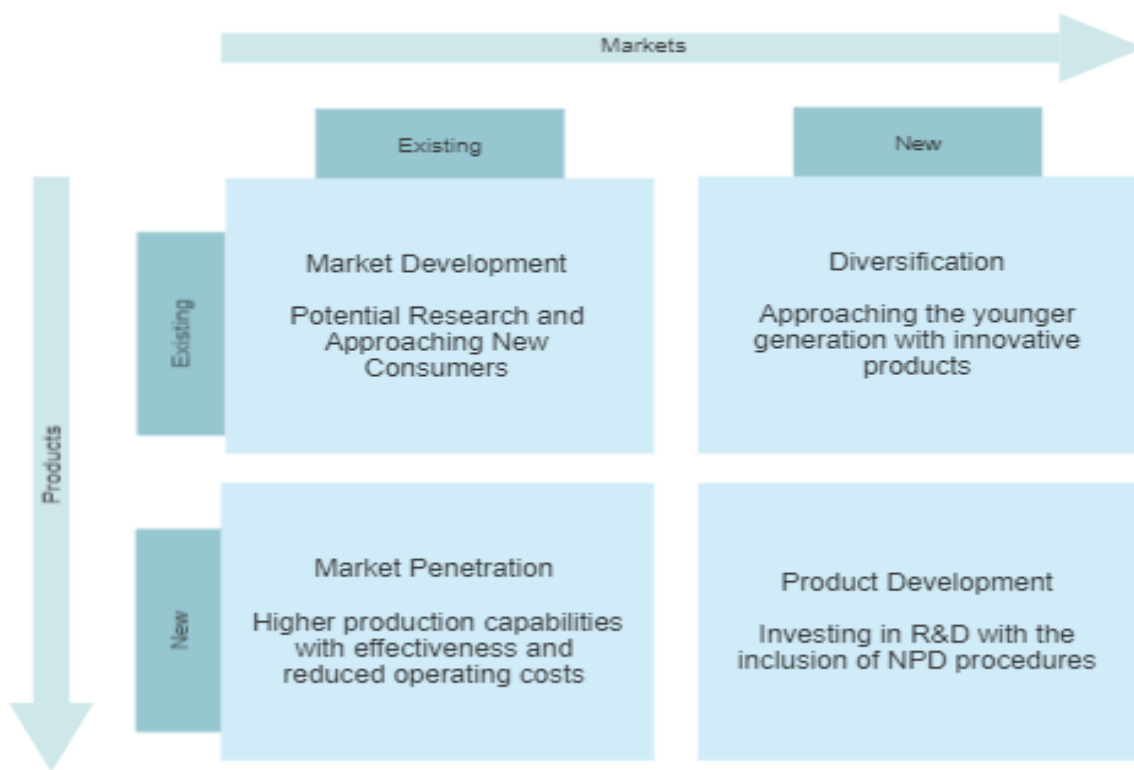


Figure: Ansoff Matrix Analysis of British Telecom

Source: (Self-made)

Market Development: For finding potential frontiers as well as customer groups regarding goods, BT must engage money upon exploration and marketing (Nassef *et al.* 2023). The R&D must focus

on finding and fully understanding various market communities, movements, and consumer buying tendencies - as well as how they compare to present industry market habits.

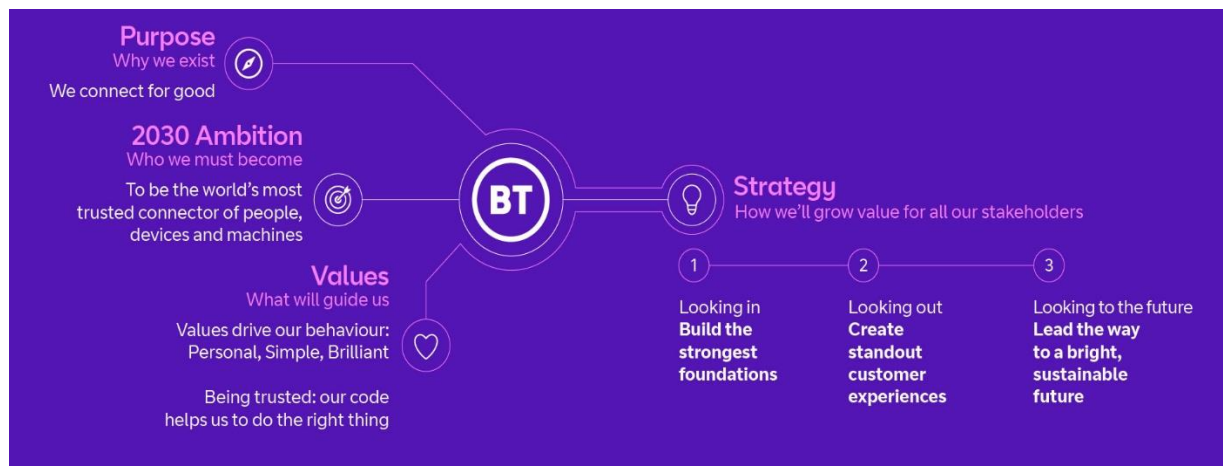
Diversification: For BT, lateral diversifying is launching novel offerings beneath its production categories of products in an effort to diversify the business. This means BT's fresh innovations and releases could be grouped into already-existing market groupings and segments will feature comparable to them (Herrera *et al.* 2023). Nevertheless, it may be advantageous to discuss new product launches and advancements to feed goods that have travelled goods that exist in comparable financial surroundings.

Market Penetration: Through a similar consumer, BT might be able to acquire additional consumers because of its greater manufacturing capacity. Improved effectiveness and savings might come from higher production capability, production, particularly when it comes to reducing operating costs (Lesaint, Voudouris and Azarmi, 2020). For increased its appeal, BT might allocate more money to promote advertising and campaign efforts. By investing in branding initiatives, commercials, and interaction, BT may be able to appeal to additional clients in a comparable market.

Product Development: The BT frequently conducts R&D efforts to comprehend and pinpoint fresh areas of customer need. The business subsequently endures an NPD procedure and develops and puts new consumer items onto marketplaces (Harman, Bernawati and Airlangga, 2020). The following broadens the organization's scope and enables BT to break into novel market categories.

Conclusion

The assessment has usefully evaluated the marketing appraisal of the organization and how it encompasses different marketing strategies to attract more customers on a daily basis. Each and every marketing model in the assignment has presented valuable information regarding different approaches and how they work in the organizational setting. The analysis of each model has presented critical information on both the financial and organizational performances of the company which has helped to understand the marketing techniques in a more comprehensive and robust way. This would help the company prepare a strategy that best suits its goals and business development needs. The company must consider all these elements before making any decision and the models used in this report: PESTLE, SWOT, Porter's Five Forces, STPs, Marketing Strategy Mix and Ansoff Matrix will help British Telecom company to make the right decision. The recommendations in the assignment have pushed forward innovative ideas through which the corporation can achieve even more success in the telecommunication field.



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