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Business Strategy Analysis: Verizon

**Strategic Problem of Verizon**

Verizon aka Verizon Wireless is a telecommunications company based in the US and it offers wireless services and products to its customers. The parent company of Verizon Wireless is Verizon Communications. Verizon Wireless is the largest service provider in the telecommunications industry in the US. Verizon has been indulged currently in the development of 5th generation wireless technology.

Verizon faces certain issues due to the changing trends of its industry, growing competition in the market, and increasing demands of consumers. The most significant of these issues is price competition among the competitors, because companies like Sprint and T-Mobile are offering their services and products at lower prices (Narayanan and Heilprin). Further, un-subscription of services by the existing users is another challenge or threat that the company must have to address.

**Analysis of the Wireless Telecommunication Industry (5 Forces)**

The wireless telecommunication industry demonstrates intense competition among various companies. Each company has to perform at its peak to stay ahead of others in the competition. Companies respond to the changes in marketplace by introducing new offers and revising their strategic plans (Lee et al.). For instance, Verizon introduced unlimited access to data and T-Mobile developed its uncarrier campaign – each of which has had important impact on the industry. Potential for new entrants in the industry is little because of the size of this industry. A new entrant must have to be a large corporate with sufficient resources, huge capital, and most advanced technological forefronts. The suppliers in this industry have to provide services on terms stated by the industry giants. Apple, Verizon, and similar large companies negotiate with suppliers having a competitive edge. Companies in this industry have won strong consumers’ loyalty based on their promise of quality. In spite of charging high prices, they have succeeded in retaining their customers to great extent. Substitutes of products are not easily conceivable, because each product consists of multiple technologies and devices, and thinking of developing substitutes would not be plausible.

**Analysis of Verizon**

Verizon is the leader of telecommunication industry in the US, and provides wireless services to the customers.

*Internal and External Environment*

The company’s stability and growth owes to the internal and external environments. The company can progress increasingly by improving the internal environment and responding appropriately to the external environment. The company has a strong brand image that is helpful in creating a distinguished competitive advantage for the company to operate in the high-competition market. Verizon needs to maintain this image to continue harvesting benefits from the reputation. The strategy is generic and growth is intensive. However, the need for changing the strategy and approach as per the changing trends of the market is undeniable. The company is making great profits due to its established business and reputation. It is, however, difficult to maintain the position and remain ahead of others. High economies of scale provide a strong basis for the company to thrive in the competition based on its capability to produce quality goods and offer competent services. The company has developed its systems and processes to align with the production of high quality products and services. Relatively high-quality products are the hallmark of the company. The target customers are those individuals who can pay relatively higher prices. The company focuses on acquiring customers who prefer quality over price. The external environment tends to globalize, diversify, and expand in alignment with the emerging technologies and opportunities (Rosenberg et al.). The information in this era is widespread, and networking has developed on the global level. Verizon can expand the outreach of its products by capitalizing on the technological trend. The company can diversify its business by entering into new fields of technology and developing new innovative products. The company can further increase the opportunities of growing business by increasing the consumer base as well as share of the market.

The strategic problems the company faces internally include its inability to some extent to compete based on pricing strategy due to increased cost of operations and infrastructure. The company is also low in diversification, and it has to focus on developing diverse range of services or products for the consumers. The pricing must be aligned with the trending prices in the market, because other companies are working hard to provide high quality services with lower prices.

*Resources*

Verizon being the largest wireless service provider of the country, and it possesses vast resources to carry out the business processes. The huge customer base is the most significant resource of the company and the related customer data can be used to estimate upcoming trends of consumers. The extensive supplier base makes up another valuable resource the company can negotiate to whom on its own preferred terms. The company has sound technologies and software to use in the development of new competent offers.

*Capabilities*

The company is capable to revise its strategy and focus on retaining existing customers besides acquiring the new ones. Verizon can make better use of its brand status to diversify its products and services and tailor them as per the customers’ preferences.

*Competitive Advantages*

The main competitive advantage of the company over the others is that it has built a strong reputation and customers’ confidence in the company’s services and products. The suppliers negotiate with the company by acknowledging its superiority in the agreement. The high-earning segment of customers will adhere to the company’s products in anyway.

**Strategic Solution to Verizon’s Problem**

The solution is to focus on diversity of services and products and provide services with distinction, with efforts directed to keep the prices competitive in respect of the market prices.

Works Cited

Lee, Jay J., et al. *Wireless Network Cloud Computing Resource Management*. Google Patents, 2016.

Narayanan, V. G., and Joel L. Heilprin. *AT&T Versus Verizon: A Financial Comparison*. 2017.

Rosenberg, Greg A., et al. *Autocomplete for Integrating Diverse Methods of Electronic Communication*. Google Patents, 2019.