

**Masters in Management
and
CEMS – Masters in International Management**

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I. Brief context of the Business Project and the Company

i. Vodafone

The company selected for the Business Project was Vodafone. Vodafone Group is a multinational telecommunications company that operates in 21 countries through subsidiaries and has joint ventures/agreements in over 40 additional countries.¹ The headquarters of the company are in London, United Kingdom. Looking at the statements from the end of 2013, Vodafone can be considered the second largest mobile telecom company worldwide measured by both number of subscribers (around 419 million²) and revenues (around \$70 billion³), right after China Mobile. Vodafone Portugal (a subsidiary of Vodafone team), according to 2012 statements, had around 6 million customers, 1447 employees and generated a net income of around €153 million.⁴

ii. Portuguese mobile telecom market

The mobile telecommunications market in Portugal is mature. The main players in the industry are Vodafone Portugal, MEO (previously TMN) and NOS (previously ZON/Optimus). Portugal had a total of 16,8 million active mobile operator user equipment's at the end of 2013 and Vodafone Portugal had approximately 38,3% market-share from that sample. These figures highlight Vodafone Portugal as the second largest mobile operator in the country, after MEO with approximately 45% of the market and NOS with 14,8% of the market.⁵

iii. Vodafone in the Portuguese mobile telecom market

The current situation of Vodafone in the Portuguese market is not good. From 2011 to 2012, operational profit decreased 5,28%, operational cash flows shrank 19,48% and net profit declined 51,11%.⁴ In 2013, the market experienced a transformation where players such as MEO and NOS started to leverage on their complementary businesses, by offering packages with mobile service included besides cable phone, Internet and television. According to my perception, since Vodafone Portugal does not have resources to offer such a competitive service, in the short-term this can be a reason for their clients to start changing for other mobile operators.

¹ Vodafone Team Website, ["Where we are"](#)

² Vodafone Team Website, ["Financial Statement, 31 December 2013"](#)

³ CNN Money Website, ["Fortune Global 500"](#)

⁴ Vodafone Portugal Website, ["Financial Statements report 2013"](#)

⁵ See annex 1

iv. The Business Project challenge

The Business Project challenge consisted in understanding how Vodafone can bring Internet to every mobile customer and ultimately derive greater profitability from mobile Internet users. The team started by dividing the market in 3 different segments. After defining the problem and developing an approach accordingly, the team decided to pursue Qualitative Research, to gain deeper understanding of the problem from the perspective of Vodafone customers and employees. Mystery shopping, semi-structured interviews to employees, in-depth interviews to customers and usability tests were conducted in order to derive preliminary findings, suggestions and hypotheses. Later on and after having received specific feedback during the mid-presentation at Vodafone, the team opted to conduct Quantitative Research to test the hypotheses formulated on the basis of the qualitative research. The team created a draft version of the questionnaires, obtained Vodafone's approval, and launched the questionnaires online and face-to-face to end customers, getting a sample of 469 valid answers. The data gathered was analyzed, the hypotheses proven right or wrong and 7 recommendations were provided in order to solve the problems encountered.

v. Brief overview of findings and recommendations

After the Qualitative and Quantitative research process, the team found out that Vodafone needed to improve on 5 key dimensions: store effectiveness (1), variety of options/competitive pricing (2), need for mobile Internet (3), knowledge about data (4) and controlling data spending (5). To work on (1), Vodafone needed to change sales assistant's training, create mobile Internet sales opportunities and to develop interactive tools (acknowledging that stores were one of the customer's preferred channels to get info about mobile Internet). To develop (2), Vodafone would need to readjust its uncompetitive offerings since the customers are very price sensitive. To ensure the (3) from the point of view of the customers, it is fundamental that campaigns are developed to ensure mobile Internet is part of people's daily routine. To spread in the market the (4), the type and amount of operations that can be done with a specific amount of data must be made clear and objective. Finally, (5) must be considered a powerful tool for Vodafone to avoid unexpected additional expenses from their customers.

II. Further Development of a specific topic – Questionnaires

During the Business Project, there was a specific moment where the team was struggling in order to reach consensus between the three main parties of the project: the business advisor, the Academic advisor and the team. This situation lasted for roughly two weeks and happened right after the end of the Qualitative Research process⁶, where preliminary findings and suggestions were presented to Vodafone Portugal and the team was about to start the Quantitative Research process⁷. During the beginning of this phase, preliminary hypothesis were defined and the team created and to pre-tested the questionnaire that was supposed to be shared through two different channels: in-store and online. In both channels the questionnaire was delivered digitally (in-store through an Ipad). This specific moment raised some issues within the project since it required ongoing supervision and approval from the Business advisors. The team started to create and to test the desired questionnaire, however there was a misalignment between the team plus the Academic advisor and the Business advisors. In the end, as it is going to be explained further, the team was flexible to revise the final questionnaire taking into consideration the feedback provided by Vodafone Portugal to reach the desired final output for the project.

i. What was the original approach to this topic?

To understand the approach developed by the team in order to create the questionnaire, it is fundamental to analyze the logic that is behind the previous Qualitative Research process that was done beforehand.

The objective of the Qualitative Research was to gain a qualitative understanding of the underlying reasons and motivations behind mobile Internet usage and to identify the competitive position of Vodafone. The overall market was divided in three different segments/targets: the first target was composed by people that do not use Internet at all in their phone, the second target was composed by people that just use Wi-fi in their phone and the third target was composed by people that use Internet in their phone, via both Wi-fi and mobile Internet. The problem was defined and the market was already segmented. By combining this information with the secondary data gathered through Vodafone's website and Marketing Research materials, the team was able to start using the four predefined methods to get information from

⁶ See annex 2

⁷ See annex 3

Vodafone customers and employees: mystery shopping (1), interviews to employees (2), in-depth interviews to customers (3) and usability tests (4).

The (1) was a valuable tool to get insights about customer service and the acquisition strategies of the main mobile operators in Portugal (Vodafone Portugal, MEO, NOS), with special emphasis in identifying the competitive advantages of Vodafone Portugal *vis-à-vis* its competitors. The (2) were conducted with employees from predefined stores in the city of Lisbon and Oporto. The objective was to gather deeper insights from people who have in-store contact with clients and a high level of knowledge about the different Vodafone and its products/services. The aim of the (3) was to understand the general attitudes, concerns and preferences towards mobile phone usage, from people that already use mobile Internet (third target) provided by Vodafone and potential new customers (first and second target). The main objective of the (4) was to understand which potential problems people face when performing Internet-related tasks.

At this point, some preliminary findings were formulated by the team taking into consideration three key dimensions: lack of competitive offerings, loss of network effect and lack of knowledge about data. This was the end of the Qualitative Research process.

The next phase of the project (Quantitative Research) started with the formulation of the hypothesis based on the Qualitative Research and the development of the questionnaire. Regarding the questionnaire, the aim of the team was to cover five main topics: customer knowledge about data, customer education about data, customer experience, customer perceptions from Vodafone and Yorn, competitors and pricing. Besides covering these topics, the questionnaire was meant to be the same regardless from the channels (in-store and online). Furthermore, the questionnaire in-store was to be done in stores such as Colombo store, the Action store in Expo, Vasco da Gama store and Saldanha store according to specific standards that the team defined.

Unfortunately, after ongoing discussion with both advisors, the final questionnaire was essentially based on the customer experience (especially inside the store). It was also different between both channels and the stores the team was allowed to go to didn't meet the team's standards. In my opinion, narrowing the desired possibilities decreased a lot the extension of the output that the team was able to provide to Vodafone Portugal, and I am going to explain why further.

ii. What are the main limitations of the approach used?

According to the previous explanation, there are three dimensions that limited the extension of the output.

The first dimension is related with the topics covered in the questionnaires. From the five initial topics that the team wanted to cover, just the one based on customer experience was covered intensively. The topic of customer knowledge about data was not covered deeply in the questionnaires. It is known by Vodafone Portugal that people in general are not acquainted with data measuring and type/amount of operations that can be performed with a specific amount of data. In my opinion, it would be valuable to understand if customers are not knowledgeable because they are not interested or because the message from Vodafone is not clear and concise. The topic of customer education about data was also not covered intensively during the questionnaires. It would be insightful, in my opinion, to understand Vodafone's mobile Internet customer journey (how a customer use to switch from having no smartphone to using smartphone and mobile internet on a daily basis). This data would be important to understand how customers could be educated during the process. The topic of customer perceptions from Vodafone and Yorn was considered a controversial problem during the Qualitative Research process because the customers were not aware of the differences between both brands. Since the offerings from both brands are different, the targets are different and the packages are different as well, it would be interesting to understand its implication in the usage of mobile Internet. The topic of competitors and pricing, one of the most important ones, was barely addressed during the questionnaires. This topic would be very interesting to ask consumers in order to benchmark their perceptions on Vodafone offerings' against competitors offerings' and to figure out whether the possibility of offering unlimited traffic for communication applications (Whatsapp, Facebook messenger, Skype, etc...) and social networks (Facebook, Linkedin, etc...) would change the willingness of customers to use mobile Internet. The inability to cover these 4 topics in the questionnaire limited the possibility to understand how Vodafone can increase mobile Internet penetration in Portugal

The second dimension is related with the diffusion of the questionnaires per channel. The objective of the team was to have the same questionnaire in-store and online. Bearing in mind that old people tend not to use Internet very often and younger people tend not to go to the Vodafone stores located outside from the shopping malls,

the main goal of having a single questionnaire was to balance the sample of respondents between the three different targets. By balancing the sample (i.e. having a significant number of respondents from the three predefined target), it would be suitable to get 384 answers from each of the three targets, in order to make statistical inferences with a 95% degree of confidence and a 5% margin of error

The third dimension is related with the stores where the team intended to perform the questionnaires. The objective of the team was to go to stores with high traffic (>300 clients per day), based especially on shopping malls. Then the objective was to test two types of stores: One type with an average waiting time >8minutes plus the number of clients served in less than 10 minutes to be around 60%; The other type with an average waiting time around 4 minutes plus the number of clients served in less than 10 minutes to be around 85%. According to the feedback from Vodafone Portugal, it wasn't possible. The stores that were allocated⁸ to the team had an average of 130 clients per day and were based especially outside shopping malls. They were also centered in elder neighborhoods, which affected intensively the age range and expectedly the target allocation of the respondents. Thus the average waiting time was about 7 minutes and the percentage of clients served in less than 10 minutes was very heterogeneous.

To sum up, not having covered correctly these three dimensions in the questionnaire constrained the ability of the team to provide extensive findings in order to understand the possibility of Vodafone to bring Internet to every mobile customer.

iii. What would I have done differently when developing this topic?

To improve on the constraints that the original questionnaire generated, I would maintain the sequence of the processes while changing the timings. Thus the methodology used would be substantially different.

The actual sequence of the processes was based on the division between two phases: the Qualitative Research process and then the Quantitative Research process. In between both phases, there was a mid-term presentation in Vodafone Portugal where the group was asked to present the preliminary findings generated from the Qualitative Research. By that time, the team hadn't thought deeply about the upcoming phase of the project (definition of the hypotheses and creation of the draft questionnaire). To improve overall performance, since the group at that time had

⁸ See annex 4

already generated findings and could have received the feedback from Vodafone, it would have been suitable to present already the draft questionnaire. The meeting would have been more productive to discuss on the key topics to approach, the stores and the channels. It would have saved two weeks of ongoing discussion between the three parties. To sum up, the Quantitative Research process should have started during the elaboration of the key findings and suggestions of the previous process. With this improvement, instead of the original nineteen days to perform the questionnaires, the team would have thirty-three days (nineteen days plus two weeks). It would give the team around 4 weeks to perform the questionnaires both online and face-to-face.

Considering the limitations from Vodafone in regard to the stores visited and the size/topics covered of the questionnaire, there is room for change in the methodology that would bring benefits for the final output. The actual questionnaires generated were different between both channels (online and in-store), which complicated the ability to have a balanced sample as far as having enough answers from different targets in certain questions to reach the minimum threshold to make statistical inferences. To avoid this constraint, I would have done it differently. First of all, I would have created two different questionnaires. The first questionnaire would have been equal to the one delivered inside the stores. The second questionnaire would have contained the information about the topics that weren't covered in the first one (i.e. customer knowledge and education about data, customer perceptions from Vodafone and Yorn and competitors and pricing). Both of them would have an average waiting time of 7 minutes (which is the average waiting time of the stores visited). Inside the stores, instead of just using the Ipad to deliver the questionnaires, I would also deliver it in paper to avoid the lack of digital literacy from certain customers. Then the first questionnaire would be delivered in both channels during the first two weeks. Providing the same questionnaire in both channels during the same time frame brings benefits. It allows for an increase of the sample size, for customers who do not visit the stores to answer the questionnaire, for non-internet users to be reached and also eliminates the errors caused by politically correct answers given in-store. It would also avoids the limitation of the time pressure that consumers face in-store as well as the language barrier for non-Portuguese members of the group performing the contact inside the store with the customers. Since the stores that the team would end up visiting have an average of 130 clients per day, it

would have decreased the risk of going to low affluence stores as well. The fact that the questionnaire would be provided not just in a digital equipment but also in paper, would have increased the sample size, avoided technical problems that the group experienced during one day in the digital device and surpassed the inability of some respondents to use the Ipad. The only drawback of having it on paper is that all the answers would need to be put manually in the SPSS software. After the first two weeks, the second questionnaire would have been applied during the following two weeks with exactly the same methodology in order to avoid the actual constraints. This second questionnaire would provide extensive benefits since it would cover topics that the team found out to be important for Vodafone consumers during the Qualitative Research process. Considering this new approach, the quantity of data gathered would theoretically be much larger since the questionnaires would be applied during roughly four weeks instead of the actual two, and both of them in two different channels. With more data gathered, the ability of the team to understand the problem and ultimately how Vodafone can increase the penetration of mobile Internet, would increase.

Summing up, changing the timings between the two processes and the methodologies of the questionnaires would at least extend the quantity of data generated by the Quantitative Research. It would have expectedly allowed the team to get the 1152 needed answers, which represents the minimum threshold of answers per questionnaire to derive statistical inferences with 95% degree of confidence. The Data analysis would have taken more time to be generated by the team, but the final recommendations would have certainly been more extensive.

III. Reflection on Learning

i. Previous knowledge learned from the Master's program

To develop the Business Project I needed to apply knowledge mostly related with Marketing courses, such as Marketing in a Dynamic World and Brand Management. On one hand, the Marketing in a Dynamic World course was more focused on the basic concepts of Marketing, such as the four P (product, price, place and promotion) that are very important but not fundamental to pursue the Marketing Research process (Qualitative and Quantitative Research phases) from the Business Project. On the other hand, Brand Management can be considered fundamental for the development of the Qualitative Research phase during which I was assigned as project leader. Throughout the course I did a project for Unilever (more specifically for the brand *Becel*) where qualitative research needed to be applied right after the secondary data gathering, in order to discover ideas and insights from the brand, to develop hypothesis and to define key variables. The direct method used was the (semi-structured) in-depth interviews and the indirect method was the projective technique. Regarding the process, the 9 main steps were followed⁹ based on the research methods from *Dr. G. Clotilde Rapaille*¹⁰ to deal with the rational and the irrational levels of the consumers. Taking the process and the methodologies into account, it was a great benefit for me to have this experience during the Brand Management course in order to apply the knowledge I acquired during the Qualitative Research phase of the Business Project.

ii. New knowledge and methodologies used

The Business Project dealt with specific concepts from Marketing Research. Unfortunately, up to the point I started the project I did not have the possibility to take the Marketing Research course that is taught by the academic advisor of the project, prof. Elizabete Cardoso. However, prof. Cardoso was always helpful by providing important insights on the methodologies to pursue the project. The most important process I learned was the one developed by *Naresh Malhotra*¹¹, taught by prof. Cardoso and followed by my team during the business project¹²: defining the

⁹ See annex 5

¹⁰ *Rapaille, G. Clotilde* (2001), *7 Secrets of Marketing in a Multi-cultural World*

¹¹ Malhotra, Naresh K. (2002), *Marketing Research: An applied orientation*

¹² See annex 6

problem, developing an appropriate approach, formulating a research design, doing field work, preparing and analyzing data, preparing and presenting the final report.

iii. My key strengths and weaknesses

During the Business Project, there were several dimensions I mastered and others that I struggled with. There is an important dimension that I consider to be a personal strength, which is teamwork. Because of the projects I have done at the University and due to the team sports I have been practicing since childhood, I am accustomed to interact with others and to work in teams. In my opinion, this was crucial for me to feel engaged in the team project. Furthermore, project management and time management were dimensions that I mastered with the experience that I have now from my academic and professional life. I was also able to be goal-oriented and to develop my leadership skills that I have been shaping during my life through sports. However, there were also some weak dimensions that I felt could have affected negatively the final output. I consider myself a stressed person and sometimes a bit impatient. Closer to deadlines, the levels of stress are always higher. In spite of the tension, I was able to manage/control my stress levels during those phases and to cooperate with the team towards a high-quality final output.

iv. Benefits of hindsight

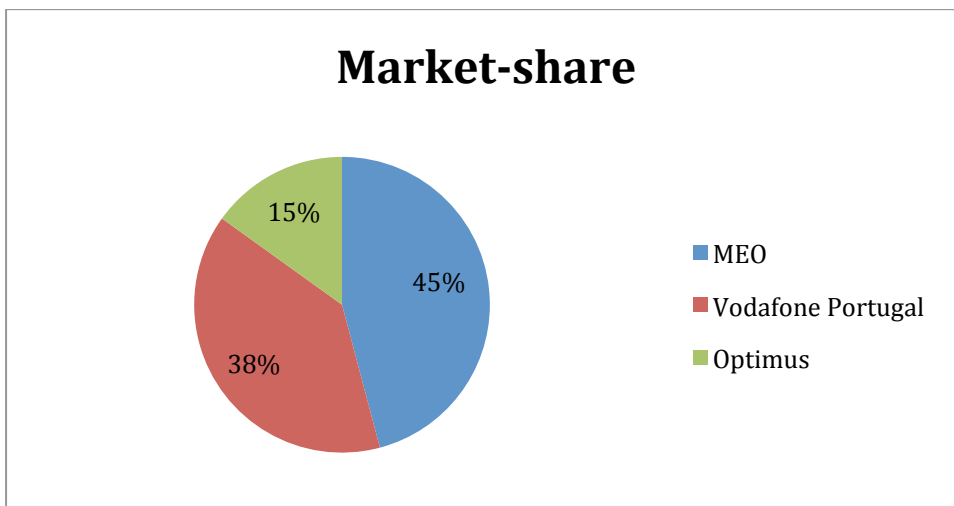
According to my perception, the fact that all the five members from the team were engaged towards achieving a high-quality output was very important. In the beginning of the project, the team was able to define different project leaders for the different phases of the project, according to the members' experience and interests. Since I had previous experience/ interest for the Qualitative Research, I was assigned to be project leader during that phase. Despite the cross-cultural diversity of the team, the project was always a first priority for each of the individuals, which lead to a positive work environment. The team also knew how to leverage on having a team member that had experience working for Vodafone, which was helpful in understanding certain procedures, methods and approaches that are common within the company. To improve the overall performance, it would have been better if we had had more meetings with Vodafone Portugal in order to get useful insights. Another important way to improve would be to implement a 180 degrees appraisal system in the middle of the project, where the Academic advisor would give feedback to the team in order to improve the performance in the second part of the project.

IV. Appendices

Bibliography

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- *Malhotra, Naresh K. (2002), Marketing Research: An applied orientation*
- Brand Management course materials, *Prof. Catherine da Silveira*
- Marketing Research course materials, *Prof. Elizabete Cardoso*
- Anacom Website
- Vodafone Website
- CNN Website

Annex 1



Anacom, [“Mobile Services Report 2013”](#)

Annex 2

Qualitative research process:

To gain a deeper understanding of the problem from different perspectives (customers and employees)



Annex 3

Quantitative research process:

To test the hypothesis formulated on the basis of the qualitative analysis



Annex 4

The stores that the team was allocated were: Benfica store, Rossio store, Chiado store, Dolce Vita Tejo store, Avenida de Roma store and Avenida da Igreja store

Annex 5

QUALITATIVE RESEARCH PROCESS

- Step 1: Write the Research proposal
- Step 2: Write the Interview or Focus Groups guide
- Step 3: Test the Interview guide
- Step 4: Conduct Interviews or Focus Groups
- Step 5: Transcript tapes with additional comments on non verbal communication.
- Step 6: Review the whole data
- Step 7: Build the frame of the analysis (Topics, hypothesis...)
- Step 8: Proceed to the interviews content analysis, one by one (Topics frequency, word frequency...)
- Step 9: Write the final or progress report



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Prof. *Catherine da Silveira*, “Brand Management Course”

Annex 6



The Marketing Research process



Prof. *Elizabeth Cardoso*, “Marketing Research course”