

DiGi.Com: strategies for capturing market share

ABSTRACT

In December 2009, DiGi.Com Berhad (DiGi), the core businesses of which included mobile voice and data services, was one of the three giant mobile telecommunication companies in Malaysia. The other two companies were Maxis and Celcom; these three companies fought fiercely in both postpaid and prepaid markets. The rivalry intensified after a new company, U Mobile, entered the market in April 2008, and with the introduction of the Mobile Number Portability (MNP) in October 2008. MNP allowed customers to change service providers without having to change their phone numbers. With MNP, the customers were expected to be more willing to change service providers if it was cheaper for them to do so. Meanwhile, the entry of two new mobile virtual network operators (MVNOs) into the Malaysian mobile telecommunications market started to pose a significant threat to the company. In February 2009, DiGi launched its 3G Internet PC broadband service, and thus began competing with Maxis and Celcom, and many other existing broadband providers, who had entered the market earlier. In November 2009, this competition intensified further when DiGi integrated 3G into its mobile phone services with a plan to increase its share from the current 26% to one third of the market share within the next three years. A similar goal was also set for its broadband business although the company predicted that it would need a longer period to achieve this objective. This case provides opportunities to discuss DiGi and its competitive environment and to make recommendations of appropriate strategies to be implemented by its new CEO in regard to his company's predicament.

Keyword: DiGi.Com; Mobile telecommunications; Broadband; 3G; Mobile telcos; Maxis; Celcom; Malaysia