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VODAFONE

Telecommunications company

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Task 1 - Essay

Introduction

The essay has focused on critically analysing and evaluating the necessity of marketing fundamentals in case of sustenance of an organization. Vodafone has been taken as the organisation under study. The different stages and aspects of marketing in business will be discussed through different models or theories. The essay will also discuss advantages of marketing to customers as well as stakeholder engagement and its impact on marketing operations.

Vodafone is a renowned name in the global telecommunications sector. It was founded in 1991 and is headquartered at London, UK. The company provides worldwide services and directly operates across 25 countries across the world. It has subsidiaries in more than 47 countries. Among all existing mobile operators Vodafone has been given the rank fourth on a global basis. The company has a wide customer base and is presently operating with nearly 98,996 employees (Howell and Potgieter, 2019).

For more than two decades Vodafone has been successfully operating across the telecommunications sector. It giving tough competition to other telecommunications companies like BT, Deutsche Telekom, NTT, etc. The reason behind this success is application of effective marketing strategies. For assessing the processes, marketing stages and operations of Vodafone analyses including theories and models like marketing mix, PESTEL, Porter's Five Forces and SWOT have been discussed below.

The 4P analysis of Vodafone's marketing strategies,

Product - The main products offered by the company are Value Added Services, post-paid services and pre-paid services. The product portfolio of the company is greatly varied thereby satisfying different needs of the customers. Some of the other products are internet services, messaging services, in-house branded handsets and Smartphones, etc. Different tariff plans are offered for meeting varying needs of the customers (Kraus and Strömsten, 2016).

Price - In general the company follows competitive pricing strategy as well as differentiated pricing strategy. The prices are allocated in accordance to different segments of the market.

Vodafone has targeted nearly all customer segments by offering services at affordable ranges to premium ranges. The price is decided on the basis of the quality, bandwidth and speed of the services offered. With increase in quality the prices also increase (Klauer, 2015).

Place - Vodafone is directly operating across 25 countries and has subsidiaries in nearly 47 countries. The services are provided to the customers through customer care shops or centres. The company also maintains independent shops in various locations across the globe. In other words Vodafone stores are spread across several cities and towns. The network is quite strong and the distribution network of the company is also strong (Ang, 2016).

Promotion - Different promotional channels or media like Television, print media, online platforms, etc. are used by Vodafone for carrying out its promoting activities. The company has strengthened its brand value in the market by partnering up with different sports stars like David Beckham, Mary Kom, etc (Rodrigues, 2019). The press are effectively conveyed to the customers through texts, emails and as declaration on different social media platforms. Vodafone Zoo Zoos have become quite famous among the customers and play a significant part in conveying the brand message to the audience.

PESTLE analysis of Vodafone,

Political - The Company provides worldwide services and operates in several countries. Therefore, it has to deal with the political ups and downs of different regions simultaneously. In Spain it underwent through repositioning to handle increasing price competition and in Italy it experienced tough competition from a new entrant. In Qatar it has to join hands with Qatar Foundation to continue with its operations (Kumar, 2018). The BREXIT uncertainties prevailing in UK also greatly affected the operations and employee base of the company. Despite these the company has been able to generate adequate revenues in Germany, UK as well as others areas of Europe and Asian countries.

Economic - The company is focused towards modifying their cost base by better utilization of advanced digital technologies. Because of early progress with respect to operating transformation Vodafone has decided in accelerating its digital programme implementation from 5 years to 3 years. The company is also working towards reducing its business expenses by 1.2billion Euros and save up to 400million Euros by the end of FY21 (Ghosh, 2016).

Social - The lifestyle of people has changed drastically over the past two decades. Presently people are greatly dependent on internet and a large portion of human activities are carried

out over internet connection. The telecommunication sector is responsible for maintaining the connectivity between different places of the globe. Most of the corporate operations and other activities of people are done by using Smartphones and other connectivity gadgets. Thus, Vodafone is finding and will continue finding great demand from global customer base.

Technological - In order to maintain customer engagement and loyalty Vodafone has become the leading content distribution among platforms like TV in Europe. The official app of the company has been successful enough in retaining effective relationships with the customers. Vodafone maintains leading global IoT platforms for retaining its profitable business partnerships (Kresak *et al.*, 2016). Thus, Vodafone is making efficient use of available technical infrastructure of all its operating regions.

Legal - Throughout all these years Vodafone has performed effectively in accordance with the legal infrastructure of the different countries it is operating within. Also it has used all possible acts and measures for the implementation of strong company policies and employee regulations for maintaining such a huge workforce and customers as well.

Environment - Vodafone is greatly aware of the environmental impacts and has taken measures to lower the impacts. The company is targeting to reduce environmental impact by 50% by the end of 2025 and to improve the living standard of one billion individuals. The company has also decided to completely shift to utilization of renewable sources of energy for reducing their carbon footprint (Howell and Potgieter, 2019).

For understanding the impact of the market forces on Vodafone's activities Porter's Five Forces analysis has been carried out.

Bargaining power of the suppliers - The power of the suppliers when compared to Vodafone is significantly low. The company is a global brand and the numbers of major suppliers are less. In case of the suppliers the switching costs are quite high and it will be a great opportunity to partner up with a global brand (Kraus and Strömsten, 2016).

Bargaining power of the buyers - The power of the buyers is high when compared with that of the company. This is because the amount of differentiation with respect to services among the competitors is negligible. The switching costs are low and buyers can easily get the same services from another provider if they shift from the brand. There is lack of brand loyalty and competition is higher.

Threat from substitutes - This particular threat lies somewhere between medium to high. The threat is medium because the providers of landline and broadband connections are less. However there are technical applications and software which are equally effective in supporting videoconferencing, business connectivity and social connectivity (Rodrigues, 2019).

Threat from new entrants - The threats from new entrants is negligible for Vodafone. This is because the license fees are huge and new entrants are not capable of providing such high capital investments. The regulations with respect to telecommunications are complex and setting up of the required infrastructure is also costly.

Industry Rivalry - The competition is increasing within the telecommunications industry. Potential players like Virgin Media, O2, BT, etc. are existing in the market (Kumar, 2018). There is very less differentiation in the services provided and the market legislations support competition among the players.

Depending on the above analyses the **SWOT** analysis of Vodafone has been discussed respectively.

Strengths - The brand awareness and recognition of the company is significantly strong across the globe. The robust and effective marketing strategies implemented by Vodafone have greatly contributed towards the branding of the services. The Vodafone Zoo Zoos are recognised across the global customer base and have proven to be highly successful in conveying the company messages to the customers (Ghosh, 2016). The maintaining of a varied portfolio by the company has assisted in satisfying a larger portion of the customer base. Following of a differentiated pricing strategy has fulfilled the demands of all segments of customers. The total number of subscribers amount to more than 318 million.

Weaknesses - The Company has shown lack in incorporating differentiation in its services and products. The presence of the company is greatly limited across the rural areas. Market saturation, sluggish growth in economy and lack of differentiation is lowering the brand value of the company. The revenue generated in the last financial years has not reached expectation due to large number of debts and expenses (Rodrigues, 2019).

Opportunities - Vodafone has great opportunity in expanding to the rural areas. Penetrating the rural markets will help in improvement of market share and revenue generation. The company also needs to increase their focus on the emerging markets like those of Africa.

Improvement of network coverage and better handling of network wastage will result in increase of the brand value (Kleiousis *et al.*, 2019).

Threats - Competitions is increasing greatly and the market has reached saturation. Lack of differentiation and innovation is leading to lowering of profit margin and brand value.

The marketing activities carried out by Vodafone provide several benefits its customers. Firstly, the activities are keeping the customer up-to-date about the trends existing in the market. Therefore, customers are getting required information about the advanced and better services they can avail from the market. The customers are also able to draw useful information about the plans and activities introduced by Vodafone. In this way they are able to improve their purchasing decisions (Kresak *et al.*, 2016). Secondly, the marketing activities are helping in improving the relationship between the brand and the customers. This is helping in the provision of better services and fulfilment of the demands and needs of the consumers (Kadam, 2020). The companies are able to trust on the company through the effective implementation of the activities. Thirdly, efficient marketing services of Vodafone in improving the experience of the customers (Klauer, 2015). They are guiding the customers to select the appropriate products for them. The customers are getting the opportunity to personalise the services and convey their preferences through feedbacks and suggestions to the company. It can be said that marketing activities are assisting the customers to obtain best quality products at valuable prices.

The primary stakeholders impacting the business operations of Vodafone are government, investors, customers, suppliers, partners and distributors. The regulations within the telecommunication sector are significantly strict and vary from one country to another. If Vodafone fails to comply with the acts and regulations of its operating countries then it can lead to negative influence on the brand image of the company (Brulhart *et al.*, 2019). Also the business operations will get hampered and obstructed due to unwanted legal consequences. So, government actions have greater influence on Vodafone's activities. The next are the investors and shareholders who are generally the owners of the company (Jyoti *et al.*, 2017). They are there to look after the funding requirements. Customers have direct influence on the profit growth and market expansion of the company. Suppliers, partners and distributors are also responsible for facilitating the growth and expansion of the brand (de Bakker *et al.*, 2019). Therefore, it can be seen that different stakeholders are impacting the overall

performance of the company. By considering the impacts and influence of these stakeholders Vodafone has to modify and implement their marketing activities.

Conclusion

From the above discussions it can be concluded that Vodafone so far has been successful in implementing out of the box and robust marketing strategies. But with time the competition is increasing and the company needs to start thinking of handling the market saturation. For this Vodafone must start expanding its operations and coverage towards the rural areas in its operating countries. A suitable promotional plan is required for this purpose. The company must develop and design a campaign which will portray the stories and daily life needs of the rural people. This kind of creative campaign will encourage the investors to support the expansion to rural areas. The campaign will be posted on platforms like YouTube, Instagram, Facebook, Twitter, on the official website of the company and so on. This will lead to awareness among the customers about the availability of their favourite brand in the most remote parts of the world. This kind of promotional material will strengthen the network coverage and distribution of the company thereby improving their marketing activities further.

Task 2 - Reflection

Throughout this module I have learnt several things and aspects which are extremely beneficial for personal as well as professional development. Likewise I have come to know about the importance of tactical communication tools which are necessary for ensuring success of different project works and organizational activities. These tools are necessary for conveying the project or organizational message towards the audience. With time this tactical communications tools have changed their nature and types (Camilleri, 2018). Some of the most prominent communication tools used for project awareness currently are presentations, campaigns, video contents, stories and blogs. Presentations are referred to as an effective combination of visuals, graphics, texts, images and so on. Such tools help in enhancing the understanding and clarifying the scenario of the project outcomes. According to communication accommodation theory, people are able to adjust or accommodate when the understanding is clear and transparent (Kharat *et al.*, 2020). The message or information conveyed needs to address the senses of the audience and impact psychological

understanding of the people. A powerful tool which also helps in influencing the perspectives and thinking pattern of the audience is campaigns. Marketing campaigns are one of the most used tools by organizations and individuals to facilitate promotion. Such campaigns are often very creative and result in relaying social messages to the people. Such kind of communication tool directly impacts the emotional aspect of the audience (Krizanova *et al.*, 2019). Because of this fact the present day organizations or project works use campaigns to present the ethical element of their services or outcomes to the clients. According to cultivation theory of communication, different communication media are capable of shaping the sense of reality of the individuals (Barbu *et al.*, 2019). When individuals acquire information from such sources their ideas and views get modified. Thus, better the strength of the communication tool more is the influence on the people. Campaigns are an effective way of emotionally impacting the audience. Similarly storytelling and video contents are also effective tools of communication. Both these tools have the same success rate like campaigns. These tools also impact the visual sense and emotional aspect of the audience. Thus, the results obtained are efficient enough and meet expectations. Another tool which according to me is equally efficient is blogs. Blog posts are very much versatile and allow large scope of creativity (Camilleri, 2018). While creating my own blog post I realised that I have varied number of options to incorporate in it for conveying my message to my audience. I can use stories, images, graphics, animations, texts, quotations, video contents and many more. All these components are making the blog post dynamic and as per cultivation theory are highly effective in making the audience understand the message. Blog posts can be referred to as a combination of all the tools which I have discussed earlier. Therefore, inferences can be drawn that blogs are one of the most effective tactical communication tools with high success rates.

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