Masters of Science in Business Administration

Vodafone Case Study

Loyalty and Satisfaction in Vodafone - The Quadruple Play Case

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Abstract

Dissertation title: Loyalty and Satisfaction in Vodafone- The Quadruple Play Case

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The focus of this thesis is to study in detail customer loyalty and satisfaction within Vodafone, more precisely regarding Vodafone's quadruple play strategy, with focus on the new Vodafone tariff plan – Vodafone Red (including TV, internet and fixed voice).

Vodafone is a British telecommunications company founded in 1982, with a significant presence in Europe, Middle East, Africa, Asia-Pacific and United States.

In Portugal, the Group is inserted in what can be considered as one of the most aggressive markets of the country. It is a reference in the National telecommunications field and a leader in brand image, customer satisfaction and innovation.

A world of ever changing technologies and of growing competition dictates deep changes in the telecommunications sector, particularly with the emergence of new capabilities and innovative services by telecom operators, as the case of 2Play, 3Play, 4play bundles. As a response to the new challenges, Vodafone, originally known as a mobile telecommunication operator is ultimately moving into adjacent areas to mobile such as television and Internet. The tariff plan Red came mainly as a response to the quadruple play trend and will be the focus of analysis of this study.

The methodology of this case study entailed the collection of primary data (mainly from company reports, ANACOM reports, information from websites) and secondary data collection (in-depth interview and survey).

The dissertation is divided into five main parts: the Literature Review (that is the theoretical support for the whole case study including an overview of the telecommunication industry and fundamental concepts for customer management) ;the Case study (that focuses on explaining what is happening in Vodafone, based on the information provided by the in-depth interview with Maria João Silva and information available online, mainly from ANACOM) ; the Market Research (performed in the Portuguese context, which contains the analysis on the questionnaire), the Conclusions(that include the answer to the key research questions, recommendations, suggestions for future research and an epilogue) and, at last the Teaching Notes.

Resumo

Título da dissertação : Lealdade e Satisfação na Vodafone : O Caso do 4P

Autor: Mónica Lopes

O objetivo deste trabalho é estudar em pormenor a lealdade e satisfação dos clientes da Vodafone, mais precisamente em relação à estratégia de quadruple play da Vodafone, focando-se no novo plano tarifário Vodafone - Vodafone Red (incluindo TV, internet e voz fixa).
A Vodafone é uma empresa multinacional de telecomunicações britânica fundada em 1982, estando presente na Europa, Médio Oriente, África, Ásia-Pacífico e nos Estados Unidos.
Em Portugal, o grupo está inserido num daqueles que se considera um dos mercados mais agressivos do país. O Grupo Vodafone, é uma referência no sector das telecomunicações nacional e um líder de imagem de marca, satisfação do cliente e inovação .
Um mundo de constantes mudanças tecnológicas e de crescente concorrência, dita profundas mudanças no setor das telecomunicações, especialmente com o surgimento de novos recursos e serviços inovadores por parte dos seus operadores, como é o caso dos pacotes de 2Play , 3Play , 4Play. Como resposta aos novos desafios, a Vodafone, originalmente conhecida como um operador de telecomunicações móveis, encontra-se ultimamente a mover-se em áreas adjacentes ao móvel, como a televisão e a Internet . O tarifário Red veio principalmente como resposta à tendência quadruple play e será o foco de análise deste estudo .
A metodologia deste estudo de caso implicou a recolha de dados primários (principalmente a partir de relatórios da empresa, relatórios da ANACOM , informações presentes em websites) e a recolha de dados secundários (uma entrevista com Maria João Silva e um questionário)
A dissertação está dividida em cinco partes principais: a revisão de literatura (que é o suporte teórico para todo o estudo de caso , incluindo uma visão geral da indústria de telecomunicações e conceitos fundamentais para a gestão de clientes); o estudo de caso (que se concentra em explicar o que está a acontecer na Vodafone com base nas informações fornecidas pela entrevista com Maria João Silva e informações disponíveis on-line, principalmente da ANACOM); a pesquisa de mercado (realizada no contexto de Portugal, que contém a análise do questionário), as conclusões (que incluem as respostas às questões “chave” da investigação, recomendações, sugestões para futuras pesquisas e o epílogo)e, por último, as notas pedagógicas.

Acknowledgments

This thesis represents a very important phase in my academic life, determining the end of a stage in my life. It means a closing cycle on which I pass from a student to a business woman. However, developing this dissertation would not have been possible without the help and support of some individuals and this is the time to acknowledge everyone that has been a part of it.

First, I would like to thank my loved ones- family and friends - who were an essential piece during this semester supporting me in everything as much as they could. They have always tried to keep me harmonious, helped me putting pieces together and incented me to strive towards my goal.

Also, I would like to thank the participants in my survey, who have given their precious time to fill it in. A special thank you to Ms. Maria João Silva, Head of Consumer Pricing, Product Management YORN and Red at Vodafone Portugal, for the opportunity given and the willingness to help.

Last but not least I would like to demonstrate my gratitude to Professor Pedro Celeste for his cooperation and assistance since the beginning of this work, for the useful comments, remarks and engagement through the learning process of this master thesis that allowed me to study such an interesting case.

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List of Acronyms

2P- Double-play

3P- Triple-play

4p- Quadruple-play

ANACOM- Autoridade Nacional de Comunicações (National Authorithy of Communications)

CRM- Customer Relationship Management

DSL- Digital Subscriber Line

FTS- Fixed Telephone Service

GSM - Global System for Mobile communications

MTS- Mobile Telephone Service

MBB- Mobile Broadband

Mbps-Megabits per Second

VoIP- Voice over Internet Protocol

Chapter 1- Introduction

In a world of growing competition companies need to innovate constantly and adjust their offers in orders keep their current customers satisfied and attract new ones. As consumers have multiple options to choose from in the market, they found themselves facing a wide range of supply, so it is up to the companies anticipate answers to their demand and needs. It is even more important when it comes to a company whose business is the sale of an intangible as the case of telecommunication companies.

Due to a technological convergence there is a clear tendency for different technological systems to evolve towards performing similar tasks. The most recent trend and challenge in the telecommunications sector is the offering of integrated services –more precisely quadruple play bundles. Quadruple play is a marketing term that offers mobility in addition to the voice, data and video provided by a triple-play network.

In the Portuguese Market, PT launched its quadruple play package in January 2013, under the auspices of the MEO brand, and in March Vodafone launched a similar offer called Red.

The launching of this new service was accompanied by a strong advertising campaign across all media. The signature is "Vodafone Red é todas as coisas boas."

Due to such competition and the need to be faster in responding to consumer's demands I propose to study the consumer loyalty and satisfaction of this new kind of service offered by Vodafone.

1.1 Problem statement

The goal of this study is to access the consumer loyalty and satisfaction at Vodafone. In particular, Vodafone's quadruple play strategy (focusing on the new plan Red), will be analyzed regarding the aspects previously mentioned. Furthermore, it aims to analyze the strategies which can increase loyalty over the long term and understand whether or not if additional services lead to a lower churn rate.

1.2 Key research questions

RQ1: Is the weight of Red customers in Vodafone significant or not? What are the reasons for such a result?

Vodafone Red is a recent service in the Portuguese telecommunication market. Moreover, the company only recently started to focus on the fixed business in order to keep up with the competition. Therefore, it is important to study whether or not these new services have or not a great adhesion within the Portuguese market.

RQ2: Does a quad-play strategy bring higher levels customer loyalty?

It seems natural to assume that a quadruple play strategy will increase loyalty because it is pertinent to think that the more services a customer buy the more loyal a customer will be towards its provider because he/she will be more bonded towards his/her provider.

RQ3: Do customers that have been with Vodafone for more years use these new services more?

Normally, older customers are more loyal than recent ones, they are more familiar with Vodafone's products and services, therefore it is natural to assume that they are more willing to try these new Vodafone's services.

RQ4: Do more satisfied customers consider buying services from the same provider more often than the others?

When a client is satisfied, and whenever he/she needs an additional telecommunication service the first choice that will come to their mindset is probably his/her current operator because as he/she has a positive reference from the other services that he/she uses, he/she probably assumes that the other services will equally satisfy them.

RQ5: What are the critical success factors of Vodafone's quadruple play strategy that may contribute to a lower churn and increase loyalty over the long term?

Since quadruple play offers are now dominating the Portuguese telecommunication market and all major competitors are hugely investing in this type of bundles, it is important to know which factors can increase loyalty and make customers maintain a long-term relation with Vodafone.

1.3 Methodology

In order to answer the key research questions, two different kinds of data will be used in this study: primary and secondary data.

Secondary data will be provided by internal sources in Vodafone, as some market tests, company reports, company presentations and also information from websites will be used to investigate potential clients/target markets, satisfaction rate of clients, as well as, publications and articles from top journals.

Taking into account the research questions presented above, it was clear that it would only be possible answering to them by collecting primary data. Primary data is essential to carry on this study as it is a type of data collected directly from first-hand experience which will allow the research to be more accurate. Primary data will be based on qualitative and structured interview with someone from Vodafone responsible for Red tariff plans and from a survey. After having important insights from the in-depth interview, surveys will be developed within current Vodafone customers. Typical customer-based questionnaires will be developed with a large majority of multiple-choice type of questions.

1.4 Relevance of the study

The triple-play service bundle has long been the ideal for service providers across Portugal. However, we have now evolved into a new reality - quadruple play, or quad-play.

The trend towards this type of bundle represents an expansion of the mobile ecosystem itself. The wireless world is no longer viewed as distinct from the traditional operations of wireline-based telecommunications and cable companies.

The ultimate aim of such telecommunication plans is to lock in more customers by tying them into more services, making it more difficult for them to churn. In order to tempt customers to sign up in the first place, discounts are used as an acquisition tool in many cases. For example, operators promise that the cost of four separate services combined into one bundle is cheaper than buying all four separately.

The current case-study will be designed for students, scholars, marketers and any other individual who is interested in the subject, to understand the new challenge in the telecommunications world.

I intend to give new insights on this new field and what innovations can be done to retain more and more customers and increase their satisfaction.

Key words: Vodafone, Telecommunication Industry, Quadruple-Play, Consumer Loyalty, Customer Satisfaction, Customer Churn

Chapter 2- Literature Review

This chapter is the theoretical basis for the whole case study.
It is divided in two parts. The first part of the literature review will start by focusing on the telecommunication industry nowadays. The intent is to acquire a general overview of this industry, with a particular focus on the multiple play strategies.
Taking into account the research questions, the second part will include a review of the literature on relevant concepts related to customer management. Fundamental concepts for the study like consumer loyalty, customer satisfaction and customer churn will be included, always bridging with the telecommunication industry. Moreover, concepts related to the previous ones such as, customer relationship management and customer retention are also included on this literature review.

2.1. Telecommunication industry

Increasing attention is being given to telecommunications companies due to their growing economic importance, inspiring management scholars to dedicate more teaching and research attention to this sector.
Specifically, in the field of marketing strategies for telecommunications services, it is frequently pointed out that once customers have been acquired and connected to the telecommunications network of a particular operator, their long-term links with the focal operator are of greater importance to the success of the company in competitive markets than they are in other industry. Therefore, particular effort is being done in the field of marketing strategies for telecommunication providers (Gerpott et al 2001).
Over the last decade, the telecommunication business has been suffering a massive transformation in terms of the evolution of the technology, market, and the competitive forces within the industry. The new emerging trends are causing a shift in the way service providers operate and compete, making them continuously upgrade their network and modify their business model according to these new trends(Zuhdi, M.; Pereira, E.T.; Teixeira, A.,2011).
With the globalization of the economy, telecom operators which look for new revenue streams started entering the international market place. Also, thanks to new technologies like wireless, digital subscriber line (DSL) and voice over internet protocol (VoIP), new service opportunities arise. Furthermore, nowadays customers are more knowledgeable about the

market place, consequently they not only want services to satisfy their unique needs as they demand more in terms of service delivery at competitive prices. Information must be accessed without difficulties, anytime, anywhere and anyhow. One stop shopping must be possible and a choice of service providers available (Xevelonakis, E., 2005).

Convergence is a dominant trend in the telecommunications and information industries, driven by the market demands for broadband service and promoted by competition and deregulation (Zhang B, 2002).

According to the book *"Network convergence: services, applications, transport, and operations support, 2007* ", convergence identifies a general pattern in the evolutionary process, namely the tendency to bring entities together, for example combining classical telecommunications, the internet, information technology and broadcasting, the ability to offer multiple services on a single network or the ability to offer the same service via more than one medium".

The fact that telecommunications industry is becoming part of converging information, multimedia industry changes dramatically the role of the existing telecommunications companies that now operate on the basis of connectivity and features instead of being based on geography and hardwired for voice service. (Chan-Olmsted S., Jamison M. 2001)

2.2 Telecommunications operators and multiple play strategies

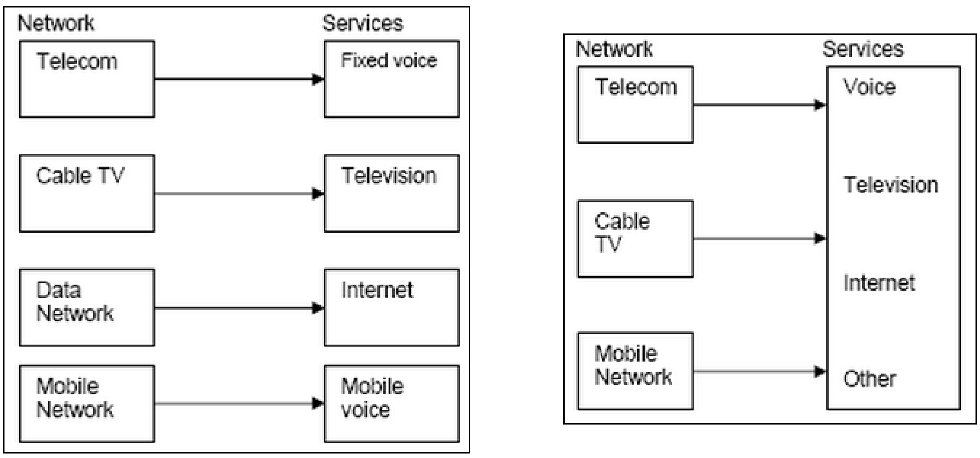
"Bundling, a strategy of selling two or more separate products as a package for a single price, is widely practiced in today's marketplace" (Popkowski Leszczyc, P. T., & Häubl, G., 2010). Due to technological progress and changing consumption patterns, bundles of services are becoming increasingly important for the telecommunications industry (Macieira, J., Pereira, P., & Vareda, J., 2013). Triple play or quadruple play strategies are typical bundles in the telecommunication industry (Vukanovic, Z.2009).

Multiple play is a marketing concept through which multiple services are delivered over a single access network .These multiple play strategies have been considered one of the most significant strategic moves for both telecommunication and cable operators in the last few years and continuously gain popularity in the telecommunication markets (Lee, S., & Lee, S., 2008).

First, it was the concept of double play appearing in the early to mid-1990s, when dial-up internet was added to voice telephony (Stallo, C.et.al, 2009). Years later, with the evolution of technology, more services were added and triple play services emerged, offering broadband

access, television, and fixed telephone services. (Papagianni, C. A., Tselikas, N. D., Kosmatos, E. A., Papapanagiotou, S., & Venieris, I. S., 2009). On the other hand, a
quadruple play service (4P) is the more advanced convergence of services by adding a mobile service (Bang, Y. H., 2008). - See Exhibit 1
According to OECD, in 2005, triple-play services were available from 48 different service providers in 23 of its 30 Member States and 10 economies have quadruple-play services. According to Pereira, P., Vareda, J. (2013), in EU27, double-play bundles are bought by more than 1 in every 4 households. In particular, the bundle of fixed voice and broadband services is the most common, with a 17% penetration rate. However, the penetration rate of triple-play bundles more than quadrupled in the last years and in 2011, 12.5% of the households bought this product. Quadruple-play bundles until 2011 still had a minor importance, with only 2% of households buying this type of products.
The same authors emphasize the fact that consumers have been showing great interest in buying these services jointly from one supplier, instead of buying them separately from different suppliers as it can have advantages to them, since it typically involves cost reductions and increasing of quality. Moreover, multiple play service providers also benefit from multiple play strategy because it allows cross-branding and cross-promotions (OECD, 2005). Additionally, multiple play can increase competition, lower prices, and drive growth—but can only begin in markets with low entry barriers. Regulatory frameworks that establish level competitive playing fields will, thus, provide the greatest benefits for users. (Singh, R., & Raja, S., 2008).

Exhibit 1: The Shift to Multiple Play



Source: OECD (2005), Multiple Play, Pricing and Policy Trends: Working Party in Telecommunication and Information Services and ITU Internet Reports 2006

2.3 Consumer loyalty

The concept of customer loyalty means the customer's expression of a preference for a company and the intention to continue to purchase from it and to increase business with it in the future. (Homburg, C., Müller, M., & Klarmann, M., 2011).There are three different approaches to the study of customer loyalty: the behavioral approach, the attitudinal approach and the integrated approach, which combines behavioral and attitudinal variables. Behavioral loyalty, includes measures that involve multiple aspects of purchase behavior whereas , attitudinal loyalty has been often defined in the context of brand as it captures the affective and cognitive aspects of brand loyalty, such as brand preference and commitment (Kumar, V., & Shah, D., 2004).

According to Oliver (1999), loyalty develops through different stages. First, there is a preference for a competing brand attributes (beliefs), second comes an affective preference (attitude) toward the product, and (3) a greater intention (conation) of continuing purchase that brand and finally an action state (4) where the previous loyalty state is transformed into readiness to act.

The consequences of enhanced customer loyalty in service firms are increased revenue, reduced customer acquisition costs, and lower costs of serving repeat purchasers, leading to greater profitability (Lam, S. Y., Shankar, V., Erramilli, M. K., & Murthy, B. (2004).

For long time, Marketing scholars emphasize the influence of customer satisfaction on loyalty. These two concepts are inevitably related with each other, because the overall satisfaction has a strong positive effect on customer loyalty intentions across a wide range of product and service categories, including telecommunications services (Johnson, M. D., Herrmann, A., & Huber, F. ,2006). However, researchers have tried to separately measure customer loyalty and customer satisfaction as according to some research, customer satisfaction, while positively influencing customer loyalty, is not always a sufficient condition, and, in some cases, fails to produce the expected effect. Furthermore, it has been demonstrated that the switching barrier plays the role of an adjustment variable in the interrelationship between customer satisfaction and customer loyalty. In other words, when the level of customer satisfaction is identical, the level of customer loyalty can vary depending on the magnitude of the switching barrier (Kim, M. K., Park, M. C., & Jeong, D. H., 2004). Other factors such as market regulation,

brand equity, existence of loyalty programs, proprietary technology, and product differentiation at the industry level, also determine the connection between customer satisfaction and loyalty (Lee, J., Lee, J., & Feick, L., 2001).
Moreover, customer loyalty is one of the means to achieve profitability (Reinartz, W., & Kumar, 2002). Any resources invested in building loyalty without focusing on profitability may tantamount to failure over time (Kumar, V., & Shah, D., 2004). According to Reichheld and Schefter(2000) a 5 percent increase in customer loyalty might result in up to a 30 percent increase in profitability.
Different studies analyzed the antecedents of customer loyalty in the telecommunication industry within the context of different cultures. For example, one study in Ghana analyzed service quality, customer satisfaction and image as the main antecedents of customer loyalty. The main conclusion of the study was that service quality service is critical for customers to stay with a brand or a telecommunication provider. Also, customer satisfaction is not sufficient to determine customer loyalty. However, focusing on customer satisfaction, may be necessary as it might enable the firm to cater for some important aspects of the services (e.g. switching cost, complaint handling) .Moreover, they also found out a strong positive relationship between corporate image and customer loyalty (Boohene, R., & Agyapong, G. K., 2011).
Another study of German mobile communication consumers finds service price, phone number portability, and benefit perception mostly affect loyalty. Additionally, an important remark of this study concerning customer loyalty is that although the fact a customer may not feel any loyalty to the service provider, he/she may remain in the relationship for any reason like inertia, habit or high switching costs. (Eshghi, A., Haughton, D., & Topi, H., 2007).
Regarding Turkish mobile communications consumers, research suggests service quality is necessary, but insufficient, to create loyalty (Aydin and Ozer, 2005). On the other hand research examining Korean consumers reports brand image, perceived service quality, and the perceptions of switching costs as better loyalty indicators (Kim, M. K., Park, M. C., & Jeong, D. H., 2004).
Concerning loyalty programs, the same research emphasizes the fact that mobile carriers should focus on customer reward programs that concretely compensate customers, such as mileage programs and price discounts, in order to increase switching costs.
Moreover, Keropyan and Gil-Lafuente (2012) defended that different loyalty programs in telecommunication companies should be applied to clients according to the segments they belong in order to keep them satisfied and thus ensure their loyalty with the company. Some

of their findings in the context of mobile telecommunications are:
-that expensive rewards should be addressed to clients who generate higher income for the company;
-free vouchers, points program ,reduced calls and low-priced weekend rates are adequate to lower-middle class ;
-the free SMS's program should be directed to customers between 13 and 19 years old.

2.4 Customer satisfaction

Customer satisfaction is defined as a customer's overall evaluation of the performance of an offering to date (Gustafsson, A., Johnson, M. D., & Roos, I., 2005).The overall customer satisfaction has two determinants: perceived quality and perceived value (Cronin Jr, J. J., Brady, M. K., & Hult, G. T. M.,2000). Perceived quality has been defined as the consumer's judgment about a product's/service's overall excellence or superiority (Tsiotsou, R., 2006), whereas perceived value can be regarded as a consumer's overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given (Sweeney, J. C., & Soutar, G. N., 2001).
A company can easily benefit from a high customer satisfaction level as it heightens customer loyalty and prevents customer churn, lowers customers' price sensitivity, reduces the costs of failed marketing and of new customer creation, reduces operating costs due to customer number increases, improves the effectiveness of advertising, and enhances business reputation (Kim, M. K., Park, M. C., & Jeong, D. H., 2004).
In the particular case of the telecommunication sector as there is a fierce competition, customers are inclined to move easily from one to another company when there is a better service or price, therefore it is particularly important to keep customers satisfied with the service they receive from their companies (Keropyan, A., & Gil-Lafuente, A. M., 2012).
However, important switching costs have to be considered, which include transaction costs (the costs in time and effort of filling out forms, having a phone switched to a different provider, etc.) and search costs (the costs in time of seeking information on prices, benefits, service, etc. from the various providers) (Lee, J., Lee, J., & Feick, L., 2001).
A study in the United States with telecommunications service users suggested that consumers who are satisfied with their current service are much less likely to consider an alternative technical solution, even if the new technology is significantly cheaper. However, dissatisfied

customers are much more likely to try alternative and emerging technologies, as long as there is a clear advantage (Eshghi, A., Haughton, D., & Topi, H., 2007).
In the telecommunications literature, satisfaction has emerged as a strong predictor of loyalty to wireless service providers (Gerpott, Rams, & Schindler, 2001; Kim & Yoon, 2004). Specifically, Gerpott et al. in the context of the German mobile cellular telecommunications market find that satisfaction links into customer retention, but only via customer loyalty (Eshghi, A., Haughton, D., & Topi, H., 2007).

2.5 Customer churn

Churn is a marketing-related term that describes whether a current customer decides to take his or her business with other provider (Lemmens, A., & Croux, C., 2006). A way to manage customer churn is to predict which customers are most likely to churn and then target incentives to those customers to induce them to stay. This approach enables the firm to focus its efforts on customers who are truly at risk to churn, and it potentially saves money that would be wasted in providing incentives to customers who do not need them.(Neslin, S. A., Gupta, S., Kamakura, W., Lu, J., & Mason, C. H. ,2006).
Managing customer churn is of great concern to global telecommunications service companies and it is becoming a more serious problem as the market matures (Ahn, J. H., Han, S. P., & Lee, Y. S., 2006).
Generally, the features used for churn prediction in mobile telecommunication industry includes customer demographics, contractual data, customer service logs, call details, complaint data, bill and payment information. However, if we want to predict the customer churn in land-line communication services, more variables have to be included in order to obtain better prediction results (Huang, B., Kechadi, M. T., & Buckley, B., 2012).
In the competitive and deregulated environment of the telecommunications industry, there are three major factors which consumers consider when they decide to churn or to keep the current service provider:
— The quality of the service or product
— The price
— The quality of customer service
Dissatisfaction with the service is a key factor in determining whether or not a customer remains with a supplier. When price and product features are quite similar, customer care is a

prime, a real competitive advantage, because it is much harder to imitate superior services than prices (Xevelonakis, E., 2005).

Customer defection has negative effects on firms' profitability, as firms have to incur in heavy costs to acquire new customers and older customers usually generates greater cash flows and profits than newer ones. It costs a great deal more to win new customers than it does to retain current ones (Richeldi, M., & Perrucci, A., 2002). Moreover, frequently, a new customer will churn away before the company can fully recoup its acquisition costs (Portela, S., & Menezes, R., 2012).

The same authors consider that researchers started definitely arguing that enterprises should focus more on customer retention rather than on customer acquisition.

Due to the high cost of acquiring new subscribers and considerable benefits of retaining existing ones, building a churn prediction model facilitates subsequent churn management and customer retention (Wei, C. P., & Chiu, I., 2002).

Recently, data mining techniques have emerged to tackle the challenging problems of customer churn in telecommunication service field. These kinds of techniques involve extracting previously unknown, valid and actionable patterns or knowledge from large databases for crucial business decision support. (Huang, B. Q., Kechadi, T. M., Buckley, B., Kiernan, G., Keogh, E., & Rashid, T., 2010).

2.6 Customer relationship management

Over the past decade, there has been an explosion of interest in customer relationship management (CRM) by both academics and executives. It is difficult to establish a consensual definition of CRM. It is considered a strategic approach concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM associates the evolution of information technology and the potential of relationship marketing strategies to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and co-create value with them (Payne, A., & Frow, P., 2005; Chen, I. J., & Popovich, K. 2003). It is an integrated approach to managing relationships covering all the processes related to customer acquisition, customer cultivation, and customer retention. (Hwang, H., Jung, T., & Suh, E., 2004)

Effective CRM strategies vary considerably depending on which factors are driving retention. (Gustafsson, A., Johnson, M. D., & Roos, I., 2005). Today, companies use CRM to obtain some useful information of current and prospective customers. Through this relevant information they can improve the service that they offer to their customers, give more attention to better customers, may abandon unprofitable customers and attract some new good potential clients. The precise evaluation of customer value and targeted customer segmentation must be critical parts for the success of CRM especially for the industries like wireless communication industry, which are in the middle of stiff competitions and rapid customer churn (Hwang, H., Jung, T., & Suh, E., 2004).

2.7 Customer retention

CRM is linked with the concept of customer retention and customer relationship managers may benefit a lot from understanding the various factors that drive retention.

The objective of a customer retention strategy should be to nurture long-term relationships with customers through trust, responsiveness, customized services and reliability (Xevelonakis, E., 2005). According to the customer satisfaction and relationship marketing literature, there are three predictors of retention: overall customer satisfaction, affective commitment and calculative commitment. (Högström, C., 2011).

According to the study of Gustafsson, A., Johnson, M. D., & Roos, I. (2005), overall evaluations of performance (e.g., customer satisfaction) and the viability of competitive offerings (e.g., calculative commitment) should be used in periodic surveys to predict retention.

The actions that CRM managers take depend on which of these factors has the greatest influence on churn. For example, if customer satisfaction is the key driver, retention programs and efforts should pay special attention on improving satisfaction even if competitors are doing the same things. On the other hand, if calculative commitment is the key driver, the objective should focus on the development of strategies to improve their competitive advantage.

Moreover, relationship managers need to control for heterogeneity in the satisfaction–retention relationship by including prior churn in the analysis. This enables relationship managers to understand the effects of customer satisfaction and relationship commitment on retention beyond inherent differences in customers’ propensities to churn.

It is also important to distinguish the concept of customer loyalty and customer retention. A customer may be retained and not be loyal to the company, particularly in situations of monopoly, or because the brand has the lowest price (Datta, 2003), or simply because of consumer inertia, habit, or high switching costs (Eshghi, A., Haughton, D., & Topi, H., 2007).

Customer loyalty can be considered as a narrower concept than retention, in the sense that the client can make repeated purchases from the company, and not be truly loyal to it.
A study in the US mobile telecommunications service market provided important insights into specific service characteristics to which mobile service providers and policy legislators should pay special attention, which might enhance customer retention.
For example, instead of forcing contractual relationships with customers, policy legislators and regulators can set policies to encourage companies to build and manage stable networks to improve connectivity quality and develop more sophisticated handsets. Moreover, companies should be able set up different strategies for different demographic groups by developing and promoting different service plans, instead of using uniform strategies for all groups (Seo, D., Ranganathan, C., & Babad, Y., 2008).
The results of a study in England with telephone users showed that perceptions of service quality have a direct linear relationship with customer retention even in mass services with low customer contact. Price perceptions and customer indifference also have a direct linear effect on retention and both moderate the relationship between service quality perceptions and customer retention (Ranaweera, C., & Neely, A., 2003).

Chapter 3- Case study

This chapter will start by a brief overview of the company in general and in particular, in Portugal. After that, the Portuguese telecommunication market will be described in more detail, with reference to the key market figures. As the analysis deepens, the quadruple play strategy of Vodafone will be presented and compared with its major competitors. Finally, the chapter ends with the central topics of this case study - loyalty and satisfaction at Vodafone. Different types of sources like newspapers, magazines, interviews, studies from the national communication authority and company reports were used to develop this chapter.

3.1 Vodafone's background

Vodafone's Vision: "Unleash the power of *Vodafone to transform societies and enable sustainable living for all"*

Vodafone is a British telecommunications company headquartered in London and with its registered office in Newbury, Berkshire. It offers mobile voice, messaging, data, and fixed line services; back-up services; machine-to-machine connections; and financial services, such as money transfer, airtime top-up, and bill payment, as well as sells smartphones and tablets. The company also provides hosting and cloud services, including fully managed hosting solutions, as well as cloud computing, co-location, server and website hosting, storage, and security.

Vodafone Group is one of the world's leading mobile telecommunications groups with a significant presence in Europe, the Middle East, Africa, Asia Pacific and the United States (see exhibit 2) .Vodafone serves 404 million customers and employs over 91,000 people . The group also owns and operates networks in over 40 countries through its subsidiary undertakings, joint ventures, associated undertakings, investments and partner markets.

The name Vodafone comes from voice data fone, chosen by the company to "reflect the provision of voice and data services over mobile phones".

Vodafone started as Racal Vodafone in 1982 and in September 1988 it was renamed Racal Telecom. It was fully demerged from Racal Electronics Plc and became an independent company in September 1991, when it changed its name to Vodafone Group Plc. Vodafone's business is constantly evolving to adapt to changes in customer behavior, technology, regulation and the competitive landscape. Vodafone 2015 strategy is the group's response to these changes. This is based on a new strategic approach to the consumer offer and pricing in Europe, an increasing focus on unified communications, and an attractive and growing exposure to emerging markets.

The group, originally known as a mobile telecommunication operator is ultimately moving into adjacent areas to mobile such as television and the Internet, with the objective of turning Vodafone into an increasingly global telecommunications operator.

Vodafone presents itself as a corporate responsible company. At the core of the group's vision is the opportunity to transform lives through technology and services, as well as the commitment to manage the operations responsibly and conduct its business in an ethical and transparent way. Maintaining the trust of customers and other stakeholders, and remaining accountable to them is critical to the brand and vital to achieve Vodafone's vision.

Exhibit 2 -Vodafone Global Enterprise's footprint with its regional marketing hubs

Source: Vodafone's website

3.1.2Vodafone Portugal

In Portugal, Vodafone started its commercial activities on 18 October 1992 as Telecel, making immediately available to the public fully operational GSM mobile communications service covering at the time, 57% of the territory and 83% of the national population.

Only eleven years later (2003), the company was definitely renamed Vodafone Portugal, after the Vodafone Group launched a successful tender offer for all outstanding shares not in its possession (see appendix II, exhibit 8).

Since the beginning of its operation, Vodafone Portugal is a reference in the National telecommunications field and a leader in brand image, customer satisfaction and innovation.

An example of this is its pioneering services based on 4th Generation Mobile (4G) technology in Portugal, after being the first operator in Portugal and one of the first in the world to launch a 4G-ready device.

The group believes that a differentiation strategy is the base for its growth and competitiveness .Thanks to its constant investment in new technologies, a high quality communications network and an excellent Customer Care Service, Vodafone is recognised for the quality of its services and the satisfaction of its customers, maintaining the highest levels of customer satisfaction in the Portuguese market.

3.2. Telecommunication sector overview in Portugal

The liberalization of fixed and mobile networks and the entry into the Portuguese market of new telecommunications operators increased competition, improved quality and reduced prices. Over the past 10 years, the telecommunications sector in Portugal has undergone deep changes, particularly with the emergence of new capabilities and innovative services by telecom operators, as the case of double- play, triple-play or quadruple-play bundles. These offers try to position themselves as distinctive and competitive, especially in the constant creation of new applications and features associated with each service. According to a study conducted by ANACOM, about 60% of households had a package of telecommunications services, which includes two or more services. The main package of services is the triple one, with a penetration rate of 29%, followed by the double package consisting of fixed telephone and television, with a penetration rate of 10%. The penetration rate of use of bundled services exceeds in Portugal (49%) the average of the European Union (45%) [(1)].

Until now there is no study available in ANACOM comparing the penetration rate of 2P, 3P and 4P packages. However, it can be said that there has been a growth of this kind of offers in the Portuguese market and Portuguese families are massively adhering to them (see exhibit 3). Price reductions, simplicity associated with bundles and the existence of single invoice are the main reasons why Portuguese families choose to buy packages of services [(1)].

The main telecommunication providers in Portugal are: PT (MEO is part of PT), ZON, Vodafone and Optimus. In August 2013, ZON and Optimus merged with each other and PT announced the end of TMN (mobile telecommunication provider) in January 2014, which is now integrated with MEO. The combination of ZON and Optimus operations raises the position of both

(1)- ANACOM (January 2013), information based on an survey done in in household users of bundled services (excluding 4p packages) companies in the national ranking. The new structure creates the second largest telecom operator in the country, after Portugal Telecom and ahead of Vodafone.

In the mobile service [(2)], the penetration rate reached, at the end of the 4th quarter of 2013, 159.8 per 100 inhabitants. For the same period, the number of conversation minutes originating on mobile networks amount to 5.8 billion, 3.2% more than in the previous quarter and 9.6% over the same period last year (see appendix II, exhibit 9). ANACOM explains this increase with unlimited offers to all mobile networks and 4P packages that operators have launched over the past year.

On internet access[(2)], the penetration of this service at a fixed location, at the end of the 4th quarter of 2013, was at 24.4 per 100 inhabitants and 37.2 per 100 inhabitants in the case of mobile accesses with actual use (see appendix II , exhibit 10). The number of users who actually used the Internet using mobile broadband was 3.9 million (an increase of 7.7 % in the previous quarter). The evolution of mobile broadband has been driven mainly by the increasing number of smartphone users. Approximately 90.1% of fixed broadband Internet access customers obtained the service as part of a bundle of services. About 8.6% were double-play customers (with TV or fixed phone or MBB or MTS), and about 81.5 % were triple-play customers (with TV+ fixed telephone or TV+MTS or fixed telephone+ MBB or MTS), quadruple-play customers (with TV+ fixed telephone+ MBB or MTS), or quintuple-play customers (TV+ fixed telephone+ MBB+ MTS).

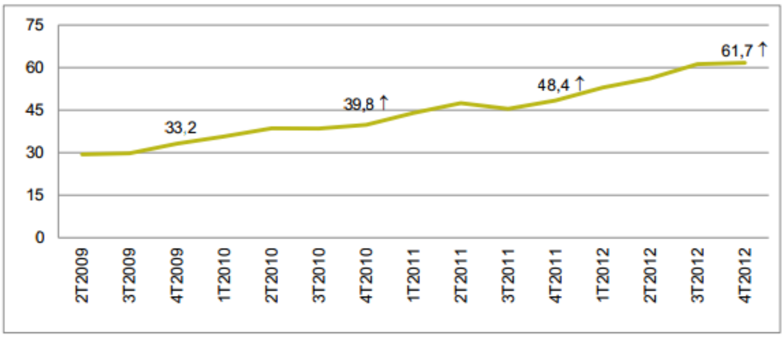
In the fixed telephone service [(2)], the penetration rate of main lines reached, at the end of 4th quarter of 2013, 43.2 lines per 100 inhabitants (see appendix II, exhibit 11). During this period, on average per month, each main access accounted for 121 minutes in fixed-fixed calls, 12 minutes in fixed-mobile calls and 8 minutes in international calls. FTS revenues, as a stand-alone service and as part of a bundle of services, equaled 1.5 billion euros by the end of the fourth quarter of 2013, 0.9% higher than as stated over the same period of 2012. Of this value, 504.1 million euros (33.7%) corresponds to stand-alone FTS offers, 165.9 million euros (11.1 %) corresponds to double-play bundles and 823.6 million euros (55.1%) is equivalent to triple-play, quadruple-play and quintuple-play offers (see appendix II, exhibit 12).

At the end of 4th quarter 2013, in the TV service [(2)], there were, about 3.17 million subscribers to the subscription TV service , more 8500 (0.3 %) than in the preceding quarter and over 49,400 (1.6 %) than in the same period last year (see appendix II, exhibit 13). Subscription TV services are mostly sold in bundled offers. It was estimated that at the end of the 4th quarter of

(2)-ANACOM (4th Quarter 2013), Statistics on electronic communications services

2013, 77.9 % of subscribers to the subscription TV service used this service as an integrating part of a package of services. The number of subscribers to the subscription TV service as part of a bundle of services has increased 8.1 % compared to 4Q12 (see appendix II, exhibit 14).

Exhibit 3 - Growth in membership of bundled offers multiple play in the residential segment



Unit: %

Source: ICP-ANACOM based on micro data from BTC of Marktest, from 2T2009 to 4T2012

Base: Total of households with telephone service

3.2.1 Key market figures for the main telecommunication providers

Vodafone has the highest rate of customer satisfaction in telecommunications, according to the report released by ECSI Portugal. Indeed, Vodafone recorded a satisfaction score of 7.88 (range 1-10), the highest of the telecommunications sector.

The National Customer Satisfaction Index in the telecommunications sector covers operators of mobile, fixed, internet and subscription television. As in recent years, Vodafone appears ranked first in both subsectors that it is evaluated - Mobile Telephone Service and Mobile Internet - in all variables presented in this study: image that customers have over the operator, customer expectations, quality perceived on the network and service operator , perceived value for money, satisfaction with the operator, the complaints received and their handling and customer loyalty to their operator .

In this study, Vodafone reinforced the high levels of customer satisfaction from its mobile telephone service over the previous year, continuing to have the more satisfied customers, showing a satisfaction rate higher than all other operators in the national telecommunications market.

ZON received the highest customer satisfaction in the wireline sector, including telephone network, television and the Internet. The group obtained a score of 7.78 on TV by subscription, 7.43 on Fixed Broadband and 7.61 in Fixed Voice.

In general, Vodafone has 20.1% of market share of the Portuguese telecommunication market, being the leader in the youth segment (with more than 63% of clients of the market). In terms of mobile voice services, MEO is the leader, with a market share (45%), followed by Vodafone (38.3%) and Optimus (13.5%) (for more detail see appendix II, exhibit 15). MEO is also the leader in triple-play with a share of 47.2% and ZON has approximately 32%. The general market share of ZON Optimus in Portugal is 25% and the company wants to approach 30% in five years.

In December 2013, Vodafone Portugal had 5.774 million customers. In 2012, the company counted with 6.267 million customers in Portugal, which means a decrease of 493 million subscribers. However, in the last quarter (ended in December 2013) the company acquired 3.700 new customers for the triple play, having more than 100 000 of subscribers. The company also has 170 million "broadband "clients. The Portuguese operation of fixed internet services is only the 5th bigger of the whole group in Europe (in all region Vodafone has 5.8 million clients in this service) but in this last trimester was one of the regions with highest growth rate. There is no information regarding clients that are RED and simultaneously have the service of TV, internet and voice.

TMN, now MEO, has the leadership of mobile services with 7.854 million clients. PT recently reported the results for the first three months of 2014. The highlight is for the increasing number of customers, sustained by the success of PT offers, namely the M4O. PT reinforces its leadership in the quadruple-play. The convergent product M4O reached the mark of 2.1 million contracted services, with one million mobile cards and 2.6 cards per customer. The increase in clients in fixed business was driven by the solid performance of MEO, with the customer base of subscription television increasing 6.9%, in the first quarter of 2014, compared to the same period last year to 1.334 million (20,000 net additions). In the first three months of the 2014, PT recorded 37.000 net additions in the new triple-play (voice, broadband and pay-TV), reaching 989.000 customers which means an increase of 14.7% in relation to the previous year .

In December 2013, ZON Optimus accumulated 1.5 million television customers, 922,000 fixed broadband customers, 1.5 million fixed voice customers and 3.2 million mobile customers.

The offer of 'quadruple play', Zon4i, reached the 300 thousand revenue generating services in three months after launch, according to the statement of annual results released by CMVM. Within this context, 85% were already ZON customers and register an average of two cards per customer, according to figures released by the company, which halves the effective number of households using these converged services.

According to ANACOM, Vodafone was the operator with the highest growth in pay TV in the last quarter of 2013. The operator led by Mário Vaz passed from a market share of 2.5% to a market share of 3.5% (see exhibit 4). Vodafone is accelerating the expansion of Next Generation Networks (NGN) .The company increased by 300.000 the number of households with access to fiber optics since the end of March 2013 (the end of the fiscal year of the company).

An official source from the company stated to “Diário Económico” that: “Vodafone has more than 800.000 homes covered by its fiber service. This coverage is growing daily to reach about 1.5 million homes by mid-2015", explaining that at the end of March 2013 the network reached 500.000 households. The 800,000 households are rounded values and already established in April, representing a growth of 60% compared to the end of the fiscal year of the company.

Also, PT registered a growth in the market share, in the same period passing from 40.9% to 41.5%. ZON is still the leader in pay TV, with a share of 47.8% at the end of 2013 (see exhibit 4). However, in the previous quarter had a share of 49.2%.

Service revenues of Vodafone Portugal fell 5.2% in the third quarter as a result of the macroeconomic environment, price competition and costs in termination rates. In the first fiscal quarter, ended in September, Vodafone Portugal's revenues fell 4% to 550 million euros, while EBITDA declined 8% to 210 million.

ZON Optimus, which presented for the first time the consolidated results after the merger of the two companies, closed September with a net profit of 76.5 million euros, representing a decrease of 17.5% compared with the same period last year, according to information released by the company. Still, EBITDA increased by 1.2% to 413.5 million euros.

Last year, Portugal Telecom increased profits to 331 million euros, 46.6% more, although in the last quarter results fell 35.3%, making a total of 25.9 million.

Exhibit 4- Quotas of subscribers for the service of paid TV

	2T13	3T13	4T13
Grupo ZON Optimus	-	49,2%	47,8%
ZON TV Cabo Portugal	-	44,7%	43,8%
ZON TV Cabo Madeirense	-	2,0%	2,0%
ZON TV Cabo Açoreana	-	1,4%	1,1%
Optimus	-	1,2%	0,8%
Grupo ZON	49,0%	-	-
ZON TV Cabo Portugal	45,6%	-	-
ZON TV Cabo Madeirense	2,0%	-	-
ZON TV Cabo Açoreana	1,4%	-	-
PT Comunicações	40,4%	40,9%	41,5%
Cabovisão	7,4%	7,2%	7,1%
Vodafone	1,8%	2,5%	3,5%
Optimus / Sonaecom	1,2%	-	-
Outros prestadores	0,2%	0,2%	0,2%

Source: ICP ANACOM Unit: %

3.3 Vodafone's quadruple play strategy

Vodafone Red was launched in Portugal on March 6th 2013, mainly as a response to M4O. This plan is directed to consumer and business customers. When Red was launched the consumer offer started at the price of 34.90€ per month (now it is available for 24.90 € per month) and came with unlimited voice and SMS, 200MB of internet, a data bundle and a range of value added services such as the Vodafone Protect app and Vodafone Cloud storage services. Also at the beginning, all offers available implied a two year contract where the customer cannot change tariff.

The in-depth interview (3) with Dra. Maria João Silva, head of Consumer Pricing, Product Management, YORN and Red at Vodafone Portugal was crucial to understand fundamental aspects of Vodafone's strategy regarding quadruple play.

One fundamental thing to understand is in terms of communication of the offer. Vodafone does not communicate a single package of quadruple play, instead it communicates Vodafone Red (unlimited mobile phone calls) and in parallel its triple play package (TV, internet and voice). This happens because Vodafone believes that not every customer may want to have unlimited calls to every operator, instead some customers may want to have unlimited calls just for Vodafone, so it will be better if they choose Vodafone easy 91 plan, for example, or they might want unlimited calls just for Yorn community so they might choose Yorn W or Yorn study plan. In this sense, Vodafone believes that a customer does not need to have a "massive package" to be in Vodafone, satisfying all its communication needs, like in MEO or ZON. Not every customer may have 79.9 € to spend in telecommunication services, therefore the quadruple play strategy of Vodafone means that clients can be in Vodafone satisfying all its communication needs for an inferior value than 79.9€ (for example by having the triple play service from Vodafone+ Yorn W). However, the focus of analysis in this case study is in Red customers from residential segment.

Relaxed, sexy and sassy was the way that Vodafone Red presented itself to the Portuguese. With an investment of 14 million euros and using an innovative language, Red leaves a message of optimism, trying to communicate in a very close way to people (see exhibit 5). The campaign's positive tone serves as inspiration to Vodafone in the particular challenging times for the telecommunication industry that has been suffering a reduction in value which is visible in Vodafone Portugal. Vodafone believes that since these new offers will contribute to clients

(3)- For more details see appendix III

better satisfy their needs, they will also contribute to Vodafone surpass this challenging moment with more strength.

Red offers mobile communications at “zero cost”, including calls and SMS to all networks and data packets to access the Internet on 4G mobile phones, tablets or computers. Red also integrates communities and Extreme Vodafone Yorn (Extravaganza, W and Yorn Power Study). All the members of these communities may speak to 0 cents to Red numbers.

When using roaming, Red customers will be able to continue using the communications included in their tariff and have free access to services and to Vodafone Cloud Protect. Red is available for private customers from 24.90€ per month and they may add a second number for 9.90€ monthly. The service also lets consumers add the service of unlimited fixed voice calls, TV and Net (which was elected the product of the year 2014) for 24.90€ per month, with access to over 100 television channels, 100 Mbps (megabits per second) Internet speed and unlimited calls to national and international fixed telephony networks in 30 countries (see appendix II exhibit 16).

For business customers, Vodafone introduced the Red Pro plans with similar features. These also allow users to link their mobile number to a fixed line for unified communications at no extra cost as well as use their bundles towards roaming costs.

On April 17th 2014, Vodafone launched other variations of the Red tariff- Red Phone and Red without loyalty contract. Red phone plan allows customers to have a Red plan with a contract of 12 months for additional 10€ /month. This tariff also lets consumers purchase smartphones with discount, in this case with a contract of 24 months. The plan Red without contract is for the ones that want a Red plan without any commitment to remain associated, which has a monthly fee of 49.9€ and the conditions of the Plan Red (200 MB).

According to Maria João Silva, Red emerged as a response to the tendency of “the unlimited”, which already existed in other markets where Vodafone operates. For her, a great advantage of being part of an international group is the possibility to copy the best practices and see what happens in other markets. Moreover, it came as a response to the “big package" of MEO. Red followed up the “Best” plan but with a big difference in terms of price, reflecting a fall in market value.

She considers that Vodafone Red mostly addresses the needs of worry free clients. However, in terms of 4P services the target market is much bigger than the one from MEO and ZON, because:

- in the competitors’ offer, clients need two numbers at least;

- additionally, the way competitors do their communication can be illusory because it is difficult to distinguish how much a client pays for each service which does not happen in Vodafone. So what happens is that sometimes people do not even consider having pre-paid plan from MEO, for example, and the triple play services from the same provider, instead they much easily consider to adhere to the “big package” because it might seem more profitable to them, even if that is not the case. In Vodafone, the way communication is done conveys a lot more freedom as it is an offer that allows customers to adopt the services they actually need, with total flexibility, selecting the components they lack. The client can choose to be Red and have the triple play service or he/she can find more profitable to him/her choosing a pre-paid plan and service of TV+Voice+Net, satisfying all its communication needs within Vodafone. However, people can find this communication confusing and cannot understand the real value of this offer.

João Mendes Dias, responsible for the Corporate Business Unit, added that other key aspect that distinguishes this offer from competitors is the fact that it is designed to specific segments to whom the offer is destined - one offer targets the residential segment and other the corporate segment.

Other important thing to take into consideration is the fact that the Portuguese market, in terms of mobile telecommunications, is a pre-paid one. Therefore, Red comes to create a shift in the mindset of the client. With a postpaid plan the client already knows how much he/she will pay without having surprises. Vodafone wants to institutionalize the idea that with a postpaid plan the control of the expenditures is much higher and clients will not have surprises at the end of the month.

In a global perspective, the results of Vodafone Red have been positive until now. In the end of December 2012, Vodafone Red was present in five markets and had about 2.2 million contract customers across Europe. One year after, Vodafone Red has 9.8 million clients and is present in 19 countries. In December 2013, Vodafone Red plans in Germany reached 2.4 million customers, in Spain one million customers and in UK with 2.3 million customers. As for Portugal, there are still no official numbers. The initial customer feedback had been very positive, with clearly higher net promoter scores. For example, in Italy, Vodafone had 10 points higher improvement just for Red customers. Vittorio Colao, Vodafone’s UK CEO said in a conference[(4)] that, Red is not just a pricing plan, it is a strategic perspective, so it will be expanded in several directions and eventually prepaid will be covered.

(4) - Vodafone Group Plc., Analyst and Investor Conference Call (2013)

Maria João Silva also makes a positive evaluation of results in Portugal until now. The service has presented interesting results, especially after the last promotion launched (10€ discount until March 31st 2014). Although the promotion ended, the price is now the same of the promotion, the only difference is that in the promotion for adding the 3rd and 4th Red number the price would be 7,5€ and now is 9.9€ for Red, 14.90€ for Red + and 44.90€ for Red top . Maria João also admitted that the market share declined slightly, but Vodafone continues very well, especially in the youth segment. It is true that Red is the lowest 'player, but Vodafone has been betting in a very aggressive pricing policy and, despite criticism from competitors, was the operator with largest increase in pay television in 2013. Nonetheless, the size of the system prevented a higher customer acquisition.

Concerning future perspectives, Maria João Silva says that Vodafone will continue to increase market penetration. This strategy for the next two years will involve the expansion of the fiber network. Gaining more expression in the fixed business justifies the investments Vodafone is making in the area. The aim is to add value to the mobile operations and offer converged services, competing with offers of quadruple play from PT and ZON Optimus.

In terms of evolutions, she added that they will be mostly related to the customer feedback regarding the particular features that can be added to the services. For now there will not be major adjustments because the product is new (only 1 year). The only adjustment Vodafone recently had was in terms of price, with the launch of the promotion.

Vodafone's Spain CEO, António Coimbra, said that "Red implies a revolution in the marketing communications services for individuals and businesses ".

It comes to further materialize Vodafone's signature 'power to you' by giving clear benefits to customers of the brand through the unique advantages of Vodafone: more value, the best network, the best phones at the best prices, more simplicity and more services.

Exhibit 5- Vodafone red campaign released as innovative, sexy, sassy

Source : Jornal de negócios

3.4 Competitive analysis

3.4.1 MEO (see appendix II, exhibit 17)

MEO is a service and trademark of Portugal Telecom managed by MEO-Services Communications and Multimedia, of fixed and mobile telecommunications. The main offers of this service provider consist in triple and quadruple play bundles. Recently, Portugal Telecom presented the new MEO, which includes a rebranding and the launch of the first quadruple play offer, a truly fixed-mobile convergent service, including TV, internet, fixed telephone, and mobile telephone: M4O.

3.4.2 M4O

Announced with a strong advertising campaign, M4O, the quadruple play package service from PT, promises simplicity, convenience and savings. It was the first package of this kind introduced in the Portuguese market. M4O also requires a 2 year loyalty like Vodafone RED. The offers start at the price of 79.90€ (for more detail see appendix II, exhibit 18).
M4O announces 120 channels (90 TV channels + 30 radios),including exclusive ones like CM TV ,TVI Ficção, A Bola TV, SIC K and others. An additional package of channels (from120 to 170 channels) is available for an extra 5€/month.
Regarding Internet speed, 100 Mbps of speed are guaranteed and unlimited traffic.
In landline, M4O ensures unlimited calls to national fixed networks and for 50 international destinations. In the latter case, only from 21h to 9h. However, in a footnote, it is noted that in international calls, free ones are limited to 1000 minutes per month. This equates to half an hour of conversation per day.
Regarding the mobile phone services, it includes 2 cards with phone calls and unlimited messages to all national mobile and fixed networks and 200 MB of mobile internet per month for each card. However, there are also limits. PT allows for 2000 minutes and 2000 messages per month. In practice, it corresponds to 1 hour of talk to mobile phones and just over 60 messages daily.
As to the Net phone 200 Mb are offered. Increase traffic data available implies the payment of a monthly fee of 10.71€ or 16.06€ for 500 MB or 1 GB, respectively.

3.4.3 ZON Optimus (see appendix 19)

ZON OPTIMUS is a business group that provides fixed and mobile solutions of next generation, of television, internet, voice and data for all market segments - Residential, Personal, Corporate and Wholesale, being a leader in pay- TV for subscription, in Next Generation Broadband services and cinema distribution and exhibition in Portugal.

3.4.4 ZON 4i

After Vodafone launched its quadruple play package, ZON was the last company in the Portuguese market launching a similar offer. Initially named Iris 4+ now is named ZON 4i. The package aggregates television, fixed and mobile internet and fixed and mobile voice. The main features are similar to the competition's offer. However, ZON associates with this product the myZONcard which offers a movie ticket when purchasing another (for more details see appendix II, exhibit 20).

The package includes 116 TV channels (16 in HD) and ZON box with recording capability in the cloud.

Regarding fixed internet, it offers 100 Mbps and Wi-Fi in over 500,000 hotspots with adherence ZON Fon.

In what concerns the fixed phone, it includes all day unlimited calls to national fixed network and 50 international destinations on weekends and holidays and from 9 p.m. to 9 a.m. on weekdays .

The mobile phone service consists in two cellphone cards with unlimited calls and SMS which actually is not completely unlimited, the operator set limits of two thousand minutes of calls and messages.

It also offers 200 megabytes of mobile data traffic. Recharges of over 200 MB cost 2.9 € and the client can still buy a monthly package of 500 MB for 4.99€ or 9.99€ per 1 GB. Moreover, the client has also the possibility to add the third and fourth cards mobile phone for 7.5 euros each. Finally, the adherence to this service implies a two year loyalty to it.

3.5 Comparing the three offers

According to DECO PROTESTE if customers want to join the four telecommunications services in a single operator, the proposal from Vodafone is the cheapest. Apart from price, there are other aspects to consider, such as the TV channels included, minutes and international destinations for calls from a landline, roaming, the operation of the service on various mobile devices and access to free Wi-Fi hotspots.

Vodafone launched a promotion, reducing by 10€ the price of the first and second card with Red tariff, to memberships until March 31st 2014 (as explained previously, the price of the promotion is now the definite price with some adjustments to the price of additional cards).

While MEO Unlimited and Optimus Smart announced a similar promotion, they do not present the option to join a triple service with special conditions, as Vodafone does. With this operator, television services, telephone, Internet and 2 mobile phone numbers are available for 59.70€ monthly and joining 4 phone numbers costs € 74.70 per month. MEO and ZON provide the same four services charging more 20 euros (see exhibit 6). In addition to that , Red is the only that has special conditions for roaming, and for the tariff plan Red and RED+ for an extra of 2,99 euros per day clients have unlimited calls, messages, internet in the mobile phone, in Europe and the tariff plan RED top offers 15 days of free roaming per year.

In any quadruple service operator a 24 month contract period is required. Having the services of television, Internet and landline phone from the same service provider in the over 2 years, greatly limits the consumer mobility, due to early termination fees.

<u>Exhibit 6- Vodafone RED comparing to competitor's offer</u>

	Vodafone RED	ZON 4i	M4O
Fixed telephone	3000 min. for fixed national phones and 1000 min. for international (30 countries	Free for fixed national network and international (50 countries)	Free for fixed national phones and 1000 min for international (50 countries)
Television	130 channels (14 of radio, 6 of games, trailers, karaoke)	116 channels (17 of radio)	120 channels (30 of radio)
Box	Included	Included (HD), with 500 hours of recording in the "cloud"	Included (DVR Full HD) for 1 euro monthly, during 24 months
Internet	100 Mbps	100Mbps	100Mbps
Mobile phone	5000 min/SMS for Vodafone and 2000 min./SMS for other fixed and mobile networks; 200 MB of broadband Internet	2000 min./SMS for all fixed and mobile networks;200 MB of broadband Internet	2000 min./SMS for other fixed and mobile networks;200 MB of broadband Internet
Total with 2 numbers	59,70€	79,99€	79,99€
Total with 4 numbers	74,70€ (until March 31) Now- 79,70€	94,99€	94,99€

Source: DECO PORTOESTE

3.6 Loyalty and Satisfaction at Vodafone

One of the key values of Vodafone is the passion for its clients. This value translates the effort of Vodafone in anticipating trends, understanding and meeting customer needs, exceeding expectations, putting customers in first place, listening and answering to each of its clients and providing a quick service with high quality and value. The continued customers' trust is recognized as the main foundation of the success that the company achieved in the Portuguese market over nearly two decades and it is a source of pride for the whole team that works daily with this objective in mind. Sara Oliveira, Director of Brand Communications at Vodafone Portugal said in an interview for "Briefing", that the most important thing to Vodafone is the consumer. Vodafone keeps intensively investing, giving clients a wide range of choices. She considers that Vodafone has always been a brand close to their targets, but in particular turbulent times for telecommunication industry and as a love brand it is particularly important to further strengthen the ties that bind Vodafone to their customers.

At a time when success is no longer exclusively associated with acquiring new customers but rather to increase loyalty of existing ones, new challenges have come to Vodafone's managers. Vodafone Portugal develops all its activity on the basis of a differentiation strategy, which has proven to be a central feature in the preference that customers have been expressing continuously for their services. The three main vectors of this strategy are: CRM - component that aims to provide the best experience of relationships with customers at all points of contact; the brand - aspect that aims to strengthen the emotional connection with customers in various interactions maintained; innovation – the most important aspect of continued commitment to make available to Vodafone customers the most advanced and most appropriate services to each case.

Maria João Silva considers satisfaction the key to keep customers in Vodafone and as nowadays customers are more and more demanding, there are certain quality parameters that cannot fail. Minimum standards must be guaranteed, for example calls cannot disconnect and in -10 of a garage network has to be available. That is why Vodafone continuously invest to bring the next generation networks to all, fighting for the rights that the consumer has to choose the best operator who knows and meets their need. Vodafone's fiber optic network, for example, now covers more than 800.000 households. Moreover, Vodafone planned an investment of 200 million euros to reach 1.5 million homes by mid-2015. Vodafone's vision, as a global company, involves wealth creation in Portugal, through continued investment for the benefit of the Portuguese consumers.

One of the most important loyalty programs in Vodafone Portugal was launched in July 1998 - “Clube Viva”. It is a points program allocated monthly based on the value of the consumption made by mobile numbers, 1 euro = 2 points, which is available for the entire customer base. Thus, customers who have a use with higher value, gain more points and as such, can access the offerings of greater value. Points can be redeemed for cell phones, accessories, communications, entertainment content, mobile broadband and Vodafone voice, TV and Net. The objective of this program is to create a relationship with the client, rewarding the client in the long-term.

In order to increase loyalty Vodafone constantly engages its clients in different kinds of sweepstakes and contests. For example, Vodafone frequently offers the possibility to win tickets for movie premiers. A recent Vodafone contest was “Passatempo Super Especial do Vodafone Rally de Portugal 2014” where participants have the opportunity to win a double invitation to “Rally de Portugal” if they were the first ten to answer correctly three questions related with rally. Other recent example of sweepstake is Vodafone Rock in Rio, where participants play a game that offers them the chance to win tickets to this music festival. It is an initiative that easily reaches lots of people because participants may invite their friends to have more chances of winning. For each friend that accepts an invitation, participants get extra attempts to play. Other kind of actions like discounts in smart phones, special tariff bonuses, like for example charging with 20 euros giving the client an extra of 10€, have the objective of increasing loyalty and customer satisfaction.

Furthermore, Vodafone continuously invests in IT and human resources to improve its Customer Support Service as it is one of the most relevant points of contact with customers. Important initiatives in this area include “With a Smile on Voice” and Assistance of People with Special Needs.

Vodafone was the first Portuguese company to provide a customer helpline available 24 hour per day, every day of the year. Not to mention that, Vodafone also supports its clients by email, SMS and online.

Vodafone designed its online website on a way that clients can easily clear their doubts, in the section of frequently asked questions or search with the right keywords that will help to answer their questions. Clients can also engage in conversation forums where they can share their opinions with each other and discuss different topics.

Vodafone is also present on Facebook, Twitter and Google + in order to create a closer contact with consumers, continuously engaging them and therefore increase loyalty.

In the case of Vodafone Red, as mentioned previously, it was launched with a great investment in publicity. In order to engage customers, Vodafone literally painted Lisbon and Oporto of red. The main newspapers had its covers painted in Red, some bus stops and outdoors were also painted in red. All these initiatives were meant to cause a great impact on customers and make this campaign unforgettable (see exhibit 7).

One of the aims of the tariff itself is to increase loyalty. First, because it is a post-paid plan and second because it implies a 24 month contract. In the in depth interview, Maria João Silva said that with integrated services, churn is likely to improve because it is a post-paid plan where there is an obligation on the customer to pay an invoice every month and it is not as simple to leave this service as it happens in a prepaid tariff. Also, as the service implies a 24month contract, if the customer is satisfied with Vodafone during this period and pays what he /she considers a fair price he/she will see no reason to abandon the service.

<u>Exhibit 7- Vodafone Red initial campaign</u>

Source: Dinheiro Vivo

Chapter4- Market Research

The Market Research, used for this case study was completed in the Portuguese context and came as a result of a quantitative research.

The Quantitative research was performed through an online survey, using the software Qualtrics.

This software was chosen to run the questionnaire because it enables any authorized user to construct and assemble different types of surveys with the possibility of putting together various types of questions. The questionnaire used close-ended questions, multiple choice questions, non-comparative scales measures and rank order scales.

4.1 Survey purpose

The main objective of the survey was to understand: the level of satisfaction, level of loyalty and retention of Vodafone's individual customers with particular focus on Red customers which are customers of the service TV+Net+Voice , the type of services mostly used by Vodafone's customers, the degree of adherence to new Vodafone's services .

The survey was distributed online, through social networks and e-mail with the aim of reaching a higher diversity of respondents and responses were collected during a three week period. This method was chosen because it was believed to be the best way of providing quantitative information of different age targets, while ensuring a higher level of confidentiality and lower levels of social pressure bias in comparison to being conducted in person, therefore leading to more trustworthy answers. It is also the fastest way to communicate and to reach people, in addition, it is easier to organize and code the information. Before launching the final survey, a pre-testing period of 2 days was done, where 20 participants answered to it. The aim was, firstly, to assess whether the questionnaire was relevant and easily understood by the respondents, in terms of the concepts and the way they phrased in the questions; and secondly to assess the technical functioning of the questionnaire. Afterwards some adjustments were made. 310 participants started the survey, but only 221 finished it. The survey was conducted in Portuguese.

The findings provided knowledge on what should be improved and what are the customers' perceptions and behaviors, which represent valuable information, as the company can improve their service, increase satisfaction and consequently it may increase customer loyalty.

4.2 Questionnaire composition

The questionnaire was structured in five different parts.

Firstly, it was explained to participants what the study was about. In this introductory part, it was emphasized that each questionnaire was anonymous and that there were no right or wrong answers in order to avoid biased responses.

The first part of the study is about global satisfaction of the customer with Vodafone. The second part studied the loyalty of Vodafone's customers; the third part was about the type of services used by respondents. After answering this part there was a separation between Red (with the service of TV+Internet+voice) customers and non-Red customers; the non-Red customers were asked why or why not would they choose this service. The 4th part was designed especially for red customers. Finally the survey ended with demographic questions.

4.3 Sample description

4.3.1Demographics (see appendix II, exhibit 21)

A total of 221 respondents answered and complete the online survey.

Of those, 58% were female and 42% were male. The larger age group comprehended ages between 18-24 (with 72.6% of the respondents) and the second larger comprised ages between 25 and 29 (11.9% of the respondents). This age group corresponds to Vodafone's main target.

Annual income, education level and number of people in the household were also important to assess, in order to understand the social class and the type of families that use Vodafone services. The monthly income in the interval 8001-15000€ was the most referred by respondents (31.5%), followed by less than 8000 (31.1%), [15001-30000€] (24.7%) and more than 30000€ representing 12.8% of the sample . 77.2% stated having higher education , while 15.1% finished High-School , 7.3% stated having professional education and 0.5% only have a Basic-School level.

The majority of people have a household composed by 4 people (32.9%), followed by households of 3 people (30.6%), two people (19.6%), more than 4 people (9.1%) and one person (7.8%). The majority are students (64.8%), followed by full time employees (18.3%), employees by own account (6.4%), and part- time (5.5%) employees and unemployed (5%).

4.3.2 Customer satisfaction at Vodafone

In general, the majority of clients are satisfied with Vodafone services.
Different aspects like price positioning, quality at a given price, competence and know-how, meeting deadlines, after-sales service and support system to customers, knowing the needs of your customers, diversity of supply were evaluated on a scale 1 (poor) to 4 (excellent). Looking to the exhibit 22 in the appendix II, it can be concluded that in general, Vodafone's customers are satisfied with Vodafone's services because for all the aspects the majority of people have chosen the satisfactory option. Vodafone obtained higher means for competence and Know-how, (where 72.5% of customers answered satisfies well and 14.4% answered satisfies very well) and meeting deadlines (where 69.7% of customers answered satisfies well and 17.2% answered excellent). However, knowing the needs of customers and price positioning were the two aspects which had the lowest scores (mean of 2.8).
The majority of customers are globally satisfied with Vodafone's services and do not consider changing provider (59.0% and 23.9% respectively agreed and totally agreed with the sentence "Overall I'm very satisfied with Vodafone services , and I do not want to change in future"). However, despite the fact they are satisfied they do not so easily consider trying new products from Vodafone (10.4% and 46.8% respectively totally disagreed and disagreed with the sentence "I'm so satisfied with Vodafone that I consider trying other Vodafone's services")- see appendix II, exhibit 23.
The two most valuable aspects for Vodafone's customers are know-how (53.2%) and technical assistance (45.5%). The clients that have chosen the option other (9.5%) mainly referred the price and the number of people using Vodafone -network effect- as valuable aspects (see appendix II, exhibit 24)

4.3.3 Customer Loyalty at Vodafone

The majority of clients are in Vodafone from 7 to 11 years (46.6%), only a few are there less than 1 year (2.3%) and more than 16 years (4.1%), (see appendix II, exhibit 25).
Cognitive loyalty can be evaluated, for example, with the statement "I believe the offerings of

my current carrier have higher quality than those of competitors ". As the majority of respondents are divided between agree (48.2 %) and disagree (35.6%) the conclusion is that cognitive loyalty is intermediate. In addition, 9.9 % of respondents totally disagree with this assertion, being the one that gets the highest percentage of respondents who strongly disagrees with a statement (together with the statement "I will always defend Vodafone, whenever someone makes a negative comment about it"). In terms of affective loyalty, despite the fact that a large majority agrees feeling connected to this network and identify themselves with it, they do not always have positive things to say about Vodafone as a strong proportion of respondents disagreed on the statement "I only have positive things to say about Vodafone" (52.7%). However, conative loyalty is generally high because the majority agrees with the sentences “I intend to continue throughout the years my relationship with Vodafone” (69.4 %) and “I would recommend Vodafone to a friend or family member” (60.4%). Action loyalty is low because the vast majority is neither willing to make the extra effort to be in Vodafone (52.3% disagrees with the sentence “I am willing to do an extra effort to be in Vodafone”) nor defend it (50% disagrees with the sentence “I will always defend Vodafone whenever someone makes a negative comment about it”).

Overall it can be concluded that although many customers identify with the brand Vodafone, feel particularly connected to this operator and intend to continue in Vodafone throughout the coming years, most of them agree that they will only continue to use Vodafone’s services while they are profitable. Therefore, it can be said that customers are moderately loyal to the brand and a vast majority has not attained yet the last step of loyalty, consequently the process of repurchase may not occur very easily. A proof of this is that a significant portion of customers indicated that they disagreed with the statement " The likelihood of trying other services of Vodafone is quite high (33.3%)". Combining the information of the price sensitivity of Vodafone’s customers (since the majority is not willing to make an extra effort to continue in Vodafone and agree to use Vodafone’s services as long as they are profitable) and the fact that at the same time customers want to continue in Vodafone in the coming years , the conclusion is that the level of retention of Vodafone’s customers is higher than the level of loyalty (see appendix II, exhibit 26).

In terms of perceived loyalty, the majority of customers consider themselves loyal to the brand (55.7%), only 1.8% answered they will never change, 34.4 % answered they consider other options and 8.1%% said they are not loyal to the brand (see appendix II, exhibit 27).

Regarding loyalty programs Vodafone customers prefer the ones that involve points that give discounts in mobile phones, accessories, broadband and Vouchers (see appendix II, exhibit 28).

4.3.4 Services used by Vodafone customers

The majority of respondents use mobile telecommunication services in Vodafone (95.9%), 41.8% use internet in the mobile phone, 12.6% use mobile broadband, and 10.4% use fixed internet, 9% have the service of fixed voice and 7.2% use a TV subscription service (see appendix II, exhibit 29).

4.3.5 Analysis of Red/ non-Red customers

The majority of respondents are not Red customers, only 5.9% are Red and have the service of TV, internet and voice while 11.3% are Red and do not have the other services (see appendix II, exhibit 30).

When asking respondents that are not Red clients including the 4 services whether they would or not adhere to the service, the majority answered no (see appendix II, exhibit 31). The ones that answered yes consider price and quality as the most important aspects to choose this service (see appendix II, exhibit 32).

The ones that say they do not consider adhering to the service, say that for them Vodafone is only its mobile operator (54.9% agrees and 31.2% totally agrees) and that the loyalty time within the service is too high (48.9% agrees and 34.7% totally agrees) - see appendix II, exhibit33.

Regarding Red customers including the other 3 services, again just like the ones that consider turning Red customers having the 4 services, they also consider price and quality as the most important aspects for choosing Vodafone (see appendix II, exhibit34).

The majority of clients of this service are very satisfied (64.3%), 28.6% are satisfied and only 7.1% are unsatisfied (see appendix II, exhibit 35).

Chapter 5- Conclusions

Taking into account the problem statement and after analyzing the data collected, it is essential to theoretically conclude on the relevant findings.
In this chapter the research questions previously defined in the introduction will now be answered, using information gathered from Literature Review, Case Study and Market Research. Furthermore, this chapter presents the limitations found within this study, guidelines for future research and an epilogue.

RQ1: Is the weight of red customers in Vodafone significant or not? What are the reasons for such a result?

The results of the survey indicate few Vodafone Red customers with the service of TV, Internet and Fixed Voice (only 5.9% of respondents). Red customers only with unlimited mobile phone calls (representing 11.3% of the sample) is higher than the ones that have the 4 services, but still very low comparing to the ones that are not Red customers (see appendix II, exhibit 30). Moreover, the proportion of respondents that are not Red customers with the 4 services and that consider to be is very low, only 15.9% (see appendix II, exhibit 31). From the 25 clients that answered they are Red without the 4 services, only 12 (48%), consider having all the services and only 21 (11.5%) from the 183 that do not have any red service consider to become Red (see appendix II, exhibit 36).
Analysing the exhibit 33 in the appendix II, the main reasons for that happening can be understood. First, customers see Vodafone only as their mobile operator and do not see it as an operator of other services (54.9% agrees with the sentence "For me Vodafone is just my mobile operator" and 31.2% totally agrees with the sentence).Nonetheless, the majority of respondents are currently satisfied with their operators for the other services (60.1% agree and 21.4% totally agree) and therefore not willing to change to a new service.
Going back to what was mentioned previously, Vodafone was not the first to launch 4P services in the Portuguese market, so it does not have the first mover advantage. Also, Vodafone is facing a period of decreasing customers as it passed from 6.267 to 5.774 million customers. Furthermore, Maria João explained in the interview that the way the communication of this service is done can be confusing to clients as Vodafone does not communicate a single 4P package and people sometimes may not understand the real value of this offer comparing to competitors. However, besides the fact that the size of the system

prevented a higher customer acquisition, as previously mentioned the fact that Vodafone acquired 3.700 new customers for the triple play, having more than 100 000 of subscribers cannot be ignored. Though, there are not official numbers that indicate the present number of clients for the red service with TV, internet and voice.

To sum up, although the number of Red customers with TV, internet and voice is still not very significant, Vodafone has all the potential in the future to acquire more customers as it is making huge investments in the fixed business by accelerating the expansion of its network.

RQ2: Does a quad-play strategy bring higher levels of customer loyalty?

Through a cross tab (appendix II, exhibit 37), it was possible to verify that the great majority of Red customers (both with four services or just with the mobile service) agreed with all the sentences related to loyalty. Besides the fact the number of Red customers being inferior to non-Red, proportionally speaking, Red customers that totally agree with statements are always superior to non-Red customers. In particular, the level of action loyalty (the last stage of loyalty) which, as previously mentioned, was generally low for all type of customers, in proportion, it is higher for Red customers, as Red customers that agree and totally agree with the statements are superior to non-Red customers. More precisely, considering clients that have all the 4 services 46,2% agreed and 23,1% totally agreed with the sentence "I am willing to do an extra effort to continue in Vodafone", 38,5% and 23,1% respectively agreed and totally agreed with the sentence " I would always defend Vodafone whenever someone makes a negative comment about it".

Analysing other cross tab that crosses the loyalty statements and clients that intend or not to become Red (appendix II, exhibit 38), it was concluded that the level of agreement with the loyalty statements is similar between both types of customers. However, there was also a significant part of potential Red customers that disagreed with the sentences and in two cases, the percentage of customers who disagreed was superior to the ones that agreed -" I am willing to do an extra effort to stay in Vodafone"(45,5% disagreed and 9,1% totally disagreed) and" I will always defend Vodafone, whenever someone makes a negative comment about it" (51,5% disagreed and 6,1% totally disagreed) -, which indicates a low level of action loyalty.

Next, the perceived loyalty for Red customers is higher comparing to non-Red customers (both for the ones that have the mobile service or the 4 services) (see appendix II, exhibit 39). It was also verified that the perceived loyalty is higher for customers that consider becoming Red customers comparing to the ones that do not consider but not as high as for the ones that are already Red customers.

RQ3: Do customers that have been with Vodafone for more years use more these new services?

Analysing the cross tab of clients that are Red customers and the years they have been using Vodafone (see appendix II, exhibit 40) a relation between the number of years and the usage of Red services can be found. The added percentages of the groups from 7-11 years, 11-15 years and more than 16 years (77%) are superior to the others age groups (23%). The same happens for clients that are not red but consider to be, but in this case the percentage is slightly inferior. Therefore, it can be concluded that the older customer base use more these new services

RQ4: Do more satisfied customers consider buying services from the same provider more often than the others?

According to the survey results, the level of satisfaction in Vodafone is generally high for all types of Customers (Red and Non-Red). Also, according to The National Customer Satisfaction Index, Vodafone is the operator with the highest customer satisfaction in both subsectors that it is evaluated (Mobile Telephone Service and Mobile Internet).
Observing the exhibit 46 in appendix II, it can be observed a certain degree of agreement/ disagreement, as respondents that agree with one sentence tend to agree with the other and the ones that disagree with one sentence tend to disagree with the other. Therefore, a relation between satisfaction and loyalty can be somehow inferred, meaning this that there is a higher probability that more satisfied customers will buy the service from the same provider more often.
By observing the results of the cross tabs for customers that are Red and that consider becoming Red and the different aspects of customer satisfaction (see appendix II, exhibit 41), it was concluded that Red customers and possible Red customers rate higher Vodafone on its different aspects of customer satisfaction (the percentage of Red customers and possible Red customers that chosen the option “excellent” is always higher). Comparing Red and non-Red customers in the sentences that studied their level of general satisfaction, the level of agreement is similar between the two first sentences for both Red and non-Red customers (Red customers always show a level of agreement slightly higher though). Only for the last

sentence “I am so satisfied with the services from Vodafone that I consider trying other services”, the discrepancy is higher. From Red customers with 4 services 69.2% and 7.7% respectively agreed and totally agreed, regarding non-Red customers 36.1% and 1.6% respectively agreed and totally agreed and finally for Red customers only with mobile services 36% and 28% respectively agreed and totally agreed . Concerning the ones that are considering becoming Red customers the scenario is similar (see appendix II, exhibit 42).

In conclusion, although in general all types of clients are satisfied with all Vodafone services, Red customers and potential Red customers show even higher levels of satisfaction and their willingness to try other services is also higher, which probably makes them more frequent buyers comparing to other clients. Also, observing appendix II, exhibit 37 and 38 in the sentence “The likelihood of trying other Vodafone services is high” it can be concluded that Red and possible Red customers show a higher level of agreement comparing to other clients. Therefore, there is a higher probability that more satisfied customers (which are mainly Red and possible Red customers) will buy the service from the same provider more often.

RQ5: What are the critical success factors of Vodafone’s quadruple play strategy that may contribute to a lower churn and increase loyalty over the long term?

CRM techniques are one of the basis of Vodafone’s differentiation strategy. Thus, it is important that Vodafone continuously use these techniques and CRM managers take actions based on the factors have the greatest influence on churn.

It was verified that price and quality are the main reasons why Red customers choose this package and also the main reasons why potential customers will choose this service, so it is important that in the future Vodafone continuously invests in these aspects (appendix II, exhibit 32 and exhibit 34). Furthermore, clients in general, particularly, value know-how and technical assistance, so investing in these two aspects is important to keep customers in Vodafone (appendix II, exhibit 24).

It was also concluded that current Red customers particularly value loyalty programs that involve not paying the first month for the subscription of a certain service (appendix II, exhibit 43). On the other hand, potential Red customers just like other customers in general, mostly value points that give discounts in mobile phones, accessories, broadband (appendix II, exhibit 44). Taking this into consideration, Vodafone could make a separation of loyalty programs between the different types of customers.

Clube Viva currently has special promotions for TV, internet and voice clients that involve exchanging points for premium channels, special conditions in the video club and special prices in acquiring a phone. Still, these promotions do not incentivize non-Red customers become Red. Therefore, Vodafone could offer other type of "special deals" in Clube Viva. For example, clients that reach a certain number of points could exchange them for a free 1st month subscription of Red service (but always signing the loyalty contract), exchange points for acquiring an iPad/iPhone and pay a certain amount for it that will be lower if clients become Red or even exchange points that allow the acquisition of the TV box for a lower price or for free (depending on the number of points).

For current Red customers, as they value more not paying the subscription of the service, Vodafone already offers for clients with 1 red number the 1st month subscription for free and for clients with two red numbers they offer the 1st month subscription for free and the TV box. In terms of what Vodafone can do additionally for these type of customers, is for example, after the end of the contract, Vodafone could offer the 25th month of subscription for free. Or for example in the case a current Red customer adds another Red number, this client could have a discount in the 1st month equivalent to the amount extra paid for this new number.

Analyzing the exhibit 37 appendix II, there is a high level of agreement between all types of customers with the sentence "I intend to continue my relationship with Vodafone" so according to the survey results being Red does not determine churn. On the other hand, as mentioned previously in the literature review quality of service, the quality of customer care and the price are three major factors which consumers consider when they decide to churn. After answering the previous research questions, it is understood that both Red customers and the ones that consider becoming Red are particularly satisfied with Vodafone in those dimensions. In addition, Red customers are the ones that seem to be more open to try new Vodafone services, which also indicate that they will probably stay with this company more time. Additionally, Maria João Silva mentioned in the in depth interview that with integrated services, churn is likely to improve because it is a post-paid plan where there is an obligation on the customer to pay an invoice every month and it is not as simple to leave this service as it happens in a prepaid tariff. Last, as the service implies a 24month loyalty contract, if the customer is satisfied with Vodafone during this period and pays what he /she considers a fair price he/she will see no reason to abandon the service.

5.1 Recommendations

After analyzing the survey results and answering the research questions it is time to provide recommendations regarding what Vodafone can improve in the different aspects of customer satisfaction in order to create true customer loyalty and also to make clients use more this new service.

The main problem is that the majority of current Vodafone's customers see it only as their mobile operator and do not see it as an operator of other services. Therefore, Vodafone should make an effort to change the customer's mentality regarding these aspects and starting positioning itself as versatile telecommunications operator capable of providing other telecommunications solutions besides the mobile ones in order to meet Vodafone's objective of turning it into an increasingly global telecommunications operator. Vodafone should try to better explore the threats in the fixed service by studying the market and trends.
Another problem is that until now the size of the system prevented a higher customer acquisition for Vodafone quadruple play services. Therefore, Vodafone should guarantee a solid presence in the fixed business by keep on investing in fixed network in order to accelerate the expansion of its network.
Other problem is the communication of the offer because Vodafone Red and the triple play service are not communicated simultaneously in commercials and this is one of the reasons that distinguish it from competitors. Vodafone does not want to impose a big package, Vodafone wants to give its clients flexibility and possibility to choose among different options that better satisfy their needs. However, as mentioned previously people may find simpler adhere to a bundle like the one from MEO and ZON. What can be done in this sense is to make more promotions that aggregate these two types of offers. From February to March 2014 Vodafone had a promotion reducing by 10€ the price of the first and second card of mobile phones with a Red tariff. Currently Vodafone offers special conditions for Red customers that adhere to TV, internet and voice but these conditions are only announced in Vodafone's website or in the Shop magazine and it should be better communicated especially in TV spots. Also, according to survey results it was verified that Red/ possible Red customers chose or will choose this tariff mainly because of price and quality so it is important that Vodafone keeps on investing on these two aspects. Regarding price, Vodafone should keep on launching promotions at least until it has attained a reasonable customer base for this service. Moreover, it was also verified that Vodafone customers are generally price sensitive, so they consider changing service whenever competitors show better offers, consequently Vodafone must keep on being ahead of its competitors, offering their clients tariff plans with better value for

money. In terms of quality, Vodafone should invest in the latest technology to improve their service and in customer relationship management that is one of the basis of its differentiation strategy.

Vodafone is the leader in the youth segment, which is consistent with the results of the survey that indicate the majority of respondents in the age group between 18 and 25 years old. However, Red tariff plans are more directed to families that are from a higher social level (because they normally are worry free), usually with more than three people at home. Taking this into account, Vodafone should invest in publicity targeting families when announcing Red and TV, internet and voice services. Looking to the exhibit 45, it is seen that current red customers are mainly in the age group 18-24 and 48-64, with an annual household income higher than the general sample (15001-30000), with three or more people in the household, with higher education and mainly full time employees or students. This sample is not representative and the result is also biased because the majority of respondents were students and in the age group between 18 and 24. Otherwise, there would probably be more full time employees and people from an older age group using red services.

Vodafone should also keep on investing on its oldest customer base as they are the ones in a better position to try new Vodafone services and are the ones that consider themselves more loyal to this company. Additionally, they are also the ones that currently use more the Red tariff with or without the service TV, internet and voice.

5.2 Limitations and future research

As most exploratory studies, this investigation has some limitations which give the opportunity of future research to improve the analysis that was done.

The main limitation of the case study is the fact that the company could not disclose information regarding the number of clients, market share, number of sales, level of satisfaction for the Red tariff and TV, internet and voice tariff plans. Additionally, as quadruple play services are quite new in the Portuguese market, there is few publicly available information respecting the satisfaction level, growth rates and revenues of this service. Besides, there is no publicly available information on Vodafone's quadruple play and triple play market share of as there is for the competitors ZON and MEO.

Another limitation regards the online survey on the number of people who actually were simultaneously Red and use the TV, Internet and fixed voice service. Although the valid number of respondents was 221, only 13 were Red using TV, internet and fixed voice service and 25 were red using only mobile communications. Nevertheless, the number of participants could have been higher so that the results could be more generalizable.

Furthermore, as the survey was distributed online it resulted in some biases as only people with internet access could answer it. Additionally as it was distributed through social networks and email, only people within the researcher's reach of contacts answered it which resulted in a sample bias, namely percentage of students and high percentage of people belonging to the age group of 18-25 years.

Finally, other limitation is the scope of definition of what is quadruple play in Vodafone. The main aspect to retain regarding Vodafone's quadruple play strategy is that Vodafone has a broad definition of "quadruple play", meaning this that not only clients having Red and the service of TV, internet and voice are considered as quadruple play clients but also clients that have triple play service from Vodafone and a mobile pre-paid tariff plan from Vodafone, as they satisfy all their telecommunication needs in Vodafone. This makes the analysis more difficult because there is no information regarding clients that have the triple play service and a mobile tariff plan from Vodafone, that is why in order to simplify the this investigation the focus of analysis is regarding Red customers that have all services unlimited.

In Future, it would be essential to conduct another study as Vodafone Red and TV, internet and fixed voice service are still very recent (little more than a year). At that time consumers will be more precise in evaluating their satisfaction towards this new product and probably Vodafone will consolidate its image in the fixed business and will not only be seen as a mobile operator. It would be also necessary to conduct a similar study correcting the methods of data collection, trying to have a wider sample and reach a wider public.

5.3 Epilogue

After the preparation of this dissertation, the Portuguese telecommunication market suffered new changes.

Along this dissertation, the fusion between Optimus and ZON is mentioned. However, in some aspects the two brands were analysed separately since until the date this case study started to be studied there was no single brand born between the fusion of both. Nevertheless, on May

16th of 2014 a new brand - NOS - was born, replacing Optimus and ZON. Still, this brand will be only referred in the epilogue since all the information publically available, which comes mainly from ANACOM , respects ZON Optimus as a group or as distinct brands and it would not be very relevant re-do all the work previously done since little information is available. Despite that, since the brand was born 2 weeks before the deadline of the delivery of this master thesis it is important to mention it since it is a new important player in the quadruple play.

5.3.1 The launch of NOS

The image of the brand was unveiled in Lisbon, in a mini-show for six thousand employees of the company. The brand will invest over 1000€ million over the next five years in the cable TV services, internet, landline and mobile and still in cinemas. According to the company the customers of the two old carriers will not experience any changes, just a rebranding.

5.3.2 Objectives of the brand

With a position of competitive leadership and focus on offering truly convergent and relevant services to the Portuguese, the strategy of the brand is structured in three axes until 2018:

1. Increase market share in all segments;
2. Consolidate the position of largest telecommunications and entertainment group in the country;
3. Growing out of the country

5.3.3 4 P package (for more details see appendix 47)

The package aggregates television, fixed and mobile internet and fixed and mobile voice. The main features are similar to the competition's offer. However, NOS associates with this product the NOScard which offers a movie ticket when purchasing another (just like happened with Zon4i).

The package includes 147 TV channels (26 in HD) and NOS box with 500 hours of recording capability.

Regarding fixed internet, it offers 100 Mbps and Wi-Fi in over 600,000 hotspots in Portugal and 12 million worldwide.

Concerning the fixed phone, it includes all day unlimited calls to national fixed network and 50

international destinations on weekends and holidays and from 9 p.m. to 9 a.m. on weekdays. However, in comparison to ZON4i this service comes with an innovation. NOS developed the NOS Phone App which allows taking the landline phone anywhere in the world. The landline phone can be available from a smartphone or tablet, allowing talking for free from anywhere in the world and answer calls that are for the fixed phone from the smartphone or tablet.
The mobile phone service consists in two cellphone cards with unlimited calls and SMS which actually is not completely unlimited, the operator set limits of two thousand minutes of calls and messages.
It also includes 200 megabytes of mobile data traffic. Recharges of over 200 MB cost 2.99€ and can still buy a monthly package of 500Mb, 1 Gb, 5Gb or 15Gb. Moreover, the client has also the possibility to add the third and fourth cards mobile phone for 7.5 euros each. Finally, the adherence to this service implies a two year loyalty to it.

Chapter 6- Teaching notes

6.1Synopsis

Vodafone, inserted in one of the most aggressive markets in the country, has the emphasis of its business in the mobile telecommunications. However, as an answer to the most recent trend and challenge in the telecommunications– the quadruple play- Vodafone wants to establish a solid position in the fixed communications field. In March 2013, Vodafone launched its quadruple play service mainly as a response to M40 and after its launch in other countries, with a total refurbishment of its offer. According to Vodafone, Red is "a comprehensive and flexible range of telecommunication that allows the customer to choose, tailored to its needs, mobile and fixed services, including television, and use them without concern of additional costs". Although, it is still the minor player in the quadruple play market, the operator has been betting in a very aggressive pricing policy and making huge investments in Next Generation Networks. In the short term, this strategy seems effective since it was the operator with largest increase in pay television in 2013.

The present case study has the objective of accessing consumer loyalty and satisfaction within Vodafone, in general and in particular for Vodafone Red customers. Furthermore, it aims to analyze the strategies which can increase loyalty over the long term and understand whether or not additional services lead to a lower churn rate.

6.2Target Audience

The case study can be used as a teaching support mainly for Marketing and Strategy courses. It is appropriated for undergraduate, master's students and MBA students. As the case contains basic and intermediary marketing concepts, it is important that students have notions of Marketing and Strategy.

In order to have a deep understanding of the present case study it would be useful if students could read the following articles before class:

-Lee, S., & Lee, S. (2008). Multiple Play Strategy in Global Telecommunication Markets: An Empirical Analysis. *International Journal of Mobile Marketing*, *3*(2);

- Kumar, V., & Shah, D. (2004). Building and sustaining profitable customer loyalty for the 21st century. *Journal of Retailing*, *80*(4), 317-329;

- Gustafsson, A., Johnson, M. D., & Roos, I. (2005). The effects of customer satisfaction, relationship commitment dimensions, and triggers on customer retention. *Journal of marketing*, *69*(4), 210-218.

6.3 Teaching Objectives

The aim of this case is to sensitize students to the field of customer loyalty and satisfaction. It should stimulate them to apply their theoretical knowledge and analytical skills to help decision making while addressing relevant marketing concepts. Through reading and comprehension of the case and the exhibits, students should be able to answer the teaching questions.

With this case study students will have the opportunity of:

-Approach a real case that studies the introduction of a new tariff plan in the telecommunication market;

- Analyze the situation of the telecommunication market in Portugal, the importance of customer management to telecommunication companies in order to increase loyalty and satisfaction
- Understand the concepts of multiple play, loyalty, satisfaction and other concepts related to customer management
- Reflect on the reasons why the second most used mobile operator in Portugal is still the minor player in the quadruple play.

Given the information provided both in the case and in the survey results, they will have to discuss the case study. At the end of this study, students should reflect on the recent strategy adopted by Vodafone and have a more clear understanding of Vodafone's new offer and what can be done to improve satisfaction and loyalty in such a competitive environment.

6.4 Teaching Plan

As this study has two central parts, first the professor should introduce the case with theory, followed by a brief strategic overview on the Telecommunication industry and the new trends and challenges in this sector with particular focus on the multiple play strategies. After that, the Professor should introduce the Vodafone case. The second phase should focus on Vodafone quadruple play offer, by combining the most important information of the case study and the conclusions of the quantitative research. Another interesting approach could be starting the discussion by asking students to make a brief description of the case instead of being the teacher explaining it to the students.

6.4.1 Teaching Questions

1. Give a brief overview of the current situation of the telecommunication industry. Identify and explain the main trends that are the central topic of this case study (Distinguish the concepts of triple and quadruple play).

This question introduces the industry in which this case study is inserted.
As a dynamic start, it could be interesting if the Professor stimulates a brain storming on what is happening in the telecommunication market nowadays.
For this part of the question students should mention:
- New trends in the telecommunication industry in terms of evolution of the technology, market, and the competitive forces which have caused changes in the way service providers operate, making them continuously upgrade their network and modify their business model according to these new trends;
- Convergence as a dominant trend in the telecommunications and information industries, driven by the market demands for broadband service and promoted by competition and deregulation;
- That this convergence process has led to a change of existing telecommunications companies as they now operate on the basis of connectivity and features instead of being based on geography and hardwired for voice service;
For the second part of the question, students should be able to identify multiple play strategies, in particular the quadruple play concept, as a central trend that is the base of this case study.
- Students may start by explaining the concept of multiple play as a broad term that includes different types of strategies (double, triple and quadruple play) and distinguish those different types of strategies.

2. Identify the critical points of Vodafone quadruple play business strategy. To sum up, elaborate a SWOT Analysis.

Strengths -Differentiation from competitor's offer, with greater flexibility and transparency in the price discrimination paid for each service -TV , internet and voice service won the prize of product of the year -Better promotions than competitors -Vodafone has the highest rate of customer satisfaction in telecommunications in both subsectors that it is evaluated - Mobile Telephone Service and Mobile Internet - Clients can be in Vodafone satisfying all its communication needs for a value inferior than 79,9 (triple play service + pre-paid plan from Vodafone)	Weaknesses - Communication of the offer is confusing, as Vodafone never communicates a single package for quadruple play - Network coverage is still poor which prevents a higher customer acquisition - Does not have the first mover advantage - In comparison the competitor M40 has a very strong communication of its quadruple play service
Opportunities -Adoption of new technologies that increase the quality and speed of service	Threats - High competitive market - Little time to make adjustments to the network, otherwise competitors will continuously be ahead of Vodafone

3. What are the main Vodafone's competitors regarding the quadruple play service? What are the main aspects that distinguish Vodafone from the competition?

Students may identify MEO and ZON Optimus the main competitors.

They should explain that Vodafone's 4P offer has a much more varied target market than the one from MEO and ZON, because:

- In the competitors' offer, clients need two numbers at least;
- Vodafone never communicates a quadruple play bundle. Instead, it proposes an offer that

allows customers to adopt the services they actually need, with total flexibility, selecting the components they lack;

-The offer is designed to specific segments to which the offer is destined: one offer targets the residential segment and other the corporate segment.

4. Sum up the main aspects/initiatives of customer loyalty in Vodafone.

Students should mention:

-"Clube Viva" and explain how it works and the objective of this loyalty "club";

- Vodafone organizes different kinds of sweepstakes and contests (if possible give examples);

-Other kind of actions like discounts in smart phones, special tariff bonuses, like for example charging with 20 euros, giving the client an extra of 10 euros, have the objective of increasing loyalty;

-Vodafone's presence in social networks like Facebook, Twitter and Google+;

- Vodafone's continuous investment in its Customer Support Service.

5. Distinguish loyalty and satisfaction classify Vodafone's customers on these two aspects.

The first part of the question requires that students have absorbed the two central concepts of this case study: loyalty and satisfaction and distinguish one from another.

Regarding customer satisfaction they should mention its determinants (perceived quality and perceived value). With respect to customer loyalty they should mention the three different approaches to the study of customer loyalty (the behavioral approach, the attitudinal approach and the integrated approach, which combines behavioral and attitudinal variables) and explain them.

Mention the interrelation between the two concepts.

Explain that at the level of the telecommunication industry, factors such as market regulation, brand equity, existence of loyalty programs, proprietary technology, switching costs and product differentiation, influence the connection between customer satisfaction and loyalty.

For the second part of the question, they may use the survey results and the information present in the case study to answer.

They may conclude that:

-Vodafone's customers are in general, satisfied with Vodafone services (appendix II, exhibit 22 and 23).
-Vodafone has the highest rate of customer satisfaction in telecommunications in both subsectors that it is evaluated - Mobile Telephone Service and Mobile Internet - according to the report released by ECSI Portugal(satisfaction score of 7.88);
-In terms of perceived loyalty, the majority of customers consider themselves loyal to the brand (55.7%). However, only 1.8% answered they will never change (appendix II, exhibit 27);
-Different sentences of the survey evaluated loyalty on its different stages (exhibit 26). For the different stages it was verified different loyalty degrees. We can say that customers are moderately loyal to the brand, and a vast majority has not attained yet the last step of loyalty (Action loyalty), so the process of repurchase may not occur very easily, hence a significant portion of customers indicated that they disagreed with the statement " The likelihood of experiencing other services of Vodafone is quite high (33.3%)". In addition, on one hand they are price sensitive as the majority of them are not willing to make an extra effort to continue in Vodafone and agree to use Vodafone's services as long as they are profitable. On the other hand, the majority wants to continue with Vodafone in the coming years. Putting all this information together, this can mean that the level of retention of Vodafone's customers is higher than the level of loyalty.

6. Imagine you are Maria João Silva and have to make a presentation of Vodafone Red results in Portugal until the present (base your presentation on the information analyzed in the case study and market research). Make suggestions to drive the success of this plan in the long-term.
In the first part of the question students should identify Vodafone as the minor player in quadruple play services in Portugal.
After that they should identify the main reasons for that happening, which include:
- Little coverage of the network;
- The confusing communication of the offer;
- The fact that Vodafone has been losing clients since last year (it passed from 6.267 to 5.774 million customers).
Besides, despite all these facts it is essential that students mention that this company acquired 3.700 new customers for the triple play, having more than 100 000 subscribers. It was also the operator with the highest growth in pay TV in the last quarter of 2013. The operator passed

from a market share of 2.5% to a market share of 3.5%. However, there are not official numbers that indicate the number of clients for the Red service with TV, internet and voice at this moment.

For the second part of the question based on what is happening in Vodafone at present, students should give their own ideas regarding the strategies that will determine the success of this tariff in the future.

Some examples that students may talk about:

-Keep on investing on network coverage;

- Be more clear in the communication and in Red commercials, introducing special promotions for customers that adhere to the service of TV, internet and fixed voice;

-Make promotions that aggregate both offers at least until the company has acquired a reasonable customer base;

- Try to change the mentality of Portuguese that mainly see Vodafone only as a mobile operator by using for example guerrilla marketing techniques;

-Use CRM techniques to understand which factors drive churn;

- Strive to deliver a service with an excellent quality as this is one of the most valued aspects by potential Red customers according to the survey;

- Do not raise the price higher than competitors, as potential red customers particularly value the aspect price, but they are as well price sensitive because they are not willing to do an extra effort to stay in Vodafone.

7. Does the Red concept correspond to a niche market or to a mere targeting criterion?

Students should mention the following:

- When Red was launched in March 2013, it had offers starting at the price of 34,90€ (a price that is quite high taking into account that there are other tariff plans that only cost 5 euros)

- Red is an expensive plan that is not reasonable for everyone to pay;

- Reduction of price to 24,90€;

- Observing the price factor, it can be said there was somehow a practice of skimming pricing;

- In this sense it can be considered as a niche market, as Red normally interests clients with higher average revenue and that are worry free (customers with higher income);

- At the same time Vodafone does huge discounts for additional Red cards that normally come from additional family members that adhere to this plan.
- After capturing one family member Vodafone wants to capture others and in this case we can talk of market segmentation;
- On one hand Vodafone offers a huge discount but on the other hand the company wants to ensure a permanence of 24 months within the company;
- Red also has specific offers for the residential segment and for the business segment, so here again segmentation can be observed.

8. Taking into account what is presented in the case study, how do you interpret the change of the brands ZON and Optimus to NOS?

In this question students are expected to give their personal opinion and there should be no right or wrong. Although, they may refer some important aspects such as that it created the second bigger telecommunication company in the country, they may also compare the package zon4i and the package “quatro” from NOS.

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Appendix I

1. Questionário

No âmbito de uma tese de mestrado da Católica Lisbon - School of Business & Economics que pretende estudar a satisfação e fidelização dos clientes da Vodafone, mais propriamente do tarifário red, gostaria de o/a convidar a responder a este questionário. O questionário deverá usar aproximadamente 10 minutos do seu tempo.

A sua participação neste estudo é totalmente voluntária.

As suas respostas serão totalmente anónimas e confidenciais, sendo utilizadas apenas para investigação académica e/ou leccionação. Não há respostas certas ou erradas relativamente a qualquer dos itens, pretendendo-se apenas a sua opinião pessoal e sincera.

A sua colaboraçao é muito importante para que a Vodafone possa melhorar os seus serviços.

Agradeço desde já a sua participação.

1.1 Parte I- Satisfação global

1.Utilizando a seguinte escala :

1 - Não Satisfaz | 2 - Satisfaz Pouco | 3 - Satisfaz Bem | 4 - Satisfaz Muito Bem

Como classifica a Vodafone relativamente a :

Posicionamento de Preços

Qualidade a um determinado preço

Competência e Know-how

Cumprimento de prazos

Serviço pós venda e sistema de suporte aos clientes

Conhecimento das necessidades dos seus clientes

Diversidade de oferta

2. Utilizando a seguinte escala :

1-discordo totalmente| 2-discordo|3-Concordo|4- Concordo totalmente

Indique o grau de concordância relativamente às seguintes afirmações:

Globalmente sinto me muito satisfeito/(a) com os serviços da vodafone, pelo que não considero mudar de operadora nos próximos tempos

Globalmente a vodafone está muito próxima do que eu considero ideal, satisfazendo as as minhas necessidades/expectativas

Estou tão satisfeito/(a) com os seviços que considero aderir a outros da Vodafone

3. Selecione dois aspectos que valoriza mais na Vodafone

Condições oferecidas (a nÍvel de pacotes de telecomunicações, tarifários)

Know-how

Serviço Pré-Venda

Assistência técnica

Simpatia dos funcionários

Outro, qual?______

1.2 Parte II-Fidelização

1.Há quantos anos é cliente vodafone?

<1 ano

1-3 anos

4-6 anos

7-11 anos

11-15 anos

+16 anos

2. Utilizando a seguinte escala :

1-Discordo totalmente| 2-Discordo| 3-Concordo|4- Concordo totalmente

Indique o grau de concordância relativamente às seguintes afirmações:

A vodafone é sempre a minha primeira escolha em produtos e serviços de telecomunicações, mesmo que existam outras operadoras com preços mais atrativos

A probabilidade de experimentar outros serviços da Vodafone é bastante elevada.

Tenho a intenção de continuar nos próximos anos a minha relação com a Vodadone.
Recomendaria a vodafone a um amigo ou familiar.

Estou disposto a dispender um esforço extra para continuar na Vodafone.

Defenderei a Vodafone, sempre que alguém fizer um comentário negativo sobre ela.

Considero que, na Vodafone os benefícios que obtenho são superiores aos custos

Acredito que, no momento, as ofertas da minha atual operadora são de maior qualidade do que as dos concorrentes.

Apenas tenho coisas positivas a dizer acerca da Vodafone.

Sinto-me particularmente ligado à Vodafone comparativamente com os outros seus concorrentes.

Eu continuarei a utilizar os serviços da Vodafone enquanto for lucrativo para mim.
Identifico-me com a marca Vodafone.

3. Quão fiel se considera à Vodafone?

Nunca irei mudar
Fiel
Pondero outras opções
Não sou fiel à marca

4. Que tipo de ofertas valoriza mais?

Pontos que permitem descontos em telemóveis, acessórios, banda larga

Vouchers

Sorteios de telemóveis, tablets etc

Possibilidade de não pagar o primeiro mês ao subscrever um determinado serviço vodafone

1.3 Parte III- Serviços utilizados

1.Que tipo de serviços utiliza na Vodafone?

Comunicações móveis

Voz fixa

Internet fixa

Banda larga móvel

Televisão

2.É cliente Vodafone Red (incluindo TV, internet e comunicações fixas)?

Sim

Não

(se respondeu sim avançe para a parte IV do questionário exclusiva para clientes Vodafone Red com TV , internet e comunicações fixas)

3.Se não, pensa vir a ser?

Sim

Não

4.Se escolheu sim, ordene por ordem de importância os motivos pelos quais poderá vir a escolher o Vodafone Red. Se respondeu não avance para a questão seguinte.

Simplicidade (ter a fatura de três serviços numa só)

Preço

Qualidade

Insatisfação com o atual serviço

5. Utilizando a seguinte escala :

1-Discordo totalmente| 2-Discordo|3-Concordo|4- Concordo totalmente

Indique o seu grau de concordância relativamente aos motivos pelos quais o levam a não optar pela Vodafone Red

Considero o preço demasiado elevado

Não quero mudar de operadora para os outros serviços pois estou satisfeito

As operadoras da concorrência oferecem melhores condições

Considero o prazo de fidelização muito grande (2 anos)

Falta de conhecimento sobre o serviço

Para mim a Vodafone é apenas a minha operadora de rede móvel

1.4 Parte IV- Destinada a clientes Vodafone Red com serviço de TV ,internet e comunicações fixas

1.Ordene por ordem de importância os motivos pelos quais o/a levaram a optar por este tarifário.

Simplicidade (ter a fatura de três serviços numa só)

Preço

Qualidade

Insatisfação com o serviço anterior

2.O quão satisfeito/a se encontra com o novo serviço?

Muito satisfeito/a

Satisfeito/a

Insatisfeito/a

Muito insatisfeito/a

1.5 Parte V - Dados Demográficos

Para terminar, gostaria que respondesse a algumas questões de foro demográfico.

1.Sexo:

Masculino

Feminino

2.Idade:

18-24

25-29

30-34

35-44

45-64

65+

4.Indique o rendimento do seu agregado familiar

Menos de 8000€

8001-15000€

15001-30000€

Mais de 30000€

6.Incluindo você quantas pessoas fazem parte do seu agregado familiar?

1

2

3

4

Mais de 4

7.Qual o seu nível de habilitações escolares?

Ensino primário

Ensino secundário

Ensino profissional

Ensino superior

8.Qual é o seu estado de emprego atual?

Empregado em full-time

Empregado em part-time

Desempregado

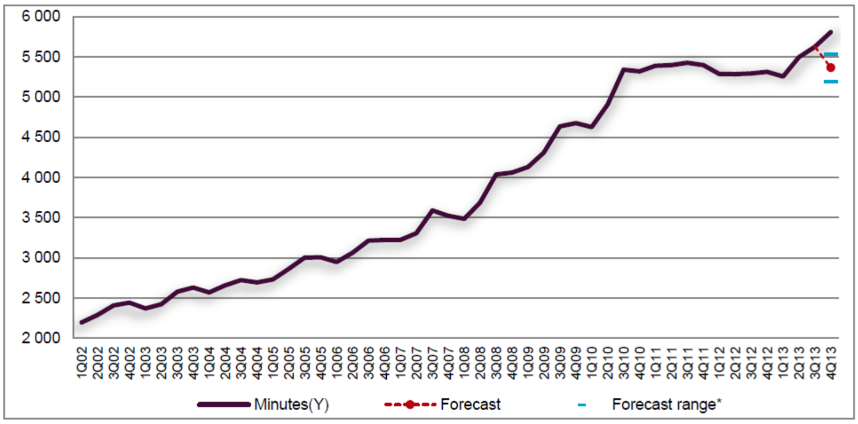
Empregado por conta própria

Estudante

Appendix 2- Market Research output and others

Exhibit 8 - From Telecel to Vodafone

Exhibit 9-Evolution in voice call traffic minutes



Unit: thousands of minutes Source: ICP-ANACOM

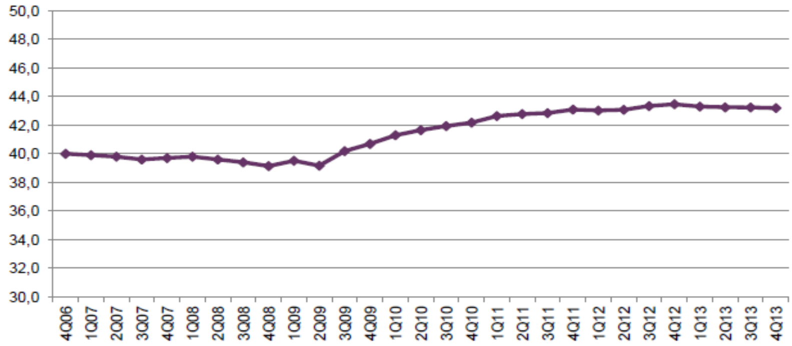
Exhibit 10-Evolution in broadband Internet access service (IAS) penetration rates: no. of accesses per 100 inhabitants

	4Q12	1Q13	2Q13	3Q13	4Q13
1. No. of Fixed Broadband IAS Accesses / 100 Inhabitants	**22.8**	**23.2**	**23.5**	**23.9**	**24.4**
1.1. No. of ADSL accesses/100 Inhabitants	10.3	10.3	10.3	10.4	10.5
1.2. No. of Cable Modem accesses/100 Inhabitants	9.0	9.1	9.1	9.2	9.3
1.3. No. of Optical Fibre accesses (FTTH/B)/100 Inhab.	3.5	3.7	3.9	4.1	4.4
1.4. No. of other types of access/100 Inhabitants	0.0	0.0	0.1	0.2	0.3
2. No. of IAS Mobile Broadband Customers with actual use/ 100 Inhabitants	**33.1**	**32.3**	**32.6**	**34.5**	**37.2**
2.1 No. of active (mobile) Broadband Customers using cards/modems/100 Inhabitants	9.3	8.8	8.2	8.2	7.2

Unit: no. of accesses per 100 inhabitants

Unit: thousands of minutes Source: ICP-ANACOM

Exhibit 11- Trend in penetration rate of main telephone accesses



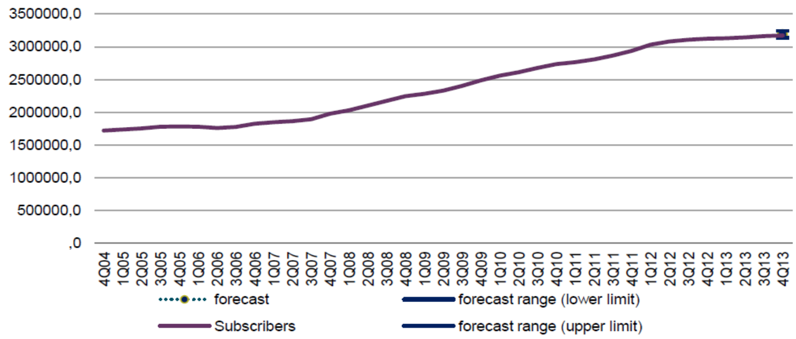
Unit: Accesses per 100 inhabitants Source: ICP-ANACOM

Exhibit 12- Fixed telephone service revenues

	4Q12		4Q13		YoY Variation 4Q13/ 4Q12
		%		%	
Separable FTS revenues [25]	566 635	38,3%	504 067	33.7%	-11.0%
Revenues from subscriptions and installation charges	279 604	18,9%	240 430	16.1%	-14.0%
Revenues from calls and SMS originating on fixed network [26]	287 031	19,4%	263 637	17.7%	-8.2%
Revenues from multiple-play with FTS	913 966	61,7%	989 523	66.3%	8.3%
Revenues from Double-Play offers	157 855	10,7%	165 905	11.1%	5.1%
Revenues from 3, 4 and 5-Play offers	756 111	51,1%	823 618	55.1%	8.9%
Total Revenues	1 480 600	100%	1 493 590	100%	0.9%

Unit : Thousands of euros Source : ICP-ANACOM

Exhibit 13- Trend in the total number of subscription television subscribers



Source: ICP- ANACOM Unit: 1 subscriber

Exhibit 14- Subscribers to subscription TV service by type of offer contracted

	4Q12	3Q13	4Q13	Quarterly variation	Annual variation
TV only (estimated)	835	750	701	-6.6%	-16.1%
Total subscribers to TV service as part of a bundle of services	2 286	2 412	2 470	2.4%	8.1%
Double-play	*498*	*490*	*483*	*-1.4%*	*-2.9%*
Triple/Quadruple/Quintuple-play	*1 788*	*1 922*	*1 987*	*3.4%*	*11.1%*
TOTAL	3 122	3 162	3 171	0.3%	1.6%

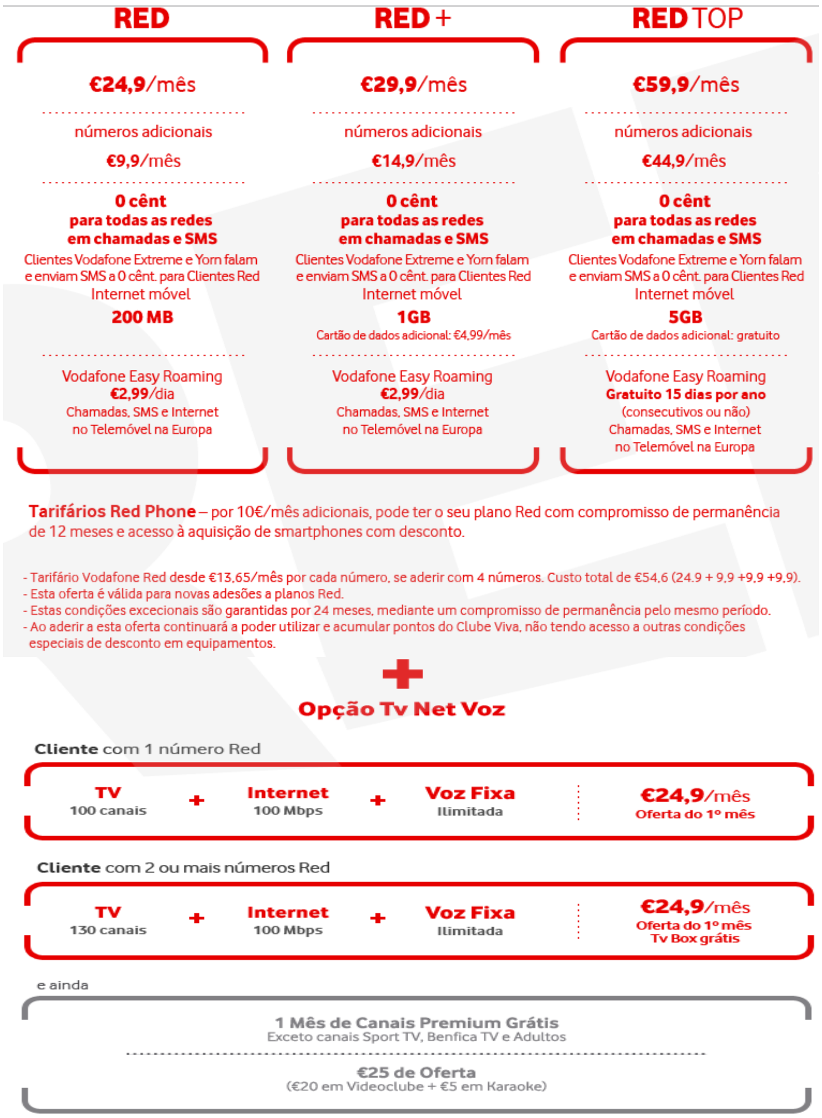
Source: ICP –ANACOM Unit: 1000 subscribers; %

Exhibit 15 - Distribution by provider of mobile stations/user devices

4th Quarter 2013	CTT	Lycamobile	Mundio Mobile[11]	Zon Optimus: Zon	Zon Optimus: Optimus	TMN	Vodafone
Mobile stations / Active user devices with post-paid, pre-paid and hybrid tariff plans	0.3%	1.7%	0.2%	1.9%	13.6%	46.8%	35.6%
Mobile stations / Active user devices with post-paid, pre-paid and hybrid tariff plans in actual use	0.3%	1.3%	0.2%	1.3%	13.5%	45.0%	38.3%
Mobile stations / Active user devices with post-paid, pre-paid and hybrid tariff plans in actual use, excluding cards/modem used for Internet access	0.3%	1.4%	0.2%	1.2%	12.3%	45.6%	38.9%
Mobile stations / Active user devices with post-paid, pre-paid and hybrid tariff plans in actual use, excluding cards/modem used for Internet access and mobile stations associated with M2M communications	0.3%	1.4%	0.2%	1.3%	11.5%	46.4%	38.8%

Source : ICP-ANACOM Unit: %.

Exhibit 16– Vodafone Red+TV+Internet+Voice



Source: Vodafone's website

Exhibit 17 – MEO and M4O

Exhibit 18 - M40 package

Pacotes	TV	Net	Telefone	Telemóvel	VideoClube	Serviços Adicionais	Mensalidade
M4O	120 Canais	100 Mbps / 10 Mbps [4] Garantidos	Chamadas ilimitadas para todas as redes fixas nacionais e 50 destinos internacionais [5]	Chamadas e SMS ilimitadas para todas as redes móveis e fixas nacionais [6] + Internet no telemóvel 200 MB / mês grátis por cartão [7]	✔	MEO Go [8] MEO Music Grátis [9] MEO Jogos Grátis Antivírus Bitdefender Plus Grátis [10] Pacotes Internet no Telemóvel [11] MEO Cloud - 16 GB Grátis [12] Ver mais	€ 79,99 Oferta da 1ª mensalidade ADERIR
M4O Plus	170 Canais	100 Mbps / 10 Mbps [4] Garantidos	Chamadas ilimitadas para todas as redes fixas nacionais e 50 destinos internacionais [5]	Chamadas e SMS ilimitadas para todas as redes móveis e fixas nacionais [6] + Internet no telemóvel 1 GB / mês grátis por cartão [7]	✔	MEO Go [8] MEO Music Grátis [9] MEO Jogos Grátis Antivírus Bitdefender Plus Grátis [10] Pacotes Internet no Telemóvel [11] MEO Cloud - 16 GB Grátis [12] Ver mais	€ 99,99 Oferta da 1ª mensalidade ADERIR

Source: MEO's website

Exhibit 19 – ZON Optimus and ZON4

Exhibit 20- Zon 4i package

	TV IRIS	NET	TELEFONE	TELEMÓVEL	MENSALIDADE
ZON4i com 200 MB de dados	116 CANAIS 16 HD	100 MEGAS 600.000 Hotspots Wi-fi grátis ZON@Fon	ILIMITADO em Portugal e 50 destinos internacionais	2 CARTÕES DE TELEMÓVEL c/ chamadas e SMS para todas as redes (200 MB/cartão)	€79,99
				Adicione o 3º e 4º cartão por apenas €7,5/mês cada	
ZON4i com 1 GB de dados	146 CANAIS 26 HD (€5 de serviços adicionais incluídos)	100 MEGAS 600.000 Hotspots Wi-fi grátis ZON@Fon	ILIMITADO em Portugal e 50 destinos internacionais	2 CARTÕES DE TELEMÓVEL c/ chamadas e SMS para todas as redes (1 GB/cartão)	€99,99

OFERTAS DESTE PACOTE		
	1ª MENSALIDADE	ATIVAÇÃO ZON BOX E ZON HUB
	DESCONTO €10/MÊS DURANTE 12 MESES	INSTALAÇÃO ZON BOX
	INCLUI ZON BOX COM GRAVAÇÃO	ENVIO ANTECIPADO MYZONCARD

Source: ZON's website

Exhibit 21 -Demographics

Variables	Percentage	
	Gender	
Male	42.0%	
Female	58.0%	
	Age	
18-24		72.6%
25-29		11.9%
30-34		2.3%
35-44		7.8%
45-64		5.0%
65+		0.5%
	Annual household income	
Less than 8000€		31.1%
8001-15000€		31.5%
15001-30000€		24.7%
>30000		12,7
	Number of people in the household (including the respondent)	
1		7.8%
2		19.6%
3		30.6%
4		32.9%
	Academic skills	
Primary school		0.5%

High school		15.1%
Professional studies		7.3%
Higher education		77,2%
Occupation		
Full-time employee		18.3%
Part-time employee		5.5%
Unemployed		5.0%
Self-employed		6.4%
Student		64.8%

Exhibit 22- Factors clients mostly value at Vodafone

Question	Poor	Unsatisfactory	Satisfactory	Excellent	Mean
After-sales service and support system to customers	1.8%	18.9%	63.5%	15.8%	2.9
Quality at a given price	3.2%	19.4%	66.2%	11.3%	2.9
Price Positioning	5.9%	17.6%	65.2%	11.3%	2.8
Diversity of supply	3.6%	22.5%	53.6%	20.3%	2.9
Meeting deadlines	1.8%	11.3%	69.7%	17.2%	3.0
Knowing the needs of customers	2.7%	27.5%	56.3%	13.5%	2.8
Competence and Know-how	3.2%	9.9%	72.5%	14.4%	3.0

Exhibit 23- Indicate your level of agreement with the following statements:

Question	Totally disagree	Disagree	Agree	Totally Agree	Mean
Overall I'm very satisfied with the Vodafone services , and I do not want to change in future	2.3%	14.9%	59.0%	23.9%	3.0
Overall Vodafone is very close to what I consider ideal, satisfying my needs / expectations	2.7%	25.2%	58.1%	14.0%	2.8
I'm so satisfied with the Shops that I consider trying other Vodafone's services	10.4%	46.8%	37.8%	5.0%	2.4

Exhibit 24- Which aspects do you mostly value at Vodafone?

Answer	Response	%
Know-how	118	53.2%
Pre-selling service	83	37.4%
Techincal assistance	101	45.5%
Employees' friendliness	75	33.8%
Other, which?	21	9.5%

Others, which?	
promotions	Friends using Vodafone
monetary cost	attractive to younger audience
price	amount of people using the same network
Brand experience	Vodafone is the network used by most people and therefore cheaper
nothing	monthly payment
nothing	marketing
largest market share	price
prices	Tariffs
Friends using Vodafone	
network effect	Friends using Vodafone

Exhibit 25-How long have you been a Vodafone customer?

Answer	Response	%
<1 year	5	2.3%
1-3 years	14	6.3%
4-6 years	53	24.0%
7-11 years	103	46.6%
11-15 years	37	16.7%
+16 years	9	4.1%
Total	**221**	**100.0%**

Exhibit 26- Indicate your level of agreement with the following

Question	Totally disagree	Disagree	Agree	Totally Agree	Mean
The likelihood of trying other Vodafone's services is quite high.	**3.2%**	**33.3%**	**57.7%**	**5.9%**	**2.7**
I intend to continue my relationship with Vodafone along the years	1.4%	12.6%	69.4%	16.7%	3.0
I would recommend Vodafone to a friend or family member.	1.8%	16.2%	60.4%	21.6%	3.0
I am willing to do an extra effort to stay on Vodafone.	8.6%	52.3%	34.2%	5.0%	2.4
I would always defend vodafone, whenever someone makes a negative comment about it.	9.9%	50.0%	35.6%	4.5%	2.3
I feel that in Vodafone the benefits outweigh the costs	2.7%	32.9%	58.1%	6.3%	2.7
I believe that the offers from my current carrier have higher quality than those of competitors	9.9%	35.6%	48.2%	6.3%	2.5
I only have positive things to say about Vodafone.	7.2%	52.7%	35.1%	5.0%	2.4
I feel particularly connected to Vodafone compared to its competitors	2.7%	23.0%	64.4%	9.9%	2.8
I will continue to use the Vodafone's services long as they are profitable for me.	0.9%	7.2%	67.1%	24.8%	3.2
I identify myself with the Vodafone brand.	2.7%	18.9%	67.6%	10.8%	2.9

Exhibit 27-How loyal do you consider yourself to Vodafone?

Answer	Response	%
I will never change	4	1.8%
Loyal	123	55.7%
I consirder other options	76	34.4%
I am not loyal to the brand	18	8.1%
Total	221	100.0%

Exhibit 28- Which type of offers do you value most?

Answer	1	2	3	4	Total Responses
Points that give discounts in mobile phones, accessories, broadband	57.7%	20.3%	15.8%	6.3%	221
Vouchers	9.0%	34.2%	37.4%	19.4%	221
Sweepstakes of mobile phones, tablets	15.8%	25.7%	32.0%	26.6%	221
Possibility of not paying the first month after subscribing a particular service Vodafone	17.6%	19.8%	14.9%	47.7%	221
Total	221	221	221	221	-

Exhibit 29- Which services do you use from Vodafone?

Answer	Response	%
Mobile telecommunications	213	95.9%
Fixed Voice Communications	20	9.0%
Internet in the mobile phone	92	41.4%
TV	16	7.2%
Mobile Broadband	28	12.6%
Fixed Internet	23	10.4%

Exhibit 30- Are you a red customer?

Answer	Response	%
Yes, including TV, internet and fixed voice	13	5.9%
No	183	82.8%
Yes, but I do not have TV, internet and fixed voice services	25	11.3%
Total	221	100.0%

Exhibit 31-Do you consider becoming a red customer?

Answer	Response	%
Yes	33	15.9%
No	175	84.1%
Total	**208**	**100.0%**

Exhibit 32 -If yes, sort by order of importance the reasons why you would become to a Red customer

Answer	1	2	3	4	Total Responses
Price	78.8%	15.2%	6.1%	0.0%	33
Quality	15.2%	57.6%	24.2%	3.0%	33
Unsatisfaction with the current service	3.0%	18.2%	30.3%	48.5%	33
Unique invoice*(in the case of the red numbers are associated with the service tv, net, voice)	3.0%	9.1%	39.4%	48.5%	33
Total	**33**	**33**	**33**	**33**	-

Exhibit 33-Why would you not consider being a red customer?

Question	Totally disagree	Disagree	Agree	Totally Agree	Total Responses	Mean
For me Vodafone is just my mobile network operator	1.7%	12.1%	54.9%	31.2%	173	3.2
I do not want to change carrier for because I am satisfied	2.3%	16.2%	60.1%	21.4%	173	3.0
Operators from competition offer better conditions	2.3%	30.1%	50.9%	16.8%	173	2.8
I believe the term loyalty is very large (2 years)	3.5%	13.3%	48.6%	34.7%	173	3.1
I consider the price too high	5.8%	42.2%	42.2%	9.8%	173	2.6
Lack of knowledge about the service	11.6%	32.4%	40.5%	15.6%	173	2.6

Exhibit 34- Why did you chose the Red tariff (including TV, internet and fixed voice)?

Answer	1	2	3	4	Total Responses
Price	33.3%	41.7%	25.0%	0.0%	13
Quality	33.3%	25.0%	16.7%	25.0%	13
Unsatisfaction with previous service	0.0%	25.0%	25.0%	50.0%	13
Unique invoice*	33.3%	8.3%	33.3%	25.0%	13
Total	**13**	**13**	**13**	**13**	-

*(in the case of the red numbers are associated with the service TV, net, voice)

Exhibit 35- How satisfied are you with Red services?

Answer	Response	%
Very satisfied	9	64.3%
Satisfied	4	28.6%
Unsatisfied	1	7.1%
Very unsatisfied	0	0.0%
Total	**14**	**100.0%**

Exhibit 36- Cross tab: Red clients* clients that consider or not becoming Red (4 services)

		Do you consider becoming a Red customer?(including the 4 services)		
		Yes	No	Total
Are you a red customer?	Yes, including TV,internet and fixed Voice	0 0.0%	0 0.0%	0 100.0%
	No	21 11.5%	162 88.5%	183 100.0%
	Yes, bu I do not have TV,internet and fixed Voice	12 48.0%	13 52.0%	25 100.0%
	Total	33 15.9%	175 84.1%	208 100.0%

Exhibit 37- Cross tab: Loyalty statements* clients that are/ are not Red

		The likelihood of trying other Vodafone's services is quite high.					I intend to continue my relationship with Vodafone along the years					I would recommend Vodafone to friends or family.				
		Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total
Are you a Red customer?	Yes(including the 4 services)	0 0.0%	1 7.7%	8 61.5%	4 30.8%	13 100.0%	0 0.0%	2 15.4%	7 53.8%	4 30.8%	13 100.0%	0 0.0%	3 23.1%	6 46.2%	4 30.8%	13 100.0%
	No	7 3.8%	67 36.6%	103 56.3%	6 3.3%	183 100.0%	3 1.6%	24 13.1%	129 70.5%	27 14.8%	183 100.0%	4 2.2%	31 16.9%	111 60.7%	37 20.2%	183 100.0%
	Yes, but I do not have TV, internet and fixed Voice	0 0.0%	6 24.0%	16 64.0%	3 12.0%	25 100.0%	0 0.0%	1 4.0%	18 72.0%	6 24.0%	25 100.0%	0 0.0%	1 4.0%	17 68.0%	7 28.0%	25 100.0%
	Total	7 3.2%	74 33.5%	127 57.5%	13 5.9%	221 100.0%	3 1.4%	27 12.2%	154 69.7%	37 16.7%	221 100.0%	4 1.8%	35 15.8%	134 60.6%	48 21.7%	221 100.0%

		I believe that the offers from my current carrier have higher quality than those of competitors					I only have positive things to say about Vodafone.					I feel particularly connected to Vodafone compared to its competitors				
		Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total
Are you a Red customer?	Yes(including the 4 services)	0 0.0%	2 15.4%	9 69.2%	2 15.4%	13 100.0%	2 15.4%	3 23.1%	6 46.2%	2 15.4%	13 100.0%	1 7.7%	0 0.0%	10 76.9%	2 15.4%	13 100.0%
	No	21 11.5%	72 39.3%	80 43.7%	10 5.5%	183 100.0%	12 6.6%	104 56.8%	59 32.2%	8 4.4%	183 100.0%	4 2.2%	47 25.7%	114 62.3%	18 9.8%	183 100.0%
	Yes, but I do not have TV, internet and fixed Voice	1 4.0%	4 16.0%	18 72.0%	2 8.0%	25 100.0%	2 8.0%	9 36.0%	13 52.0%	1 4.0%	25 100.0%	1 4.0%	3 12.0%	19 76.0%	2 8.0%	25 100.0%
	Total	22 10.0%	78 35.3%	107 48.4%	14 6.3%	221 100.0%	16 7.2%	116 52.5%	78 35.3%	11 5.0%	221 100.0%	6 2.7%	50 22.6%	143 64.7%	22 10.0%	221 100.0%

		I will continue to use the Vodafone's services long as they are profitable for me.					I identify myself with the Vodafone brand.					Vodafone is always my first choice in telecommunications products and services, even if there are other carriers with a more attractive price.				
		Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total	Discordo Totalmente	Discordo	Concordo	Concordo Totalmente	Total
Are you a Red customer?	Yes(including the 4 services)	0 0.0%	1 7.7%	8 61.5%	4 30.8%	13 100.0%	1 7.7%	0 0.0%	9 69.2%	3 23.1%	13 100.0%	1 7.7%	1 7.7%	6 46.2%	5 38.5%	13 100.0%
	No	2 1.1%	14 7.7%	122 66.7%	45 24.6%	183 100.0%	4 2.2%	40 21.9%	122 66.7%	17 9.3%	183 100.0%	10 5.5%	77 42.1%	82 44.8%	14 7.7%	183 100.0%
	Yes, but I do not have TV, internet and fixed Voice	0 0.0%	0 0.0%	19 76.0%	6 24.0%	25 100.0%	1 4.0%	2 8.0%	18 72.0%	4 16.0%	25 100.0%	0 0.0%	8 32.0%	13 52.0%	4 16.0%	25 100.0%
	Total	2 0.9%	15 6.8%	149 67.4%	55 24.9%	221 100.0%	6 2.7%	42 19.0%	149 67.4%	24 10.9%	221 100.0%	11 5.0%	86 38.9%	101 45.7%	23 10.4%	221 100.0%

		I am willing to do an extra effort to stay on Vodafone.					I would always defend Vodafone, whenever someone makes a negative comment about it.					I feel that in Vodafone the benefits outweigh the costs				
		Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total
Are you a Red customer?	Yes(including the 4 services)	0 0.0%	4 30.8%	6 46.2%	3 23.1%	13 100.0%	1 7.7%	4 30.8%	5 38.5%	3 23.1%	13 100.0%	0 0.0%	2 15.4%	8 61.5%	3 23.1%	13 100.0%
	No	18 9.8%	101 55.2%	57 31.2%	7 3.8%	183 100.0%	18 9.8%	96 52.5%	63 34.4%	6 3.3%	183 100.0%	6 3.3%	63 34.4%	104 56.8%	10 5.5%	183 100.0%
	Yes, but I do not have TV, internet and fixed Voice	1 4.0%	10 40.0%	13 52.0%	1 4.0%	25 100.0%	3 12.0%	10 40.0%	11 44.0%	1 4.0%	25 100.0%	0 0.0%	7 28.0%	17 68.0%	1 4.0%	25 100.0%
	Total	19 8.6%	115 52.0%	76 34.4%	11 5.0%	221 100.0%	22 10.0%	110 49.8%	79 35.7%	10 4.5%	221 100.0%	6 2.7%	72 32.6%	129 58.4%	14 6.3%	221 100.0%

Exhibit 38

Cross tab: Loyalty statements* clients that consider or not becoming Red

		The likelihood of trying other Vodafone's services is quite high.					I intend to continue my relationship with Vodafone along the years				
		Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total
Do you consider becoming a Red customer (with the 4 services)?	Yes	1 3.0%	5 15.2%	21 63.6%	6 18.2%	33 100.0%	0 0.0%	3 9.1%	22 66.7%	8 24.2%	33 100.0%
	No	6 3.4%	68 38.9%	98 56.0%	3 1.7%	175 100.0%	3 1.7%	22 12.6%	125 71.4%	25 14.3%	175 100.0%
	Total	7 3.4%	73 35.1%	119 57.2%	9 4.3%	208 100.0%	3 1.4%	25 12.0%	147 70.7%	33 15.9%	208 100.0%

		I would recommend Vodafone to friends or family.					I am willing to do an extra effort to stay on Vodafone.				
		Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total
Do you consider becoming a Red customer (with the 4 services)?	Yes	0 0.0%	2 6.1%	21 63.6%	10 30.3%	33 100.0%	3 9.1%	15 45.5%	14 42.4%	1 3.0%	33 100.0%
	No	4 2.3%	30 17.1%	107 61.1%	34 19.4%	175 100.0%	16 9.1%	96 54.9%	56 32.0%	7 4.0%	175 100.0%
	Total	4 1.9%	32 15.4%	128 61.5%	44 21.2%	208 100.0%	19 9.1%	111 53.4%	70 33.7%	8 3.8%	208 100.0%

Do you consider becoming a Red customer (with the 4 services)?		I would always defend vodafone, whenever someone makes a negative comment about it.				
		Totally disagree	Disagree	Agree	Totally agree	Total
	Yes	2 6.1%	17 51.5%	13 39.4%	1 3.0%	33 100.0%
	No	19 10.9%	89 50.9%	61 34.9%	6 3.4%	175 100.0%
	Total	21 10.1%	106 51.0%	74 35.6%	7 3.4%	208 100.0%

Do you consider becoming a Red customer (with the 4 services)?		I feel that in Vodafone the benefits outweigh the costs				
		Totally disagree	Disagree	Agree	Totally agree	Total
	Yes	0 0.0%	13 39.4%	18 54.5%	2 6.1%	33 100.0%
	No	6 3.4%	57 32.6%	103 58.9%	9 5.1%	175 100.0%
	Total	6 2.9%	70 33.7%	121 58.2%	11 5.3%	208 100.0%

Do you consider becoming a Red customer (with the 4 services)?		I believe that the offers from my current carrier have higher quality than those of competitors				
		Totally disagree	Disagree	Agree	Totally agree	Total
	Yes	2 6.1%	9 27.3%	18 54.5%	4 12.1%	33 100.0%
	No	20 11.4%	67 38.3%	80 45.7%	8 4.6%	175 100.0%
	Total	22 10.6%	76 36.5%	98 47.1%	12 5.8%	208 100.0%

Do you consider becoming a Red customer (with the 4 services)?		I only have positive things to say about Vodafone.				
		Totally disagree	Disagree	Agree	Totally agree	Total
	Yes	1 3.0%	13 39.4%	19 57.6%	0 0.0%	33 100.0%
	No	13 7.4%	100 57.1%	53 30.3%	9 5.1%	175 100.0%
	Total	14 6.7%	113 54.3%	72 34.6%	9 4.3%	208 100.0%

Do you consider becoming a Red customer (with the 4 services)?		I feel particularly connected to Vodafone compared to its competitors				
		Totally disagree	Disagree	Agree	Totally agree	Total
	Yes	0 0.0%	5 15.2%	26 78.8%	2 6.1%	33 100.0%
	No	5 2.9%	45 25.7%	107 61.1%	18 10.3%	175 100.0%
	Total	5 2.4%	50 24.0%	133 63.9%	20 9.6%	208 100.0%

Do you consider becoming a Red customer (with the 4 services)?		I will continue to use the Vodafone's services long as they are profitable for me.				
		Totally disagree	Disagree	Agree	Totally agree	Total
	Yes	0 0.0%	0 0.0%	22 66.7%	11 33.3%	33 100.0%
	No	2 1.1%	14 8.0%	119 68.0%	40 22.9%	175 100.0%
	Total	2 1.0%	14 6.7%	141 67.8%	51 24.5%	208 100.0%

Do you consider becoming a Red customer (with the 4 services)?		I identify myself with the Vodafone brand.				
		Totally disagree	Disagree	Agree	Totally agree	Total
	Yes	0 0.0%	4 12.1%	26 78.8%	3 9.1%	33 100.0%
	No	5 2.9%	38 21.7%	114 65.1%	18 10.3%	175 100.0%
	Total	5 2.4%	42 20.2%	140 67.3%	21 10.1%	208 100.0%

Do you consider becoming a Red customer (with the 4 services)?		Vodafone is always my first choice in telecommunications products and services, even if there are other carriers with a more attractive price.				
		Totally disagree	Disagree	Agree	Totally agree	Total
	Yes	1 3.0%	12 36.4%	16 48.5%	4 12.1%	33 100.0%
	No	9 5.1%	73 41.7%	79 45.1%	14 8.0%	175 100.0%
	Total	10 4.8%	85 40.9%	95 45.7%	18 8.7%	208 100.0%

Exhibit 39

Cross tab: Perceived loyalty* Red/non-Red customers

		How loyal do you think you are to Vodafone?				
		I will never change	Loyal	I conoptionssider other	I am not loyal to the brand	Total
Are you a Red customer?	Yes(with the 4 services)	1 7.7%	9 69.2%	2 15.4%	1 7.7%	13 100.0%
	No	3 1.6%	93 50.8%	71 38.8%	16 8.7%	183 100.0%
	Yes, but I do not have the TV,internet and fixed voice service	0 0.0%	21 84.0%	2 8.0%	2 8.0%	25 100.0%
	Total	4 1.8%	123 55.7%	75 33.9%	19 8.6%	221 100.0%

Cross tab: Perceived loyalty* clients that consider or not becoming Red

		How loyal do you think you are to Vodafone?				
		I will never change	Loyal	I conoptionssider other	I am not loyal to the brand	Total
Do you consider becoming a Red customer?(including the 4 services)	Yes	0 0.0%	24 72.7%	8 24.2%	1 3.0%	33 100.0%
	No	3 1.7%	90 51.4%	65 37.1%	17 9.7%	175 100.0%
	Total	3 1.4%	114 54.8%	73 35.1%	18 8.7%	208 100.0%

Exhibit 40

Cross tab: Number of years that a customer is in Vodafone* Red / non-RED customers

		How long have you been a Red customer?						
			1-3 years	4-6 years	7-11 years	11-15 years	+16 years	Total
Are you a red customer?	Yes (with the 4 services)	0 0.0%	1 7.7%	2 15.4%	4 30.8%	4 30.8%	2 15.4%	13 100.0%
	No	5 2.7%	12 6.6%	47 25.7%	88 48.1%	27 14.8%	4 2.2%	183 100.0%
	Yes, but I do not have the TV, internet and fixed voice	0 0.0%	1 4.0%	4 16.0%	11 44.0%	6 24.0%	3 12.0%	25 100.0%
	Total	5 2.3%	14 6.3%	53 24.0%	103 46.6%	37 16.7%	9 4.1%	221 100.0%

Cross-tab: Number of years that a customer is in Vodafone* clients that consider or not to become Red

		How long have you been a Vodafone customer						
			1-3 years	4-6 years	7-11 years	11-15 years	+16 years	Total
Do you consider to become a Red customer? (with the 4 services)	Yes	0 0.00%	2 6.06%	8 24.24%	16 48.48%	4 12.12%	3 9.09%	33 100.00%
	No	5 2.86%	11 6.29%	43 24.57%	83 47.43%	29 16.57%	4 2.29%	175 100.00%
	Total	5 2.40%	13 6.25%	51 24.52%	99 47.60%	33 15.87%	7 3.37%	208 100.00%

Exhibit 41

Cross tab: Red/Non- red Customers * different aspects of customer satisfaction

		Price positioning					Quality at a given price					Competence and Know-how				
		Failure	Unsatisfactory	Satisfactory	Excellent	Total	Failure	Unsatisfactory	Satisfactory	Excellent	Total	Failure	Unsatisfactory	Satisfactory	Excellent	Total
Are you a Red customer?	Yes, including TV,internet and voice	1 7.7%	1 7.7%	7 53.8%	4 30.8%	13 100.0%	0 0.0%	4 30.8%	7 53.8%	2 15.4%	13 100.0%	1 7.7%	0 0.0%	9 69.2%	3 23.1%	13 100.0%
	No	11 6.0%	35 19.2%	120 65.9%	16 8.8%	182 100.0%	6 3.3%	38 20.8%	124 67.8%	15 8.2%	183 100.0%	6 3.3%	18 9.8%	138 75.4%	21 11.5%	183 100.0%
	Yes, but I do not have the service of TV, internet and Voice	0 0.0%	3 12.0%	17 68.0%	5 20.0%	25 100.0%	0 0.0%	1 4.0%	16 64.0%	8 32.0%	25 100.0%	0 0.0%	3 12.0%	14 56.0%	8 32.0%	25 100.0%
	Total	12 5.5%	39 17.7%	144 65.5%	25 11.4%	220 100.0%	6 2.7%	43 19.5%	147 66.5%	25 11.3%	221 100.0%	7 3.2%	21 9.5%	161 72.9%	32 14.5%	221 100.0%

Are you a red customer?	Meeting deadlines: Failure	Unsatisfactory	Satisfactory	Excellent	Total	After-sales service and support system to customers: Failure	Unsatisfactory	Satisfactory	Excellent	Total	Knowing the needs of customers: Failure	Unsatisfactory	Satisfactory	Excellent	Total
Yes(with the 4 services)	0 0.0%	2 15.4%	6 46.2%	5 38.5%	13 100.0%	0 0.0%	1 7.7%	7 53.8%	5 38.5%	13 100.0%	0 0.0%	2 15.4%	5 38.5%	6 46.2%	13 100.0%
No	4 2.2%	19 10.4%	135 74.2%	24 13.2%	182 100.0%	4 2.2%	35 19.1%	123 67.2%	21 11.5%	183 100.0%	6 3.3%	52 28.4%	109 59.6%	16 8.7%	183 100.0%
Yes,but I do not have the TV, internet and fixed voice service	0 0.0%	4 16.0%	12 48.0%	9 36.0%	25 100.0%	0 0.0%	6 24.0%	10 40.0%	9 36.0%	25 100.0%	0 0.0%	6 24.0%	11 44.0%	8 32.0%	25 100.0%
Total	4 1.8%	25 11.4%	153 69.5%	38 17.3%	220 100.0%	4 1.8%	42 19.0%	140 63.3%	35 15.8%	221 100.0%	6 2.7%	60 27.1%	125 56.6%	30 13.6%	221 100.0%

Are you a red customer?	Diversity of supply: Failure	Unsatisfactory	Satisfactory	Excellent	Total
Yes(with the 4 services)	0 0.0%	1 7.7%	5 38.5%	7 53.8%	13 100.0%
No	8 4.4%	43 23.5%	104 56.8%	28 15.3%	183 100.0%
Yes,but I do not have the TV, internet and fixed voice service	0 0.0%	5 20.0%	10 40.0%	10 40.0%	25 100.0%
Total	8 3.6%	49 22.2%	119 53.8%	45 20.4%	221 100.0%

Cross tab: Clients that consider or not becoming red* different aspects of customer satisfaction

Do you consider becoming a Red customer?	Price Positioning: Failure	Unsatisfactory	Satisfactory	Excellent	Total	Quality at a given price: Failure	Unsatisfactory	Satisfactory	Excellent	Total	Competence and Know-how: Failure	Unsatisfactory	Satisfactory	Excellent	Total
Yes	1 3.0%	2 6.1%	25 75.8%	5 15.2%	33 100.0%	0 0.0%	3 9.1%	24 72.7%	6 18.2%	33 100.0%	1 3.0%	2 6.1%	21 63.6%	9 27.3%	33 100.0%
No	10 5.7%	36 20.7%	112 64.4%	16 9.2%	174 100.0%	6 3.4%	36 20.6%	116 66.3%	17 9.7%	175 100.0%	5 2.9%	19 10.9%	131 74.9%	20 11.4%	175 100.0%
Total	11 5.3%	38 18.4%	137 66.2%	21 10.1%	207 100.0%	6 2.9%	39 18.8%	140 67.3%	23 11.1%	208 100.0%	6 2.9%	21 10.1%	152 73.1%	29 13.9%	208 100.0%

Do you consider becoming a Red customer?	Meeting deadlines: Failure	Unsatisfactory	Satisfactory	Excellent	Total	After-sales service and support system to customers: Failure	Unsatisfactory	Satisfactory	Excellent	Total	Knowing the needs of customers: Failure	Unsatisfactory	Satisfactory	Excellent	Total
Yes	1 3.1%	1 3.1%	19 59.4%	11 34.4%	32 100.0%	2 6.1%	2 6.1%	19 57.6%	10 30.3%	33 100.0%	0 0.0%	3 9.1%	22 66.7%	8 24.2%	33 100.0%
No	3 1.7%	22 12.6%	128 73.1%	22 12.6%	175 100.0%	2 1.1%	39 22.3%	114 65.1%	20 11.4%	175 100.0%	6 3.4%	55 31.4%	98 56.0%	16 9.1%	175 100.0%
Total	4 1.9%	23 11.1%	147 71.0%	33 15.9%	207 100.0%	4 1.9%	41 19.7%	133 63.9%	30 14.4%	208 100.0%	6 2.9%	58 27.9%	120 57.7%	24 11.5%	208 100.0%

Do you consider becoming a Red customer?	Diversity of supply: Failure	Unsatisfactory	Satisfactory	Excellent	Total
Yes	0 0.0%	6 18.2%	18 54.5%	9 27.3%	33 100.0%
No	8 4.6%	42 24.0%	96 54.9%	29 16.6%	175 100.0%
Total	8 3.8%	48 23.1%	114 54.8%	38 18.3%	208 100.0%

Exhibit 42

Cross tab: Red/Non- Red Customers * general satisfaction

		Overall I'm very satisfied / (a) the services of Vodafone, and I therefore do not change in the near future					Overall Vodafone is very close to what I consider ideal, satisfying my needs / expectations					I'm so satisfied with the Vodafone's services that I consider trying other services from Vodafone				
		Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total
Are you a Red customer?	Yes(including the 4 services)	2 15.4%	0 0.0%	8 61.5%	3 23.1%	13 100.0%	0 0.0%	1 7.7%	9 69.2%	3 23.1%	13 100.0%	0 0.0%	3 23.1%	9 69.2%	1 7.7%	13 100.0%
	No	3 1.6%	30 16.4%	111 60.7%	39 21.3%	183 100.0%	6 3.3%	49 26.8%	108 59.0%	20 10.9%	183 100.0%	20 10.9%	94 51.4%	66 36.1%	3 1.6%	183 100.0%
	Yes, but I do not have TV, internet and fixed Voice	0 0.0%	2 8.0%	12 48.0%	11 44.0%	25 100.0%	0 0.0%	5 20.0%	12 48.0%	8 32.0%	25 100.0%	2 8.0%	7 28.0%	9 36.0%	7 28.0%	25 100.0%
	Total	5 2.3%	32 14.5%	131 59.3%	53 24.0%	221 100.0%	6 2.7%	55 24.9%	129 58.4%	31 14.0%	221 100.0%	22 10.0%	104 47.1%	84 38.0%	11 5.0%	221 100.0%

Cross tab: Customers that consider or not becoming Red* general satisfaction

		Overall I'm very satisfied / (a) the services of Vodafone, and I therefore do not change in the near future					Overall Vodafone is very close to what I consider ideal, satisfying my needs / expectations					I'm so satisfied with the Vodafone's services that I consider trying other services from Vodafone				
		Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total	Totally disagree	Disagree	Agree	Totally agree	Total
Do you consider becoming a Red customer?	Yes	0 0.0%	2 6.1%	19 57.6%	12 36.4%	33 100.0%	0 0.0%	4 12.1%	20 60.6%	9 27.3%	33 100.0%	2 6.1%	7 21.2%	17 51.5%	7 21.2%	33 100.0%
	No	3 1.7%	30 17.1%	104 59.4%	38 21.7%	175 100.0%	6 3.4%	50 28.6%	100 57.1%	19 10.9%	175 100.0%	20 11.4%	94 53.7%	58 33.1%	3 1.7%	175 100.0%
	Total	3 1.4%	32 15.4%	123 59.1%	50 24.0%	208 100.0%	6 2.9%	54 26.0%	120 57.7%	28 13.5%	208 100.0%	22 10.6%	101 48.6%	75 36.1%	10 4.8%	208 100.0%

Exhibit 43- Loyalty actions preferred by Red customers

Answer	1	2	3	4	Total Responses
Points that give discounts in mobile phones, accessories, broadband	23.1%	30.8%	23.1%	23.1%	13
Vouchers	23.1%	30.8%	46.2%	0.0%	13
Sweepstakes of mobile phones, tablets	15.4%	30.8%	23.1%	30.8%	13
Possibility of not paying the first month after subscribing a particular service Vodafone	38.5%	7.7%	7.7%	46.2%	13
Total	**13**	**13**	**13**	**13**	-

Exhibit 44- Loyalty actions preferred by potential Red customers

Answer	1	2	3	4	Total Responses
Points that give discounts in mobile phones, accessories, broadband	60.6%	15.2%	18.2%	6.1%	33
Vouchers	9.1%	33.3%	36.4%	21.2%	33
Sweepstakes of mobile phones, tablets	12.1%	39.4%	39.4%	9.1%	33
Possibility of not paying the first month after subscribing a particular service Vodafone	18.2%	12.1%	6.1%	63.6%	33
Total	**33**	**33**	**33**	**33**	-

Exhibit 45- Characteristics of Red/non-Red customers

		Gender			Age							Anual household income				
		Masculin	Feminin	Total	18-24	25-29	30-34	35-44	45-64	65+	Total	Less than 8000€	8001-15000€	15001-30000€	More than 30000€	Total
Are you a Red customer?	Yes(including the 4 services)	6 46.2%	7 53.8%	13 100.0%	5 38.5%	1 7.7%	1 7.7%	2 15.4%	4 30.8%	0 0.0%	13 100.0%	3 23.1%	2 15.4%	5 38.5%	3 23.1%	13 100.0%
	No	79 43.2%	104 56.8%	183 100.0%	142 77.6%	21 11.5%	2 1.1%	13 7.1%	5 2.7%	0 0.0%	183 100.0%	62 33.9%	55 30.0%	42 23.0%	24 13.1%	183 100.0%
	Yes, but I do not have TV, internet and fixed Voice	9 36.0%	16 64.0%	25 100.0%	14 56.0%	4 16.0%	2 8.0%	2 8.0%	2 8.0%	1 4.0%	25 100.0%	4 16.0%	13 52.0%	7 28.0%	1 4.0%	25 100.0%
	Total	94 42.5%	127 57.5%	221 100.0%	161 72.9%	26 11.8%	5 2.3%	17 7.7%	11 4.9%	1 0.4%	221 100.0%	69 31.2%	70 31.7%	54 24.4%	28 12.7%	221 100.0%

	People in the household (including the respondent)						Educational level					Employment status					
	1	2	3	4	More than 4	Total	Primary school	High school	Professional studies	Higher education	Total	Full time employee	Part - time employee	Unemployed	Self-employed	Student	Total
Yes(including the 4 services)	0 0.0%	2 15.4%	5 38.5%	4 30.8%	2 15.4%	13 100.0%	0 0.0%	2 15.4%	1 7.7%	10 76.9%	13 100.0%	6 46.2%	0 0.0%	1 7.7%	2 15.4%	4 30.8%	13 100.0%
No	13 7.1%	34 18.6%	56 30.6%	63 34.4%	17 9.3%	183 100.0%	1 0.5%	26 14.2%	10 5.5%	146 79.8%	183 100.0%	27 14.7%	8 4.3%	10 5.5%	10 5.5%	128 70.0%	183 100.0%
Yes, but I do not have TV, internet and fixed Voice	4 16.0%	7 28.0%	8 32.0%	5 20.0%	1 4.0%	25 100.0%	0 0.0%	5 20.0%	5 20.0%	15 60.0%	25 100.0%	7 28.0%	4 16.0%	0 0.0%	2 8.0%	12 48.0%	25 100.0%
Total	17 7.7%	43 19.5%	69 31.2%	72 32.6%	20 9.0%	221 100.0%	1 0.5%	33 14.9%	16 7.2%	171 77.4%	221 100.0%	40 18.1%	12 5.4%	11 5.0%	14 6.3%	144 65.2%	221 100.0%

Exhibit 46- Cross tab: "Overall I am so satisfied with the services from Vodafone that I consider trying other services" and "The likelihood of trying other Vodafone services is high"

		Overall I am so satisfied with the services from Vodafone that I consider trying other services				
		Totally disagree	Disagree	Agree	Totally agree	Total
The likelihood of trying other Vodafone services is high	Totally disagree	5 71.4%	1 14.3%	1 14.3%	0 0.0%	7 100.0%
	Disagree	13 17.8%	51 69.9%	8 10.9%	1 1.4%	73 100.0%
	Agree	5 3.9%	51 39.9%	68 53.1%	4 3.1%	128 100.0%
	Totally agree	0 0.0%	0 0.0%	7 53.8%	6 46.2%	13 100.0%
	Total	23 10.4%	103 46.7%	84 38.0%	11 4.9%	221 100.0%

Exhibit 47- Quadruple play package from NOS (Quatro)

Televisão		Internet	Telefone	Telemóvel	Mensalidade
Quatro Iris 100 Megas + 200 MB Móvel					
147 canais 26 canais HD	Inclui €5 em Serviços Adicionais: Desporto, Música e Kids (14 canais) Séries e Documentários (16 canais)	**100 Mb** tráfego ilimitado 8 Mb (upload)	**ilimitado** nacional + 50 destinos internacionais (1)	**2 Cartões** chamadas e SMS grátis para todas as redes (2) 200 MB de internet	**€79,99** Aderir
Gravação automática Iris Online	Troque estes serviços todos os meses por outros de igual valor sem pagar mais por isso, na sua box.	Internet NOS wi-fi grátis dentro e fora de casa em mais de 12 milhões de hotspots no mundo	Aplicação NOS Telefone Fale grátis do seu smartphone/tablet de qualquer parte do mundo	3º e 4º Cartão por €7,5/ mês cada Aditivos de internet a partir de €2,99/mês	Instalação e ativação grátis (3) Oferta 1ª mensalidade (3) Oferta aluguer da box Oferta ativação router wi-fi Desconto €5/mês (5)

Appendix III- In depth interview with Maria João Silva

1. Qual a razão de existência do novo tarifário?

Surgiu como resposta à tendência de tarifários ilimitados e também porque já era uma prática noutros mercados em que a vodafone atua. Além disso surguiu como resposta ao "pacotão " da MEO. O tarifário red deu seguimento ao plano best mas com uma grande diferença em termos de preço, refletindo uma baixa do mercado em valor.

2. Qual o público alvo?

O plano red é para clientes que não querem ter preocupações, chamados "worry-free". Em termos de serviços de 4P o público-alvo é muito mais variado do que o do MEO e ZON , porque:

- na oferta dos concorrentes são necessários pelo menos dois números;
- além disso, a maneira como a comunicação às pessoas é feita pode ser ilusória , porque é difícil "partir às postas " quanto o cliente paga por cada serviço que não acontece na Vodafone. Então o que acontece é que às vezes as pessoas nem sequer consideraram ter um plano pré-pago da meo por exemplo, e os serviços triple play da mesma operadora, em vez disso eles muito facilmente consideram a aderir ao " pacotão", porque pode parecer mais rentável, mesmo quando não é o caso . Na Vodafone, a forma como a comunicação é feita permite muito mais liberdade porque um cliente pode ser red e ter os serviços triple play , tendo tudo ilimitado. Ou , por exemplo, o cliente pode não necessitar de ter tudo ilimitado no móvel e ser-lhe à provavelmente mais rentável optar por um plano pré-pago e ter serviço de TV + voz + net , satisfazendo todas as suas necessidades de comunicação dentro Vodafone.

Outra coisa importante a ter em consideração é o fato de que, no mercado Português em termos de telecomunicações móveis é um pré-pago. Portanto, o plano Red trata de criar uma mudança na mentalidade do cliente. Com um plano pós-pago o cliente já sabe o quanto ele/ ela vai pagar, sem ter surpresas. A Vodafone quer institucionalizar a ideia de que com um plano pós-pago há um maior controlo dos gastos e os clientes não terão surpresas no final do mês.

3. Resultou de um estudo de mercado?

Nao só de um estudo de mercado, mas também da tendência observada noutros países e também em resposta à concorrência como foi dito anteriormente.

4. Quais os pontos forte e fracos?

Vantagem : flexibilidade; desvantagem: confusão na comunicação

5. Quais as vantagens competitivas face à concorrência?

Flexibilidade e liberdade de escolha.

6. Quais os concorrentes directos?

MEO e ZON.

7. Valores de venda , quotas , taxas de crescimento, numero de clientes, fidelização, grau de satisfação, etc.

Relativamente a estas questões terei de confirmar aquilo que é público e que não é para depois enviar. Aquilo que posso adiantar é que o mercado diminuiu em valor, aumentando o excedente do consumidor.

8. Qual a sua avaliação de os resultados destes serviços?

É uma avaliação positiva, o serviço tem apresentado resultados interessantes, principalmente após a última promoção lançada (-10 euros até 31 de Março). É verdade que a quota de mercado desceu ligeiramente, mas a vodafone continua bem, principalmente no segmento jovem. Também é verdade que o Red é menor player, mas a Vodafone tem apostado numa política de preços muito agressiva e, apesar das críticas dos concorrentes, foi a operadora com maior aumento de televisão paga em 2013. Além disso, o tamanho do sistema impediu uma maior aquisição de clientes.

9. Quais são as perspectivas para os próximos tempos relativamente a este serviço?

Continuar a aumentar a penetração no mercado. Há ainda zonas que estão sem cobertura, portanto o trabalho passa também por cobrir essas zonas, mas nas zonas em que a Vodafone está , está bastante bem.

10. Que evoluções haverá e grau de diferenciação?

As evoluçoes estarão relacionadas com o feedback dos clientes nomeadamente em relação a atributos que se podem adicionar aos serviços. Para já não haverá grandes ajustamentos pois o produto é recente (apenas 1 ano). O único ajustamento que teve foi relativamente ao preço com o lançamento da promoção.

11. Que fatores acredita que possam aumentar a lealdade para com um serviço quad-play, a longo prazo?

Portugal é um país muito avançado e "agressivo" a nível de telecomunicações. Como tal para garantir a lealdade há certos parâmetros de qualidade que não podem falhar, há níveis mínimos que têm de ser assegurados, por exemplo as chamadas não podem cair, ter rede no – 10 da garagem, por exemplo. A lealdade num serviço quad play passa por simplificação na fatura, e se o cliente estiver satisfeito e o preço for competitivo a lealdade aumenta. No entanto, a vodafone uma vez fez um estudo de mercado que apesar de não muito representativo revelou que há clientes que valorizam ter todos os serviços numa só fatura e pagar tudo de uma vez só enquanto que outros não têm disponibilidade financeira para pagar tudo de uma só vez, preferindo pagar o serviço móvel, por exemplo, no início e a TV, net e voz no fim.

12. Acha que o facto de este plano englobar mais serviços para os clientes faz com que a a fidelização aumente a longo prazo?

Sim, acredito que a taxa de churn possa vir a melhorar porque trata-se de um pós-pago onde há uma obrigação por parte do cliente pagar todos os meses uma fatura e não é tão simples sair deste tipo de serviço com de um tarifário pré pago. Além disso este serviço tem associada uma fidelização de 24 meses e acredito que se o cliente estiver satisfeito e a oferta da vodafone apresentar um preço competitivo o cliente não terá motivos para sair da vodafone.