

6.4_B

Answers: Suggested divisions

Marketing strategy in a mature market: A case study – mobile phones

Paragraph 1

- mature market – maintain a competitive edge – how?
- good e.g., of this situation = mobile phone market
- in UK mob. market reached maturity v. quickly
- young people saw benefits of mob. phones v. quickly
- young people → do careful research to find best product
 - ∴ hard to sell phones to
 - ∴ new customers = challenge

Paragraph 2

- ∴ mobile phone companies → v. careful planning of marketing strategies to retain market shares
- e.g.s of strategies used:
 - attract new customers
 - keep existing customers
 - increase brand awareness
 - + new services & technology = v. important for mobile companies

Paragraph 3

- Three = good example of mobile phone company
- to keep market share Three had to:
 - continually update its phones
 - look at augmented product, i.e., what possible extra benefits or services to attract existing & new customers?

Paragraph 4

- answer → v. successful strategy = sponsorship

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Answers: Model paragraph

Marketing strategy in a mature market: A case study – mobile phones

How can a company maintain a competitive edge once the market has matured? One good example of this situation is the mobile phone market. In the UK, the mobile phone market reached maturity very quickly. Young people especially were very quick to see the benefits offered by mobile phones. But young people are hard to sell mobiles phones to because they carry out careful research to find the best product. So, finding new customers soon became quite challenging.

As a result, mobile phone companies which wanted to retain their market shares needed to plan their marketing strategies very carefully. There were many strategies considered by such companies, including trying to attract new customers, making sure that existing customers were not lost and increasing brand awareness. In addition, for mobile phone companies, developing new services and new technology were especially important.

Three is a good example of a mobile phone company. In order to try and keep its market share, *Three* had to continually update its phones, and it was also obliged to look carefully at the augmented product. In other words, what extra intangible benefits or services could it provide which would attract existing and new customers?

In answer to this question, *Three* adopted a marketing strategy which was particularly successful, namely sponsorship. In 2020, a deal was made by *Three* with Chelsea Football Club in which the club's football shirts were sponsored. In the deal, *Three's* name was displayed on the shirts for three years. In addition, at the Club's football ground, fans could use a new 5G mobile phone network through which they were given fast access to social media and the latest scores. As a result, having created new added value, *Three* attracted a new range of customers.