



Zain (MTC) Post-Class, (Video) DVD

Bus 495

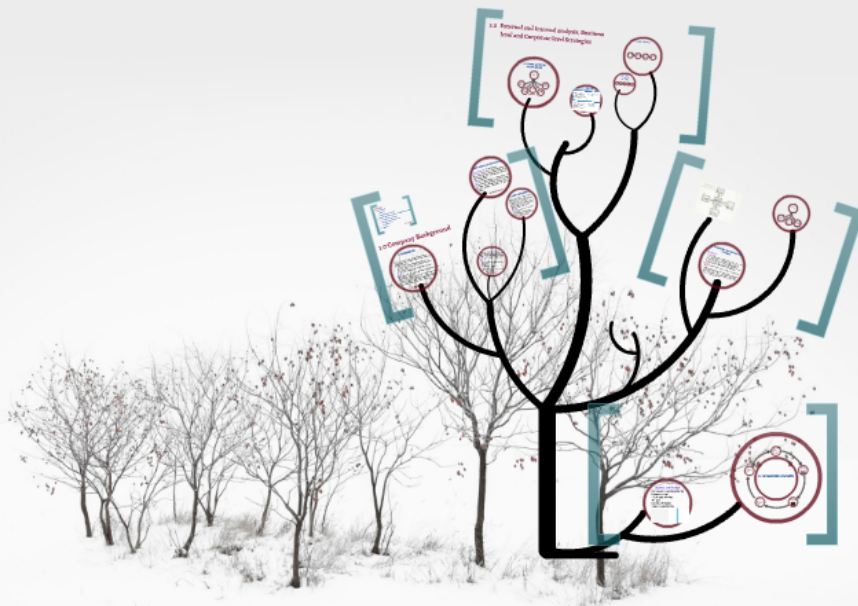
Dr. Rozma

Done by:

Aysheh Abzakh

Nora Al-Faleh

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2.1 EXTERNAL ANALYSIS AND INTERNAL ANALYSIS

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1.1 INTRODUCTION

History

- Established on the 22nd of June 1983, as a Kuwaiti joint stock company
- At the beginning of 2000's MTC started to expand, operate and supply their services to other countries
 - 2003, MTC started to operate in the Kingdom of Bahrain and Iraq
 - In 2007, MTC unified its name because it would strengthen the company image and identity.
 - 2008, Zain started officially to operate in the Kingdom of Saudi Arabia

The industry

- The telecommunication industry in Saudi Arabia was first monopolized the Saudi Telecommunication Company (STC).
- Then, the Saudi Telecommunication Authority (STA) has decided to break down the monopoly by giving a license and introducing a second player in the market
- In 2004, the Saudi Telecommunication Authority announced Mobily, owned United Telecommunication Company, as a second player in the market

VISION, MISSION, GOALS AND OBJECTIVES

Zain's brand signature: "A Wonderful World"

Zain's Vision: "To stay as the premium Mobile operator in KSA leading the telecommunication Market Growth, driving KSA's economic prosperity, and providing the highest Value to all our Stakeholders."

Zain's Mission: "We will continue to challenge ourselves and set new performance standards by investing in the future of our people and seeking knowledge and innovation in order to exceed customers' expectations and serve our community"

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1.2 RECENT PERFORMANCE

- Reporting 7 percent year-on-year growth in revenues to SR1.573 billion from SR1.472 billion in the same 3rdQ/2012.
- The company also reported a gross profit increased by 6.9% to SAR761 million in the period under review.
- The company reported that their net losses are decreasing in this quarter by 15% to reach SR421 million for 3Q/2013, from SR493 million generated in the year-ago period.

Market Share

- STC, is recently acquiring the largest market share of subscribers at 45
- Mobily, is retaining 37 %of the total subscribers.
- While zain is acquiring only 18 % of the market share.

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The Trend for the last 5 years

Over the course of 5 years, from 2008-12, the general trend for Zain is increasing when looking to the increasing Gross profit from SR16.46 million in 2008 to reach SR2,859 billion in 2012. But when calculating the others cost incurred the trend start do decrease from 2008-2010. After it start to increase but still in minus.

Products and services

Services:

- Voice services: international calls, missed calls notification while off, block calls.
- Messages: SMS , MM
- Data services: 3G, 4G, internet, data roaming

Packages:

- Iphone 5, 32GB with 300 free local minutes, 500 SMS, and 4MB internet for a 2 month bill of SR400

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External ANALYSIS

DEMOGRAPHIC

- Zain has commercial presence in 8 countries across the Middle East and North Africa with about 42.7 million customers as of 31 December 2012.
- The Middle East region has among the youngest age demographics in the world. Kuwait is one case in point, where 60% of the population is below the age of 25.

Global

- Zain will continue expanding their LTE coverage beyond Saudi Arabia and Kuwait to include other operating countries as well.
- Continuing partnership agreements with global organizations that can offer improved Wi-Fi coverage.

Political/Economic

- Earlier in the year 2012, Zain faced difficult economic conditions in many of the markets in which it operates.
- Significant pressure with respect to extreme currency fluctuations in some of the markets in which we operate.

Social-Cultural

- Zain has a proactive approach in addressing the regional youth bulge.
 - For example, Zain's Shabab Tamouh Program.
- Zain also stresses the importance to develop the skills of their employees, while highlighting the hiring of nationals whenever possible.

Technological

- In 2012 the company was successful in launching LTE in two of its key operations, Kuwait and KSA. LTE or 4G is the newest invention in mobile wireless data services.
- In 2013 Zain KSA has a determined plan to set up further 750 4G LTE eNB in order to enlarge its LTE coverage.

SWOT ANALYSIS

	Positive	Negative
Internal	Strengths <ul style="list-style-type: none">• Facilitation and simplifications regarding credit.• Huge financial aids are offered to Zain.• As Zain matures, it is constantly providing better results to its shareholders.• The company has physically influential social responsibility.• The technological position is well persevered which strongly differentiate it from its competitors.• Zain also have strong employee base.	Weaknesses <ul style="list-style-type: none">• The company acquisition from the areas with no standard• The economic, social and political instability in some states• The extraordinary concentrations of the company in the single region
External	Opportunities <ul style="list-style-type: none">• Improving the products and services.• Allowing customers in unreachable areas to access and visit the company's website.• Marketing and sales departments can increase their efforts.• Products and services can be delivered with grater care• Seminars and conferences should be arranged to promote the Zain's business and its major projects.• The company could also present coop programs• Ensuring the customers about the security and safety of their personal information	Threats <ul style="list-style-type: none">• Security imbalance and poor maintenance• Political and economic instability impose difficult situations and challenges• Acquisitions of less profitable business

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