

A STUDY OF BASIC MARKETING STRATEGIES OF VODAFONE FOR IMPROVING BUSINESS PERFORMANCE

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Abstract

Today, as competitive pressures increase, marketing skills have never been more highly valued. Traditionally, these considerations were known as the 4Ps — Product, Price, Place and Promotion. Vodafone offers a wide range of products including Voice, messaging, data and fixed line solutions. Vodafone frequently uses local name recognitions to reach and maintain trusts of its local customers. Vodafone's products and services are competitively priced and easily accessible to as many people as possible. Vodafone, will provide a new horizon for development in the communication sector of India.

Introduction

The marketing process is central to the business performance of companies, both large and small, because it addresses the most important aspects of the market. It is about understanding the competitive marketplace and ensuring you can tap into key trends, reaching consumers with the right product at the right price, place and time. Clever marketing has led to many recent business success stories – from pharmaceuticals to airlines, sports brands to food and drink, business-to-business companies to small, niche players. Today, as competitive pressures increase, marketing skills have never been more highly valued. What was once seen as a departmental activity is now regarded as a frontline business attitude for all employees. Traditionally, these considerations were known as the 4Ps — Product, Price, Place and Promotion.

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As marketing became a more sophisticated discipline, a fifth ‘P’ was added — People. More recently, two further ‘P’s were added — Process and Physical evidence. Originally formulated for the service industry, they are just as important in other sectors.

Now, we discuss about the marketing strategy pattern or rather than strategy of, Vodafone is one of the world’s greatest telecommunication brands and this article discusses the Marketing mix of Vodafone. The company employs over 65,000 staff worldwide and enjoys a generous customer base of 130 million. The business is in operation in 31 countries worldwide. Despite the competition from similar companies, Vodafone, in India is growing tremendously as a company like in other parts of the world as it tries to roll out its identity into new markets. In fact, the company is already listed in the New York Stock Exchanges, thus, this has helped it in gaining global recognition.

Vodafone India operations widened its base in the year 2007 when it bought majority of stake in Hutchison Telecommunications of Hong Kong for \$11 billion. In India, it operates as a joint venture with Essar. Vodafone India’s domestic partner is the Primal Group, which has its 11% stake.

MARKETING MIX ANALYSIS OF VODAFONE (source- Vodafone)

Product

Vodafone offers a wide range of products including Voice, messaging, data and fixed line solutions. The aim is to assist the customers with their communication needs. The core use and functionality of handsets continue to be text messaging and voice services. In order to cater for different customer needs, the company offers a wide range of tariffs targeted at different customer segments.

With data usage and the need of sophisticated handsets becoming a necessity, customers are looking for the best product quality and that is what Vodafone continues to do. Therefore, Vodafone branded devices and services are designed to meet a wide range of customer preferences and needs.

The products include the following:

- Vodafone branded phones
- Smartphones
- Voice and messaging services
- Handsets
- Internet services
- Value added services

Place

Vodafone India Limited, based in Mumbai, is the second largest mobile network in the country after Airtel by the number of subscribers. As of December 2013, the company had a total of 160 million subscribers. To strengthen its position in the country, Vodafone bought Essar for \$5.46 billion in 2011. This means that Vodafone now owns more than 74% of the Indian Business in the Essar take-over while the Indian investors in accordance with the country's laws will own the remaining 26%. The company's marketing strategy is to focus on the customer and lead from the front when it comes to providing revolutionary telecommunication services.

The company continues to improve its services and currently provides 3G services based on GSM technology. However, there are plans to upgrade the network to 4G. Although most of the products are sold through the company's customer care centres and shops, it also sells its products through independent retailers. The company has a very friendly and experienced team of customer care staff to ensure that the customer's needs, queries and complaints are attended to. The Vodafone stores are the major service providers to customers and there are large numbers of these stores in all corners of the country. More importantly, Vodafone has an amazing network and has one of the most powerful cell phone range amongst all its competitors. Thus the presence and distribution of Vodafone is wide spread in India.

Promotions

Vodafone frequently uses local name recognitions to reach and maintain trusts of its local customers. Mary Kom, the famous boxer and Olympian is its global brand ambassador. In addition, in order to help promote its global appeal and to communicate its brand value, the

telecommunication giant often uses famed sports stars like David Beckham, Michael Schumacher and others.

It also advertises its brand value and offers through billboards, TV commercials and other social media outlets in order to reach a large number of people. The most famous move by Vodafone worldwide was the use of Vodafone Zoo Zoos in India during the Indian Premier League. In the marketing mix of Vodafone, promotions can be the strongest point for Vodafone due to Vodafone Zoo Zoos. Vodafone Zoo Zoos are the most famous brand ambassadors for them and are recognized by one and all over the world. In addition, the company sends frequent press releases to keep their customers informed of new products and offers. The company also undertakes market research to determine whether its services and products are useful to the consumers.

Price

Vodafone's products and services are competitively priced and easily accessible to as many people as possible. In order to beat the competition, the company has ensured that it provides high quality services such as providing high speed data and good network range as compared to what the competition is offering. Because it sells different services and products, it offers various price structures to suit different customer needs. Mini as well as jumbo prepaid and post-paid plans are available. Recently, Vodafone has doubled its 2G and 3G internet rates. This however will be followed very soon by its rivals as well as it has become impossible to contain data rates off let. For instance, it offers post-paid and prepaid options as well as different tariffs. Another important pricing strategy is that the company offers reward points for specified sum of money spent on purchasing airtime vouchers or data bundles. With a pan India presence, Vodafone is surely one of the leaders in the telecom sector. However, it faces tough competition from other giants in this field like Airtel, R-Com and Idea.

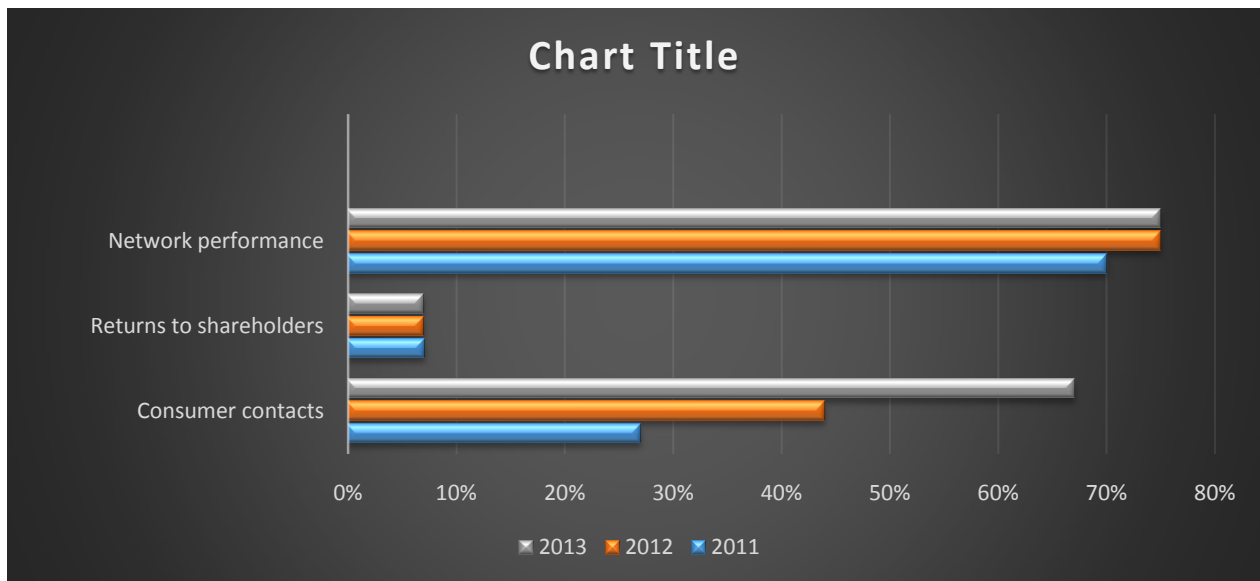
Objective of the study-

- *Does Vodafone design the proper penetrated marketing strategy or not?*

Data analysis and interpretation-

We select 5 parameters for evaluating our objective of the study, such as adjusted operating profit, Consumer contacts, Returns to shareholders, Network performance, Penetration (smart phones)

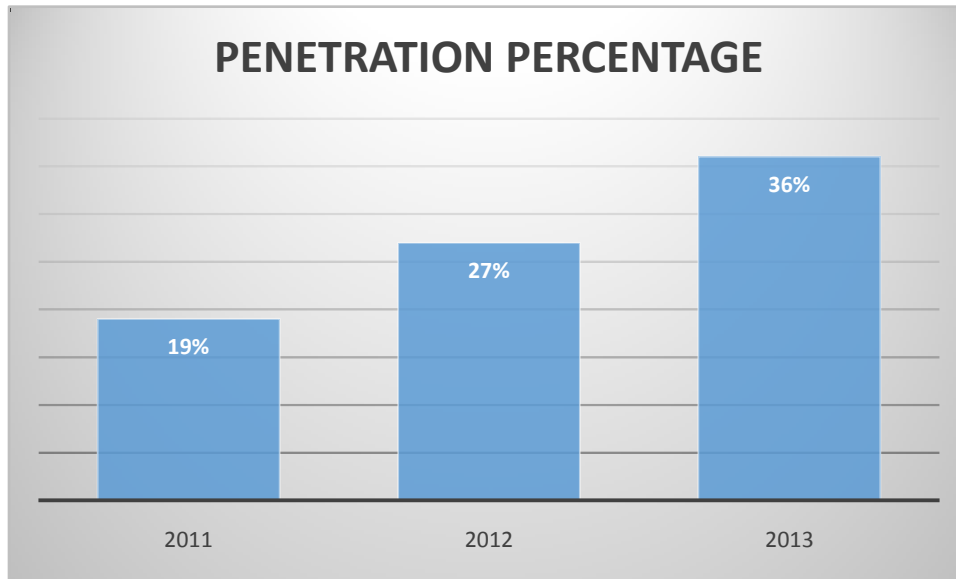
YEAR	Adjusted operating profit	Consumer contacts	Returns to shareholders	Network performance
2011	11.8 European Dollar	27%	7.1%	70%
2012	11.5 European Dollar	44%	7.0%	75%
2013	12.0 European Dollar	67%	7.0%	75%



According to the analysis we find that the overall performance base on strategy of Vodafone it will enhance the business and market position. A new key element of marketing strategy that we try to develop, Penetration in Smart Phone service is as follows.

Penetration (smart phones), customer base

YEAR	PENETRATION PERCENTAGE
2011	19%
2012	27%
2013	36%



So, we conclude that the Vodafone designs the proper penetrated marketing strategy of Smartphones. In 2011 to 2013 increasing it 19% to 36 % (customer base). It will provide a new horizon for development of Vodafone in communication sector in India.

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