

Faster 5G (F5G)

F5G is a public limited company. It is a mobile internet provider. The business provides high-speed mobile internet connections to smartphone users within country A. Customers pay an average of \$30 per month for the service. More than 90% of consumers in the country can access F5G's services but many consumers do not yet have a 5G smartphone required to get the high-speed internet connection.

The business offers new customers a free smartphone if they sign a contract for a minimum of 18 months. Very few of F5G's customers switch to a competitor's service after the minimum 18-month contract has finished.

The mobile internet market is very competitive. F5G has an objective to become the most profitable internet service provider in country X. The Marketing Director, Marianne, believes that if F5G is going to achieve its objective then the company needs a wider customer base. She thinks that the key to gaining more new customers is to focus on promotion to consumers who don't already have 5G smartphones.

Marianne has prepared some secondary market research comparing F5G with its main competitors in country A (See Table 1.1). Some of the directors are disappointed with the financial performance of F5G compared to its competitors.

Table 1.1: Research about the mobile internet providers in country A, 2020

	Faster 5 G (F5G)	Connect-U-Like (CUL)	1 World Mobile (1WB)
Market share	30%	32%	15%
Value of market share	\$1.16 bn	\$1.28bn	\$0.65bn
Gross profit margin	66%	64%	65%
Net profit margin	9%	13%	15%
Working capital	(\$10500)	\$25000	\$5000
Current ratio	0.8:1	3:1	2:1