

THESIS

**PORTER'S FIVE FORCES ANALYSIS: AN
EXPLORATORY STUDY OF THE TELECOMMUNI-
CATION INDUSTRY IN LAO PDR**



Conducted by:

KHAMBANG VILAYSOUK

Konsentrasi: International Business

No.Mhs: 09.1286/PS/MM

PROGRAM STUDI MAGISTER MANAJEMEN

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UNIVERSITAS ATMA JAYA YOGYAKARTA

PROGRAM PASCASARJANA

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PENGESAHAN TESIS

Nama : Khambang VILAYSOUK
Nomor Mahasiswa : 09.1286/PS/MM
Konsentrasi : International Business
Judul Tesis : Porter's Five Forces Analysis: An Exploratory Study of
the Telecommunication Industry in Lao PDR.

Nama Pembimbing

Tanggal

Tanda tangan

Drs. BUDI SUPRAPTO, MBA., Ph. D

09 Mei, 2011



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Nama Penguji	Tanggal	Tanda Tangan
Drs. BUDI SUPRAPTO, MBA., Ph. D.	29/5/2011	
Prof. Ir. SUYOTO, M.Sc., Ph.D.	31/5/2011	
Drs. C. JAROT PRIYOGUTOMO, MBA.	6/6 2011	

KETUA PROGRAM STUDI MAGISTER MANAJEMEN



Drs. M. PARNAWA PUTRANTA, MBA., Ph.D.

18 November, 2010

Director

Lao Telecommunication Company Ltd (Lao Telecom or LTC);

Enterprise of Telecommunications Lao (ETL);

Lao-Asia Telecom (LAT or Unitel); and

MilliCom International Cellular (Tigo Lao), Vientiane, Laos.

Dear Sir or Madam,

First of all, I would like to certify that Mrs. Khambang VILAYSOUK is in the four semester of her Master Program in Master Management Atma jaya Yogyakarta University, Indonesia. She is writing a thesis title "Porter's five forces Analysis: An Exploratory study of the Telecommunication industry in Lao PDR".

Moreover, she needs to do a study at your institution. I am writing this letter to ask for your permit and support so that she can collect the required data and information from respective sources/persons at your institution. She plans to conduct the research from 1st December to 10th January, 2011.

Please accept my sincerest appreciation for all attention and assistance extended to Mrs. Khambang VILAYSOUK. I am looking forward to strengthening cooperation between Yogyakarta University and your Institution.

Yours sincerely,



Drs. Budi SUPRAPTO *MBA., Ph. D.*

(Thesis Supervisor)

ABSTRACT

Laos's Telecommunication Market develops rapidly after it establishes in 15 years before by four operators is ETL, LTC, Unitel and Tigo who have the license to provide network services in this market. The competition intensity is very high and the product differentiation between each company is very low, thus, at the beginning of the competition, both of the company's focus on reducing the service price to attract more customers. But during the recent decade, after the reformation and reconstruction, the competition behaviors tend to be variety. This dissertation presents an analysis of the competition in Laos's Telecommunication market to discuss the variety competition behaviors of each company, which this concerns are the external and internal environment, the competition situation of company each, and the competitive strategies provided by both of them.

Nowadays, under the government policy protection, although four operators lock their customers with a high customer switching cost, they still face an unprecedented challenge that not only from each other, but also from some potential entrants. Such as "Little Smart" introduced by ETL and LTC can be used as a substitute of mobile phone that provide much lower service price than both of the four companies. Lao Mobile should segment customer groups more detailed and Unitel and Tigo should develop its network quality more stably, to sustain their market shares and compete with the other rivals.

Keywords: Porter's Five Forces, Environment, and Telecommunication industry.

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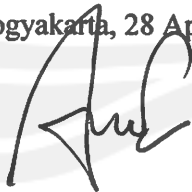
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Mrs. Khambang VILAYSOUK

National Authority of Science and Technology

(Lao PDR)

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