
STRATEGIES FOR SUCCESS: A COMPREHENSIVE LOOK AT MCV BROADBAND'S STRATEGIC SHIFTS: INSTRUCTORS' NOTE

Maria Claret M. Ruane, University of Guam
Albert C. Pascua, Jr., University of Guam
Craig R. Thompson, MCV Broadband

CASE DESCRIPTION

This case highlights the importance of business strategies in transforming a company from being merely a “maintenance” company to one that has grown to be a significant player in the telecommunications industry in a relatively small market. The business strategy discussed in this case focuses on two areas: new product development and rebranding and remarketing. This case has a difficulty level of three and up, appropriate for junior level and beyond. The case is designed to be taught in two class hours in a strategic management, managerial economics, or marketing course, and is expected to require about three hours of outside preparation for students, consisting mainly of reading the case and familiarizing themselves with the business environments on the U.S. territory of Guam in the Western Pacific region as well as with some knowledge of the telecommunications industry.

CASE SYNOPSIS

Started in 1993 by United Micronesia Development Association, formerly Marianas Cable Vision and currently MCV Broadband has grown into the region's largest telecommunications provider. Since 2005, MCV Broadband has adopted business strategies that effectively transformed this once mediocre company into a leading competitor in telecommunications. This paper will look at the evolution of MCV Broadband and the strategies that have brought success to this company, as well as their future plans to maintain their business success.

DISCUSSION QUESTIONS AND RECOMMENDED ANSWERS

1. Describe Marianas Cablevision's performance and strategy before it changed ownership in 2005.

Marianas Cablevision was locally competitive but lagged behind industry standards. It lacked a growth strategy and was being operated as a "maintenance company". This is evidenced by its purchase of competitor, Guam Cable Vision in 1997 and Kuentos Communications (Guam's first internet company) in 2000 but did not expand its product offerings in video and internet services. It also did not make the investments necessary to grow the company.

2. Describe the shift in business strategy after Marianas Cablevision was purchased by Seaport Capital in 2005.

Seaport Capital envisioned a growth company in Marianas Cablevision. To achieve this, Seaport Capital (1) brought in an experienced and competent leader, C.E.O. Dr. Craig Thompson, and (2) required an aggressive five-year plan to bring the company at par with U.S. counterparts.

3. What were the core strategies used by Dr. Thompson to satisfy Seaport Capital's five year plan?

These are (1) new product development, and (2) rebranding and remarketing.

Product development required large capital investments, which were made by the company under new ownership and leadership. Upgrades included real-time video services and faster internet services, while new products included the following:

digital video, high definition video and video-on-demand;

residential phone service; business phone service (soon to be available); and

new hotel video, video-on-demand and internet services offered to all the resort hotels on Guam.

Rebranding and remarketing strategies included the following:

renamed the company MCV Broadband, a more compact, easy to say, easily identifiable, crisp, clear, and easy to remember;

moved to a younger, more high tech image while keeping the “Marianas feel”;

used repetition of the company name (MCV) to secure its brand in consumers’ minds while clearly identifying the products branded as MCV video, MCV phone, and MCV online; and

offered its customers with bundled plans, which gives discounts to customers as well as the benefit of one billing.

ADDITIONAL NOTES/ASSIGNMENTS

Instructors using this case in a capstone business course might ask students to address the following issues related but are broader in scope than or not as detailed those covered in this case.

- 4. Discuss the current external environment faced by MCV Broadband as well as future changes that might occur. In doing so, be sure to include the following macro-level environment:**

Economic
Demographic- Sociological- Cultural
Political-Legal
Technological
Natural Environment

as well as the micro-level environments:

Overall market/industry trends
Current and Prospective Competitors
Distribution Channels and Buyers
Customers
Suppliers

As a subset of the above analysis, instructors might ask students to analyze in greater detail how MCV Broadband would market to current military population and their dependents on Guam, as well as to those expected to arrive in 2014 as part of the movement of U.S. Marines from Okinawa, Japan. In what ways is the military customer base different from the local residential customer base?

Instructors might ask students to

5. **evaluate how well MCV Broadband's corporate social responsibility activities have enhanced its community image, and**
6. **put forth a recommendation for suggested activities that the company could pursue in the future.**

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