



慶應義塾大学ビジネス・スクール

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“NTT West — Flet’s Hikari Campaign”

Nippon Telegraph and Telephone West Corp. (NTT West), which was established with a capital of ¥312 billion in July 1999 following the east-west division of its predecessor, is one of Japan’s largest companies, employing about 5,800 people and covering the western side of the country, from Tokai and Hokuriku to Kyushu and Okinawa. In fiscal 2007 NTT West’s operating revenues came to about ¥1.9 trillion. By breakdown of these revenues, voice transmission services accounted for the largest share at about ¥1 trillion, and next, also with a large share, came Internet protocol (IP) services at about ¥400 billion.

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In its Medium-Term Management Strategy, NTT West states that “We will shift to a business management centered on optic-fiber and IP services, and we will endeavor to strengthen our management base with the target of realizing the single-year profitability of optic-fiber services and increasing revenues by ¥200 billion through growth strategies by the end of fiscal 2012.” One of the services that stand at the core of this Medium-Term Management Strategy is Flet’s Hikari, an optic-fiber broadband cable service. In fiscal 2007 the number of subscriptions to Flet’s Hikari was about 3.9 million. NTT West planned a cross-media marketing communication strategy aimed especially at campaigning at large discount stores toward achieving its target for the next fiscal year of a net increase of 1.4 million subscriptions.

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NTT West

Until the establishment of Nippon Telegraph and Telephone Public Corporation (NTT) as a public enterprise in 1952, the telegraph and telephone business in Japan had been operated directly by the government. In 1979 the NTT public corporation established a system of nationwide direct dialing for

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Akihiro Inoue (Professor, Graduate School of Business Administration, Keio University) prepared this case as the basis for class discussion rather than to illustrate either the effectiveness or ineffectiveness in the handling of an administrative situation. In addition, Kana Ozawa, an assistant professor of marketing in the Department of Economics at Ryutsu Keizai University, cooperated in gathering and arranging materials for the compilation of this case; her assistance is very much appreciated.

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