



Assessment 2

Service Firm Audit **Vodafone Australia**

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Executive Summary

1 Introduction

2 Marketing Concept of 7P's

The basic concept of Marketing mix, which is in the field of marketing also known as 4P's Concept due to being composed of **Product**, **Price**, **Promotion** and **Place** can be further extended into 7P's Concept by adding **People**, **Process** and **Physical evidence** to it. Below, all those seven elements of the concept have been described and applied for the company *Vodafone Hutchinson Australia*.

2.1 Product

2.2 Price

2.3 Promotion

Vodafone has launched free roaming to New Zealand in order to satisfy customers and attract new ones by creating free phone calls to and from New Zealand for customers who are using 50\$ pre-paid or higher.

Advertising: Company needs to research for more value media such as *TV, Social Media, Newspaper, Billboard* – in order to correctly target demand. According to *Roderick's Analysis* the highest amount of interaction at 40% were recorded through TV advertising which leads to interactive respond on Facebook by commenting the posts and likes. (Roderick, 2015). It is recommended for advertising team to cooperate TV adds with social media to receive more information about consumers' enquires and needs. It is also important to create special offer promotion to attract new consumer; and provide exclusive offers to regular ones. Emphasis should be also put on family or group packaging with special promotion for different groups. Create special program for different range of company and use sells person to promote them by face to face. Provide services for companies to allocate their needs and offer them high standard service.

According to chief executive for Australia Inaki Berroeta, Vodafone created plans to compete with Telstra and Optus. Provide for consumers unlimited phone calls to ten countries and more download data for all pre paid and post paid consumers who buy SIM-card with 50% credit or more. (Ramli, 2015)

It is necessary to develop promotion for this special offer to right costumers in right time. Providing unlimited phone calls to 10 countries is highly recommended to promote for foreigners lives in Australia and consumers staying in Australia for short time. International phone calls would be highly recommended to promote in major cities with high frequency of foreigners such as Sydney,

Melbourne, Brisbane, Perth. Research needs to be provided to allocate suburbs inhabited by high percentage of foreigners. City centre, holiday resorts, airports and high frequented places are targets for posters and billboards to outline this offer.

Demand for better quality of internet and increasing in Quantity of data make significant difference between Competitors. Therefore to increase number of Vodafone customers company needs to refer on increasing amount of data on mobiles and high quality of connection.

Future marketing strategy for Vodafone is to commence Voice over LTD (VoLTD) on specific mobile devices such as Samsung galaxy 6X which will create longer Quality life, multi task, web browser in same time as making phone call. In the future company is expected more mobile devices with VoLTD service.

New features and benefits of service VoLTD from Vodafone will target innovators and early adopters as they are more open for new products and services. Vodafone needs to announce new service to customers by explaining VoLTD features and benefits in short ads video to arouse interest in new technology.

2.4 Place

Placement as one of 7P's concept elements plays an important role in terms of availability to potential buyers and accessing them. This essential part of marketing mix deals with the question of the most appropriate positioning and distribution channels which would reach its target segments efficiently. Right positioning and appropriate distribution channels being in use are a result of deep understanding of company's target markets.

Vodafone Group Plc. belongs to the world's leading companies in the mobile telecommunications industry. It has been operating worldwide since the foundation in 1991; and its presence in Australia is represented by its subsidiary Vodafone Australia which is nowadays serving approx. 5.4 million customers over the country.



Figure 1: Worldwide Presence of Vodafone Group Plc. (Source: Javierrio)

According to Vodafone Store Locator available online there are to be found in Australia and Tasmania together 520 Vodafone stores and other independent retailers that Vodafone directly sells to customers through. Those enable customers who are considering buying to personally handle, see and get assisted about the products/services before purchasing them, as well as compare with alternatives. In addition to *Brick and Mortar* traditional selling places that Vodafone has, company has been involved also in electronic commerce by offering and selling its products and services via its *online shopping* channel.

As Australia is too sparsely populated, it's more practical to discuss the total coverage by number of population covered rather than in terms of area covered. Enhanced Vodafone network currently provides the coverage for about 22 million potential users (94 %) in the country. Vodafone coverage is under the *Australian Government's Mobile Black Spot Programme* being planned to be further expanded by 2017. In comparison, Telstra at present claims that something over 90% of Australian population can get their services (Broughall, 2015) and due to Optus webpage (2016) it is known that 98.5 % of Aussie population have been covered.

2.5 People

It is essential for Vodafone to have different teams to work on specific strategic task but they also cooperate together . Therefore it is important to know description of different position in company.

Every department has different goals to achieve. Understanding of consumer needs is crucial for marketing department and deliver for them right product and service. Developing new strategy, arose interest in new consumers and keep regular consumers.

- 1) **Sales person** (front of house) – Characteristic of sales person is to have good communication with consumers, identify consumer needs and offering extra product to satisfy them. Educate employee to use psychological tactic to consumer raise their interest by demonstrating futures and benefits comparing with competitors.
- 2) **Developers**- allocate flexible hours to make them more convenience. Direct developers by providing consumers feedback for each period of time. Monitor market and focus on differences to engage the attention of consumers, create collaboration with different countries for wider range of market.
- 3) **Managers**: Monitor development, progress between employee focus on fixing shortcomings and support employee strength. Collaborate all segments and create chain between all employee to ensure creativity and new ideas. Meetings between different departments to educate and motivate all employee.
- 4) **Marketing department**: Promoting new product/service to consumer. Create different offer for costumers from different countries Monitor market and respond to other competitors. Create marketing strategy for different products, packaging, season. Long term goals for marketing
- 5) **Human resources**: constantly educate employee for developing better customer service and understanding product offering. Communicate with employee on regular bases. Receive feedback and process it to eliminate weaknesses and develop strength.

2.6 Process

1) **Analyzing marketing opportunity for Vodafone** : Researching Australian market to improve strategy and allocate planning process. Develop different plans with SWOT analysis to implement different tactics. Collaborate with different departments to obtain new ideas and receive feedback from consumers to analyze further changes.

2) **Selecting target market** : important role for Vodafone marketing is to choose right consumer and

address them. Based on different location, preferences, age group allocate correct marketing strategy and create different market promotions and programs. Using analysis from past performance of company, research competitors programs and strategy (Telstra, Optus) to create future tactics.

3) Service delivery : Vodafone in Australia is investing 9 million Australian dollars to launch 32 new mobile base station , target is to open majority by end of this year and by end of year 2017 to be operated all 32. By creating more effective and extensive mobile base station company will be able to provide consumer with better quality of connection in cities and ruler areas, this is going to lead to satisfaction of consumers and attract new consumers. Therefore for Vodafone it is important to promote new mobile base station and explain futures and benefits for customers.

2.7 Physical Evidence

Before purchasing the product, customer have a tendency to rely on physical features of it what helps them to evaluate this product and decide. From marketing perspective, services are characterized by intangibility they have and that's why there is a need for adding their tangible evidence to them as support. Basically such point includes every tangible feature of company that appears from the outside (The Marketing Mix, 2016). Therefore we can distinguish several material parts of a service that are presented in Vodafone and they are following:

Vodafone and Signage – Vodafone has dichromatic logo of silver and predominantly red colour; shaped as a speech mark to symbolize conversation and voice communication. For most of people this logo has become very easily recognizable.



Figure 2: Vodafone Logo (Source: www.vodafone.com)

Vodafone Employees and their Uniforms/ Dress Code – physical evidence, as one of 7P's concept elements, also refers to all people within the company and way how they represent the company. That means it also referes to staff professionalism to interact with the customers, style of brochures and other marketing fliers being used, as well as the way how selling premises are set up.



Figure 3: Examples of Vodafone Physical Evidences
 (Sources: Maxim Kozlenko, Horemu & CREA International)

Attractive Offers – mobile and mobile accessories offers, advanced international call programs for selected countries, etc.

Vodafone Foundation – Vodafone Foundation has donated more than 22 million AUD since its establishment in 2002. This presence of having the Foundation established can be seen as an intersection of two 7P's elements - Promotion and Physical Evidence.

Webpage as physical evidence – Vodafone Australia official webpage:
<http://www.vodafone.com.au/>

3 Recommendations

Vodafone Group as a whole, has become well-developed brand and a really strong player in the telecommunications industry worldwide. The company's professional teams of specialists, who constantly focus on and analyze the individual markets, demands, new technologies/trends, etc., are those ones contributing to that success which the company has been achieving. From that perspective it is not easy at all to recommend anything for the company like Vodafone is, but some potential areas requiring possible consideration in order to reach some kind of improvement could be following:

- It is recommended to work on creating new special offers which would attract new customers, especially those from the company's main competitors (Telstra, Optus); as well as still keep providing exclusive offers to already existing customers in order to keep them;
- Emphasis could be also put on family or other types of group packaging offers which would

address to completely new target segments (e.g. family package plan of 4 SIM cards which would be cheaper compared to individual buying of 4 SIM cards purchased separately);

- Vodafone currently provides unlimited calls within the Australia and 300 minutes to selected countries on its list. However it would be highly recommended to provide unlimited calls also to some other countries, even higher prices for it would apply, but for sure it'd be able to increase the attractiveness of the individual call plans more;
- Needs and wants of customers go up day-by-day, they require higher and higher amount of data available; and the high quality of internet connection itself as well; therefore Vodafone should keep track with competitors in terms of internet services, and maybe come up with some breaking offers which would hugely prevail over Telstra and Optus;
- Focus on reaching availability as close as possible to the 100% of all Aussie population;
- Vodafone used to be a sponsor of Cricket team before, currently it is not involved in any sport team sponsorship anymore; Sponsoring of any popular domestic/ or National sport team would be definitely for a company good way of how to promote itself better;

4 Conclusion

Telecommunications sector plays a crucially important role in today's society. Constant and rapid improvements and changes in mobile and wireless technologies lead to dominance of this means of information transmission over the other means.

Currently, Vodafone belongs to the best world's leading companies in telecommunications services industry in terms of revenue, management and prestige it has built up. Being successful in the industry can be also proven by #395th position as of May 2016 data, in prestigious Global 2000 Forbes List which is ranking for the world's biggest public companies. At present Vodafone boasts with a number of more than 150,000,000 customers spread all around the world. Approximately 5,4 million of them come from Vodafone Hutchison Australia who is an operator of Vodafone's services in Australian telecommunications market. The major competitors within it that Vodafone competes with are Telstra and Optus, including Mobile Virtual Network Operators using their capacities such as Amaysim (*Optus*) or Lycamobile (*Telstra*).

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