

Vodafone media planning



**ASSIGN
BUSTER**

Advertising is probably one of the most frequently used vehicles for Rebranding, as it is fairly easy, flexible and quick to change. It is a powerful way of reaching a broad or targeted audience quickly and is effective at signalling a change in positioning, however real or broad that may be. There are many examples of where advertising has either repositioned or strengthened brands, other good examples of where advertising has built a new position for a brand or built a strong emotional link with the public are where companies have created a sort of soap opera out of their advertising.

The basic aim of the study is to analyze the media planning and advertising campaign of Vodafone in Indian telecom industry. Vodafone wanted to not only announce its entry in India but also communicate to its consumers that Hutch will now be known as Vodafone, through various outdoor mediums across the nation. The Advertising agency of Hutch and now Vodafone, Ogilvy & Mather (O&M), had a two-fold task to achieve: announce the entry of Vodafone into India and highlight the metamorphosis of Hutch into Vodafone. O&M realised that they had a fantastic property in the Hutch pug, which they had been using for about five years.

Therefore, to show the transition from Hutch to Vodafone, O&M launched a rather direct, thematic ad showing the trademark pug in a garden, moving out of a pink coloured kennel which symbolised Hutch making his way into a red one that is the Vodafone colour. A more energetic, chirpier version of the 'You and I' tune associated with Hutch was played towards the end, and it concludes with 'Change is good. Hutch is now Vodafone'. INDUSTRY PROFILE 2011 has been an extremely eventful year in the Indian Telecom Sector. Two

factors have come into play that have forced most operators to pull up their socks and innovate.

Firstly, Mobile Number Portability or MNP has ensured that no provider can get away with exploitative plans because customers are free to switch without giving up their number. [pic] Secondly, the launch of 3G in India had operators scrambling for key licenses to offer 3G services. They then had to successfully deploy the services over the areas. Then they had to sign agreements between themselves to share their 3G spectrum. The efforts of the operators can be seen in this month's Cellular Operators Association of India (COAI) Report on the state of the Indian Telecom Sector which can be downloaded from here.

Compilation Courtesy: www.pluggd.in] As you can see, Bharti Airtel and Vodafone top the list with 28.26% and 23.63% Market Shares. Vodafone, however, grew at a faster rate, with an increase of 1.50% compared to Airtel's increase of 1.27%. Idea Cellular seems to have an idea of what they are doing and they narrowly trump over state run BSNL for 3rd place. While every provider will have some hiccups, a general standard of superior network coverage, better plans and easy availability have ensured both Airtel and Vodafone have a comfortable lead, and no one seems close to catching up with them.

What remains to be seen is if one of them becomes the obvious leader and grabs a significantly larger share of the pie than the other. With 598779674 customers up for grabs, it is anyone's game Vodafone, the British mobile company that entered India after buying Hutch's share and by creating Vodafone Essar in July 2007, has embarked on a major rebranding exercise

in the country. The history of Indian mobile industry is not very old, not to mention the industry as a whole in itself is very new to the whole world.

Telephones have been serving mankind for quite a long now and can boast of the world largest redundant legacy system. Thousands of miles of underground cables run through oceans to connect all the continents. Telecommunication industry as a whole has not seen a major revolution for a long time with the exception of a few new innovations in the type of services and call rates. The advent of wireless communication has brought about a slew of path breaking technological advancements in the way people use and see telephones.

From being an equipment kept on the side table for talking, it has walked to occupy every person's pocket for all his information needs. Furthermore, the revolution has not ceased and it promises to bring even more of comfort and connectivity while on the move. Recognizing the crucial role that can be played by the telecommunication sector in India's development, the Government of India in 1999 initiated a number of changes in the telecommunication and regulatory and policy framework. Through these the Government hoped to facilitate an increase in telecommunication penetration, which stood at 1.3% in 1995.

The reforms, with an eye on a telecommunication penetration of 15% by 2010, resulted in a flurry of private operators entering the market breaking the monopoly of the incumbent operator Bharat Sanchar Nigam Limited (BSNL). India's 1.1 billion population currently boasts a mobile telephone penetration rate of just 13 per cent. But it is growing by more than six million subscribers every month, making it the fastest growing market in the world

and the focus of the industry. At the start of the decade, India was pretty much a telecom backwater. But now, India's tele-density has grown by about 100 per cent to 17.6 per cent over the past two years.

Last year it actually grew at a faster rate than China for the first time in new mobile phone connections. Even as the mobile telephony market in India is booming, the number of fixed line telephone subscribers dropped, suggesting that first-time users of telephones are opting for mobile phones. The number of fixed line subscribers was down to 40.43 million in December as compared to 48.43 million a year ago. Mobile penetration in India is growing rapidly and it is becoming increasingly rare to see anyone without a 'hand-phone' as they are known, whereas growth of internet access at home is much slower.

Rather than listing a web address, many billboard ads offer an SMS short-code which people can text to get more information. There are expected to be somewhere around 200 million subscribers by the end of the year, with around six million customers being added every month, so the Indian market is certainly a growth one, with increased mobile internet access expected to push up average revenues per user. Also, in a survey conducted by India's leading financial daily, Vodafone India features in the Top 10 'Most Trusted Brands in India' for 2011.

The company has also been awarded 'Most Respected Company' in the Telecom Sector for 2010, in a survey conducted by a leading business daily. Vodafone India, in line with its group philosophy has released the Corporate Sustainability Report for India - Footprints 2010-11. Although the average Indian mobile user remains cost-conscious because of low-income living and

huge size of mobile subscriber in India uses only SMS or voice services; new and more multifunctional handset with features like cameras, FM radio and mobile video. Also, India is the largest untapped market where the 20% of the total world's population lives.

The Indian telecom industry recently witnessed its biggest deal - Vodafone bidding for 67% stake in Hutch-Essar. Vodafone India, formerly Vodafone Essar and Hutchison Essar, is the third largest mobile network operator in India after Airtel and Reliance Communications. It is based in Mumbai, Maharashtra and which operates nationally. It has approximately 146.84 million customers as of November 2011. On July 2011, Vodafone Group agreed terms for the buy-out of its partner Essar from its Indian mobile phone business.

The UK firm paid \$5.6 billion to its Indian counterpart to take Essar out of its 33% stake in the Indian subsidiary. It will leave Vodafone owning 74% of the Indian business, while the other 26% will be owned by Indian investors, in compliance with Indian law. On 11 February, 2007, Vodafone agreed to acquire the controlling interest of 67% held by Li Ka Shing Holdings in Hutch-Essar for US\$11.1 billion, pipping Reliance Communications, Hinduja Group, and Essar Group, which is the owner of the remaining 33%. The whole company was valued at USD 18.8 billion. The transaction closed on 8 May, 2007.

It offers both prepaid and postpaid GSM cellular phone coverage throughout India with good presence in the metros. Vodafone India provides 2.75G services based on 900 MHz and 1800 MHz digital GSM technology. Vodafone

India launched 3G services in the country in the January-March quarter of 2011 and plans to spend up to \$500 million within two years on its 3G networks. Vodafone is the world's leading international mobile communications company. It presently has operations in 25 countries across 5 continents and 40 partner networks with over 200 million customers worldwide.

Vodafone has partnered with the Essar Group as its principal joint venture partner for the Indian market. The Essar Group is a diversified business corporation with interests spanning the manufacturing and service sectors like Steel, Energy, Power, Communications, Shipping & Logistics and Construction. The Group has an asset base of over Rs. 400 billion and employs over 20,000 people. Launch of Vodafone Essar Vodafone Essar was launched in India on 21st September 2007. Vodafone was welcomed in India with the Hutch is now Vodafone campaign. The popular and endearing brand Hutch was transitioned to Vodafone across India.

This marked a significant chapter in the evolution of Vodafone as a dynamic and ever-growing brand. This brand unveiled nationally through a high profile campaign covering all important media. Vodafone, the world's leading mobile telecommunication company, completed the acquisition of Hutchison Essar in May 2007 and the company was formally renamed Vodafone Essar in July 2007. The transition from Hutch to Vodafone is probably the largest brand change ever undertaken in this country and arguably as big as any in the world. It is even larger than Hutch's own previous brand transitions.

The migration from Hutch to Vodafone was one of the fastest and most comprehensive brand transitions in the history of the Vodafone Group, with

400, 000 multi brand outlets, over 350 Vodafone stores, over 1, 000 mini stores, over 35 mobile stores and over 3, 000 touch-points rebranded in two months, with 60% completed within 48 hours of the launch. The Vodafone mission is to be the communications leader in an increasingly connected world enriching customers' lives, helping individuals, businesses and communities be more connected by delivering their total communication needs.

The major reasons for Vodafone to make a move in the Indian market was that, India, among the European investors, is believed to be a good investment despite political uncertainty, bureaucratic hassles, shortages of power and infrastructural deficiencies. India presents a huge potential for overseas investment and is vigorously encouraging the entrance of foreign players into the market. No company, of any size, aspiring to be a global player can, for long ignore this country which is expected to become one of the top three emerging economies.

Success in India will depend on the correct estimation of the country's potential, underestimation of its difficulty or overestimation of its possibilities can lead to failure. While calculating, due consideration should be given to the factor of the inherent difficulties and uncertainties of functioning in the Indian system. Entering India's marketplace requires a well-designed plan backed by serious thought and careful research. India is an opportunity for long-term growth. India is the fifth largest economy in the world and has the third largest GDP in the entire continent of Asia. It is also the second largest among emerging nations.

India is also one of the few markets in the world which offers high prospects for growth and earning potential in practically all areas of business. Vodafone after completing the acquisition of Hutchison Essar in May 2007 and the company was formally renamed Vodafone Essar in July 2007 was granted for good in India's market place. Vodafone is to be the leading telecommunication company in India, by making customers uses their mobile communications and making their life more fulfilled due to their experience; and by making mobile communications the primary means of personal communications.

Vodafone has a strong aim to help people find information, entertainment or assistance wherever they are. Over the past few years they have worked hard to build a company capable of delivering innovative and compelling mobile services to all customers throughout the world. Right now, they are introducing new mobile services that will make Vodafone an even more important part of customers' lives.