ISCTE Business School
Instituto Universitário de Lisboa

A STUDY ABOUT E-WOM ON AN ECONOMIC CRISIS CONTEXT:

THE CASE OF TELECOMMUNICATIONS

Hugo Miguel Fidalgo Ferreira

Dissertation submitted as partial requirement for the conferral of

Master in Marketing

Supervisor:

Prof. Dr. Hélia Pereira,

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Terminado mais um importante marco no meu percurso académico, e com uma incrível sensação de leveza entre braços, dedico algumas palavras a quem me permitiu desenvolver esta dissertação de final de Mestrado.

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ABSTRACT

The study analyses the characteristics and effects of electronic Word-Of-Mouth (e-WOM) within online forums and social networks on Portuguese telecommunication consumers, considering Portugal is one of the European countries most affected by the economic crisis. The examination is focused on the present four major telecommunication operators running in the country – Portugal Telecom, ZON OPTIMUS, Vodafone and Cabovisão – but it also addresses emerging low cost operators, as Lycamobile. Through an exploratory methodology (Netnography), the obtained results demonstrate that these platforms have the potential to highly influence consumers' decision making process and consumers' attitudes towards brands; as well as that discussions on "price" and negotiations are avid and increasing on Consumer-to-Consumer (C2C) communication. However "quality", "innovation" or "customer service" also demonstrate to be important for the observed consumers. Additionally, the absence of binding periods on telecommunication services appears not to be enough reason for the observed consumers to switch operators if those services are inferior to the ones with restraining periods of time, especially on home telecommunication services. The study also compares the ways by which telecommunication brands communicate on Facebook and exposes that MEO is, by far, leader on online Business-to-Consumer (B2C) communication because it effectively engages with its audience; as its strategy focuses on sharing content which is diversified and relevant for its followers, as well as demonstrating to care about feedback and adopting a sympathetic tone of voice. In the end, the study presents suggestions for telecommunication operators to enhance consumers' satisfaction and increase their brand equity.

Keywords: Marketing, Brand Preference, Network Industry, Reputation

JEL: M31 and L14

RESUMO

O presente estudo analisa as características e efeitos do *Word-Of-Mouth* eletrónico (*e-WOM*) em fóruns *online* e redes sociais entre consumidores de telecomunicações Portugueses, considerando que Portugal é um dos países europeus mais afetados pela crise económica. A análise é focada nos atuais quatro maiores operadores de telecomunicações a atuar no país – Portugal Telecom, ZON OPTIMUS, Vodafone e Cabovisão – mas também aborda operadores *low cost* emergentes, como a Lycamobile. Servindo-se de uma metodologia exploratória (Netnografia), os resultados obtidos demonstram que estas plataformas têm potencial para altamente influenciar o processo de decisão dos consumidores e as suas atitudes perante as marcas; assim como as discussões sobre "preço" e negociações são ávidas e crescentes na comunicação entre consumidores (C2C). No entanto, "qualidade", "inovação" ou "atendimento ao cliente" também demonstram ser importantes para estes consumidores. Adicionalmente, a liberdade na fidelização em serviços de telecomunicações não aparenta ser motivo suficiente para estes consumidores mudarem de operador, no caso de os serviços serem inferiores àqueles com fidelização. O estudo compara ainda as formas como as marcas de telecomunicações comunicam no Facebook, expondo que o MEO é, de longe, o líder *online* na comunicação entre empresa e consumidor (B2C), dado que se envolve eficazmente com a sua audiência; passando a sua estratégia por partilhar conteúdos diversificados e relevantes para os seus seguidores, e demonstrando apreciar o *feedback* enquanto adota um tom de voz simpático. No final, o estudo apresenta sugestões para que os operadores possam melhorar a satisfação dos seus consumidores e aumentar o seu *brand equity*.

Palavras-chave: Marketing, Brand Preference, Network Industry, Reputation

JEL: M31 e L14

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CHAPTER 1 – INTRODUCTION

1.1. Importance of the Subject in Study

Six years after the U.S. financial crisis from 2008 which quickly spread to Europe and originated a recessive environment to many of the European Union member countries, it continues to have an impact on European people, and especially on countries with more fragile economies. It is the case of Portugal: a country presently intervened by troika – the tripartite committee led by the European Commission with the International Monetary Fund and the European Central Bank – as part of rescue packages, and where people are confronted by a continuously decreasing purchasing power due, mainly, to high levels of unemployment and austerity measures. For this reasons, the regular Portuguese consumer has been forced to change his/her shopping habits and to adapt to a new and less abundant economic reality.

Hence, one aspect that is arising at a corporate level is the interest and the investment in studies and market researches that help to clarify and to lead decision-makers on understanding how consumers are embracing the recent economic reality in their lives and in what ways people are modifying their old shopping habits. By being aware of the variables which have more influence on consumers' decisions and which subjects they are more concerned about, brand managers are more likely to develop more effective strategies when marketing its products and services.

Thereby originally part of a major investigation developed by the Portuguese Institution ISCTE-IUL, the industry to be analyzed in this study will be the Telecommunications services field, a sector which is deeply inlaid in contemporary cultures and that occupies a central role in people's daily lives all over the world. In fact, to be connected to a mobile device on a constant basis nowadays is not only perceived to most of us as part of routine but, at a rising pace, as an extent of our own selves.

Despite the global economic downturn and the lack of prospect for an inversion of context in the near future, signs are that disconnection is not an option for the modern telecommunications customer. In 2013, McCann Truth Central – a global thought leadership unit part of McCann Worldgroup – conducted a worldwide study concerning telecommunications around the globe and conveyed that "*47% of consumers believe that* *their personal connections would suffer if they were to go out without their mobile devices, even for a short period of time.*" (McCann Truth Central, 2013: 13). Additionally, the relationship mobile consumers have with their mobile devices seems to intensify with time. In fact, "*84%* (of mobile consumers) *believe that in the future we will be even more connected than we are today*" (McCann Truth Central, 2013: 11). Thus, as disconnection is not an easy task for an ascending number of telecommunication consumers, chances are that not even economic difficulties are to influence the consumer's urge to connect and to share things with their peers.

However, while it seems to be getting difficult to "disconnect" consumers from devices, the same doesn't happen with the relationship with brands, as consumer loyalty is not what it was in the past. "*Particularly in the telecommunications industry, switching providers even from within continuous contract relationships is easy and companies struggle to retain their customers*" (Karjaluoto *et al.*, 2012: 636). For the effect it's of great importance to consider the Internet provides easy access to information, user reviews and detailed product data to the "ordinary consumer". Hence, the consumer that companies are nowadays dealing with is very knowledgeable and able to investigate the *real value* of products and services. Not relying merely on logos, advertisements or past experiences, this is a consumer who has the power to be informed regarding any subject and who is likely to research before shopping any type of item.

Although information about a companies' products and services is regularly available on corporate websites, and its presence and importance are not neglected, other informal forms to access information has globally grown at a colossal pace. For instance, billions of consumers are using social networks today and they are willing to share their experiences with brands publicly. Therefore the contemporary marketer has the opportunity to instantly communicate with their customers and to receive immediate feedback from them. For the good and the bad, consumers are open to dialogue and they want their digital requests and messages to be attended, and answered.

1.2. Research Problem

As this study consists on the analysis of the consumer behavior within a financial crisis context, the investigation will have a focus on the ways the opinions and concerns that consumers share and discuss online are associated to the today's economic context.

In relation to the present telecommunications' sector many questions arise on how is the market currently changing and what are consumers more concerned about. In an industry that progressively continues to connect and to enthusiast an increasing number of people all over the world, as Kim *et al.* (2004) refer, the paradigm of mobile telecommunication services has shifted from voice-centered communication to *"a combination of high-speed data communication and multimedia"* (Kim *et al.*, 2004: 145). Change has driven the industry to restructure itself and has intensified competition among telecommunications providers, which regularly offer the same types of products on a similar price range. Additionally, Amin *et al.* (2012) conveyed that "*corporate image, switching cost, trust and service quality have significant effect on customer loyalty*" (Amin *et al.*, 2012: 282).

During the transition to the new paradigm, factors such as market saturation and the difficulty to expand business has been of major importance for telecommunication companies. Companies are restricting themselves and customer-oriented business strategies are being developed and implemented, in an attempt to retain existing customers; to maintain competitiveness and profits (Kim *et al.*, 2004). Nonetheless, in a market that offers similar services at identical price conditions, to raise customer loyalty and to gain new customers remains a difficult task for marketers.

1.3. Objectives

In the presented context and perspective, it seems that brands are, indeed, more fragile than ever. However, to consider this "struggle" merely as a threat that marketers have to deal with is facing the challenge on a dark perspective. On the bright side, there is an immense opportunity for brands and marketers to conquer the market. Thus, if marketers intend to reach, to gain and to ideally keep consumers loyal, it's essential that they observe and analyze the consumers' behavior and their preferences.

Hence, through the analysis of consumers' interactions on contemporary platforms where exchange of information and experiences is encouraged, the study aims to:

- Explore how the economic crisis is observed to exert influence on telecommunications' consumers;

- Analyze if Portuguese consumers are informed about the telecommunications' market and what motivates them to look for interaction;
- Discover the habits of telecommunications' consumers and emerging trends on their behavior;
- Find out which variables are of greater importance for the modern telecommunications' consumers and what mostly (dis)satisfies them;
- Understand to which extent the interaction between consumers on online platforms is capable to impact and influence other consumers' shopping decisions.

For the effect, it will be taken into account different sorts of subjects related to consumers' experiences with telecommunication operators, as it is the case of mobile communications and home telecommunication services; focusing on discovering different aspects related to Portuguese operators offer and services.

This study is targeted to Managers and Marketers within the telecommunications' industry who desire to enhance its brand's competitiveness by having access to a detailed report on what consumers are discussing on online platforms, how are the main Portuguese operators perceived and how are their online performance comparing to the fierce competition; to scholars with an interest on the national telecommunications' industry and in digital marketing strategies; and anyone else who wants to deepen the knowledge on how national operators are seen by their clients and consumers in general, within the present economic crisis context.

Additionally, it's expected the thoughts and conclusions which will be presented in the study will help not only Marketing Managers and Digital Marketing Managers from the Portuguese media holding companies which will be under analysis, but also other professionals and future professions operating in the industry to develop strategies which will allow them to engage with its online audience, and thus to enhance the relationships between consumers and brands not only in an online context but in general.

By providing relevant and recent data, the study will expose the consumers' opinions and expectations on such a complex market and, consequently, the study will furnish insights and knowledge that is adequate to stimulate innovative strategies in the telecommunications' field and to draw perspectives for the future of the industry.

CHAPTER 2 – THEORETICAL FRAMEWORK

2.1. Introduction

In this theoretical framework chapter, first it will be analyzed the reasons that caused the present economic crisis and the effects that the recessive economic environment triggered in countries and its populations. Thus, to complement the literature on the subject, numbers and figures from different sources regarding subjects such as unemployment and countries' debts will be presented. Also, with the view to understand how some companies reacted in the past to adverse economic conditions, some cases and their respective results will be mentioned.

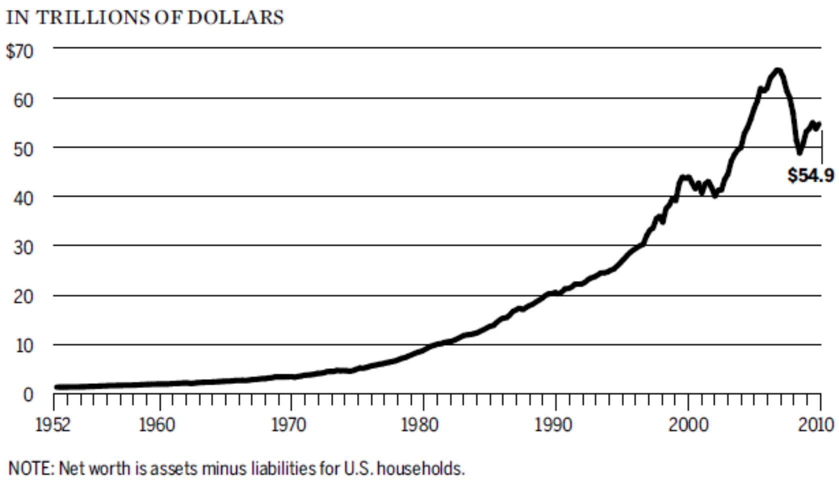
The second part of the chapter will consist on the literature review on the subject of consumer behavior, with a focus on the changes that the crisis and the democratization of the Internet brought to the consumers' decision making process.

Finally it will be described the concept of Word-Of-Mouth (WOM) and the important role that it plays on an online environment, such as virtual communities and social media platforms.

2.2. Economic Downturn

The excess of inadequately (and sometimes dishonestly) administration of investments in mortgage-backed securities based on valuations of high-risk mortgages is pointed by the U.S. Government's Financial Crisis Inquiry Commission (2011) as the reason for the beginning of the North American financial crisis – also known as *"the worst the world has seen since the Great Depression during 1929-33"* (Sagemann & Reese, 2011: 22). When the recession began in December 2007, U.S. households suffered its impact in the job market; in the access to credit; and in their net worth (The Financial Crisis Inquiry Commission, 2011). As Figure 2.1. illustrates, the household's net wealth in the US dropped-off 16,5% from its peak, between 2007 ($66 trillion) and 2010 ($54,9 trillion).

Figure 2.1. US Household Net Worth

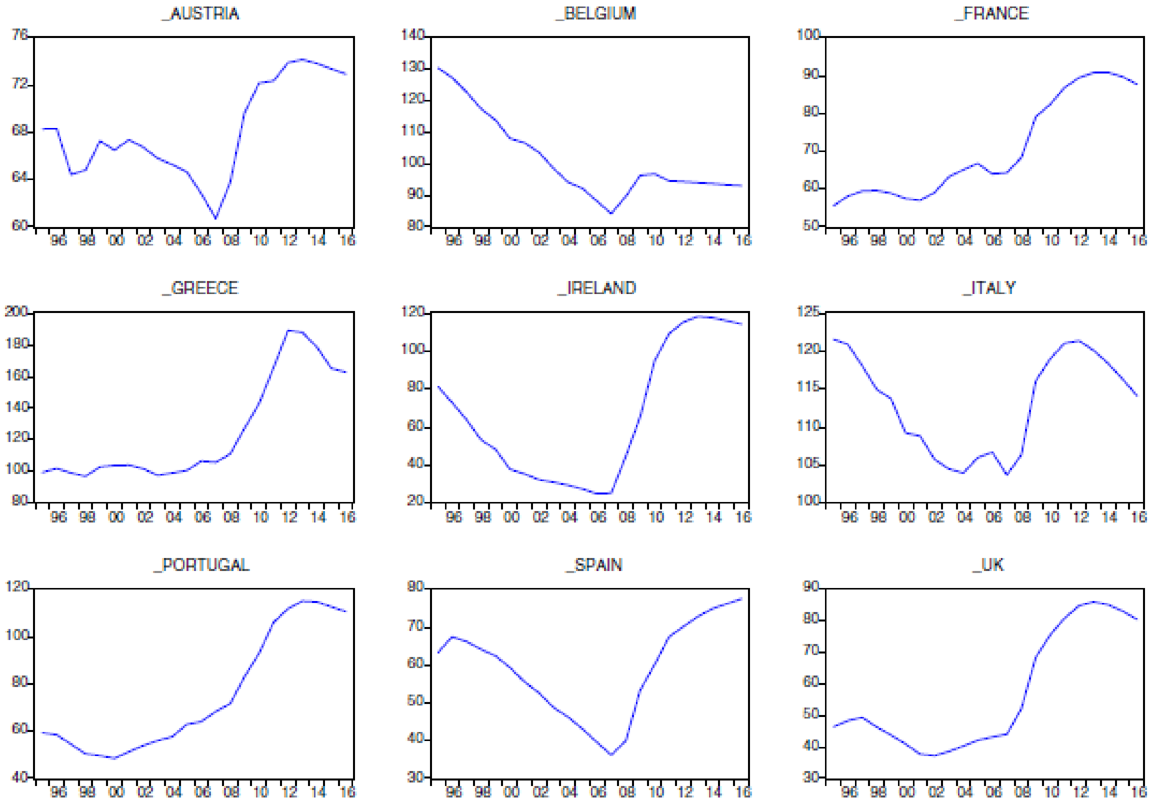


Source: The Financial Crisis Inquiry Commission (2011)

Thus, the U.S. mortgage-backed securities that were sold to European banks were the reported reason for the triggering and the deepening of the European crisis (Karanikolos *et al*., 2013), however some European countries developed property bubbles due to an artificial implementation of low interest rates and increasing borrowings over the years (Feldstein, 2012). Therefore, these financial crises turned on an deep economic crisis for Europe, with governments in several Eurozone countries being forced to increase their sovereign debts in order to rescue their own insolvent banks (Glencross, 2014).

Evidenced by Ureche-Rangau & Burietz (2013), Figure 2.2. demonstrates the rise of the debt-to-GDP ratio in nine countries of the European Union (EU), which is very pronounced for countries such as Portugal and Greece since the beginning of the economic crisis in 2008. In the end of 2010, Greece had a public debt of 142,8%, Italy 119%, Ireland 96,2% and Portugal 93% (Ali, 2012).

Figure 2.2. Government debt as a percentage of GDP

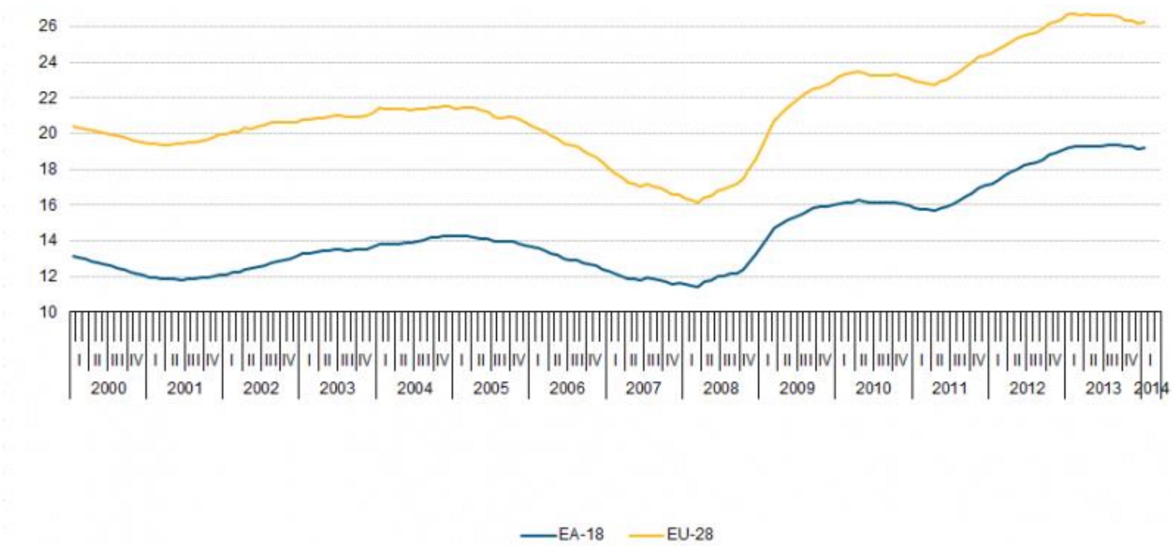


Source: Ureche-Rangau & Burietz (2013)

In a study regarding the subject, Dias (2012) stated that Greece, Ireland, Portugal and Spain are being particularly afflicted by the crisis and place themselves at the center of the turbulence and even elevates the subject to another level: *"This is a serious problem not only for the countries concerned but also for the euro as a currency adopted by a large number of European Union member states. The very future of the European Union may be at stake should the euro collapse"* (Dias, 2012: 2054).

As debt and uncertainty started to grow, so as unemployment did – especially in Southern Europe countries. For example, in Spain the unemployment rate increased from 8% in 2007 up to around 25% in 2012 (Gruppe & Lange, 2013). Figure 2.3. demonstrates the rising of unemployment rates all over the Eurozone since the beginning of the crisis (EA-18 represents the 18 countries in the Euro area and EU-28 representing all present European member states).

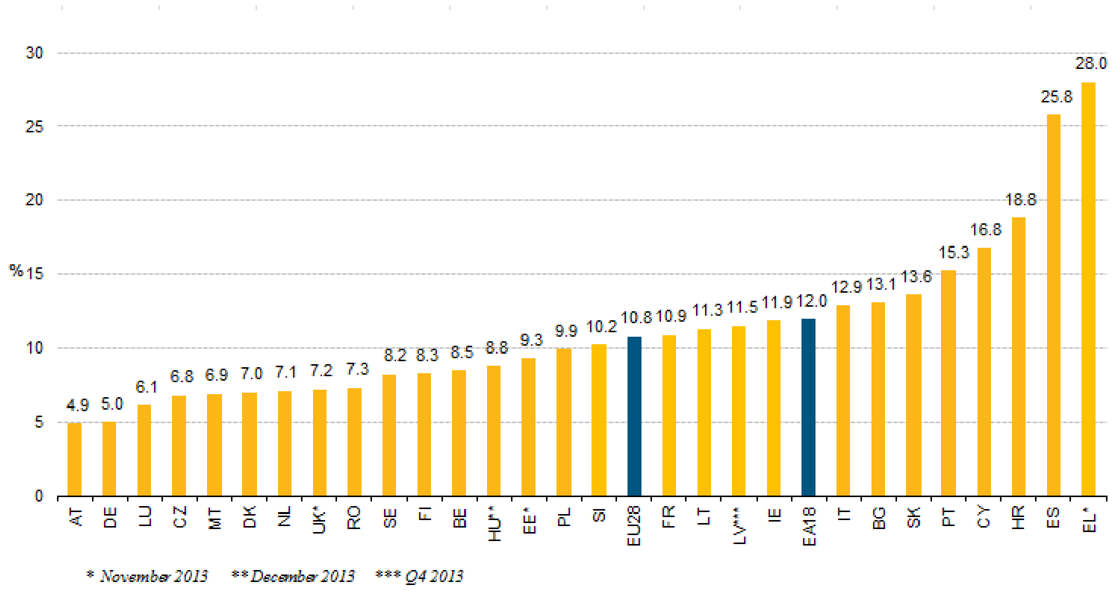
Figure 2.3. Unemployed persons (in millions), seasonally adjusted, in the EU-18 and EU-28 from January 2000 to January 2014



Source: Eurostat (2014b)

In January of 2014 the overall unemployment rate in the EU-28 was of 10,8% and of 12% in the EA-18 (Eurostat, 2014b). Figure 2.4. demonstrates the unemployment rates in that same period, with Greece leading the chart (28%), followed by Spain (25,8%), Croatia (18,8%), Cyprus (16,8%) and Portugal (15,3%).

Figure 2.4. Unemployment rates, seasonally adjusted, January 2014



Source: Eurostat (2014b)

Also in January 2014, the youth unemployment rate was of 23,4% (5.556 million young persons under 25) in the EU-28 and 24% (3.539 million young persons) in the Euro area, meaning that in every five young persons, one was unemployed but capable and looking for a job. (Eurostat, 2014b). In December of 2013 Greece had 59,2% of young unemployed persons available to work, Spain had 54,3% and Portugal had a 36,3% youth unemployment rate (Eurostat 2014a).

According to Eurostat (2014b), contributing to the dramatic panorama is the fact that for many people unemployment is experienced in the long-term: in 2012 4,6% of the labor force in the EU-27 was unemployed for more than one year, and 2,5% were in that situation for more than two years, situations which not only affect people's personal lives but which may, ultimately, impede economic growth.

Financial rescue packages and austerity policies have been developed and implemented by troika (ie, the International Monetary Fund, European Commission and European Central Bank) in countries that needed such bailouts, as it is the case of Greece, Ireland and Portugal (Pisani-Ferry *et al*., 2013). However these measures have been very controversial because austerity has shown to be negatively affecting economic growth much more than previously believed. In fact, countries that opted for fiscal stimulus – as it was the case of Germany – have recovered more quickly (Karanikolos *et al*., 2013).

2.2.2. Corporate Reactions to Recessive Economic Environments

Given such an adverse and controversial economic panorama, and with a blurred prospect for a better future in the meantime, brands and businesses are led to decrease their investments, spending less in marketing and communication campaigns. According to Maddox (2009), cited by Rollins *et al*. (2014), in the United States, in response to the recession, in 2009 *"... almost 60% of B2B companies…"* and *"… more than half of all high-tech and telecom providers cut their marketing budgets…"* (Rollins *et al*., 2014: 2728).

However, it has been demonstrated that when economic downturns are seen as opportunities and companies react by reinforcing its investment in marketing activities they may be able to seize their brand's top market position from competitors. Historically, it was the case of Camel Cigarettes and Chevrolet during the 1930's Great Depression in the US (Srinivasan *et al*., 2005) and, more recently, it was also the case of Target and WalMart which *"have both continued their investments in marketing during the recession and, as a result, have attracted new customers (e.g. Mahoney, 2009)*" (Rollins *et al*., 2014: 2728).

Thus, even though Marketing Executives face severe pressures to cut back on marketing investments during tense economic periods, firms which embody entrepreneurial and proactive cultures, place strategic emphasis on marketing and get the best of their resources, are the ones most apt to capitalize recession periods (Srinivasan *et al*., 2005). Other top brands such as Dell, Microsoft and BMW are examples of companies which plan and develop marketing strategies appropriate to recessive periods and which experienced it's not necessary for a recession period to end to collect the benefits from marketing investment because normally such strategies have immediate returns (Srinivasan *et al*., 2005).

Nevertheless, a significant change that has been occurring during the present economic recession has been the shifting of marketing resources from traditional activities towards e-marketing across industries. Not only Business-to-Consumer (B2C) companies but also Business-to-Business (B2B) companies have been adapting to technological ways of reaching and impacting targets. In fact, B2B companies are currently investing more in social media than B2C companies (Rollins *et al*., 2014).

2.3. The Consumer Behavior

Consumer behavior is one of the greatest absorbing and important concepts in the marketing exercise whereas it relates to the study of the agents and processes that affect and influence individuals or groups' behavior towards products and services. In order to understand the variables that contribute to the consumers' decision making process, over time, several studies have been done examining and theorizing about consumers' behavior. Sigmund Freud and many neo-Freudian social theorists established greatly important psychoanalytic theories and philosophies that largely influenced many distinct areas, including marketing. Erich Fromm, a German psychoanalyst, influenced the work of motivation researchers by pointing up *"... man's loneliness in society and his seeking of love, brotherliness, and security"* (Kassarjian, 1971: 410).

Motivations for the buying process of consumers have been pointed in two dimensions by Webster Jr. & Wind (1972): First, *"task-related motives"* – in regard to specific buying problems that need to be solved and involve the criteria of buying *"... the right quality in the right quantity at the right price for delivery at the right time from the right source"* (Webster Jr. and Wind, 1972: 19) – and second, *"nontask motives"* – in regard to motives of achievement (related to personal advancement and recognition) and risk-reduction (the need of avoiding uncertainty and the outcomes from unusual decisions).

Even though consumers may have different consuming styles for different product categories (Sproles and Kendall, 1986), according to Laurent and Kapferer (1985), the level of involvement between a consumer and a product category or a brand will differ not only on the extent of the consumer's decision process but also on his search for information.

2.3.1. The Consumer Behavior in a Recessive Economic Environment

The recessive economic environment European consumers are experiencing exerts direct impact on their lives and on their consumer habits. "Precarity" and insecurity are affecting millions of people which face reality with the fear of not being able to maintain a certain lifestyle; of losing their social status; and to recede in the social ladder (Dörre, 2006). Indeed, job instability is not considered what it once was. In 1999, Bernhardt *et al*. conveyed that, job instability was not necessarily a bad thing *"... but the benefits are not what they used to be."* In the past, *"job shopping"* generated wage growth to young adults but those gains were no longer being felt by them, especially those with less education (Bernhardt *et al*., 1999: 87).

Previously to the recession period, for more than 15 years, asset values and incomes grew more rapidly than inflation and thus new appetites emerged: consumers were encouraged to experience extravagant shopping; keep up with latest gadgets; travel and have fun (Flatters & Willmott, 2009). In 1997, Firat and Schultz came up with the nomenclature for the postmodern human: the "*Homo consumericus",* a creature defined by not only consumption but also from the experiences derived therefrom (Firat, 1997).

Thus, as western consumers experience a reduction in their financial power and sense a lack of confidence in the economic future (Cundiff, 1975), the consumer tends to spend less money and to save more of his disposable income. However, while less-materialistic consumers who favor simpler lifestyles seem to adapt better to crisis conditions (Shama, 1981), when those whose mind-set had been, for decades, in favor of spending, loans and reckless consumerism were suddenly confronted with less resources they had to face stress (Burroughs & Denton, 1997), disillusionment and sobering (Faganel, 2011). However, the current concerns consumers have with their economic future tends to turn them more cautious on returning to past levels of borrowing and spending (Schooley & Worden, 2010). A study regarding consumer consumption during the oil crisis from the 1970s in the US revealed that, at the time, 78% of consumers started to judge products and services differently; 88,9% became more comparative shoppers; and 86,7% turned less wasteful (Shama, 1978).

During hard economic times *"fewer purchases are made; purchases of selected products, especially luxuries, are postponed; price becomes a more critical consideration in decision-making; and purchases are driven more by specific benefits sought"* (Ang *et al*., 2000: 97)*;* information searches regarding comparison of prices and product benefits across brands become more intense and thus consumers become more educated about brands (Ang *et al*., 2000). If generally price exerts much importance on consumers' attitudes towards brands and products (Lichtenstein *et al*., 1993), during recession periods shopping adjustments are made and more value for money considerations are taken. Ang *et al*. (2000) demonstrated that, during the Asian economic crisis in the 1990s, consumers tended to put more importance on price, which led them to move from buying better-known brands to lesser-known ones.

2.3.2. The Online Consumer Behavior

Back in 1971 it was established that economically developed countries concentrated more information power and knowledge among consumers with higher education and higher income (Thorelli, 1971). However, a total change of paradigms occurred since the apparition of Internet and the openness of barriers to search, collect, store, process, use, and share information (Feldman, 2002). At a "click" distance, any consumer has access to a wide range of information regarding products and services and regardless of any demographic variable. Nonetheless, the role of gender, for example, has been object of study regarding how it may affect users' web experience, their exploratory behavior and level of involvement with websites (Richard *et al*., 2010).

Because of the large amount of today's available online tools to easily access information, the contemporary consumer continues to become ever more agile and knowledgeable. Not only the consumer is purchasing items on a "friction-free" form – ie, not dealing with actual cash but with virtual money – but also he became less loyal to brands. (Flatters & Willmott, 2009) named this trend as "Mercurial consumption".

A different aspect of the consumer behavior on an online environment, contrarily to an offline shopping context, is that consumers base their shopping decisions on limited product representations (e.g. photographs, etc.) and not on human's five senses. Thus, such online representations of products have demonstrated to be relevant for influencing consumers' attitudes towards their purchasing intentions (Pereira, 2008).

Moreover, if traditionally consumers used the Internet to simply expend content (read it, watch it) and then use it to buy products and services, nowadays the paradigm has changed. The today's online consumer actively participates in content generation, shares it across platforms and starts discussions with and about brands. Thus, brands are no longer in control of the conversation but instead, at the core of existing online content, is the client (Kietzmann *et al*., 2011). Thus, for brands, to understand *"... how online trust is created and maintained can lead to improved Web sites, sales revenues, profitability, and ultimately shareholder value."* (Shankar *et al*., 2002: 326).

2.4. Word-Of-Mouth Communication

Word-Of-Mouth, or the act of disseminating information on a consumer-to-consumer basis, is not new. In fact, in 1987 it was defined the term *"market mavens"*, in relation to individuals who possessed information on a series of products, stores and other facets of the market and who started discussions and respond to information requests about those subjects with other consumers (Feick & Price, 1987). In addition, the concept of *"price* *mavenism"* was related to the degree to which a person was a source of information for others regarding price of products and places to shop at the lowest price (Lichtenstein *et al*., 1993).

Moreover, there is evidence that people who are likely to engage in discussions and express their opinion on products normally feel that those products are closely aligned to their self-image and, in a way, tell others "who they are" (Chung & Darke, 2006). Also, by reinforcing their individuality through sharing thoughts and opinions with others, these individuals are considered opinion leaders (Chan & Misra, 1990). Nonetheless the reasons which lead these individuals to provide information to others may come from different personal motivations, normally it's indeed a way of helping others (Ho & Dempsey, 2010). Therefore, as *"customers want to trust an advisor to save time and make a better decision"*(Urban, 2005: 158), the importance of such actors should not be devalued by brands because they personify an important role of product advisors. In fact, more brands recognize this to the point of using testimonial advertising to promote their products (Li & Zhan, 2011).

Thus referring to *"informal, person-to-person communication between a perceived noncommercial communicator and a receiver regarding a brand, a product, an organization, or a service"* (Harrison-Walker, 2011: 63), Word-Of-Mouth's (WOM) importance on an online environment is of great extent. Although WOM isn't limited to the Internet, some brands encourage electronic-WOM (e-WOM) by providing their clients with the necessary tools to review their products on their websites. It is the case of some of the largest online retailers today, such as Amazon or eBay, which rely in e-WOM to promote their products among consumers (Goldenberg *et al*., 2012).

In order to analyze how individuals would have their shopping decisions influenced by e-WOM, defining two theoretical perspectives – *"the elaboration-likelihood (ELM) and the heuristic–systematic models (HSM)"* – a study simulated a realistic shopping website which included consumer reviews. After presenting it to a sample of users, the experiment demonstrated that e-WOM exerted different influence for two different types of consumers: 1) those individuals more motivated to process information and 2) those individuals less motivated to process information, and thus thinking less about it. Thus, one single recommendation was enough for the more motivated consumers to reconsider and change their personal preferences, because they needed to feel secure that they were choosing the product with more probability of delivering better results. However, while motivated consumers didn't end up opting for less good products, less motivated consumers opted for inferior products more easily due to the influence of other consumers' reviews (Gupta & Harris, 2010).

Based on the principle that WOM and e-WOM contain product information from the user perspective, another study conducted an experiment to explore how consumers tend to process online consumer reviews, depending on their level of expertise regarding the product or service. It was demonstrated that consumers with different levels of expertise (experts and novices) on a product process online reviews in different ways: while experts put more importance on information regarding attributes, novices are more concerned about benefit-focused reviews (Park & Kim, 2008).

2.4.1. Virtual Communities and Social Media Platforms

> *"It used to be that a person's community was defined by his or her proximity to others. Since the creation of the Internet, however, borders have been blurred and community has come to encompass groups of communicators, regardless of their physical or temporal location (Donaldson, 2001)"* (Radin *et al*., 2007)

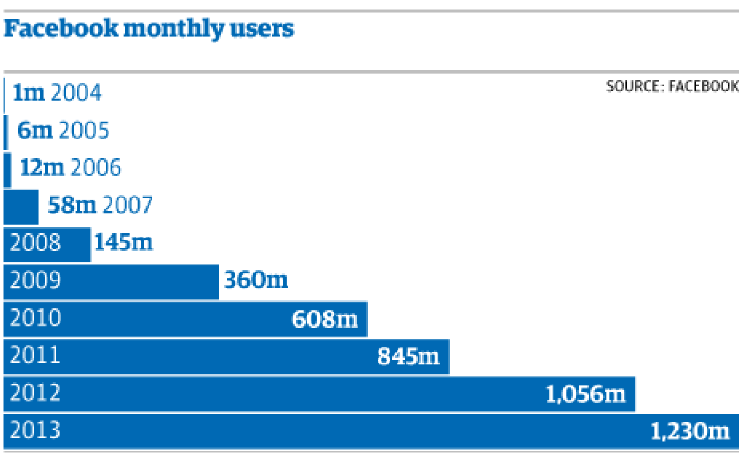
The democratization of the web, i.e., the ways the contemporary Internet user accesses and contributes to the Internet, and the emergence of the Web 2.0 has made the World Wide Web to shift from a medium of transmitting and consuming information into a platform where *"… content is created, shared, remixed and repurposed…"* in a *"… more interactive, customized, social, and media intensive"* way (Cheung & Lee, 2009: 279, 280).

Virtual communities continue to gain visibility in society. Blogging, for instance, has been pointed as one of the most popular, prominent and powerful tool to disseminate information and to shape public opinion (Perlmutter & Schoen, 2007). Also, according to Thompson (2003), Senecal and Nantel (2004) and Chevalier and Mayzlin (2006), cited by Dellarocas (2006), there is a growing evidence that e-WOM in online forums not only contributes for shaping public opinion but, most importantly for marketers, to influence consumers in several of their purchasing decisions. Hence, as one would expect, some brands have been adopting many forms of manipulative strategies in online forums so they can influence consumers' perceptions.

As innovative virtual communities continue to arise, each of it developed with its own purpose, social networks play an important role for marketers who intend to reach web consumers because, in such an increasingly popular type of social media platform, consumers are able to create and to cultivate relationships among each other (e.g. friends, colleagues, family…) and with different kinds of organizations. Regarding some general actions social networks provide to its users are the ability to construct a public/semi-public profile; to connect with other users; and to see the list of connections made by others (Boyd & Ellison, 2008). Other aspect which is generally associated with social networks is the possibility to easily share content of different formats (text, photos, videos, audio, etc.) and to give and to receive feedback on the shared content. Normally, each social network has a specific focus on a determined type of content, as it is the case of Youtube or Vimeo for video sharing; Spotify or Soundcloud for music; Flickr and Instagram for photography; etc.

Founded in 2004, Facebook has "relationships" at the core of its functional traits (Kietzmann *et al.*, 2011). Today, it is the social network with more users in the world, with more than one billion registered users (Facebook, 2014). Figure 2.5. exhibits the evolution of the social network's adoption since its foundation. However, it's reported that in 2011 around 200 social networks were active on the web and, besides Facebook, the most popular were Twitter, Badoo and Google+ (Howmanyarethere, 2011).

Figure 2.5. Facebook monthly users from 2004 to 2013

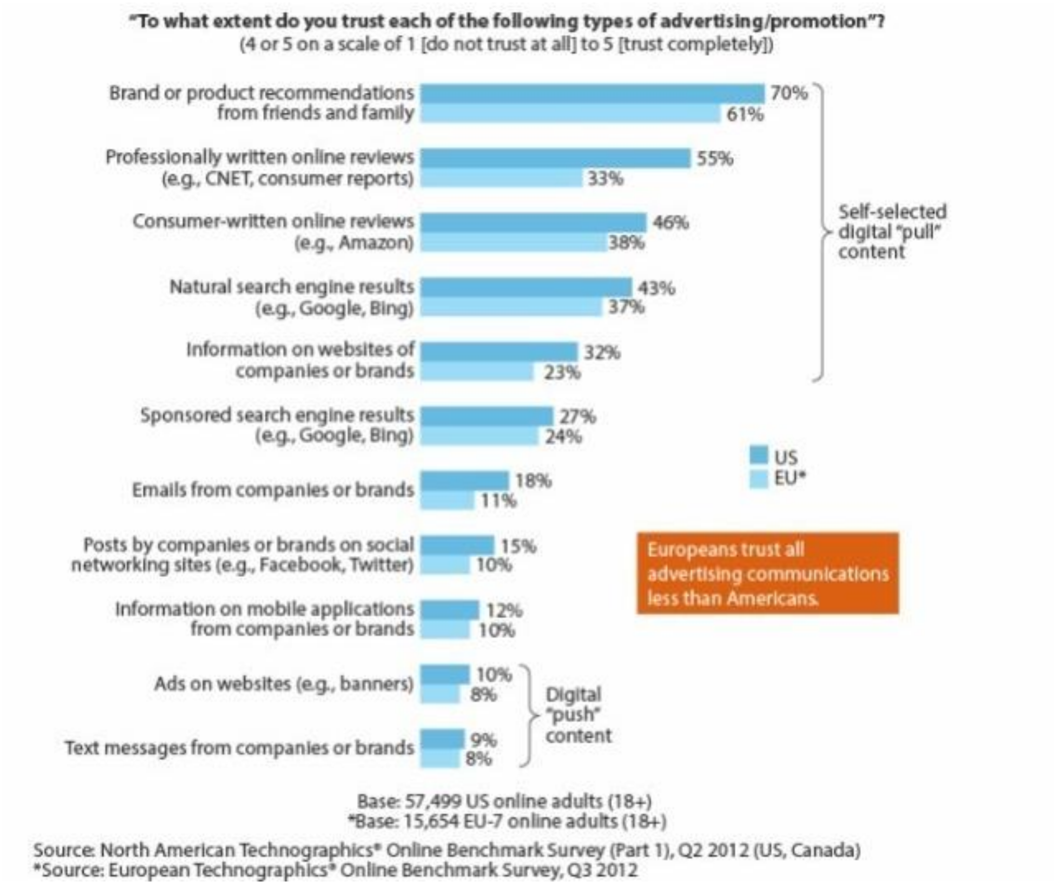


Source: Facebook Newsroom and The Guardian (2014)

Considering that some consumers are able to exert a certain power of influence over others in a social network, Katona *et al*. (2011) estimated a *"discrete-time proportional hazard-rate model"* in order to discover which factors weighted the most in such occasions. Their study indicated four interesting aspects. First, regarding high-involvement products, individuals with fewer connections may play a greater influencer role convincing others in their network to adopt such products. Second, regarding low-involvement products, highly connected individuals have a greater overall influence over their connections in this category. Third, it was demonstrated that the existence of "already-adopter neighbors" increases the chances of potential adopters to become adopters ("clustering effect"). Finally, it's pointed out that variables as age and population density of an individual's hometown played a small but yet significant effect on adoption; while gender and social status were not significant on influencing the network's adoption level.

Indeed, a preeminent study from Forrester Research based on 58.000 responses from online and social network consumers enlightens that in Europe 61% of consumers trusted brand recommendations from friends and 38% trusted consumers' reviews (Mashable, 2013). Figure 2.6. exhibits the extent of trust consumers put on different self-selected content and push marketing communications, indicating that consumers trust e-WOM the most.

Figure 2.6. Trust levels on different kinds of marketing messages



Source: Mashable (2013)

Thus, in an attempt of enhancing the engagement with their customers and brand followers, a growing number of brands and e-commerce sites are reinforcing their presence in social networks and actively interacting with customers. Additionally, more e-commerce companies are, for example, adding social networks to their product-network-based recommendation systems. Such integration of social networks in the e-store's online shopping structure creates a "dual network-structure", and results demonstrate that not only the ways consumers find products has improved, but also overall levels of consumer satisfaction have increased (Goldenberg *et al*., 2012).

2.5. Conclusions

This chapter aimed to define and study the fundamental concepts on the basis of this master thesis, in order to provide knowledge on the subject and to identify what is contributing to influence the behavior of the contemporary western consumer.

Thus, it was analyzed the current economic environment in which European countries – and more specifically, Southern European countries such as Portugal, Spain and Greece – are "submerged". Originated after the North American's financial crisis of 2008, this crisis led to an increased level of debt from governments, families and companies and, therefore, it contributed for the high rates of unemployment that such countries are facing.

Then it was presented scientific literature on the consumer behavior: a consumer which is defined by not only being experiencing uncertainty due to the economic crisis but also who has an increasing access to an extensive source of knowledge regarding products and services, by consulting different types of online platforms.

Since the platforms that able the consumers to connect to their peers keep on multiplying and due to the important role that such platforms have on influencing the consumers perceptions on products and services, the third part of this chapter focused on the literature which describes the power of such Web 2.0 platforms, as it is the case of blogs, online forums and social networks.

Thus, it is intended that the exposed knowledge, definitions and figures will also contribute for understanding the next chapter of this project, which will consist on defining the present telecommunication's industry panorama in the world and, furthermore, in Portugal.

CHAPTER 3 – THE TELECOMMUNICATIONS' INDUSTRY

3.1. Introduction

Only through communication it has been possible for human societies to evolve and to provide more life quality to people. Communications are at the center of human behavior, and today telecommunications play a crucial role for us. Telecommunications turned the access to knowledge, information, entertainment, culture or health more easy and rapid to billions of people, and the numbers of interconnections just keep on increasing whilst the adoption of telecommunication technologies in developing countries continues to expand.

The dynamism of the telecommunications' industry has a substantial economic contribution to the worldwide GDP. In 2012, telecommunication operators alone contributed to circa 1,4% of the global GDP, and the overall revenue of this market ecosystem is estimated to be of around 1,2 billion EUR, or almost 2,2% of the global GDP (GSMA Wireless Intelligence & A.T. Kearney Analysis, 2013). In Portugal, the country in which this study has its scope on, the number of active mobile devices surpasses the number of the country's inhabitants (ANACOM, 2013c). Given such a national dimension it seems clear the importance for an analysis of the players and services offered within the national market.

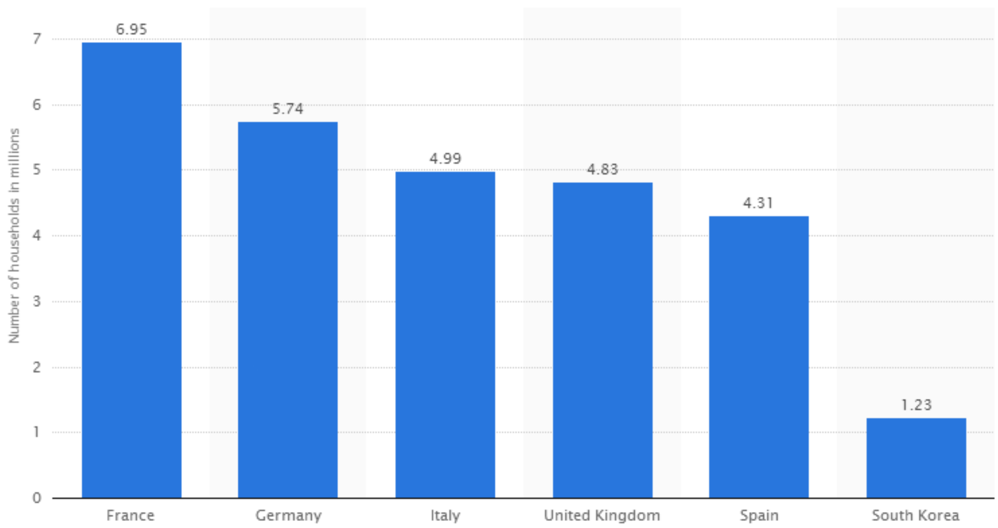
Thus, this chapter is intended to firstly define the global telecommunications' market and then to provide knowledge on the Portuguese telecommunication's market, in terms of operating companies in the country and relevant data regarding telecommunications adoption.

3.2. The Global Telecommunications Market

Beforehand it's important to delineate what composes the telecommunications sector. Therefore, fixed lines, mobile operators and cable solutions are to be included in the telecoms spectrum of services – nonetheless the boundaries between services progressively have eroded, due to the growth of the Internet and its service providers (Fildes & Kumar 2002). Thus, as is the case of "smart boxes", which enable users to perform similar actions as the ones computers, mobile phones or fixed lines provide, all innovations in use must be considered within the telecommunications range of services.

Concerning the case of cable television, on a sociological level, subscription to cable TV is considered to have an impact on human relations within households. Watching TV in later evening hours; entertaining at home; and spending time with the family, were all pointed to have increased as a result of the adoption of the technology at home (Rothe, James T. *et al.*, 1983). Likewise, this is a market which continues to expand. In 2012 there were 864 million pay TV (subscription based channels) consumers worldwide and it was projected that the number would rise to 895 million in 2013 (Statistab, 2014). Regarding connected TV (or Smart TV), the technology which converges computers with television and set-top boxes, integrated with Internet and smartphones capabilities (Business Insider, 2010), this technology's adoption is also growing. In 2016 France is projected to reach almost 7 million households subscribing to the service, as it's shown on Figure 3.1. (Statista, 2014a).

Figure 3.1. Number of Households with Connected TV, and without pay TV in selected countries, in 2016 (in millions)



Source: Statista (2014a)

Regarding the mobile era contemporary society is deeply immersed in, the Mobile Economy Report states that almost half the worldwide population is using mobile communications. The mobile market has approximately 3,4 billion subscribers; is expected to reach the 4 billion mark in 2018; and despite the economic difficulties many countries are dealing with, the number of people accessing mobile communications is growing at a 7,6% rate per annum (GSMA Wireless Intelligence & A.T. Kearney Analysis, 2013).

Another interesting trend regards to the increasing usage and popularity of smartphones. The smartphones' market continues to grow, as well as the time spent on such handsets: in the United Kingdom, the average time that consumers are spending on their smartphones is 128 minutes per day. Also, smartphones are changing the ways people interact with each other: while traditional voice calls and SMS are decreasing in importance, accessing the Internet and social networks through a smartphone is growing in popularity and becoming the primary device with which some people access the Internet (GSMA Wireless Intelligence & A.T. Kearney Analysis, 2013).

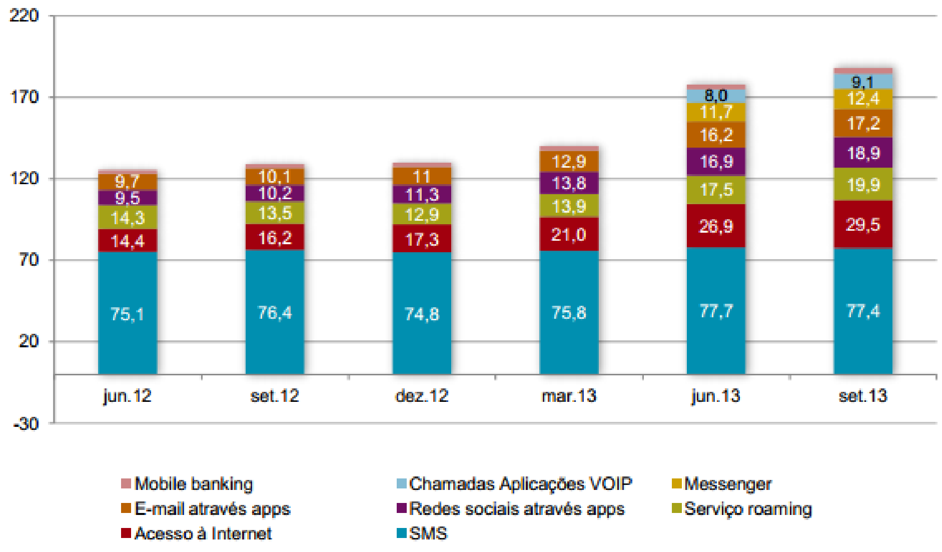
However, whilst the market is growing in terms of users, the revenues for network operators appear to be moving slowly: the APRU (Average Revenue Per User) has been declining across every region in the world, mainly due to two major reasons: first, price pressures exerted over operators; and second, the fact multi-SIM consumers are using SIMs from operators that practice lower tariffs and that offer access at lower price points. While the European ARPU for the year of 2008 was of circa 24,4 EUR, in 2012 it was of around 17,85 EUR, an up to -7% decline (GSMA Wireless Intelligence & A.T. Kearney Analysis, 2013).

3.3. The Portuguese Telecommunications Market

By July of 2013, Portugal was estimated to have around 10,8 million inhabitants (CIA, 2013) but, during the third trimester of the same year, ANACOM (Autoridade Nacional de Comunicações) reported nearly 16,7 million active mobile devices and circa 11,8 million mobile devices performing broadband activities (ANACOM, 2013c).

Regarding the types of mobile devices that national consumers use the most, in September of 2013 smartphones composed a considerable slice of the market, with 38,2% of market share (ANACOM, 2013c). Figure 3.2. demonstrates the types of services that mobile consumers normally use – besides making and receiving calls – and by analyzing it one may observe that not only SMS leads the top of most commonly used services by mobile consumers, but also that Internet Access, Social Networks and Apps including VOIP (Voice Over Internet Protocol) services continue to increase.

Figure 3.2. Services Portuguese Mobile Consumers mostly use, besides Voice Calls

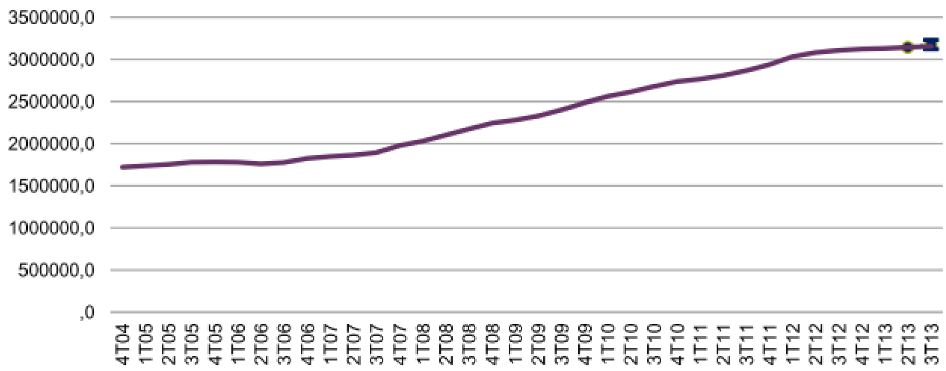


Source: ANACOM (2013c)

Other aspect that continues on gaining evidence in the Portuguese telecommunications' market is the consumers' tendency to subscribe "services packs". During the third trimester of 2013, nearly 89,7% of users accessed fixed broadband through a contracted "services pack": 9% contracted a double-play pack along with TV or telephone; while 80,7% contracted a triple-play (with TV + telephone), quadruple play (TV + telephone + mobile broadband) or quintuple play service (ANACOM, 2013a).

As regards to subscribed TV, 76,4% of TV consumers contracted the service also on a "services pack" integration ANACOM (2013b). However, while market saturation appears to be the reason why business growth in the national market is an increasing challenge for TV operators, adoption of subscribed TV still presents an ascending tendency, as it is shown on Figure 3.3.

Figure 3.3. Evolution of the total of subscribers of TV service in Portugal



Source: ANACOM (2013b)

3.3.1. The Portuguese Telecommunication Operators

Regarding the national market players, four independent telecommunications operators control the major part of the market: ZON OPTIMUS, Portugal Telecom, Vodafone and Cabovisão.

In the end of the third trimester of 2013, concerning TV subscriptions, ANACOM (2013b) estimated 49,3% of market share for ZON OPTIMUS; 41% for Portugal Telecom (MEO); 7,2% for Cabovisão; and 2,3% to Vodafone. However, regarding mobile communications, Portugal Telecom led the rank (46,3%), followed by Vodafone (36,5%) and ZON OPTIMUS (15,1%). As, at the time, Cabovisão didn't provide mobile communications within its offer, the company wasn't in the list. However, other minor players were present in the segment, as it was the case of Lycamobile (1,6%), CTT (0,3%) and Mundio Mobile (0,2%).

3.3.1.1. Portugal Telecom

As regards to Portugal Telecom, the company recently went through a major restructuring, as it merged with the Brazilian telecommunications operator Oi, after some months of rumors on the creation of the Luso-Brazilian giant operating in the telecommunications market. Officially announced on the 2nd of October of 2013, the

$14,3 billion dollar operation was considered one of the biggest affairs of 2013 (Jornal de Negócios, 2013a) and resulted on the operator to count with around 100 million worldwide clients (Jornal de Negócios, 2013b). Nonetheless, the process is not still 100% concluded and it is not yet known the final result regarding the corporate brand. Initially it was referred the name "Corpco" but there is not a confirmation at this time if this will or not be the final name of the company.

Regarding its services, major changes have also been recently executed, as it was the case of TMN's extinction, the company's past mobile communications brand. Thus, the former brand now functions under MEO's umbrella, a service which previously only comprised home telecommunication services and now also offers a quadruple play (4Play) deal package for families. According to Dinheiro Vivo (2013), in September 2013 TMN had 7,8 million clients and around 46,5% market share but its brand value was in a stagnant position (mostly due to high communication efforts of competitors ZON OPTIMUS and Vodafone, which were perceived by the consumers as more appealing and innovative brands). Therefore, the extinction of TMN and its transition to MEO was an expected step, as TMN declined its investment in communication during 2013, while the company put, at the same time, MEO on the center of its marketing efforts. As result, on a sector impacted by consumption deceleration, MEO has been able to conduct Portugal Telecom to grow: until September of 2013 the number of the company's mobile clients grew by 5,7%, sustained by its 4Play service, which counted 1,3 million subscribed services until November of 2013 (Dinheiro Vivo, 2013).

3.3.1.2. ZON OPTIMUS

Similarly, ZON OPTIMUS have also been through a major restructuration, not a long time ago. The company is now the result of a merger occurred in 27th of August of 2013 (ANACOM, 2013b) between ZON Multimedia – a Portuguese telecommunications company operating on media areas, interactive services and Internet – and Optimus – a Portuguese mobile telecommunications company from Sonaecom (Sonae's communications' company). Regarding its presence in the Portuguese market, nowadays "*ZON OPTIMUS is trusted by circa 1,6 million subscription TV clients, 917 thousand fixed broadband clients, 1,17 million fixed telephone line clients and 3,6 million mobile clients in Portugal*" (Zon Optimus, 2013).

Offering similar package deals as the ones of Portugal Telecom, ZON OPTIMUS provides telecommunication services under the IRIS umbrella, a service which have received several national awards, including Product of the year, and Consumer's choice, and even international awards for its innovative User Interface (UI) design (Zon Optimus, 2013).

Additionally, ZON OPTIMUS is leader on cinematographic exhibition in Portugal, owning more than 200 exhibition rooms across the country; and also has an international presence in Angola and Mozambique, through a joint-venture with ZAP, an Angolan TV operator.

3.3.1.3. Vodafone Portugal

As for Vodafone Portugal, the multinational English company was considered number one on the index of highest clients' satisfaction in the Portuguese telecommunications market (Vida Economica, 2014) and it currently is the second biggest mobile company operating in the country.

However, Vodafone has been witnessing a big decline on its mobile market share: while in the end of December of 2012 the company had 6.267 mobile clients, it ended 2013 with only 5.774 mobile users – an almost half million clients' difference (TeK, 2014). Confronted with the decline, in February 2014 Vodafone Portugal's President Mário Vaz stated the decline was due to the operator's change on its tariff plans structure, which now has several services included (and which, therefore, diminished the total number of active SIM cards), and to the network's monopolistic situation competition benefits in certain geographic areas (Jornal de Negócios, 2014b).

Additionally, Vodafone Portugal's President affirmed the company planned to invest *"…500 Million EUR in the next two years, a significant part of it, around 200 Million EUR, will be applied in fibre-optic…"* from April 2014 until March 2016; and that *"I'd say we will probably be the operator which is growing the most at an excellent rhythm, more than triplicating its number of clients…"*, majorly in 3Play home telecommunication services (Jornal de Negócios, 2014c). Also, similarly to Portugal Telecom's and ZON OPTIMUS' offer, Vodafone launched a 4Play service that combines mobile communications into TV subscription + fixed line telephone + Internet, and named it as Vodafone RED.

3.3.1.4. Cabovisão

Regarding Cabovisão, the Portuguese company started its activity in 1993 and, since the beginning, it has been a pioneer providing cable TV services in areas where other operators didn't invest. Today it counts with over 700 thousand clients and has one of the biggest fibre-optic networks in the country (Cabovisão, 2014). In March 2014, the company took another innovative step in the telecommunications market, by providing to its clients home telecommunications' deal packages which do not oblige them to maintain a retention period (binding period) with the company (generally, operators make contracts that last a period of 12 to 24 months on new contracts or when altering items in a contract). Such decision may have resulted from hearing a great amount of consumers demanding binding periods in telecommunication services to be over: in October of 2013 DECO (Associação Portuguesa para a Defesa do Consumidor) promoted a campaign and a public petition on the subject and, as a result, 157.913 consumers signed the petition asking for such conditions to disappear, thus providing them more flexibility (DECO, 2013).

In pair to the launching of the service free of binding periods, Cabovisão invested 7,50 Million EUR on the biggest multimedia communication campaign in the company's history. According to the company's General Director João Zuquete da Silva, such strategy had the following objectives: *"... to reverse the consumers' tendency that only the operators that communicate are the ones who exist";* and to increase the company's growth in the country. However, at the time of the study, Cabovisão still doesn't offer a 4Play service (only 3Play) because the operator does not provide mobile communications as the other three major competitors do. According to the company's General Director, *"... right now, it's not an obstacle to Cabovisão's development"*, as he considers the present offers from competitors as *"expensive"*. Nevertheless, the company seems to be analyzing that possibility and it have been on conversations with mobile operators for the possibility of to being a virtual mobile operator: *"Strategically, it makes sense",* says the President (TVI24, 2014).

Nonetheless, the company may be facing some severe changes in the near future. In 07/April/2014 Rick Matilla, a Mitsubishi UJF analyst, announced that Altice – the Luxembourger company that owns 100% of Cabovisão – was going to acquire French mobile operator SFR. As a consequence of the billionaire business trade (13,5 Billion EUR), Cabovisão might be under the risk of being sold to other telecommunications operator. Apparently, Vodafone is the most (*"...obvious..."*) potential buyer, and by doing so Vodafone would thus*"...alleviate its aggressive strategy of price setting"* (Jornal de Negócios, 2014a).

3.3.1.5. Other operators

Additionally to the major four telecommunication providers, other minor mobile players are present in the market, and some of them offer lower cost services and charge prices far below the average for mobile communications. It is the case of the recently-arrived Lycamobile, which will be presented later on in the study, in Chapter 5.

3.4. Conclusions

The inclusion of this chapter within the investigation project had as its main objectives to describe and to demonstrate the importance telecommunication's industry exerts over consumers' lives and on a worldwide business context, as well as to draw a picture on the main aspects, operators and services that consumers are expected to be discussing on the web, during the investigation which will be performed later on.

It was presented the main consumer trends on the western world, regarding the adoption of different telecommunication services, with a particular focus on TV subscriptions and mobile services so that one can better understand how consumers are spending their time and resources with such telecommunication services.

Additionally, the Portuguese telecommunications market was explored, not only in terms of national consumers' preferences but also describing the four major independent telecom operators – Portugal Telecom, ZON OPTIMUS, Vodafone and Cabovisão – and how they place themselves within the market at the moment, thus covering important aspects such as their market share, corporate and marketing strategies, and challenges and changes they face today.

Following the theoretical framework carried out during the second chapter, the next section will be presenting and describing the exploratory mean by which the study of this industry will be based upon.

CHAPTER 4 – METHODOLOGY

4.1. Introduction

The use of qualitative research methods have long been applied to study consumers' behavior and preferences. Thus, in-depth interviews, focus groups or "market-oriented Ethnography" are some examples of methods that researchers traditionally use to understand consumers preferences (Thompson, 1997; Calder, 1977; Arnould and Wallendorf, 1994; cited by Sandlin, 2007).

However, since the Internet emergence, and its evolution and expansion, that consumers changed the ways they buy and interact with each other. Today, consumers gather in Internet based platforms and thus, to study such interactions, a derivation of the traditional Ethnography has become a popular research method for social scientists, due to its characteristics and attributes.

Hence, this chapter is aimed to introduce the methods by which the e-WOM study will be performed, and to describe the characteristics, advantages and possible limitations of such chosen methodology.

4.2. Exploratory Study – Netnography

The study in this matter is part of a major project conducted by ISCTE-IUL *Marketing Future Cast Lab* which had interest on studying how Portuguese consumers were responding to the present economic downturn in several different areas of consumption. Thus, given that online platforms play an increasing role in today's contemporary economy a study within such platforms was of obvious interest and importance. Hence, it was defined that the most appropriate method to draw conclusions on how consumers interact online would be by observation, i.e., through an exploratory study.

Consisting on the opinions of a sample of people, who may contribute with ideas and knowledge linked to the phenomena under investigation (Churchill, 1979), the exploratory study within this project will be achieved through the usage of a research tool that allows researchers to capture and critically examine *"the education and learning* *occurring in informal sites of consumer education, especially in online communities"* (Sandlin, 2007: 288): the Netnographic research tool.

Netnography is a commendable anthropological research method for analyzing and building knowledge about specific research questions on the Internet. As the presented method is a variation of Ethnography – the traditional form of an observational research method – Netnography also presents the characteristics of a qualitative research methodology. As defined by Bobby J. Calder (1977): *"For most marketers, qualitative research is defined by the absence of numerical measurement and statistical analysis. Qualitative research provides an in-depth, if necessarily subjective, understanding of the consumer"* (Calder 1977: 353). In addition, as researchers Jiyao Xun and Jonathan Reynolds (2010) refer:

> *"… Netnography is a powerful practice by switching among different techniques such as participant observation, non-participant observation and email / instant messaging interviews to optimally address research objectives"* (Xun & Reynolds 2010: 28).

However, it's important to stress that the study will be conducted on a non-participant form, i.e., in a manner that it is totally naturalistic and entirely unobtrusive; conducted by observing consumers' interactions in a way that the researcher will not have any influence on the context itself (Kozinets, 2002). The reason for such decision is because, regarding the subject of study, enough content is known to be available for investigation in the range of platforms under analysis.

In addition, when using Netnography as a methodology it's important to shift from the concept of "validity" to the one of "trustworthiness", for the reason that the content which is under examination only comes from observed communications that users in specific web communities perform but it doesn't represent all the consumer's actions on that same communities – which is the principal difference between this method and traditional Ethnography. Thus, to generalize the study beyond the boundaries of the online groups under analysis may lead to misrepresentation. Also, the set of conclusions resulting from the performed Netnographic study will depend on the individual researcher's skills, regarding his/her analytical thinking and capacity to interpret and expose information (Kozinets, 2002).

4.2.1. Web Communities under Analysis

Due to its characteristics and importance, two platforms were chosen to be under analysis regarding the discussions that Portuguese telecommunication consumers have in online communities: online forums and social networks, and their positive attributes were previously described in Chapter 2, while presenting the study's theoretical framework.

For the sake of clarity and organization, the analysis will be divided by platforms, i.e., presenting the analysis of online forums and social networks in separate subsections.

4.2.1.1. Online Forums

As regards to online forums, after researching for relevant communities where discussions on telecommunication operators and services take place, it was spotted a very popular Portuguese forum: Zwame.

The "Zwame Forum" is part of the "Zwame Portal", a *"Portal of analysis, news and guides on Technology, Hardware articles, Software, Apple, Mobile Phones, Photography, Gadgets and Games by the Zwame Community"* (description found after a Google search for the forum's name). Online since 2002, Zwame Portal is, indeed, a source to find the latest articles on technology.

When *googling* for "Zwame Forum", the platform presents the following self-description: *"Everything about technology, computer science, overclocking, games and much more!"*. Figure 5.1. consists on the image of this online forum, which is presented on a hierarchic structure, thus going accordingly to what is expected from this kind of platform. Each subject under discussion, i.e., "subforum", can contain a number of other subforums and a set of different "topics" that users create for discussion. Each topic then contains its "threads", i.e., the answers that users write within each topic.

Figure 5.1. Design and Structure of the Zwame Forum

Source: Zwame Forum (2014)

The subforums to be under analysis will be the ones inside *"Internet, Networks and Security"* subforum, which has other subforums inside related to the Portuguese market of telecommunications: *"PT Com"*, *"ZON OPTIMUS"*, *"Cabovisão"*, *"Vodafone"*, *"Optimus"*, and *"Others"*. Additionally, subforum *"Digital Life and Gadgets"* which contains a *"Telemóveis"* subsection will also be included in the analysis.

Thus, as Zwame Forum divides the discussions on home telecommunication services across different subforums and topics, for the analysis of e-WOM on the subject, the analysis will cover relevant topics regarding the four main Portuguese media holding companies that provide home telecommunication services, which were previously described in Chapter 3.

Regarding the fashion by which data will be presented, this will be as following: the study on telecommunication services will be divided by two main categories: "Mobile Communications" and "Home Telecommunication Services". For each of these categories, different subjects under analysis will be organized by "topics" within the subforums. Each topic will be described in terms of its subject, the operator under discussion, date of creation, date of last thread, date of observation, number of pages and number of threads. Then, a series of relevant information found in the topics will be presented on numbered lists, and to these numbered lists will be attributed a sort of title, i.e., a short description of the content within each item of the list. These items will then be composed of the opinions ("threads") shared by the forum's members in the topic. In addition, a division between positive and negative feedback will be executed whenever is appropriate, in order to enhance the organization of the analysis and the navigation across its different parts. Then, in the end of each subject, conclusions on the observed subjects will be presented.

As regards to the range of time data collection occurred, the first conduction of the study occurred during April and May of 2013, essentially focused on Mobile Communications, and the second part of the Netnographic study took place in March and April of 2014, comprising Mobile and Home Telecommunication Services. Thus, the topics of Mobile Telecommunications will have results from both visits, and conclusions from such different observations. Such occurrence will allow to objectively observe the evolution of the subjects throughout time. Nonetheless, the topics which were visited only during one observation period will be briefly contextualized, in a manner that is easy to understand the topic's main aspects, first reactions and how discussions evolved.

4.2.1.2. Social Networks

As regards to social networks under observation for the study, the platform chosen was Facebook due to its attributes and potential, as previously presented in Chapter 2.

A first and brief observation in the platform led to the conclusion that the four major Portuguese media holding companies under analysis were present in the platform and, thus, Facebook demonstrated to be a good source for examining the online presence and behavior of operators and consumers.

Thus, the study will further present, for each of the four operators on a certain date, the number of followers (*likes*) they had; the number of personalized page sections (tabs) each of them had in their Facebook pages; and the operator's average number of posts per day and average number of *likes* per post, since the beginning of the month until the date of observation. Additionally, the image of all the observed operators' Facebook will be presented; a description on the types of content each operator shares in the platform will be given; and comments regarding the posts (un)popularity and the brands' reactions will be included.

4.3. Research Questions

In line with the objectives defined in the first Chapter of this project, and given the attributes of the described online platforms in which the study will take place, it was defined a series of questions to which this study aims to respond. Hence, given the present economic downturn context, and in line with the services offered by Portuguese telecommunication operators, the questions are the following:

RQ1. What are the characteristics of Consumer-to-Consumer (C2C) communication, within the defined online platforms, and what may be the outcomes of the observed e-WOM?

RQ2. What is the role and influence of "price" on C2C communications and how is its evolution presented throughout time?

RQ3. What are the most valuable aspects and solutions for telecommunication consumers, according to the observed C2C and Consumer-to-Business (C2B) communication?

RQ4. Are telecommunication brands performing the best online practices to enhance their Business-to-Consumer (B2C) communication, and thus increase their brand equity?

RQ5. What can operators do in order to try to increase their customers' satisfaction levels and, therefore, to enhance their performance?

4.4. Conclusions

This chapter had as its first goal to present Netnography as the most adequate methodology to observe consumers' e-WOM within online platforms due to its characteristics of being an observational, unobtrusive and naturalistic marketing research method.

It was also conveyed that, although Netnography allows an in-depth knowledge on the consumers that interact on specific platforms, the conclusions to be drawn after the data is observed and collected should not be generalized outside the boundaries of the online context, i.e., the interpretation of the observed data only applies to the set of consumers observed and should not be generalized to the entire population of consumers.

Given that Netnography is a research methodology which is based on the analysis of public information available on the Internet, the second main objective of this chapter was to describe the exact platforms where the investigation will be performed: online forums and social networks in which Portuguese telecommunication operators are present and/or under discussion.

Additionally, this chapter presented the manner by which the study will be conducted and presented in both platforms, as well as the questions that the project aims to respond in the end of the observation.

The next chapter will consist on the Netnographic study in the described platforms and thus relevant interactions among consumers (C2C communication); from consumers to brands (C2B); and from brands to consumers (B2C) will be analyzed.

CHAPTER 5 – NETNOGRAPHIC STUDY

5.1. Introduction

As mentioned previously, the exploratory study will take place within online forums and social networks, two distinct web based platforms.

While in online forums, the most relevant topics on Mobile Communications and Home Telecommunication Services will be researched, and then the most interesting interactions consumers have among each other will be presented. This is intended to provide the study with an outlook on the consumers' reactions to different aspects such as telecommunications services and offer, as well as other consumers' opinions, experiences and arguments.

As regards to social networks, the official and principal Facebook pages from the four major telecommunication brands owned by the Portuguese media holding companies presented in Chapter 3 will be observed. The data extracted from these pages will be provide the tools to understand if brands are effectively investing on reaching consumers in the platform, and to compare the results of their actions and efforts between each other.

5.2. Online Forums Analysis

5.2.1. Mobile Communication

5.2.1.1. Low Cost Operators

- **Topic**: *"New mobile operator – Lycamobile"* (Zwame, 2012)
- **Operator under discussion**: Lycamobile
- **Date of creation**: 05/October/2012
- **Date of last thread**: 08/December/2013
- **Date of first observation**: 11/April/2013
    - **Number of pages**: 07 pages
    - **Number of threads**: 140 threads
- **Date of last observation**: 29/March/2014
    - **Number of pages**: 103 pages

- **Number of threads**: 2045 threads

This topic was created in October of 2012 and the subject under discussion was actively discussed for more than one year. Herein, users discussed the offer and the reliability of Lycamobile – a recently arrived “virtual operator” from Sri Lanka, presented by user “Tiago.Pereira” (a member of the forum since 2009) through the copy of an article from RTP (a Portuguese broadcast TV channel) although that no weblink to the article was provided by the user. The text presented the new operator as targeting mostly immigrants, who normally make more international communications, because it offered very low prices for international calls. Additionally, the operator offered free calls and SMS between Lycamobile’s clients for a 30 day period by making a 5 EUR charging.

During a first contact with the topic (11/April/2013) different opinions and experiences were being discussed by consumers. Thus, next it will be presented some reactions and concerns that users firstly presented, regarding this topic.

5.2.1.1.1. E-WOM (1st Observation)

Positive Feedback

1. **Attention to price:**
    a. The member “duckly” considers the offer of *“5000 minutes and 3000 SMS per month, for the price of 5 EUR/month seems excellent to me”* (Zwame, 2012:1).
    b. The member “Homoeconomicus” affirmed: *“Indeed, it seems to me that it is a good tariff, even for a TAG<25 like me…”* (Zwame, 2012:1).
    c. “3000s” said: *“whoever wants to subscribe, subscribes… (...) if this new operator is here to stay and if it keeps its tariffs that will be good. Even more given that services such as Extravaganza from Vodafone offer 2000 minutes per month and we have to load 15 EUR per month…”* (Zwame, 2012:1).
2. **Offer/Price relation (focus on international calls)**: In “gobet”’s opinion, Lycamobile didn’t come to compete with TAGs or Extravaganzas because it is announced as a service for foreigners and *“obviously that if the prices between Lycamobile’s consumers within Portugal were cheaper than the plans we know (from other operators) we would also use it instead!!! But that’s not the idea… (...) Not*

everyone wants Internet plans, or free MMS, but wants to call his country of origin for a dozen of cents!! (…) I already ordered my SIM card because I make many international calls (…) this is a kind of card to be used as a 2^nd^ card or something like that!! Only someone who is not familiar with the cost of international calls may be here criticizing Lycamobile! To me, its prices are similar to Skype's but with the advantage to make calls from a mobile phone! I find Lycamobile an excellent novelty, if one can call it that!" (Zwame, 2012:1).

Negative feedback

1. **Poor website:** The first answer to the topic was related to the new operator's website appearance which was pointed by "UserN" as: *"…so poor it's not even worth 5 seconds of attention"*. However, the following opinions focused more on the service's offer (Zwame, 2012:1).
2. **No market notoriety and lack of services:** When it was first launched, Lycamobile didn't offer neither free SMS to other operators nor free Internet traffic. Thus, the member "LuisVasco", who was not convinced by the service, pointed that particular fact and also that the operator was unknown, adding that *"TAG or Extravaganza…"* – services from Optimus and Vodafone – *"… are much better"* (Zwame, 2012:1). In response to this, the topic's author "Tiago.Pereira" affirmed that Lycamobile's offer represents more value for money because it doesn't require obligatory chargings to the consumer, and then he asked "LuisVasco" to compare the prices he's paying by using the services that he mentioned with the one of Lycamobile's (Zwame, 2012:1). Additionally, when informed by "Tiago.Pereira" that the service wouldn't allow sending MMS, member "3000s" reconsidered a previous positive feedback: *"Without MMS hum…"* (Zwame, 2012:1).
3. **Inaccessibility to call "800" numbers:** The user "dvb" found a fragility on Lycamobile's service: he asked the community to try to call numbers starting with 800 (automatic communication services) because he couldn't reach these numbers. Other users who tested this confirmed this problem, and "dvb" affirmed this would be an enough reason for him not to want Lycamobile as his principal mobile operator because he could need to call some of these numbers. Three other users agreed with his statement ("Vacuum", "pedro29" and "anonimus") and one of them ("anonimus") affirmed that *"… whoever knows this detail will reconsider to subscribe this operator… just like me!"*. Nonetheless, "pedro29" affirmed *"… in my case it won't*

cause me a great burden and the advantages of the tariffs surpass that handicap" (Zwame, 2012:3).

4. **Accusation/Rumor of the operator being a rogue:** Not providing any valid arguments, "nunocspinto" said: *"I've heard this operator is a rogue… In Spain they fool lots of people, with chargings and so."* Due to this accusation, "ruca1973" requested him to give concrete and real examples of such allegations, or that would be just another alarming statement that would defame the operator. Additionally, he added that the intention of the forum was *"… to help and to inform people, with concrete facts"* (Zwame, 2012:1).

5.2.1.1.2. E-WOM (2nd Observation)

Initially, while consumers were experimenting Lycamobile and switching from their traditional operators, odds were that low cost operators like this one really were "here to stay" and that e-WOM was working in favor of them: *"I had already seen their advertising on mobile phones' stores but I never paid much attention to it. By chance, today I entered in this topic and I found this tariffs to be very interesting. Presently I'm subscribing to MEO 8 (…) so this tariffs* (Lycamobile's) *are much more interesting to me. I'm going to search for a SIM card and give it a try."*("mauro1855" in 28/05/2013) (Zwame, 2012:4).

However, a second observation dated from 29/March/2014 demonstrated that a total change of paradigm occurred. Below are some of the comments that consumers shared in the forum just a few time after the operator was launched in Portugal:

1. **Altering prices continuous times:** In 02/July/2013, "master_peace" posted: *"I don't know if you guys noticed yet, but Lycamobile has changed its tariffs again today…"* adding a print screen which showed the prices charged per communication (see below) (Zwame, 2012:90).

Figure 5.2. Lycamobile's Tariffs in July of 2013

Source: Zwame Forum (Zwame, 2012: 90)

2. **"They threw it all away"**: In 04/July/2013, the member "hdd.pt" stated: *"I don't understand this company's strategy… They had everything to succeed and to reach a good number of clients… It was certain that the promotional tariffs were going to end up someday but they could have done it in a different way… (…) In this way, they threw it all away. Oh well."* In response to this, "land94" said: *"Exactly, I totally agree with hddp.pt. Like this, switching back to UZO might be possible again, for me."* Then, "hddp.pt" added: *"Whoever did this change of prices either is very ignorant or doesn't understand anything about the market… 5 EUR for 75 Mb* (Internet traffic) *during 30 days. LOL, it's even more expensive than with traditional operators"* (Zwame, 2012:91).
3. **Not caring about customers:** In the same day, "pedro29" (who in the beginning was influencing others to experiment the operator) commented: *"Lyca's webpage must be under control of competitors' hackers, that's the only explanation I can see. For the moment, there are still many clients with charging's money to spend and I think the 1st of August will be the day when there will be more migration* (of clients) *if things don't come back to what they were before."* In response, another ex-brand ambassador, "dvb" said: *"They don't care if people have charging's money or not. The* (consumers') *money is already there* (in the company)*, as long as people don't spend the company's resources. What they want is for people to continue to make new chargings, and I doubt that will happen"* (Zwame, 2012:91).
4. **Not being transparent:** Still in 04/July/2013, "NPinho" announced his SIM card arrived that day and posted a link for a scan he took of a leaflet that Lycamobile sent along with the SIM card (see Annex 1), and which didn't contain the information of the prices to be promotional. However, in response "LittleMac" said he also had that leaflet, *"Nonetheless, the tiny light-grey letters on the inside say (…) «Promotion valid from 01/04/2013 to 31/05/2013 [yours should be mentioning the end of June].*

Any change on the tariffs will be announced in Tariffs' section on www.lycamobile.pt»" (Zwame, 2012:92).

5. **Fooling consumers:** Other examples of threads from that day were as such: *"I received my SIM card today and loaded 5 EUR but I already regreted that… I remember seeing free SMS to any operator and 5Gb for Internet's traffic… Now I can't find that information on their website… Oh, well… It's more than proofed this operator is not worthy… on the 1st opportunity starts to charge as much as others… I'm going to use the money I loaded and goodbye forever, Lyca, even if they change again to free calls to every other operators at 5 EUR they won't get any other cent from me."* ("razieltugh"); *"They filled everything with posters announcing «unlimited data» but they still won't have them removed now. I saw kiosks, restaurants, bakeries, light posts still with these posters… Oh well… :-("* (Xfera91") (Zwame, 2012:92).
6. **Unconventional/Illegal chargings:** In 08/July/2103, "pauloms" *"… discovered the ultimate outrage with this Lyca. I verified that when somebody calls me and I reject the call without answering, whoever calls me is instantly directed to Lyca's voicemail. But the worst is that it immediately charges one minute to the other person, even if he/she turns the call off after a second! This is absolutely intolerable and I'm going to contact Lyca about this. If they don't give me a satisfying answer I'll present charge at ANACOM."* Other consumer shared the same problem and thus said: *"According to ANACOM's website that illegal, you have 5 seconds to turn off the call without any money being charged. I don't know if it's possible to leave the link here but anyway I pasted it on Lycamobile Portugal's facebook."* ("Mortis") (Zwame, 2012:92).
7. **Bad Customer Service:** In 11/July/2013 "Bernardo_Xoares" shared an extensive comment regarding his experience, relating he had brought seven friends and four other members of his family into the operator due to its appealing starting offer. However, he and one of his relatives had problems related with incomprehensible chargings made by the operator and, to make matters worse, the customer service received wasn't satisfactory. Other consumer also commented on this: *"After the written complaint I did in the 4th* (of July), *I still had no answer, with no money reposition, with no nothing."* ("PMoto" in 12/July/2013) (Zwame, 2012:95).
8. **Readiness to change and (dis)appear:** Regarding the way Lycamobile operates and treats customers, in 13/July/2013 "megacano" comments that *"…odds are that there are such few national clients within these operators that no «big waves» are raised. And if that happens they disappear just as easy as they appeared."* The next day,

“Spam” expressed *“Yes, I was one of those customers who «got out» as easy as I «entered»…”*, adding that he had been promised, by Lycamobile’s customer service, 5 Gb of Internet and free SMS during 30 days for the price of 5 EUR but, instead the promotion ended in the 1st of July, four days after he loaded the money. (Zwame, 2012:95) Later on, in 21/August/2013 “pedro29” (one of the ex-fans of the operator) said he had completed with success the portability to other network (Zwame, 2012:101).

9. **References to other low cost operators:** In 12/July/2013 “wolf” responded to a member who was asking for informations on how to get a Lycamobile or Vectonemobile’s (a competing low cost operator) SIM card saying *“Go to Vectone’s website that they will send it to your address for free, I received mine in two days”* (Zwame, 2012:94). Then, in 17/July/2013, in response to a member who was supporting Vectone *(“Way to go, Vectone! I’m already there!😎”* by FR8146) the same member added *“It’s a pity that many people are changing from Lyca to TMN, Vodafone or Optimus again, while there’s Vectone out there with excellent prices…”*(Zwame, 2012:95). Then, for example, in 28/August/2013 “josefernandes” declared that he had three Lycamobile’s SIM cards and he changed all of them to Vectonemobile’s and that “…so far, it’s much better.” (Zwame, 2012:100).
10. **Still searching for the best prices:** However the outcomes of changing operators, some consumers demonstrated they wouldn’t have problems with changing operators again if things don’t go as expected. In 17/July/2013, in response to other member’s (“megacano”) apprehension of asking for the numbers’ portability to these kinds of operators, “daddydj” asked: *“Why isn’t it safe??? If something goes wrong you can ask for the portability again so I don’t see where the problem is. If it’s cheaper we should only being taking advantage of it.”* In the day after, “sakana43” responds to a comment by “Asstr0naut”, stating that it’s possible to ask for portability once per month, saying: *“I changed to Lyca two months ago and now they changed the tariffs I’m gonna tell them to get lost and change to Vectone. If Vectone changes its tariffs on a radical way like Lyca it’s gonna be out too”* (Zwame, 2012:96).
11. **Spreading negative e-WOM:** In 20/July/2013, “daemon” said he was going to paste the following text in “Linked”, in both Portuguese and English versions: *“The Lycamobile in Portugal sucks, increased prices in a brutal way after they have raised thousands of customers, many customers switched operator and brought friends and*

family to do the same." However, it wasn't clear where this testimony was exactly shared, as no results were found by *googling* for "Linked" (Zwame, 2012:97).

5.2.1.1.3. Low Cost Operators' Summary

Lycamobile emerged as an operator targeted to consumers who sought for low cost prices, as regards to international communications but it also offered a great value for money regarding communications amongst the operator's clients. However, when the operator was launched into the market Lycamobile didn't have services that consumers were demanding at the time (for example, no free SMS or Internet service were available in its offer) but as some time passed the company evolved, regarding some of the concerns users discussed during the first observation: not only the corporate's website design was refined but also the services clients were demanding were added to its offer.

The problem was that besides changes in the service the company also radically altered its prices. For example, while initially free communications amongst Lycamobile's clients were for free and it announced unlimited Internet (as it wasn't promotional but guaranteed), in March/2013 the operator's tariffs were charging 0,05 EUR per minute for communications amongst clients, 0,12 EUR per SMS regardless of the operator and offered only 75 Mb of Internet for a 5 EUR loading (Lycamobile, 2014). Of course, such constant and dramatic changes in the offer led consumers to be extremely unpleased and to express their great discontentment in the thread. The operator was accused by the majority of users of not caring for the clients and, worse, of fooling them. As a consequence, consumers left Lycamobile and WOM which was previously very positive turned into very negative WOM, inside and probably outside the online boundaries.

During the first observation of the topic a considerable amount of consumers asked for Lycamobile's SIM cards. From 23/October/2012 users started to state the reception of their ordered SIM cards, and on the following day the topic's creator ("Tiago.Pereira") presented a large and detailed comment describing his experience with the SIM card's arrival. Overall, he was satisfied, as he didn't point any unpleasant comment. Possibly, his feedback may have influenced other members on ordering SIM cards for themselves. In total, nearly 26 members asked for SIM cards; 8 members demonstrated interest but were not clear about asking for a SIM card; and only 3 members were not convinced by Lycamobile's offer. (Zwame, 2012:2).

Regarding the most influential users, during a first visit to the topic, they were easily spotted: "Tiago.Pereira" (the topic's owner), "dvb" and "pedro29". Because they were so satisfied with Lycamobile in the beginning, these members were always ready and available to answer other users' questions and uncertainties in ways that led others to also try the new mobile operator. For instance, when on 01/November/2012 "oinotna48", an UZO (a brand/operator from Portugal Telecom) client, wasn't sure about the reliability to switch from his (and his wife's) UZO's number to Lycamobile because he was afraid of the price to change in a near future, "pedro29" and "dvb" quickly went to support the idea of switching operator: *"You should switch with no stress, the tariffs will compensate enough, comparing to any other service free of obligatory loadings, and in the case that they change anything in the future they would have to change a lot to become worse than UZO. And you can always go back to UZO with the same numbers, why couldn't you?"*(Zwame, 2012:4).

Other interesting verification was the importance today consumers put on Internet access in mobile platforms. As response to other user's negative experience regarding customer service, "dawnrazor" commented: *"This is creepy! These are the reasons why I'll never switch my number to these recently-arrived operators. I have a Lyca's SIM card since April, which I mostly used for accessing the Internet (...), fortunately I didn't load anything in June. Even if they come back to the tariffs they had before (something I doubt, at least regarding the 5 Gb of Internet) don't count me in anymore!"* (Zwame, 2012:95).

Thus, due to the amount of changes that occurred and the sharing of knowledge and experiences in the topic, the majority of consumers left the operator – either to other low cost operator or back to a "traditional" operator. Additionally, some of the members who were pro-Lycamobile and spread positive e-WOM, including the topic's creator, turned themselves against the operator and also switched to an operator from the competition.

5.2.1.2. "Unlimited" Mobile Plans

- **Topic**: *"New TMN Unlimited"* (Zwame, 2013a)
- **Operator under discussion**: TMN (now MEO, from Portugal Telecom)

- **Date of creation**: 26/January/2013
- **Date of last thread**: 29/March/2014
- **Date of first observation**: 28/May/2013
    - **Number of pages**: 06 pages
    - **Number of threads**: 117 threads
- **Date of last observation**: 01/April/2014
    - **Number of pages**: 12 pages
    - **Number of threads**: 227 threads

The discussion in this topic is centered on the characteristics of "unlimited" plans, i.e., postpaid mobile plans which tariffs normally include specific amounts of "free" voice calls and Internet traffic. Thus, the topic compares the offer from TMN/MEO with the ones from competitors. However, at the time the topic was created Vodafone didn't have any resembling offer available in the market, thus only TMN and Optimus were under analysis by consumers.

5.2.1.2.1. E-WOM (1st Observation)

Positive Feedback

1. **Altering the "status quo":** In the day the topic was created, "luis_b" presented an interesting insight on how these sorts of plans are changing the way business partners consume telecommunications. He stated that his father's company was affiliated to a Vodafone's business tariff plan (6 SIM cards which included 3800 minutes for calls to any operator plus 1000 minutes for calls amongst cards, and 1 GB of Internet each). but after analyzing TMN's Unlimited plans he was convicted that his father would be better with a plan like that than with the business one he was contracting ("... *for a quarter of the price*.") He ended his intervention asking: *"Is it just me who thinks that business plans have the days counted?"* In response, "nunosilveira" added *"…these new plans with unlimited communications for every operators arrived to change many things."* (Zwame, 2013a:1)
2. **Acquiring smartphones through postpaid plans:** In 17/May/2013, "Dexterino" commented: *"I'm considering to subscribe to Unlimited, something I was planning*

to do before, and now that a promotion to acquire iPhone 4 for 99 EUR is on I think I'll grasp this opportunity (...)"(Zwame, 2013a:6).

Negative Feedback:

1. **Limiting "Unlimited" tariff plans:** In 30/January/2013, "Rumenapp" commented on the naming of TMN's tariff plan by stating: *"Unlimited named plans with limited Internet «limits». What a joke."* (Zwame, 2013a:3)
2. **Comparison to all-in-one telecommunication services:** In 10/March/2013 "htcTouch3G" conveyed that *"Really, these tariff plans are bull****. The only plan that could interest me costs 30 EUR/month and (...) it clearly has worsened. Oh well, this just keeps on getting worst… to pay 30 EUR/month for mobile communications to me is a profound exaggeration, i.e., this is an implicit invitation to subscribe to services such as M4O (...)"*(Zwame, 2013a:4)
3. **Pressure for discounts:** Other interesting finding regarding the reaction of consumers regarding the price of these plans is that clients were asking TMN for a price reduction by misleading the operator: *"In order to gain access to a discount on Unlimited S you have to call TMN and tell you want to change to a prepaid tariff plan; or that you want to make your number's portability. They're going to try to keep you as a costumer and so they end up offering you a 12 month's 5 EUR discount. However, this is only possible for people with no loyalty programmes associated to their number, except loyalty programs through points."* ("trasher" in 13/March/2013). Then, in 28/March/2013, "trasher" continued his speech on encouraging other consumers to *"Exert pressure on all companies that provide you services, and present yourselves always as unsatisfied, otherwise you get nothing* (from companies)*."* Due to this member's information regarding the 5 EUR discount on the monthly fee, at least three other members affirmed they also got the discount performing the same procedures. (Zwame, 2013a:4).

5.2.1.2.2. E-WOM (2nd Observation)

During a second observation to the topic, it was observed that consumers continued to share their thoughts on which operator would be offering the best conditions.

Every time a new plan or discount was launched in the market, users shared the happening with detail, as it was the case of "trasher"'s post in 17/March/2014 saying: *"To whoever wants to subscribe Optimus' 9,99 EUR tariff plan with 2000 minutes to any operator, MEO (in order to avoid clients to leave for the competition) is giving the chance of having the prepaid plan E_ALL -9,99 with 1000 minutes + 1000 sms to every national operators (although this plan is not available in their website or in stores, it only applies to people who want to change to Optimus 9,99) which is even better than that Unlimited S.(...)"* Due to this information, at least one member ("Tiago.Pereira") subscribed the plan because, to him, such conditions were *"...marvelous..."* (Zwame, 2013a:11). Nonetheless, not much more interactions were considered to add more valuable insights to the study, as the topic continued to follow an informative path regarding the tariff plans.

5.2.1.2.3. "Unlimited" Mobile Plans' Summary

The findings on the subject of consumers' appetence for "unlimited" communication plans all converged on the comparison of the tariff plans operators offered and which one would be the best. Nevertheless that different opinions arose, consumers in the topic compared these types of services with others and tried to figure out which plan would offer the best characteristics for the lower price. Even so, some consumers reasoned that *"... the «better» one will depend on the consumer's profile"* ("pitoresco" in 27/January/2013) and that *"... now it's a matter of doing the math's and check which one is better for himself."* ("jotaguvamo" in 26/January/2013) (Zwame, 2013a:2).

While some consumers were positive about these types of plans because it were different from everything in the market at the time and some of it presented the possibility to acquire expensive smartphones through the subscription of the plan for a period of time, other consumers expressed themselves more negatively as they considered prices to be too high for telecommunications. In accordance to that, some consumers shared methods for getting discounts in these tariff plans and the results from such tricks demonstrated to be successful, as other consumers affirmed to have tried it and to have enjoyed of price reductions on their services.

5.2.1.3. Loyalty Programmes

- **Topic**: *"Pontos TMN"* (Zwame, 2013b)
- **Operator under discussion**: TMN (now named MEO, from Portugal Telecom)
- **Date of creation**: 17/March/2013
- **Date of last thread**: 04/July/2013
- **Date of first observation**: 28/May/2013
    - **Number of pages**: 01 page
    - **Number of threads**: 11 threads
- **Date of last observation**: 03/April/2014
    - **Number of pages**: 01 page
    - **Number of threads**: 14 threads

The topic under observation regards to a type of loyalty programme that mobile operators normally provide to its clients: points programmes. In Portugal, all three major players have these programs and they basically consist on attributing a certain amount of points according to the value that the client loads for making communications. Later on, the points can be used for getting access to exclusive discounts on mobile devices, pens/routers, accessories, experiences, and other services (MEO, 2014).

5.2.1.3.1. E-WOM (1st Observation)

In 17/March/2013 at 15:26, "iNFOrManiac" created the topic in order to get advice from other members on which mobile phone would be the best for him to choose, considering the amount of points and money he wanted to spend.

1. **Points seen as a way of leaking stocks:** In 18/March/2013, "Seketh" argued that *"Increasingly, TMN points serve just as a way* (for the company) *to leak its stocks and if you want any of the more expensive items the amount of points + EUR they ask is an absurd. For example, 2950 points + 301 EUR for a* (Samsung) *SIII while 1 point = 1 EUR…"* (Zwame, 2013b:1).
2. **Waiting for price reductions:** In 19/March/2013, after going to a TMN store in order to know the time it would take for a new catalogue to be released, and thus being informed catalogues were out every three months so two week were left for that to happen, the topic's creator commented that *"I'm not sure if I should buy the Xperia S*

now per 220 EUR + points or if I should wait for the new catalogue and a lowering of prices…" (Zwame, 2013b:1).

5.2.1.3.2. E-WOM (2nd Observation)

Although only three more threads were created between the periods that observations were performed, in 04/July/2013 when "DJS" answered a question from the previous day – regarding the date the new catalogue would be released – the user had an interesting intervention in the topic:

1. **First-hand information:** According to "DJS", *"Internal informations are that the new catalogue will be out this week, but the problem is that if it was to be released tomorrow* (Friday) *it would mean that information should be announced today and there was none yet"* (Zwame, 2013b:1).

After this, the user that put the question replied with gratitude and then no more interactions were added to the topic.

5.2.1.3.3. Loyalty Programmes' Summary

The investigation on this topic allowed this study to disclose some aspects mobile clients reason concerning operators' points programmes. It was noticed that clients were not much satisfied with the ways these marketing initiatives were being implemented, as some members pointed that, in order to acquire a device, operators charged a very big amount of points and money. Additionally, a member had the opinion that such programmes intended to simply give operators a chance of using up stock excesses.

Since the topic wasn't very extensive (only 17 threads), it was possible to observe an aspect which haven't been touched yet in previous analysis: the time in which interactions happened, i.e., the speed of the discussions. Due to the amount of available and informed consumers in the platform willing to respond, in a matter of minutes different questions were answered and specific problems were solved. Also, according to an active member the information/answer he provided came from an "internal" source – an intervention that raised some curiosity on how consumers get information from.

5.2.2. Home Telecommunication Services

5.2.2.1. MEO

- **Topic**: *"Tópico Oficial MEO ADSL"* (Zwame, 2007)
- **Date of creation**: 06/June/2007
- **Date of last thread**: 06/April/2014
- **Date of observation**: 06/April/2014
    - **Number of pages**: 1742 pages
    - **Number of threads**: 34835 threads

- **Topic**: *"Tópico Oficial MEO Fibra Optica"* (Zwame, 2009b)
- **Date of creation**: 14/May/2009
- **Date of last thread**: 06/April/2014
- **Date of observation**: 06/April/2014
    - **Number of pages**: 637 pages
    - **Number of threads**: 12730 threads

While researching for the topics that could contribute for the study of e-WOM regarding Portugal Telecom's home telecommunication service (MEO) within "PT COM"'s subforum, the two topics described above were considered to have the potential to bring knowledge on the subject. Thus both will be analyzed on the next subsection and a conclusion involving both will be drawn, in the end of the analysis of each one.

5.2.2.1.1. E-WOM

Topic: *"Tópico Oficial MEO ADSL"* (Zwame, 2007)

In 06/June/2007, "Whooper" created the topic to announce that a new service from Portugal Telecom was soon to be released in the market: "*Hey, I can give first-hand information, from a trustworthy source (I've also seen their website but it isn't ready yet), that a 3 play offer from PT Comunicações is about to be released (phone + ADSL up to 8Mb with no limit and HD Television). I'm not going to tell you the website, and even less the name of the service because I was asked for confidentiality so I'm going to respect that. But it's coming soon. ..."* After this, the member provided some informations regarding the prices of the service (Zwame, 2007: 1).

While some users were not sure about the service's promises, mostly regarding the price announced, other members were curious and positive on what would be the service exactly and its final conditions. Then, in 14/06/2007 "J[PT]" posted the content of a news article informing that, in the same day, PT had officially launched MEO in the market which informed the public about its characteristics, prices and conditions (Zwame, 2007: 15).

Given that MEO has evolved over the years – now counting with more than one million clients (Dinheiro Vivo, 2013) – and as the topic continues to be under discussion until today – some of the more recent and relevant threads that may contribute to bring new insights for the study will be analyzed next.

Positive Feedback

1. **MEO Ambassadors**: As the topic has been a very active one, a great part of discussions regard to very technical questions and answers that members ask each other. In this context, it was interesting to observe a member that is very knowledgeable in this area and that proudly uses the service's naming on his own nickname: "Meotuga". This is a member registered in 21/October/2012 and which created 352 threads, at the time the observation occurred in 06/April/2014 (Zwame, 2014c).

This interesting occurrence lead the study to check if there was any other members who were using the brand on their nicknames. As a result of the research, a total of 37 members with nicknames that clearly were related to the service were found (Zwame, 2014b). However the existence of several users using the service's naming, the majority of them were not active members in the forum. In fact, great part of them created from 0 to 10 posts and the biggest exception was, indeed, the user which led to this discovery ("Meotuga").

2. **All-in-one solutions save up money**: In 18/March/2014, "Habu" expressed that: *"Recently, I wanted to install MEO ADSL in my home because I'm paying a lot for the three services so I called MEO and they said MEO ADSL was available for me…"* (Zwame, 2007: 1734). Then, in a posterior thread, the member exposed the services he was contracting at the time*: "… the problem is that I'm paying a fortune for ZON*

satellite + Sapo ADSL + telephone so it would be handy to have all 3 services in one…" (Zwame, 2007: 1735).

3. **Positive experiences with customer service**: In 25/March/2014, "Fuwip" shared his experience with MEO's customer service, regarding a technical issue he has been trying to resolve more than once: *"Hey! On my third attempt, it's finally solved! Now I was attended by a sympathetic technician, by chance, or at least who was less stubborn than the previous two and who listened to my request to augment the signal – which, according to her, now is adjusted to my line. (…) As a "reward" for always being contacting them, they sent me a SMS offering 5 EUR for MEO's video club for a year…"* (Zwame, 2007: 1736).

Negative feedback

1. **Problems with infrastructure and Sales Strategy**: In 17/March/2014, "JXulo" commented that: *"ADSL goes from bad to worse. This month I've received at least 3 calls to subscribe M4O and when I asked if they finally finished the «ADSL closet» («armário ADSL») which is being assembled since October/November they obviously don't know the answer and thus everything remains the same. If they had less people in call centers (and less salespeople) bothering people and more employees working on the construction/maintenance of networks they'd do a better job. It's ridiculous to send a series of door-to-door salesmen convincing people to adhere to the service with the promise that it would be ready "next week" and then after 4 or 5 months nothing is finalized yet. It's an absurd! Build the damn infrastructure and THEN send the salesmen and not the other way! They must enjoy making people feel ignorant"* (Zwame, 2007: 1732).
2. **Network's signal availability**: In the same day "joaomiguel852" asked if he could get help on how he could check if he fulfilled the requirements to subscribe to MEO ADSL (triple-play) because he had a neighbor who had it but, apparently, he couldn't be a subscriber of the service due to technical reasons. As he got a response from "AhuiZbrilzs" saying he had the same type of problem but related to fibre-optic, "joaomiguel852" said *"… sometimes I can't understand that thing of optic fiber being available on one side of the street but not on the other."* In response to that, "AhuiZbrilzs" said *"That's why I'm leaving MEO… Not to mention that until fibre get there… My God"* (Zwame, 2007: 1733).

3. **Negotiations for price reduction**: As observed in 06/April/2014, cable TV subscribers are also trying to reduce their bills, by negotiating with operators: *"Hey, I'm new in the forum and I wanted to ask for an opinion from the specialists. I'm a MEO ADSL client and my contract is finishing so I'd like to negotiate with operators. I pay 54,67 EUR and I'd like to switch operators. The package deal I'm subscribing has 74 TV channels, 30 Mb of Internet and telephone with no limits for fixed lines. I'd like to switch to ZON because it has fibre-optic in my area (…) If I have MEO, while trying to negotiate a service with ZON, what prices do you think I should be able to get? What if I negotiate with ZON by mentioning Vodafone's service?"* ("mitra820"). In response, "Caldas" said: *"You can renegotiate that package deal and pay less while getting more channels. I never was a ZON client but, from what I read here in the forum, it's to avoid unless it's the only cable ISP in your area. If you have Vodafone in your area don't look back"* (Zwame, 2007: 1742).

Topic: *"Tópico Oficial MEO Fibra Optica"* (Zwame, 2009b)

As regards to the fibre-optic MEO service, in 14/05/2009 "JPgod" created the topic which would be announcing the launch of the service in the market. Once again, technical and network's signal availability were immediately discussed, as users started to talk about the areas in which it was (un)available, and if they could or couldn't get access to it.

Another discussed aspect was related to the transmission of Full HD channels. In 15/May/2009 "zxcvb123" said: *"PT continues to think that people are stupid. From «Full HD» their boxes only have the name. Here are the specifications from the boxes: (…) If in PT's land, Full HD is 1080i it's okay but in mine and in the one's from TV manufacturers is 1080p"* (Zwame, 2009b:1). That discussion on that subject was very active but "Ricardo P." contributed to it with good insights*: "… there is no Full HD's norm so anyone is allowed to say whatever they want. As I said before, for the majority of TV manufacturers 1080i is Full HD…"*; and *"Here's a very informative post on the subject, where it mentions that «Full HD» is simply marketing (if you have doubts you may go to a store and see the amount of Full HD logos that exist) (…)"* (Zwame, 2009b:2).

Given that some years passed since the service was launched in the market, the analysis of the most recent interactions demonstrated the following aspects:

Positive feedback

1. **Satisfied with recent box updates**: In 18/March/2014, "RS" created a thread informing the community that a recent update to his MEO box allowed the possibility to receive a 1080p output resolution (Zwame, 2009b:626). To prove it, he even posted pictures of his box and of the menu's interface. A less positive aspect pointed by at least two users was that this wouldn't be much relevant because *"... there is not any channel transmitting on that resolution yet."* ("night_sign") and *"Vodafone also have put that option available. It probably was an update from mediaroom's software (both ISPs use that software) but unfortunately it doesn't work"* ("CPereira90") (Zwame, 2009b:627). Additionally, other minor changes also were subject for expressing satisfaction (Zwame, 2009b:634).
2. **Interest for MEO Games**: Due to the discussion of HD resolution, in 18/March/2014 "hmirpereira" affirmed that the box presented by "RS" was the most recent, *"... the one that is being used on the pilot to use «MEO Jogos» on TV."* Due to this affirmation, "spnet" asked *"where can I find Meo Jogos on TV?"* and he was given the answer that he couldn't because "… it only exists in those boxes and it's still not available to the public" ("edias") (Zwame, 2009b:627).
3. **MEO's offer is better than competitors'**: A discussion about the availability of fibre-optic in certain areas of the country led "night_sign" to tell "joao98" that *"... If you have Vodafone Fibra in your area I don't know why you worry because Vodafone's service is equivalent and much cheaper."* As response, "joao98" affirmed: *"It's not that I'm worried, it's because Meo has more channels than Vodafone (and some that I like) and also MEO provides more channels with «automatic recording» and HD channels. It's just that. If Vodafone had that* (features) *I'd be more satisfied"* (Zwame, 2009b:630).

Negative feedback

1. **Cancelling contracts**: In 20/March/2014, "Perry" exposed his situation: he was going to exchange residence and, since he was paying 39 EUR with a binding period, *"I have to choose from one of the current tariffs which cost around 46 EUR + box. As this makes the service extremely expensive, do I have the chance to keep the same*

price or even to cancel the contract? Because to raise the price is unpleasant…" In response, "hmirpereira" suggested a very clever solution: *"Find an address on a location where there is the certainty fibre-optic is not covered. Tell them* (MEO) *that address and since they can't provide you the service you'll be able to legitimately cancel the contract, with no penalization"* (Zwame, 2009b:628).

5.2.2.1.2. MEO's discussions Summary

Firstly, not only one but two topics (ADSL and fibre-optic) were actively under discussion since their creation, years ago. Thus, the observed topics on Portugal Telecom's home telecommunication service – MEO – were important for the realization of the relevance this type of package deals have for consumers.

Once again, it was possible to observe that consumers in the platform have access to information in first hand, even before services are released into the market – as it was the case of the first launching of MEO's ADSL service in 2007, and posterior progressions of the service.

Overall, consumers in the topic were satisfied with the service and its updates, and while some appeared to be preferring MEO to the ones from competitors – even if other services presented inferior prices with similar offers, as it was the case of Vodafone's – other consumers stated that if they had access to Vodafone's service in their area, they would switch operators. Nevertheless, considerations that this telecommunication services bundling were a good way for consumers to save some of their income were observed.

Customer service was also a positively discussed aspect – even if there were times clients didn't get the promotions and price reductions they pursued and discussed so much. It was also curious to find out that, at least, almost 40 used the service's brand name in their own nicknames and that at least one of them was very active in the forum, functioning not only as an opinion leader but also as a brand ambassador.

However, some aspects were identified as being a possible cause for difficulties on new customers' acquisition and retention: infrastructure – not having the necessary means to reach interested customers, mainly the ones who would like to subscribe to fibre-optic –

and lack of flexibility that customer service may present sometimes, when customers try to negotiate their service.

5.2.2.2. ZON OPTIMUS

- **Topic**: *"Zon – Preços, Contratos e Renegociações"* (Zwame, 2013c)
- **Date of creation**: 25/June/2013
- **Date of last thread**: 09/April/2014
- **Date of observation**: 09/April/2014
    - **Number of pages**: 118 pages
    - **Number of threads**: 2357 threads

However it was found other topics with much more extensive discussions (e.g., "ZON TV Cabo – Tópico Oficial" created in 09/November/2009, containing 882 pages and 17634 threads) (Zwame, 2009c), as the study visited "ZON"'s subforum in 09/April/2014, the topic described above was the most prominent in relation to all others because its discussions were still very vivid, and thus it was on the top of the subforum's list. Additionally, the topic presented a different characteristic from the ones described in the previous subsection of the study, as it was directed for discussing price and negotiations' issues that clients face with the operator. Thus, it would be expected that complementary types of conclusions on the subject would be drawn, for the case of ZON OPTIMUS and telecommunications in general.

5.2.2.2.1. E-WOM

In order to gather all threads on the subjects of "Prices, Contracts and Renegotiations" from ZON OPTIMUS, in 25/June/2013 "_djs_" first created the topic. Since then, the topic remained active as the subject continues to trigger consumers' interest. Thus the relevant feedback found in the topic will be described.

In 05/July/2013, "439mfh" exposed an intriguing case: *"(…) Last week, my wife received a call from PT Comunicações (or something like that) asking if we were satisfied with MEO – service which we've been clients for 4 years. My wife told them that we're going to cancel the contract because of price being too high and because it doesn't allow us to* *have MEO in our rooms, so we were thinking about switching to ZON. Two days later, they called again with the same chat and they said they'd call with a counter-proposal to enhance the price of the bundle. Today a lady called me, identifying herself as from PT Comunicações (her number was 0035110200 or something alike) offering me a proposal to switch to ZON (?!) (…) The deal doesn't seem bad to me because it's the same I'm paying with MEO but Internet is better. Isn't it strange calling me from PT presenting me package deals from ZON?? And does the package seems good? I'd appreciate some opinions. Thank you"*. As some responses appeared, one was particularly revealing: in 07/July/2013, "steevnx" affirmed that *"I used to be a ZON's vendor and, many times, we called random numbers identifying ourselves as being from MEO. The objective was to know if the client would consider to switch operators. After a week we called again as ZON's and offering a proposal. It's called marketing. Believe me, it was a ZON's seller calling you…"* (Zwame, 2013c:1). Then, in 07/July/2013, "439mfh" affirmed that *"... Tomorrow I'll call MEO telling them I'm going to switch to ZON's offer and I'll see if they offer me a lower price. It might work. The only thing that would make me switch operators really is the fact that I can't watch TV in the bedrooms without having to pay for extra boxes"* (Zwame, 2013c:1).

Positive Feedback

1. **MEO couldn't compete fairly:** In 19/March/2014, "mach3" said: *"Hey, I've already asked for the rescission of my MEO service in order to subscribe to ZON's IRIS 30. Nonetheless, during a contact from MEO's retention line, I was informed that in case of damage «the competitor» charges 75 EUR if a technician has to move towards our home, and that with MEO such occurrence is for free … I found it very odd. (…)* In response, "MikePA" argued that: *"When they don't have any more arguments they apparently invent them. In my case, in 13 years I never paid 1 cent for anything as regards to installation, activation or assistance. Every once in a while they even perform some maintenance on their own initiative, in the case the box or the router don't receive a good signal. It might be the case that the competitor they referred is another one, or if people call for assistance just "because" and, indeed, there's a defined value for such cases"* (Zwame, 2013c:106).
2. **Service compensates binding periods:** In 25/March/2014, "myman" affirmed that he had no problems with a 24 month's binding period because: *"1) If I have the best actual ZON's 3Play deal package (which price I don't think will be much more*

reduced in the near future, even on retention deal packages); 2) If I consider this deal to provide me the best balance on Quality VS Services VS Price, regarding all 3Plays in Portugal; 3) If I intend to be here the next 2 years, in the same address and with mobile phone; 4) If I stop paying 15 EUR to MEO for the mobile plan I presently have and switch to FREE communications to other operators… In this case I don't have absolutely any problem on having a 2 year binding period (…)"(Zwame, 2013c:109). Apparently, this member and many others have received a free SIM card from ZON OPTIMUS that they could add to their deal package with the condition of accepting a 24 month binding period [In 31/March/2014 "mapb_1990" said he already lost the number of members that got that same deal for around 39 EUR/month (Zwame, 2013c:111)]. However, member "Speciale" responded *"… I can only picture myself accepting a 24 month binding period if I effectively would save some 10 EUR/month."* (Zwame, 2013c:109).

Directly referring "myman"'s rationale and arguments, in 01/April/2014 "pedrost9" said: *"Of course that money is very important at this time. But we can't just look at price, we must see the price/quality relation. But I confess that ZON, with this deal package, has way more advantages than Vodafone fibre-optic"* (Zwame, 2013c:113). But as this subject is seen as relative to members, "tokkan" told him that *"Personally, if I had the option to switch to Vodafone's fibre-optic, it would be very difficult for me to remain with ZON's."*

3. **ZON OPTIMUS as legitimate alternative**: In 02/April/2014, "Miss Croft" exposed that, since her Vodafone's service was disconnected more than two days ago for no reason (apparently, a fibre-optic cable was cut) and Vodafone couldn't explain or resolve the situation in time, she decided to cancel her contract and to immediately subscribe to ZON's. In fact, the installation was scheduled for the next day (Zwame, 2013c:113).
4. **ZON OPTIMUS is coming with novelties**: In 04/April/2014, "myman" and "hmirpereira" both disclosed that in 8th of May of 2014 ZON OPTIMUS would be presenting new services, after an annual report meeting. Once again, first-hand information (or at least rumors) appeared to be shared in the forum: *"Now, in this moment, except for financial questions, is a terrible time to switch operator. As from 8th of May a big change will occur. With that change, new services will come up, tariff plans, new working methods, etc"* ("hmirpereira") (Zwame, 2013c:116).

Negative Feedback

1. **Inflexibility to negotiate:** In 10/July/2013, "montanela" showed his discontentment with ZON OPTIMUS' inflexibility on negotiations: *"... But right now ZON doesn't negotiate IRIS' so, if I end up being with them for another year, I'm going to downgrade my service to teach them a lesson"* (Zwame, 2013c:2).
2. **Unsatisfying customer service:** In 09/April/2014, "skulrid" informed the community what happened to him while trying to negotiate conditions of a new contract with ZON OPTIMUS and MEO. He said that, in his home, he could only have ZON Satellite or MEO ADSL. Thus, when he called MEO the result was he received a special promotion,*"... different from the ones available. A commercial offered me a significant reduction, way cheaper, and I was happy."*. However, when he called ZON OPTIMUS, a company from which he and his parents were clients *"... since TV Cabo appeared, many years ago..."* – argument which got him to talk to different departments (*"...commercial, invoicing and renegotiations..."*) – they didn't care (*"...at all..."*) about offering him better conditions: *"Ok, I know it's a new contract and not a renegotiation, and that it's not because I'm a client that I demand to be treated like a king, but their disregard and disinterest not only to keep a present client satisfied but also to acquire a new one in that moment... And the foolish attitude of the last individual, dispatching me... Unacceptable. (...) MEO, which doesn't «know me» from anywhere, was nice and attentive (...) Oh well, today I'm signing up with MEO. And next week I'll call back to ZON's renegotiation department and they'll see where their client goes to"* (Zwame, 2013c:118).

In response, in the same day "fcaldeira" – a ten year old ZON OPTIMUS' client – affirmed he was having the same type of problem as "skulrid". The member had *"... kanguru 4G and Optimus' mobile phones (aprox. 90 EUR/month total)..."* and he was trying to subscribe to ZON OPTIMUS' 4i Satellite but he couldn't get any discount because they were only for new clients and ported numbers (non-Optimus'). *"... they* (ZON OPTIMUS) *are basically obliging old costumers to switch to competitors... How can they not see they could keep the client by offering at least the same that is offered to new clients? (...) I don't understand anything about marketing but I believe this isn't the best approach"* (Zwame, 2013c:118).

3. **“Ultra-expensive” service**: Following the discussion previously described, in the same day, another ZON OPTIMUS’s client expressed his discontentment with the company’s reluctance to provide discounts on 3Play and 4Play services from ZON OPTIMUS Satellite to loyal customers, and added: *“Given that prices are ultra-expensive the results won’t be any good, obviously, and thus I’ll also switch from ZON Satellite + Clix ADSL to MEO… These guys are lost, and don’t know how to do things well in order to hold clients.”* (Zwame, 2013c:118).
4. **Veracity of distance-selling offers**: In 23/March/2014, “Bullit” affirmed that he had a discrepancy between what he accorded with a ZON OPTIMUS’ salesman through telephone and what then was written in the contract (.pdf): *“…a contract for 24,99 EUR with free TV box but in the .pdf contract they sent me I had to pay… They could have had a client but they lost it already.”* In response, “Serrangel” said the same type of thing happened to him and other member of the forum (*“…more 10 EUR in the .pdf contract…”* than what had been negotiated). (Zwame, 2013c:108)

5.2.2.2.2. ZON OPTIMUS discussions’ Summary

The observation on the discussions about ZON OPTIMUS’s offer in telecommunication solutions led to a series of conclusions. ZON OPTIMUS demonstrated to be seen by some consumers as an operator appreciated for its relation between price, services and quality. In fact, when one of the forum’s members couldn’t get a problem with her operator solved within 48 hours, she called ZON OPTIMUS and scheduled an installation for the following day.

Consumers in the topic were, as expected, price centered but, for some, price wasn’t everything. In fact, some consumers literally affirmed that price is not everything when it comes to telecommunication’s services.

However some consumers were against operators demanding long binding periods, for others it didn’t matter to be obliged to be stuck with an operator, as long as they were enjoying the best services and conditions in the market – and some of them believed it was their case. One of these consumers also referred his clear appetence for deal packages that cover mobile communications, as it is the case of ZON OPTIMUS’ “4i” bundle service. It was observed that this is something that ZON OPTIMUS appears to be investing on, as it was reported ZON OPTIMUS was sending free SIM cards to its 3Play clients, and thus creating new 24 month binding periods if clients accept to include the card in their services.

Regarding ZON OPTIMUS' customer service and its inflexibility to negotiate, it appeared to have led a client to intend to proceed with a downgrade of his contracted service and, in more extreme cases, it led consumers to opt for quitting their affiliation with the company. Nevertheless, it was also observed that a lack of sensibility (and perhaps respect) from some employees in call centers to respond to the consumers' needs in the best ways led at least one client to opt for contracting services from the competition, instead of keeping a relationship with ZON OPTIMUS.

A negative aspect that was approached in the topic, and which applied not only to ZON OPTIMUS but also to MEO – as a case comprising the company also was mentioned – was related to the lack of veracity in some actions that aim to gain new clients. It was presented the case of a MEO client, whose conditions offered by the operator couldn't keep up with the ones from ZON OPTIMUS, and which resulted in the MEO's seller inventing arguments to harm the competitor; and the case of a ZON OPTIMUS' seller who verbally promised a price to a consumer but then sent another one in the contract and even stopped communicating with the consumer. Apparently, the latter happened to at least three consumers in the forum.

Such occurrences leads one to ask himself if a seller's will to make new contracts really justifies less sincere and considerate actions. In fact, it appears to reveal the thin and fragile lines between what actions and strategies can effectively contribute to gaining a client's satisfaction and increase his trust levels – and, with luck, possibly creating positive e-WOM – and how so simple, perhaps careless or unthoughtful acts, from employees who directly deal with consumers can compromise huge amounts of previous marketing efforts.

5.2.2.3. Vodafone Portugal

- **Topic**: *"Fibra optica da Vodafone"* (Zwame, 2009a)
- **Date of creation**: 15/April/2009
- **Date of last thread**: 10/April/2014

- **Date of observation**: 10/April/2014
    - **Number of pages**: 472 pages
    - **Number of threads**: 9430 threads

Even though Vodafone wasn't reported by ANACOM to yet play a relevant position in the home telecommunications' market (ANACOM, 2013b), the company's fibre-optic service and its appealing price has been mentioned several times in previously observed topics. Thus, the described topic and its e-WOM interactions will be under scrutiny.

5.2.2.3.1 E-WOM

Created in 15/April/2009 by "parabolic", the member announced that Vodafone had installed its fibre-optic services (initially only Internet and telephone) in his apartment for a 6 month test period, for free. Additionally, he added a print screen of his Internet speed tests, for the community to check, which appeared to be considerably good ("Faster than 79% of Portugal"). Thus, due to curiosity from other members concerning the service under the testing period, discussions on its official launching in the market, hardware devices, and other technical subjects initiated (Zwame, 2009a:1). As time went by and years passed, the analysis of the topic and the service will now focus on more recent events and threads.

Positive Feedback

1. **Internet speed surpasses competition:** Overall, consumers appeared to be satisfied with Vodafone's fibre-optic Internet service. In 25/03/2014 "CPereira90" and "varejo" posted print screens of their Internet speed test, which demonstrated to be *"Faster than 94% of PT"*. Other clients in the topic confirmed that their connections were "… as always, I have everything at 100% here. I've never felt any problems neither with DNS nor Internet speed " ("[O_o]" in the same day). In fact, in the following day "CMC_PUBLIKUM" affirmed that: *"As for me, as a current Vodafone fibre-optic client, and as an ex-ZON fibre-optic client (lies), I just have to say that to switch was the best thing I've done"* (Zwame, 2009a:462).

However, there were cases of clients who didn't have the best speed and thus negatively influenced others who were about to contract the operator's service – as it was the case of "Discovery" who, in 27/March/2014, said *"Damn… You're scaring me… I'm going to* *subscribe for 100Mb just for the Internet (I don't care about TV at all)… and you're already having problems… Here, Optimus (Clix) fibre-optic still reaches the 100Mb… I hope I won't regret…"* Nonetheless, developments on the subject appeared to indicate that the problems some clients were facing were connected to technical configurations of their devices (Zwame, 2009a:463).

2. **The best quality/price offer in the market:** In 28/03/2014, "pg_2006" asked the community some questions, as he was thinking to cancel his parents' ZON OPTIMUS service for Vodafone's fibre-optic, because their area was recently covered by the service. In response, "FullDISK" and "CPereira90" clarified the member and stated that, concerning functionalities, to "CPereira90" Vodafone *"is a little behind but, regarding price, it's the best service",* and to "FullDISK" *"… in terms of fibre-optic it's similar to MEO's and superior to ZON, because ZON doesn't have fibre-optic"* (Zwame, 2009a:464).
3. **Rapid and efficient**: Other case of a member ("projectmanager") who was interested in switching his current service (Cabovisão) to Vodafone was presented in the topic. However, in such case not only price was mentioned as the reason for the will to change but, for the member, also *"… because Cabovisão's box is terrible."* Thus, as he would be saving around 10 EUR/month (considering Vodafone's promotions), he was considering to switch. In response, "[O_o]" told him that *"Vodafone doesn't has as much interactivity as MEO regarding its software but… if you like speed and efficiency, that's what Vodafone will provide you. I believe you'll enjoy the experience a lot!"* (Zwame, 2009a:471).
4. **Vodafone's RED justifies an upgrade:** In 07/April/2014, "Raen" posted a long thread, sharing his family's case and the calculus he did in order to verify if an upgrade from his 2009's 2Play contracted service to Vodafone's RED (4Play) was worthy. In his case, although the calculus demonstrated he was going to pay a little more (8,70 EUR/month) than what he was paying at the moment, to him, it was worthy because he was adding TV and getting a better Internet and mobile services: *"I advise everyone to perform these types of calculus before you subscribe to whatever it is, so you understand what offer best fits your family"* (Zwame, 2009a:470).

Negative Feedback

1. **Problems with Internet speed:** While some consumers had no problems with their internet speed, others complained considerably regarding Vodafone's DNS (Domain Name System). In fact, it was being actively discussed as a problem Vodafone should solve as soon as possible (Zwame, 2009a:464).
2. **Demand for updates in TV User's Interface:** In 05/April/2014, "ricardoq" asked the community the following: *"To you guys who work for Vodafone, does anyone know when it's predicted for the Box's UI (User Interface) and functionalities to change? It's time already "*(Zwame, 2009a:469).
3. **Demand for equality regarding TV channels:** According to a thread from 06/April/2014, "nightmaster" created an online public petition for Vodafone to include TLC's TV channel into its offer. Additionally, "CMC_PUBLIKUM" affirmed that: "*As for me, for example, I'd like to have VH1 Classics…*" (Zwame, 2009a:469).

5.2.2.3.2 Vodafone Portugal discussions' Summary

If Vodafone didn't represent a significant piece of the home telecommunications' market in 2013, such context appears to be changing in the near future. The operator has been mentioned many times by consumers in topics related to competitors, and given the operator appears to be investing on growing its fibre-optic networks across the country, the amount of e-WOM observed suggested that its services adoption were also growing in popularity.

Considered as "rapid and efficient" by surpassing competitors' Internet speed, in the observed clients perspective, Vodafone offered the best balance on quality and price in the present telecommunications' market. Nonetheless, one consumer admitted that the operator's UI and services regarding its smart boxes were a little behind of the competition. Other consumer, for example, thought it presented similar features as MEO's and that Vodafone's were superior to ZON OPTIMUS'.

In the particular case of one family, they were satisfied with Vodafone's RED 4Play service's offer because, at the time, they were contracting an older 2Play service from the company and, after doing the calculus in order to understand if it would compensate to upgrade, they concluded the slightly higher price they were going to pay per month (8,50 EUR) would be beneficial, as it would allow them to enjoy of a better and more complete service.

Another interesting aspect observed in this particular topic was the consumer's high level of knowledge on telecommunications, not only related to price but also to very specific and technical aspects related to information technology, hardware, software, and computer science in general. Thus, when technical problems with Vodafone's Internet speed (specifically, with its DNS) were identified and discussed, while some clients thought other members were overreacting [*"It doesn't affect the download speed, it delays a little while opening websites…"*, "ramos" in 29/March/2014 (Zwame, 2009a:466)] because the problem had a solution to which they could reach, others thought that such problems shouldn't have to be solved by the client, even known they knew how to solve the problem and how to make the technology work almost at 100%. Thus, it was observed that Vodafone's Internet speed appears to offer a great service (and even to surpass competition's) not in every cases but merely when it is properly working.

Other gap identified during the observation of the topic, in some consumers perspective, were the lack of equality regarding Vodafone's TV channels offer. In one of those cases, a user even had the initiative to create an online public petition for the operator to include the channel he wanted into its channels' list, thus demonstrating that some e-WOM was spread regarding the subject (however the petition was only signed by eight people by the time of the observation).

5.2.2.4. Cabovisão

- **Topic**: *"Cabovisão acaba com fidelização"* (Zwame, 2014a)
- **Date of creation**: 07/March/2014
- **Date of last thread**: 01/April/2014
- **Date of observation**: 11/April/2014
    - **Number of pages**: 07 pages
    - **Number of threads**: 139 threads

The reason for opting for this topic was also due to its different characteristics in comparison to the ones observed of previous operators. The topic approaches a subject many Portuguese telecommunication consumers demonstrated to be of its great interest, given that almost 160.000 consumers signed for an online public petition, supported by DECO, for binding periods within the sector to have its days counted (DECO, 2013). Thus, by analyzing e-WOM the topic presents, conclusions on the subject and on Cabovisão's strategy are expected to then be drawn.

5.2.2.4.1. E-WOM

In 07/March/2014, "spnet" created the topic that informed the community that Cabovisão was releasing two new package deals into its home telecommunication offer, not containing any binding period for the client. The source for the information was an article from TVI24 (a cable and satellite Portuguese news television channel) which contained some more detailed information on the subject. However, apparently by the time the topic was created not any service was yet present on Cabovisão's website and thus the first threads were commenting on that fact.

Positive feedback

1. **Good experiences with the operator**: In 07/March/2014, "viperbruno" affirmed that *"Instead of staying under a 2 year binding period with any other operator, except Vodafone which has terms in its contract that transmit me more confidence (and its attitude it had towards me more than once), I wouldn't have anything to lose opting for Cabovisão. When I was its client (back in the days when ZON was still known as TV Cabo) I didn't have any complains, but according to what I see in the forum things have changed. (...) Again, I hope this will be confirmed and that, following this path, they do it big because Vodafone's 25 EUR are difficult to beat"* (Zwame, 2014a:1).
2. **It responds to some consumers' needs**: In the same day, "xes" commented that *"on one side this is to praise. In my case, I'm on a rented house so it's complicated for me to negotiate anything. If I opt for MEO I'll be under a 24 month binding period, and given that I'm planning to switch houses this year, if I negotiate with Cabovisão I'll be under a minimum of 12 month binding period, with some luck. I pay 46 EUR for 100Mb so I'll check the 30Mb's tariff plan because I want to lower my fee"* (Zwame, 2014a:1).

3. **The offer definitely brings benefits:** After doing some calculus, and comparing Cabovisão's new offer with the one of MEO (which imposes a 24 month binding period), in 07/March/2014 "Tiago.Pereira" stated the offer may be beneficial in the case the client needs to, for example, switch houses and Cabovisão is not available in the area to where they are moving (thus not being possible to request for the service to be moved from one house to the other). The calculus' results he got for a client cancelling the service under a 24 month binding period with MEO, and a client with Cabovisão's new offer, for the 4th month of contract demonstrated the client with Cabovisão would benefit from a 471,84 EUR difference. In addition, he said that, to him, *"... 2 year binding periods are only beneficial when: 1) price is so low you can pay it regardless of you financial condition; 2) you predict you'll remain in the same house those 2 years and you don't have any financial problems…"* (Zwame, 2014a:2).s

Negative Feedback

1. **Not a key factor for subscription**: In the same day the topic was created, "cool_shot" commented that *"Even without a binding period, I'd only subscribe to Cabovisão if I really wouldn't have anything else available…"* Then, in a following thread, the member added that *"Even if Cabovisão had 25 EUR offers and other operators were just offering 35 to 40 EUR services (regardless the operator) I'd only subscribe to Cabovisão if I couldn't have any other one… I don't know a single satisfied client with Cabovisão…"* (Zwame, 2014a:1).
2. **Inferior service comparing to competition**: *"The problem with Cabovisão is that it has an inferior service comparing to others, in every sense. Because as regards to functioning, it functions well"* ("night_sign" in 07/March/2014)."Antunes55" agreed, saying: *"I agree on that. I was always conscious I had an inferior service but we also pay in accordance to that, or else I'd switch right away. (…) If it wasn't Cabovisão appearing at the time I wouldn't have Internet. (…) PS: The reason I've never switched is because every time other operator offers me a better price, they do a better counter-offer."* Then the member added: *"The services are certainly not as good but they're enough for me. I don't pay when I need to make a call, I don't watch much TV and the box doesn't give me any problems, and since I don't download intensively I have no problems"*(Zwame, 2014a:1). Nonetheless, later on, in 22/March/2014 "Antunes55" said: *"... I have every operator in my area but, at the moment, I'm*

Cabovisão. But soon, the new contract's revision will make me analyze (other options). *Their offer is very short by now. ZON is the one who pleases me the most due to its cinema card"* (Zwame, 2014a:7).

3. **An expensive offer**: Also, in "night_sign"'s opinion, Cabovisão sent *"7,5 Million EUR in advertising to trash, they're still expensive and blame the competing 4Play are high-priced."* Then, he provides the price Cabovisão's offer: *"Free 3Play 30Mbps: 36 EUR/month; Free 3Play 100Mbps: 43 EUR/month"*. Additionally to monthly fees, in order to get the advantage of not being under a binding period, according to "estvmkt", was: *"... the client pays installation costs, 150 EUR"*. Apparently, according to "Dr_Lion", to call the operator was the only way for him to get this information since it wasn't available in the website or in the news article, at the time. (Zwame, 2014a:1).
4. **Misleading advertising**: In the same day, "Serrangel" exposed his interest on the offer as he knew about the novelty, however, *"So for the binding period not to exist they ask for 150 EUR??? What a misleading advertising, dude. (...) Vodafone, come quickly, ok?"* In defense of Cabovisão, "viperbruno" argued that, in the case of Vodafone's fibre-optic, he would have to pay 180 EUR not to have a binding period. In response, "Serrangel" said: *"It seems that prices are a little different, right? And, yes, I know the service will also be… But right now, for the type of consumer I am, I'd prefer Vodafone's 24,9 EUR deal pack."* Nonetheless, "mapb_1990" later added a quote from Cabovisão's website informing the 150 EUR condition (installation and activation costs) isn't charged in the case the consumer keeps the service for a 15 month period (Zwame, 2014a:2).
5. **Improve service, not communication**: Still in 07/March/2014, "batatadoce"'s position was the following: *"This is Cabovisão's despair and, in the end, it doesn't change anything because you pay the same. I'm sure that, adding to the installation's 150 EUR, you also have the equipment's costs. If they would only enhance their network… I always have problems with my Internet but, instead, they rather spend time on irrelevant stuff such as facebook, offering tablets, etc... I wouldn't be surprised if they were the 4th operator today, behind Vodafone, and if they don't «wake up» future won't be any bright to them. The problem is not the binding periods, but it's being under a binding period to a bad service. If I could, I'd be under a 3 year binding period more quickly with Vodafone than under a 3 month' with these Sirs"*. Later on, in 12/March/2014 the member made a further comment: *"... They*

(Cabovisão) *don't have minimum interest on understanding what really matters to clients. The only things they care about are their image, their box's image, the website's image; that they're cheaper; they don't need binding periods… when what is asked for is a condign service"* (Zwame, 2014a:5).

Additionally, in 07/March/2014 "bseixas" said: *"I'd rather have a clear «black in white» 12 month binding period (just as real limits of 300Gb or 500Gb on Internet, instead of that "unlimited" chat), which is enough, and access to offers given to other areas, with no silly excuses, (…) seriousness/transparency, that would be something never seen before in the market. It's funny they imply there is no money to invest in more channels, or even to keep the ones they have, but then there's always some for silly advertisements… priorities. "* (Zwame, 2014a:2).

6. **Lack of confidence in the operator's future**: In 11/March/2014, "vampixa" gave his opinion on the operator: *"Today Cabovisão remembers me of the extint Ar Telecom in its final days."* In response, "night_sign" said that *"Ar Telecom was in a worse situation. Cabovisão will only get to that state in the end of the year."* Then "vampixa" said: *"Vodafone and its 24,99 EUR crashed the market, as it offered quality for little money. Cabovisão is stuck in time and it's going to pay a high price for that. Ar Telecom also commited that mistake, to be frozen in time"* (Zwame, 2014a:4). Later on, in 13/March/2014, "Rendeiro" gave his opinion on the subject: *"I wouldn't talk about bankruptcy, but to be sold to other company or to someone who wants to evolve in the market with Cabovisão's network… that would be a good bet. And if they continue like this, they won't even get to the end of the year without going bankrupt or sold."* After this, were initiated discussions on which company would make sense to acquire Cabovisão (Zwame, 2014a:5).
7. **Suggestions for improvements**: In 11/March/2014, "viperbruno" affirmed that *"Cabovisão is a very important player in the Portuguese market, but it commits basic errors. Given they're not expanding, they should be able to offer prices «a la» Vodafone. It's f****** greed. Offer your OneBox to all clients who don't have underpriced services (as ZON's). It's a lot of OneBoxes, and it might be costly, but it would be a way to: 1) Keep your customers loyal by satisfying them; 2) Avoid clients to be threatening on cancelling their contracts all the time, given that OneBox offers advantages. To do this* (increase customers' satisfaction) *you need to improve «Cabovisão ON» and «Restart TV». Additionally, to take some from the 7 Million on*

advertising and upgrade servers." Then, in 12/March/2014 "Antunes55" intervened again, stating: *"I've always been a Cabovisão's client because it's the one that offers a better price for the service but they're stagnating on the market. Today, cloud services, online TV and modern boxes are vital and I don't have any of it."* In addition, "estvmkt" commented: *"The problem is they invest in crap instead of innovating. I defend if they offered 142 channels to all 3Play clients, with 60Mb Internet for 31,99 EUR would be great. But, also, to introduce some channels as Syfy, getting back Económico TV, Fuel, BBC Entertainment…"*(Zwame, 2014a:5).

5.2.2.4.2. Cabovisão discussions' Summary

The topic's observation presented positive and negative opinions from present and past Cabovisão's clients, as well as clients from competitors, on the launching of the operator's new offer: a 3Play service which doesn't oblige clients to stay under a binding period with the company. Even though the service isn't totally free of costs in the case the client decides to cancel it before a 15 month period, the cost to pay can be considerably lower comparing to the one of cancelling a service under a binding period.

However, while some consumers were satisfied with the operator's service and with the new offer, others were not as positive. Thus, as many consumers presented reasons for not being satisfied, some of them even expressed the operator's initiative was not enough for them to want to create a relationship with the company. Indeed, Cabovisão was referred as offering expensive deal packages and inferior services, comparing to competitors; of attempting to fool consumers with misleading advertisement; and of wasting resources, as it was more focused on improving communication and image rather than providing better services.

Nonetheless, while some consumers suggested aspects they would like to see improved in Cabovisão's services, the topic also touched the subject of the operator's uncertain future. Even before any news article announced the company could be on a selling/acquisition position, members in the topic anticipated this scenario due to their opinion on the operator's overall weak performance.

5.3. Social Networks Analysis

5.3.1. MEO Facebook

- **Date of observation**: 13/April/2014
- **Number of page followers (*likes*)**: 1.348.863
- **Number of page sections (tabs)**: 9
- **Average number of posts per day (in April/2014)**: 2,0
- **Average number of *likes* per post (in April/2014)**: 144,2

During the observation performed in 13/April/2014, the number of MEO's Facebook followers was composed by *"1.348.863 likes"* and *"3.044 talking about…"* it in the social network. Nonetheless, MEO had other Facebook pages, as it was the cases of "MEO Sudoeste" (branded music festival) – 384.276 *like*s; "MEO Arena" (branded music venue) – 78.617 *like*s; "MEO Cloud" (cloud service) – 2.215 *like*s; "MEO Music" (music content) – 24.402 *like*s; "MEO Spot" (events) – 88.144 *like*s; "MEO Kids" (children) – 59.318 *like*s; and "MEO Kanal" (service) – 8.202 *like*s.

Regarding MEO's Facebook appearance and structure, its image was presented as seen in Annex 2 – making reference to a new product within the operator's online store (Samsung Galaxy S5) – and it counted with nine personalized sections (tabs): *"MEO Passatempos"* (contest), *"MEO Magazine"* (TV programming highlights), *"Instagram"* (connecting to the brand's Intagram account), *"24 Horas LG Máximo"* (contest); *"MEO LIKE MUSIC"*(live streaming and videos of exclusive music concerts); *"MEO Fórum Q&A"; "É OUTRA VIDA"* (service communication); *"Events"; and "Notes"* (Facebook MEO, 2014a).

Content Sharing

The brand's posts were observed to comprise a series of different entertainment affairs, ranging from new movies and series announcement, music sharing, contests and challenges, promotions, soccer games, events, and others. Additionally, MEO was observed to have a specific tab which functioned as a forum ("*MEO Fórum Q&A*") where users may put questions, suggestions and share experiences related to MEO's services. Also, and very important, the brand was observed to continuously interact with its audience in a sympathetic tone of voice and in a quick manner to comments, in practically every post and to a broad bundle of members. An example of these types of interactions is represented in Annex 3, regarding a post containing a Youtube video of a TV series premiere.

Posts Popularity

As regards to its posts' popularity, MEO appeared to be successful on getting feedback from its audience. Cases of highly *liked* posts were the cases when the brand announced Samsung Galaxy S5's availability within its online store [498 *like*s, 30 comments and 30 shares (Facebook MEO, 2014b)]; when it shared a Youtube video from a radio program, "Mixórdia de temáticas" (274 *like*s, 8 comments and 128 shares); or a post which promoted a new tab in its Facebook page for contests (*"Passatempos"*) by using a recent boys band's image [664 *like*s, 22 comments and 2 shares (Facebook MEO, 2014c)]. However, not every posts were as popular as the exemplified cases but still presented interactions ranging numbers from 30's to 100's *likes*.

5.3.2. ZON OPTIMUS Facebook

- **Date of observation**: 14/April/2014
- **Number of page followers (*likes*)**: 168.173
- **Number of page sections (tabs)**: 7
- **Average number of posts per day (in April/2014)**: 2,0
- **Average number of *likes* per post (in April/2014)**: 38,7

As regards to ZON OPTIMUS' Facebook, the brand presented several pages with different purposes but none of the names was exactly "ZON OPTIMUS". Thus, it was the case of "ZON Life" (general) – 168.173 *likes*; "ZON Lusomundo" (cinema) – 123.262 *likes*; "ZON Futebol" (football) – 141.040 *likes*; or "ZON Kids" (children) – 67.691 *likes* (Facebook ZON, 2014). Thus, as "ZON Life" was the most general one, it will be the one under observation and its image is presented in Annex 4.

In 14/April/2014 "ZON Life" counted*"168,173 likes"* and *"18,173* (people) *talking about this"* page. Its seven personalized tabs were "Passatempo" (contest), "Passatempo" (contest), "Mosaico Optimus Alive" (contest), "Pinterest" (app connecting to the brand's Pinterest account), "Twitter" (app connecting to ZON's twitter account), "O Vasco

Explica" (promotional video), and "Youtube" (connecting to ZON's Youtube channel and its promotional videos) Facebook ZON Life (2014a).

Content Sharing

As regards to the subjects mostly shared from ZON OPTIMUS to its audience it were mainly related to movies and series announcement, but it also promoted some contests to classic music events and it posted some (random, funny) images. However, ZON OPTIMUS wasn't observed to engage with its audience by responding to users' comments. In fact, since the beginning of the month and until 14/April/2014, only two responses to its users' comments were observed – one of it was a complaint from a client and the other was a question regarding a contest, as presented in Annex 5 (Facebook ZON Life, 2014c).

Posts Popularity

Regarding the brand's activity and popularity of its posts, ZON OPTIMUS appeared to struggle on engaging with its audience. In fact, the most impactful post counted 625 *likes* and nine comments (a promotion of the brand's contest "Mosaico Optimus Alive"), however, such event was a total exception during the observed month. The second most engaging post (50 *likes*, 1 share and 1 comment) was an image of "Rio 2"'s movie and it asked audience to *"Click LIKE if you're thinking on going to watch this movie"* (Facebook ZON Life, 2014b); while remaining posts appear to be on a range of 10 to 40's *likes*.

5.3.3. Vodafone Portugal Facebook

- **Date of observation**: 14/April/2014
- **Number of page followers (*likes*)**: 746.077
- **Number of page sections (tabs)**: 2
- **Average number of posts per day (in April/2014)**: 1,7
- **Average number of *likes* per post (in April/2014)**: 33,6

In 14/April/2014, Vodafone had in its official Facebook page "*746,077 likes*" and "*1,321* (people) *talking about this"*. Its page presented two other pages in the social network – "Vodafone FM" (the brand's radio) – 181.146 *likes*; and "Vodafone Mexefest" (branded music event) – 25.591 *likes* – and its Facebook image made reference to the brand's sponsorship to a music festival (see Annex 6). As regards to the page's tabs, there was only two at the time: "Fórum Vodafone" (a space for Q&A); and "Vodafone Radar" (entertainment app) (Facebook VodafonePT, 2014a).

Content Sharing

Concerning interactions within the platform, Vodafone essentially shared product related content, branded/sponsored events, movies and series announcement, and (random) funny posts. It was possible to see that every shared post appeared to be directly related to the brand – and most of them were, indeed – because the operator "branded" every published post, i.e., Vodafone put its brand's image/logo in every post, regardless if it was indeed related to the brand. It was the case of, for example, a post announcing a smartphone application not owned by Vodafone, but which had a Vodafone's logo on its representative image (Facebook VodafonePT, 2014b).

Regarding Vodafone's responsiveness to post, the operator wasn't observed to be investing much on trying to engage with its audience. Although the operator responded to a (very small) part of comments, opinions and questions put by its followers, the brand's tone of voice was then perceived as impersonal, and perhaps frigid. An example of this is represented in Annex 7 (Facebook VodafonePT, 2014e), and several others may be observed while one navigates in the brand's Facebook page.

Posts Popularity

As regards to Vodafone's most popular posts in the social network page during the observed period, the most *liked* post was an album of photos from Vodafone Rally's event [96 *likes*, 3 shares and 4 comments (Facebook VodafonePT, 2014c)] and the second most popular post was the announcement of Samsung Galaxy's availability in the operator's store [73 *likes*, 9 comments and 11 shares (Facebook VodafonePT, 2014d)].

5.3.4. Cabovisão Facebook

- **Date of observation**: 14/April/2014
- **Number of page followers (*likes*)**: 32.094
- **Number of page sections (tabs)**: 1

- **Average number of posts per day (in April/2014)**: 0,7
- **Average number of *likes* per post (in April/2014)**: 6,2

In 14/April/2014, Cabovisão was followed by 32.094 Facebook users and 69 were talking about the brand in the platform. Its image was as presented in Annex 8, and it makes reference to the operator's last communication campaign regarding its service without binding periods. Regarding its Facebook personalized tabs, the page contained only one personalized tab "Guia TV", an app for consulting TV channels programming (Facebook Cabovisão, 2014a).

Content Sharing

As regards to the types of contents shared in Cabovisão's page, it mainly presented posts related to TV channels' programming: sports games, movies, series and documentaries' announcements. The only slight exception, during the observed period, was a contest targeted for children to win a bundle of toys (from Cartoon Network's TV channel) (Facebook Cabovisão, 2014b).

Regarding the way the operator responded to its followers' reactions to posts, Cabovisão was observed to respond to some followers but others didn't have any response, even in posts which had received only two comments (Facebook Cabovisão, 2014c). Additionally, when the brand indeed responded to reactions, its tone of voice was perceived as formatted and automatic. As seen in Annex 9, Cabovisão responded to clients in a very impersonal tone of voice (Facebook Cabovisão, 2014e).

Posts Popularity

Cabovisão's posts were not observed to have an elevated level of popularity among its audience. During the period under observation, the maximum number of *likes* Cabovisão was able to get was 11 (with no comments or shares) when it announced a football game [*"Arouca x Benfica. This might be the game towards the title. Are you going to miss it? (...)"* (Facebook Cabovisão, 2014d)].

5.3.5. Social Networks' Summary

The brief analysis on the Portuguese telecommunication operator's Facebook pages demonstrated clear differences on the ways brands were operating in the platform and the returns they got from such approaches.

It was observed that MEO was the operator which more successfully connected with its audience. Not only the operator presented around 80% more followers than the second most popular brand in the social network (Vodafone), but also the average *likes* per post in the brand's page was, by far, the higher from the four operators. Still comparing with the second most popular operator on Facebook, when MEO announced the releasing of a smartphone within its online store it got 498 *likes*, while Vodafone was only able to get 73 *likes* when it similarly announced that exact same information also posting an image, i.e., MEO got 582% more *likes* than Vodafone in a similar announcement.

As regards to the brand's tone of voice, while Vodafone, ZON Optimus, and Cabovisão acted in more impersonal ways, MEO was observed to demonstrate that it appreciated its audience's feedback and thus the brand communicated on interested and sympathetic ways; as well as to be consistently trying to engage with its audience.

In pair with MEO, Vodafone also presented its audience a specific space which provided the possibility to ask questions and to get problems solved by creating a Facebook tab for the effect. As a result, many of the negative feedback that could have been exposed by unsatisfied clients on unrelated posts were organized in a specialized space. As this was not the case of the other two operators, both were observed to have a greater amount of service related comments from its audience in their posts.

Regarding the variety of content shared in the platform, while MEO diversified its posts in a wide range of subjects that could interest its audience and which wasn't always related to the brand, some competitors acted differently. ZON Optimus and Cabovisão were more TV programming contents, and Vodafone was more self-centered as it mainly shared content that resembled the company's activities and services.

CHAPTER 6 – FINAL CONCLUSIONS

6.1. Introduction

The study was set out to explore contemporary Portuguese telecommunication consumers' interactions on online platforms, in a manner that allowed to deepen knowledge on the aspects these consumers mostly discussed and valued on telecommunication operators, regarding its current services characteristics, marketing strategies and communications. The study has also sought to identify and characterize why some telecommunication operators were more successful than others on gaining consumers' preference and on engaging with them, in order to clarify the aspects that may or not contribute for consumers' satisfaction and to generate positive e-WOM.

Since the general theoretical literature on this subject is inconclusive, and specifically on a crisis context and within the telecommunications industry, specific questions were defined and its answers will be clearly presented in the next section. Additionally, the theoretical and practical contributions will be presented, as well as the study's limitations and future perspectives for investigation.

6.2. Principal Conclusions from the Investigation

The empirical findings on online platforms made possible to draw the answers to all the questions the study sought to respond. However some findings were operator specific and were previously described, main aspects will next be addressed. Thus, as regards to the first question under investigation,

> *RQ1. What are the characteristics of Consumer-to-Consumer (C2C) communication, within the defined online platforms, and what may be the outcomes of the observed e-WOM?*

While within Zwame Forum, it was clear that consumers were highly informed on the subjects under discussion. Members were extremely involved on providing the most accurate information and many of the informers had been involved within the forum for some years. They were generally very fast respondents to other consumers' doubts, and they were obvious technology enthusiasts. Thus, within the topics it was possible to observe the presence of consumers who were genuinely "opinion leaders" (Chan & Misra, 1990) among the great amount of "market mavens" (Feick & Price, 1987) within the forum. However it wasn't possible to confirm Dellarocas (2006) affirmation in relation to brands adopting manipulative strategies to influence consumers' perceptions within these type of platform, an interesting aspect found during the study was the existence of members in the observed forum which acted as "brand ambassadors", either by using a telecommunication service naming on their own nicknames, as it was the case of MEO's, or simply advocating the brands and services they liked the most.

Additionally, one particular topic observation – Lycamobile's – made clear the extent of dissemination and influence of e-WOM. In this particular case, the topic's positive e-WOM observed during the study's first visit led, at least, nearly 26 members to become Lycamobile's clients. In contrast, during the second observation of the same topic it was observed a total change of paradigms due to the operator's radical alteration on its offer, which led consumers to feel immensely revolted towards the brand, announcing they would be boycotting the operator and promising to spread negative WOM about it outside the forum's environment.

As regards to social networks, it was observed that C2C communication within brand's Facebook pages and posts was not the most important aspect for the dissemination of information within the platform and thus to influence other consumers. In fact, in operators' Facebook posts and pages, consumers mostly commented on the subjects the posts addressed or asked brands questions related to services. Nonetheless, as an important characteristic of this platform is that whenever a user *likes*, comments or shares a brand's post, his/her connections have access to that information on their newsfeed. Thus, even though consumers were probably not always aware of this, e-WOM was being spread across very large audiences, especially in the case of MEO which had more than one million followers and which presented the higher levels of involvement with its audience per post.

The second question which the study aimed to respond was as follows:

RQ2. What is the role and influence of "price" on C2C communications and how is its evolution presented throughout time?

According to the results obtained from the exploratory study on Zwame Forum, it was observed consumers definitely attributed great importance to price on telecommunication services. It was clear that consumers discussed the variable across topics, sharing information regarding the latest promotions, discounts and negotiations with operators and thus influencing other consumers' opinions and shopping decisions. Indeed, the subject on price, contracts and negotiations was getting more and more discussed, as it was possible to observe, for example, when the community addressed the subject in a specific topic for the case of ZON's services, which already had a general official topic to discuss its home telecommunication services since 2009 but got another topic created in 2013 only for price related discussions.

Nonetheless the observed topics were a very rich source for getting information related to price directly from consumers' experiences, it was also very interesting to observe that, regardless of the economic context, price was not always the most single important variable for many telecommunication consumers, especially regarding home telecommunication services. Such occurrence leads to the third question the study aimed to respond, which was:

RQ3. What are the most valuable aspects and solutions for telecommunication consumers, according to the observed C2C and Consumer-to-Business (C2B) communication?

Although it was observed that consumers clearly sought for the best prices, they also demonstrated to be very demanding regarding telecommunication services' quality. In the cases of the savviest consumers, regarding technology and performance, these consumers couldn't stand poor results of, for example, Internet speed or connection quality. Innovation on offered services, good customer service, bundling different services in packs, and extra benefits (e.g. ZON's cinema card) were also understood as aspects consumers valued. In addition, the fact that operators announced services which, in the end, were not exactly as promised was also discussed and some consumers referred to the subject as a lack of seriousness and transparency from some operators.

Other interesting aspect regards to the subject of binding periods. Although the absence of these periods was something thousands of telecommunication consumers across the country sought to get (DECO, 2013), the availability of the feature on Cabovisão's home telecommunication services didn't seem to be enough for most of the observed consumers to want to switch operators, as they seemed to agree it was the operator which offered poorer services amongst the four present telecom companies. Nevertheless, Vodafone's 3Play service popularity was increasing among consumers given that it allied the lower price in the market to a pleasant TV service and very good Internet speed results.

As regards to the fourth question the study aimed to answer,

RQ4. Are telecommunication brands performing the best online practices to enhance their Business-to-Consumer (B2C) communication, and thus increase their brand equity?

Although the answer to this question is very subjective as it regards to classify operators' online communication, the conclusions drawn from the analysis within the social network environment made possible to, at least, compare popularity of the four major operators among each other. Demonstrating that, indeed, the investment on strategic marketing activities during recessive periods allow brands to enhance their results (Srinivasan *et al*., 2005; Rollins *et al*., 2014); whilst MEO was the obvious leader and surpassed competitors on a large scale by successfully engaging with users and sharing diversified content which seemed to be, in most cases, relevant to its audience; other operators were not as noteworthy, as they focused more on, for example, sharing films/series/other programming content (e.g. ZON and Cabovisão) or were more self-centered (e.g. Vodafone). As regards to brands' reactions to feedback and its tone of voice within the social network, MEO was also the one which demonstrated to genuinely care about its users interactions, as it personalized every communication in a sympathetic manner. Hence, it's possible to argue that not every operator was performing the best online practices which could lead them to enhance their brand equity. Such affirmation leads to present the answer to the fifth and last question the study sought to respond:

RQ5. What can operators do in order to try to increase their customers' satisfaction levels and, therefore, to enhance their performance?

First, in order to meet its customers' needs, telecommunication operators must be aware of what the consumers' major concerns are. It was perceived that a good telecommunication product or service will almost sell itself because consumers are very active on disseminating information among each other and across platforms. Thus, although the idea of launching a different service might seem enough to justify a big investment in marketing communication, the effort should first be focused on improving and obtaining the best service levels and then to strategically promote it among the target. As previously mentioned, however "price" was indeed important for consumers, innovation and quality in this market were also understood to be of crucial importance, regardless of the present economic context. Thus, while operators offering good quality services must embrace a flexible culture while dealing with consumers' demands (e.g. on negotiations) and keep themselves competitive; the ones that recognize its services inferiority should invest on improving its offer given that communication or new packages don't appear to be enough to influence consumers' preferences.

On an online level and regarding consumers' engagement and perception, operators should look outside their own boundaries and share content that is relevant, valuable and which interests their community. Additionally, brands should take advantage of these platforms to provide good customer service, i.e., which is helpful to consumers, as well as to create humanized bonds with them, by demonstrating they care for the audience's opinions and questions. Also, posting consistently and responding to most of the audience's comments should allow brands to increase engagement. Thus, as Katona *et al*. (2011) suggests when referring to "clustering-effect", an engaged audience which genuinely likes and values a brand is more likely to not only become its customer but also to influence other people to *like* and subscribe the brand's page and services.

6.3. Main Theoretical and Practical Contributions from the Investigation

It is believed the study amplified the empirical knowledge on online discussions of telecommunication consumers on an economic crisis context, as well as it unveiled the importance and influence of variables as price and quality on shaping consumers' shopping decisions. Thus, as the investigation adopted a qualitative research method (Netnography) which demonstrated to be a useful and insightful method to build knowledge on online consumers' behavior in online communities (Churchill, 1979; Sandlin, 2007), it's believed the investigation had a considerable theoretical contribution. Additionally, since the Netnographic study was executed within popular online platforms, considered to highly contribute to influence and shape public opinion (Dellarocas, 2006;

Katona *et al*., 2011) and where highly knowledgeable consumers interact, and that the literature lacks references on this research field, both in Portugal and outside national boundaries, the results obtained are considered a plus for future theoretical investigations performed within the telecommunications market.

The observed platforms and topics, especially within online forums, led to confirm that indeed people are not only less receptive to spend money and increasingly compare benefits among competing brands and products (Ang *et al.*, 2000), but also have instant access to information sources due to the easiness of connection and communication that the Internet and telecommunications provide. Thus, it was confirmed the evolution in consumers' decision making process has, consequently, turned consumers less loyal to brands (Flatters & Willmott, 2009) also within the telecommunications market as consumers didn't demonstrate to have problems on switching operators if that would be more beneficial to them and contribute to fulfill their needs. Additionally, it was conferred the importance of e-WOM for influencing the behavior of online consumers (Gupta & Harris, 2010) and their adoption of telecommunication services.

As regards to practical contributions in the marketing scope, the study identified critical factors that telecommunication operators must be aware of in order to meet market's demands and thus increase their market share and brand equity: as previously discussed, these were mainly price, quality, flexibility, innovation, transparency, seriousness, humanity and sympathy. Nonetheless some companies were observed to be, overall, doing better than others, the conclusions drawn from the Netnographic study are believed to be important for any of the four major telecommunication operators if they would wish to have information on the aspects they and their direct competition are doing right and the ones which may be improved; or where their investment and marketing efforts should be mostly focused on. It is indeed believed the study is of great importance especially during a period when the revenue telecommunication operators get from their clients has been decreasing across every region of the world (GSMA Wireless Intelligence & A.T. Kearney Analysis, 2013).

Also, as there was no evidence of any type of qualitative analysis of the present telecommunication operators' presence within the analyzed online platforms, it's believed that operators with access to the exploratory study and the suggestions elaborated in the previous subsection will be able to enhance their levels of engagement and, perhaps, to improve their performance.

6.4. Limitations and Suggestions for Future Investigations

The study has offered an evaluative perspective on a subject which is of interest for different audiences and which embraced a series of different aspects within the telecommunications industry. Nonetheless, it presents some obvious limitations, mainly due to the methodology adopted – Netnography – which is of qualitative nature and not quantitative. Thus, although the study provided insights on answering "how?", "why?" or "when?" questions, it wasn't always able to respond to questions such as "how many?" or "how often?". Hence, it would be interesting for future studies within the area to perform a quantitative study that would confirm or revoke the theories and conclusions herein exposed, especially regarding the variables which appeared to exert more influence on consumers' shopping decisions; and/or to investigate the correlation between consumers' income and their particular options on telecommunications and its evolution throughout time.

Also, given the methodology doesn't permit to know if the observed feedback genuinely came from real consumers, it isn't possible to guarantee that all the interactions herein presented were sincere and not manipulated in any form by consumers or brands, as Dellarocas (2006) suggested. Thus, a complementary study that could guaranteed to observe merely real consumers would be able to draw totally accurate conclusions on the subject.

Additionally, as the study focused only on the Portuguese telecommunications market, its conclusions cannot represent consumers from other countries affected by the economic crisis, also because such consumers would be under different cultures, as well as they would have different operators and services available in their countries. Nevertheless, performing a study to analyze if any of the conclusions herein obtained would be related to the ones of other countries in similar economic position (e.g. Spain, Greece, Italy) would be very interesting, especially for telecommunication companies operating in Portugal as well as in those countries (e.g. Vodafone or Cabovisão's owner, Altice).

Finally, other limitation of the study is the fact the industry under investigation is a very dynamic one and is constantly changing. In fact, as previously mentioned, all the four major operators appear to be preparing to present the results of their organizational rearrangements any time soon. Hence, since some companies merged and others face that possibility, it is presumed the market will change again as regards to not only available services but also brands resulting from mergers. Thus, as these companies will have the opportunity to re-launch themselves in the market and to bring novelty to it, it would be interesting to revisit this same subject in some time from now and observe differences.

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ANNEXES

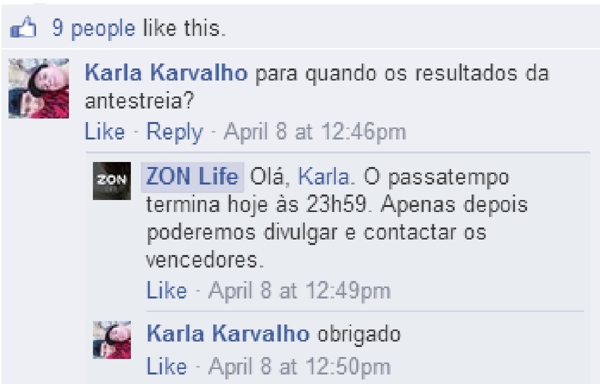
Annex 1 – Lycamobile's leaflet

Annex 2 – MEO's Facebook page

Annex 3 – Example of interaction within MEO's Facebook

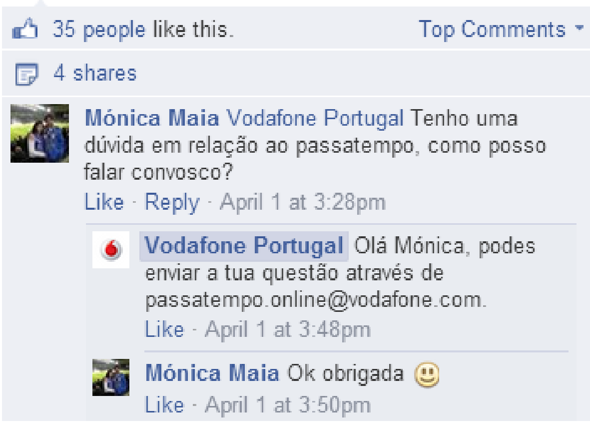
Annex 4 – ZON OPTIMUS's Facebook page image

Annex 5 – Example of interaction within ZON OPTIMUS's Facebook



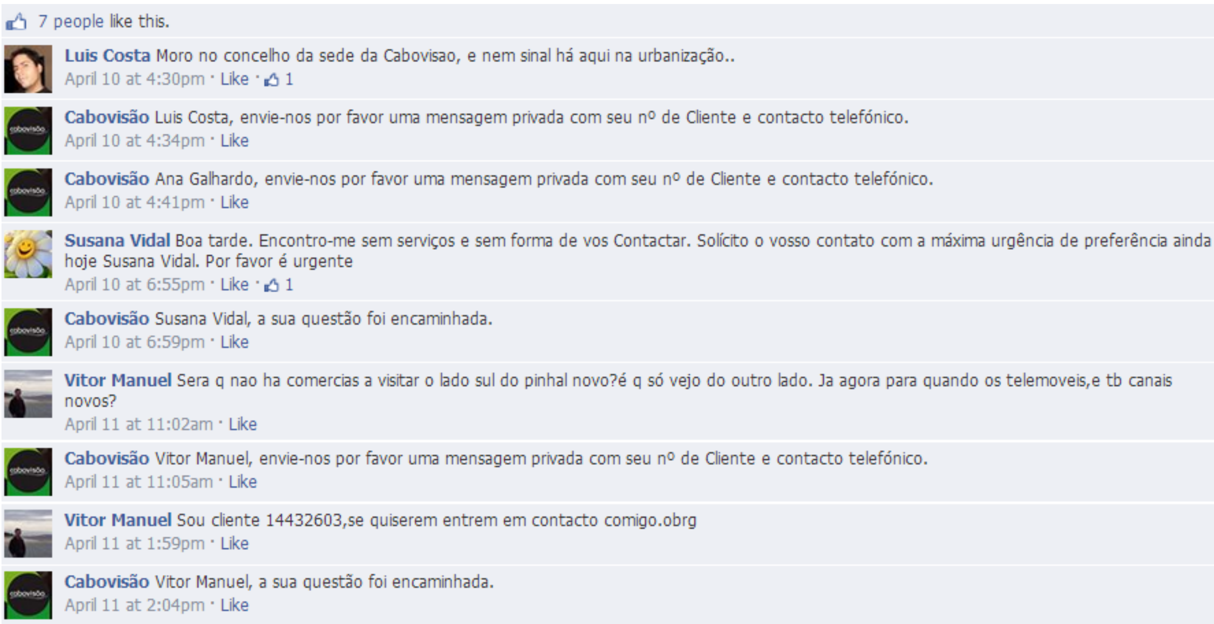
Annex 6 – Vodafone Portugal's Facebook page image

Annex 7 – Example of interaction within Vodafone's Facebook



Annex 8 – Cabovisão's Facebook page image

Annex 9 – Example of interaction within Cabovisão's Facebook



7 people like this.

Luis Costa Moro no concelho da sede da Cabovisao, e nem sinal há aqui na urbanização..
April 10 at 4:30pm · Like · 1

Cabovisão Luis Costa, envie-nos por favor uma mensagem privada com seu nº de Cliente e contacto telefónico.
April 10 at 4:34pm · Like

Cabovisão Ana Galhardo, envie-nos por favor uma mensagem privada com seu nº de Cliente e contacto telefónico.
April 10 at 4:41pm · Like

Susana Vidal Boa tarde. Encontro-me sem serviços e sem forma de vos Contactar. Solícito o vosso contato com a máxima urgência de preferência ainda hoje Susana Vidal. Por favor é urgente
April 10 at 6:55pm · Like · 1

Cabovisão Susana Vidal, a sua questão foi encaminhada.
April 10 at 6:59pm · Like

Vitor Manuel Sera q nao ha comercias a visitar o lado sul do pinhal novo?é q só vejo do outro lado. Ja agora para quando os telemoveis,e tb canais novos?
April 11 at 11:02am · Like

Cabovisão Vitor Manuel, envie-nos por favor uma mensagem privada com seu nº de Cliente e contacto telefónico.
April 11 at 11:05am · Like

Vitor Manuel Sou cliente 14432603,se quiserem entrem em contacto comigo.obrg
April 11 at 1:59pm · Like

Cabovisão Vitor Manuel, a sua questão foi encaminhada.
April 11 at 2:04pm · Like