Week 6 Assignment 2

Ariel Scott

BUS499 Business Administration Capstone

Professor Joseph Keller

August 22, 2020

Week 6 Assignment 2

The American Telephone and Telegraph Company operates under the telecommunications industry. The industry offers internet services, voice, data as well as video facilitating telecommunications. The industry is highly competitive due to the constant changes in technology applied in communication. The company operated under monopoly over a long period during the 20th century that managed its triumph to be the largest telecommunications company. The paper focuses on the effects of external environments, competition forces, and the corporation's strengths and weaknesses.

# General Environment

According to the American Telephone and Telegraph Corporation, the two segments of the general environment are the technological segment and global segment. With the general environment influencing the specific guidelines for running their business continues to become better than competitors.

**Segment 1**

The technology segment highly affects the telecommunications industry in the context of AT&T corporations. Changes within the technological segment can grow their market shares. Technology has a great impact on the new trends in the delivery of services such as internet and data to the public. The various innovations in the industry greatly affect the corporations due to the changes and advancement that should be considered. The telecommunications heavily depend on the application of wide knowledge to have the best data and voice that will be reliable and efficient.

**Segment 2**

The global segment is also among the general environment that influences the operations of the AT&T corporations. The global segment affects the telecommunications industry due to its impact on determining the industrialization of the country. It analyzes the country's level of growth via the quality of the information provided to the stakeholders and potential investors. The segment influences communications via identifying the attributes of the culture and the institutions (Bruner et al. (2017). It marks important political events that should be reported to the public to become aware and present the information of the global markets.

# Five Forces of Competition

The industry is faced with the stiff competition that has to be addressed. The five factors affect the corporation differently, including; The competitive rivalry that analyzes the rate of competition available in the market. The fear of switching to other affordable products and services are among the problems faced by the AT&T company. The competitors of the corporation include the T-Mobile, American Tower, Verizon Communications, and CenturyLink. The company has heavily invested in advertisements and providing quality services that are highly preferred by the consumers making it become the best. The offers available for data and airtime motivates the customers and increases the purchasing power.

**Force 1**

The political factor as an external determinant in the running of AT&T corporations sabotages its entire operations through a lack of recognition by the government of internet connection as a basic right. Economically, the pricing of data and internet services affects consumers living in rural areas. The gradual change in communication has affected the social part of human beings by increasing accessibility and relationships through globalization. Legally, the communication has to abide by corporate laws and ethical standards of the society and recognized by the government (Deasy, Stephen, et al. (2016). The company highly considers technological factors due to various innovations and the growing needs of society and new opportunities such as voicemail, messaging, and social media.

**Force 2**

The AT&T Company is mandated to keenly observe the technological factors that are highly characterized by numerous changes and advancement. The company has to tackle the menace by employing different strategies to establish changes in the market. The products should be customized for the adaptability level to be high and relevant to the market. The greatest opportunity for social media growth should be tackled by utilizing the opportunity and heavily advertising the services offered. Besides, the company should focus more on building social networks that will boost their sales and retention of customers hence becoming the most preferred in the market.

# Future Improvements

The future improvements for the company tend to focus on bring 5G to the millions of customers nationwide. Building new technology that will have an impact for the better for their consumers. Increasing speed performance that is targeted to address challenges that businesses face globally. AT&T focuses on political factors in their company, by providing an effective oversight. Following all of the guidelines for the political actions committee, by doing whats best for their company. Participating in the political process, while staying truly mindful of their company’s core values.

# Greatest External Threat

The bargaining power of customers is also a major threat to the AT&T company that determines the services to be offered. The company offers services that have a high chance of switching to the competitors' hence they are obligated to be updated with new trends. The consumers greatly command the market due to their influence on determining the company's quality of services. The growing numbers of telecommunications service providers influence customers' high power and the small amounts purchased by them. The company is well equipped with differentiating their services and becoming unique in the market. The company has strategized to build the best customer relations that increase their faith and retention to the purchasing of their products. The constant gifts and promotions help increase the number of new customers by enticing them on free services.

# Greatest Opportunity

The communication company has FirstNet network connecting the entire nation at one stop and the 5G network that is fast and reliable in research. It has the biggest TV and film studios globally, with the largest library useful for extensive research on the world's history. The company has the capability of creating the largest opportunities in the communication field for graduating students. The library has a history that will be referred by the new generation and appreciate the past culture. The corporation's core competency is providing a connection to people and creating new while satisfying the needs of their clients.

# Strengths and Weaknesses

Personally, the company boasts of its infrastructure that has earned it the most significant position in the current market. The company's' infrastructure has helped it to deliver its international services to over 250 countries worldwide. The most significant weakness is the reduced usage of landlines by the consumers preferring digital methods. The company faces difficult circumstances finding the solution due to the changes in the new trends in the market. The company faces competition due to its strengths and become dominant due to its infrastructure.

**Strategy or Tactic**

The management of AT&T corporation should strategize on building a larger and targeting of wide and new markets. The new strategy will optimally utilize its infrastructure, reach the markets, and satisfy the needs of the consumers. The company will have to come up with a new strategy to combat their weakness. The adoption of new products such as messaging, messenger, and twitter will be relevant due to the shift in the market. The new changes will help in boosting the company's reputation and become the most appealing in the market.

# Resources, Capabilities, and Core Competencies

In conclusion, the AT&T company is the best in the market, and it utilizes its strength to become the most significant. The company satisfies its customers' needs by providing quality services that are different from the competitors' services. The competition level is extremely high in the telecommunications industry, and the consumers have a higher power of switching the services to competitors. The political and technological factors possess a great threat to the AT&T company due to the new trends and innovations that are needed for the growth of the country’s economy.

Sources

1. Bruner, Robert F., Michael J. Innes, and William J. Passer. "American Telephone & Telegraph (AT&T): The AT&T/McCaw Merger Negotiation." *Darden Business Publishing Cases* (2017).
2. Deasy, Stephen, et al. "Controlling use of a business environment on a mobile device." U.S. Patent No. 9,247,042. 26 Jan. 2016.
3. Malhotra, Gunjan, and Surinder Kumar Batra. "Customer-Switching Behaviour for Telecom Service Provider." *International Journal of Business and Economics* 4.2 (2019): 1-17.