

Distribution session

Vodafone Open Office
Mumbai, India

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India scale

Country	Population (m)
China	1323
India	1180
United States	302
Indonesia	245
Uttar Pradesh	191
Brazil	189
Pakistan	165
Bangladesh	147
Russia	143
Nigeria	131
Japan	127
Bihar	121
Maharashtra	108
Mexico	107
Philippines	89
Madhya Pradesh	88
West Bengal	88
Vietnam	84
Germany	82
Egypt	79
Ethiopia	75

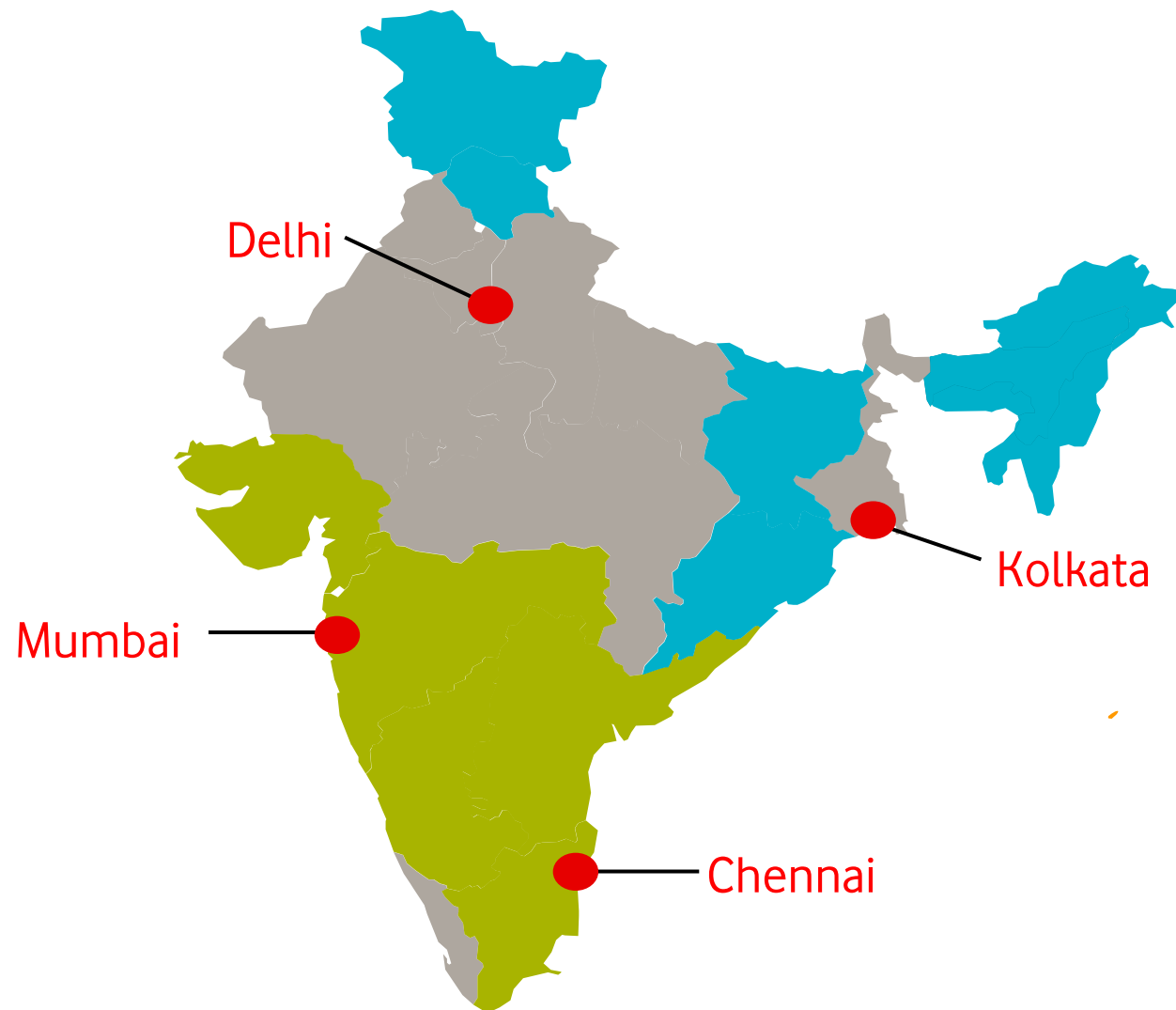
- Spans 3.3m sq. km
 - across 35 states and union territories ~ 6X of France
- State of **Uttar Pradesh** would be **the 5th largest** country in the world
- Urban population 28% of total¹
- Per capita income 2010-11 US\$1150²

1 - Census 2001, Ministry of Home Affairs
2 - CSO, India



India: Telecom market structure

Ave. ARPU (US\$) ¹	Mobile penetration ¹	Ave. RPM (US\$) ¹
3.5	70%	0.01



3 Metro circles²

- Large cities; high purchasing power, high population density, cosmopolitan
- 160% penetration

5 A circles

- States with highest earning power
- 84% penetration

8 B circles

- Majority of population in rural, low infrastructure development
- 63% penetration

6 C circles

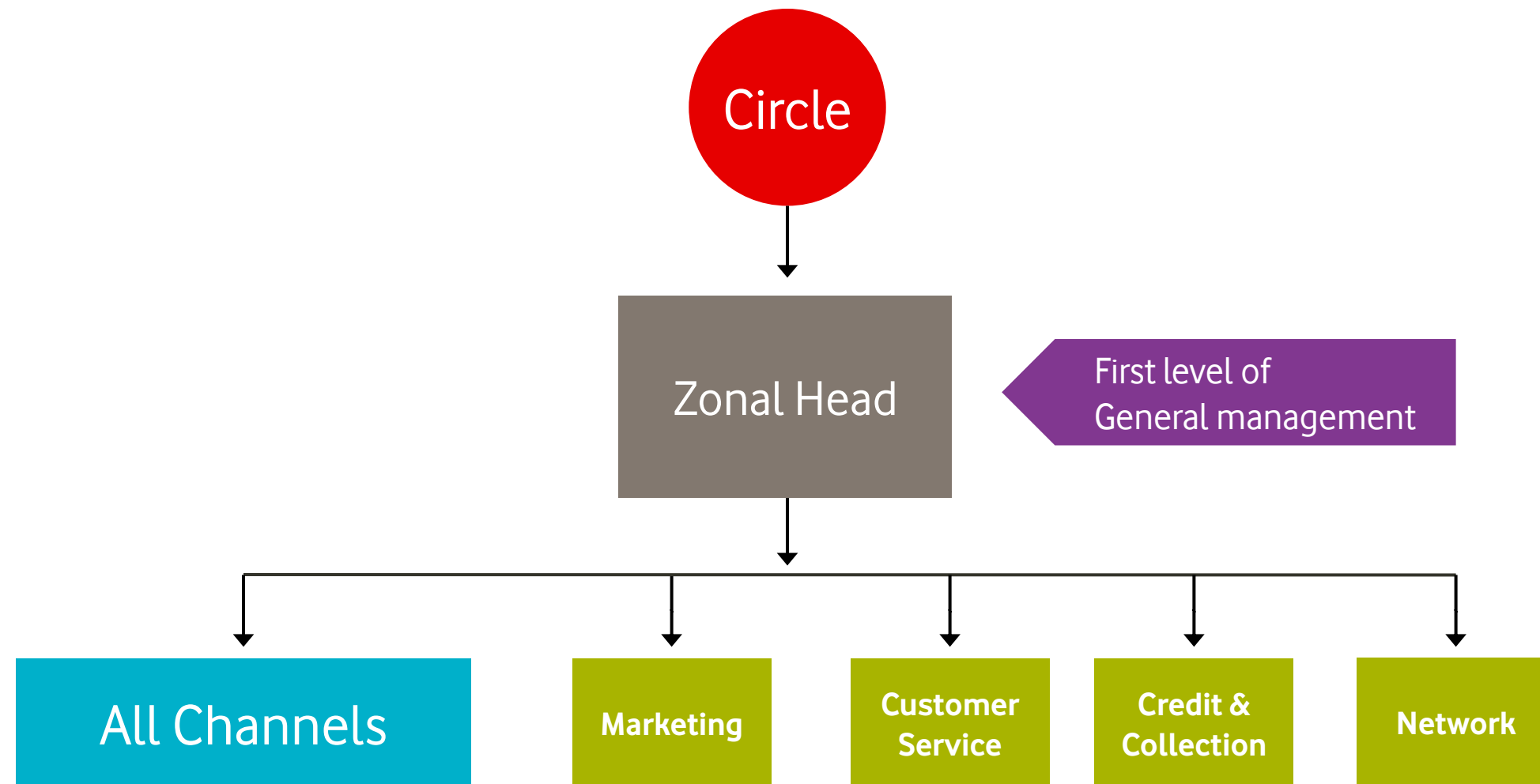
- Relatively lower earning power, limited infrastructure
- 50% penetration

1. Bank of America Merrill Lynch Global Wireless Matrix 28 September 2011

2. Chennai and Tamil Nadu treated as one circle as per TRAI reports



Zonal operation structure



Proximity to the customer
Channel specialist
Uniform experience
Speed to market
Empowered service touch points



Channel structures

Vodafone

Indirect Channel

- 2 tiered distribution model
- For mass market reach
- Focused on prepaid

Exclusive Retail

- Exclusive
- Sales and service
- Primary focus on postpaid, terminals & data

Direct Channels

- Selling directly to the end customer
- Focused on postpaid

Modern Trade

- Large format outlets / chain stores
- Future growth driver for Data & 3G

B2B Business

- Enterprise
 - ✓ VGE
 - ✓ National A/C
 - ✓ SME
- Includes fixed line and data

Multi product channel strategy for uniform customer experience



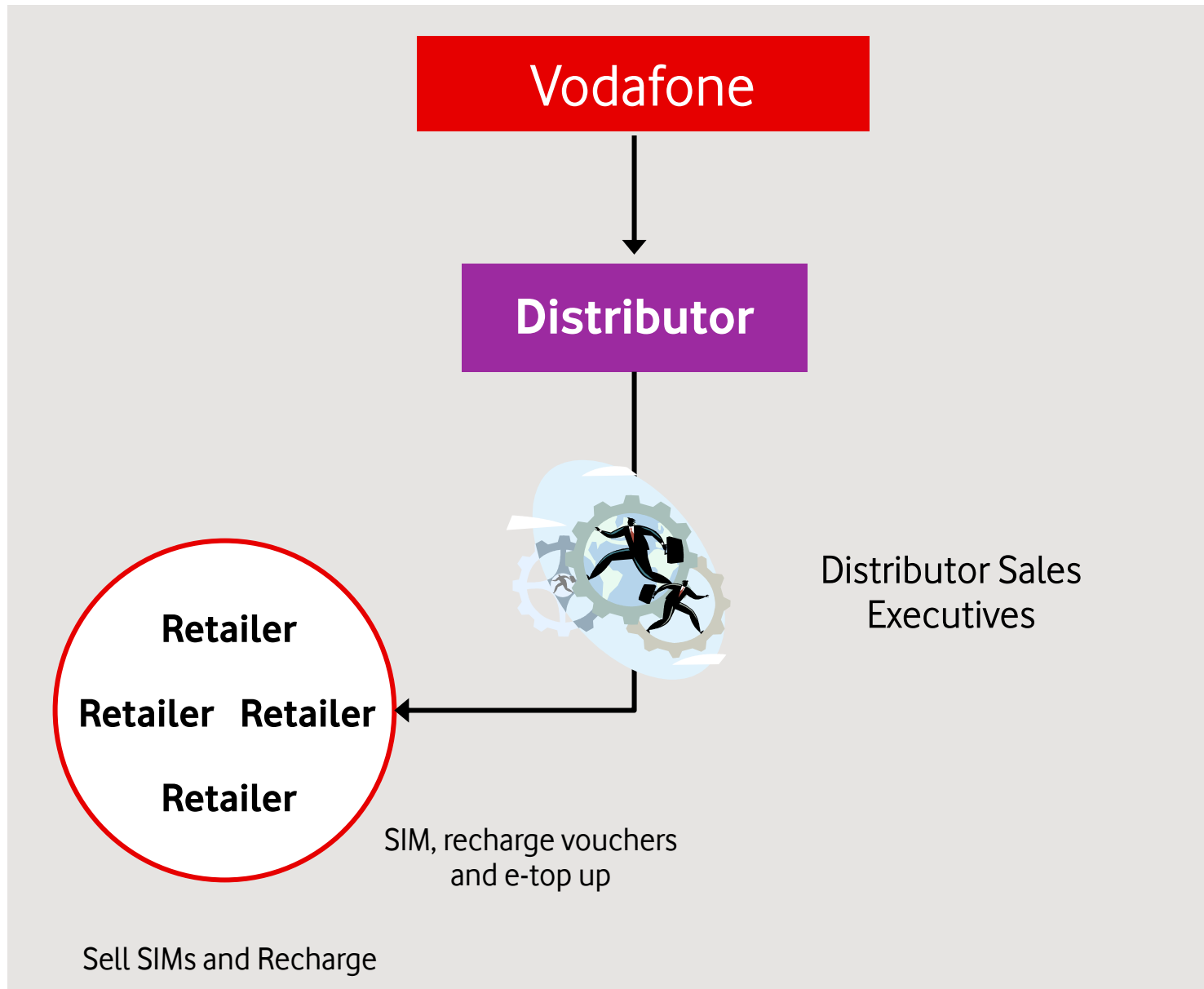
Indirect channel challenges

- 593k villages, 92% have population of less than 10k¹
- 66% of population in villages of less than 10k¹
- Ratio of Urban to Rural per capita is 2.7²
- Tele-density - Urban 163%, Rural 35%³
- Predominantly prepaid market
- Unorganised retail

1. Census 2001, Ministry of Home Affairs
2. Central statistical organisation estimates 2004-05
3. TRAI performance indicator report AMJ-11



Indirect channel (Tier 1) urban



Urban as defined by census

Key Metrics

- **Unique electronic Top up outlets** - 1.3 outlets per 1,000 population
- **Unique activating outlets** - 60% of electronic top up outlets
- **Daily activating outlets** - 21% of activating outlets
- **Data selling outlets** - 40% of electronic top up outlet
- **Distributor Sales Executives** - 1 for every 60 outlets

Metrics used for target setting and performance measurement

Distribution by trained distributor manpower as per company determined norms

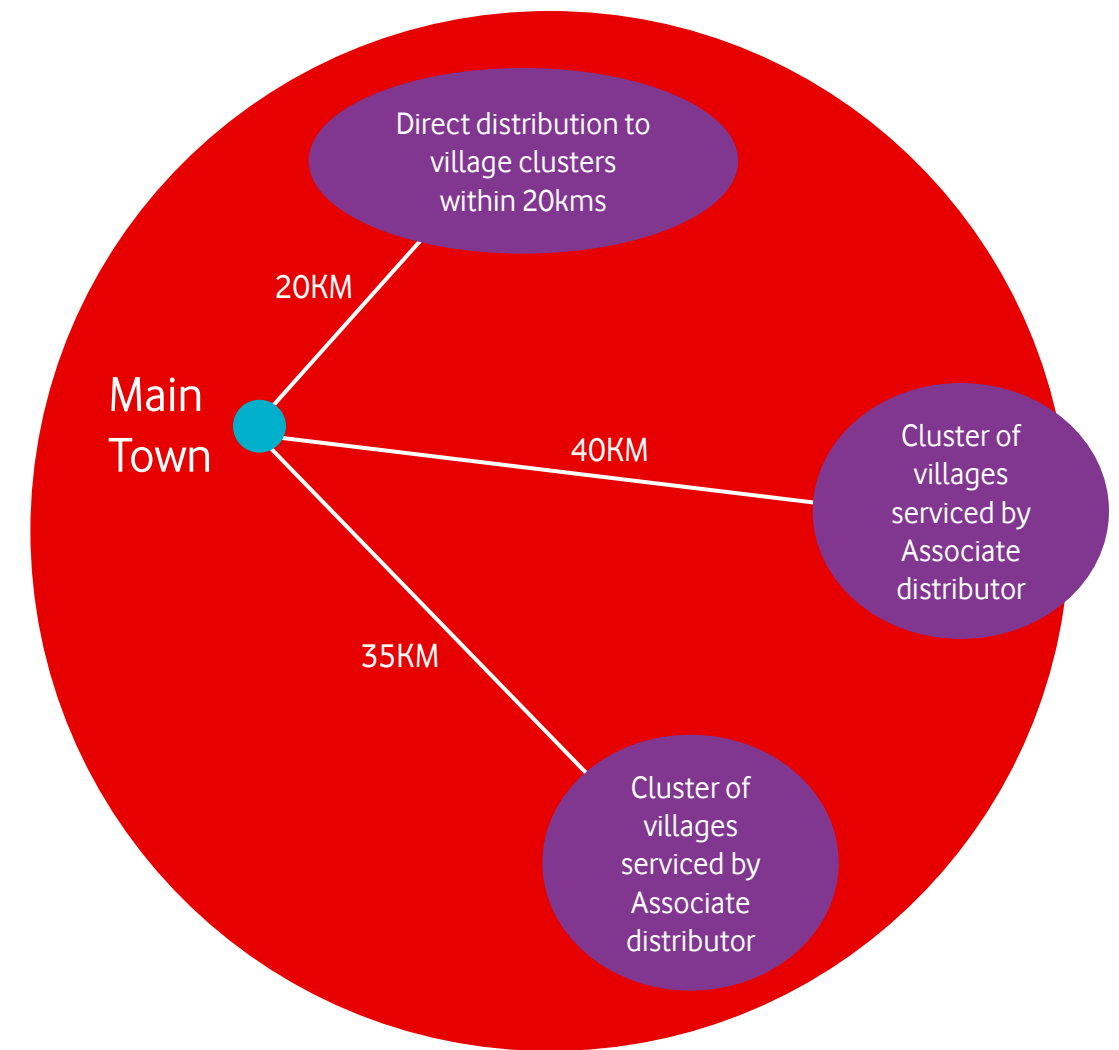


Indirect channel (Tier 2) rural

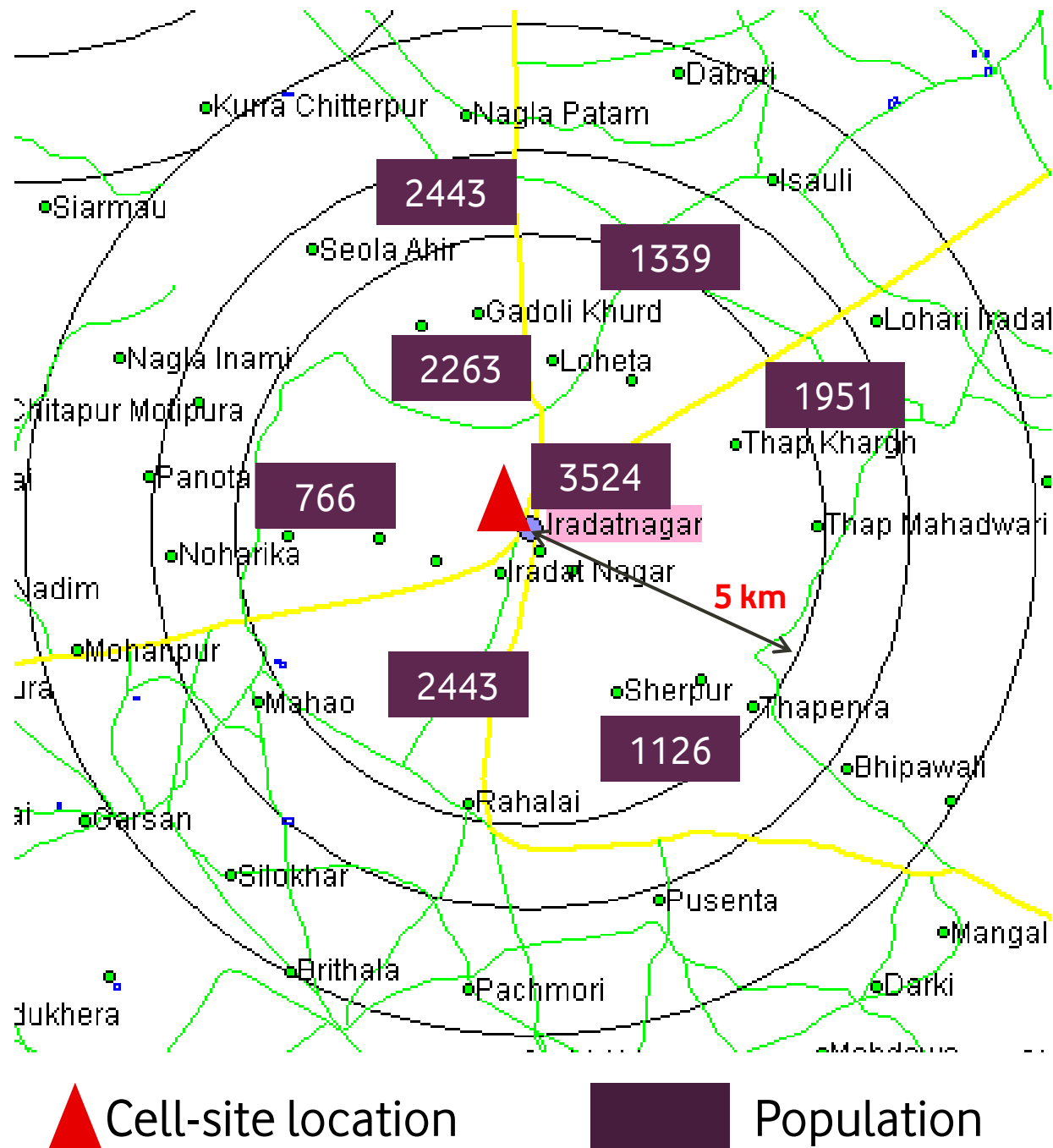
- 2 Tiered distribution sales and service model to increase **presence** and **relevance**
- Associate distributors appointed to cater to rural population, responsible for 4 to 7 cell-sites in designated area
- Associate distributor also responsible for providing service

Advantage of Associate Distributor

- Son of soil, familiarity with local environment
- Low cost, viable and scalable
- Customer service closer to the rural customer



Indirect channel (Tier 2) rural

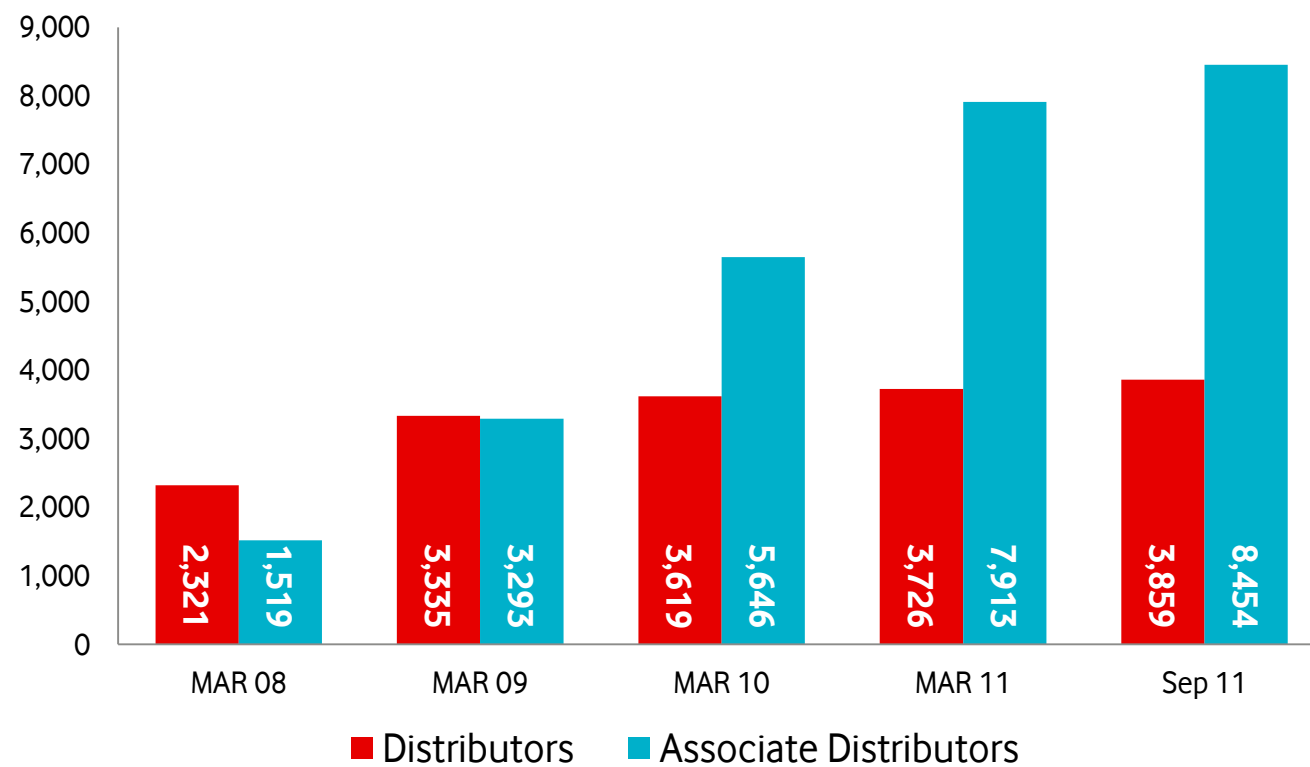


- Cell-site & distribution planned using geographic information system mapping. Census population superimposed
- All villages listed within cell-site coverage
- Distribution norm for outlets and extraction fixed for sales force by village

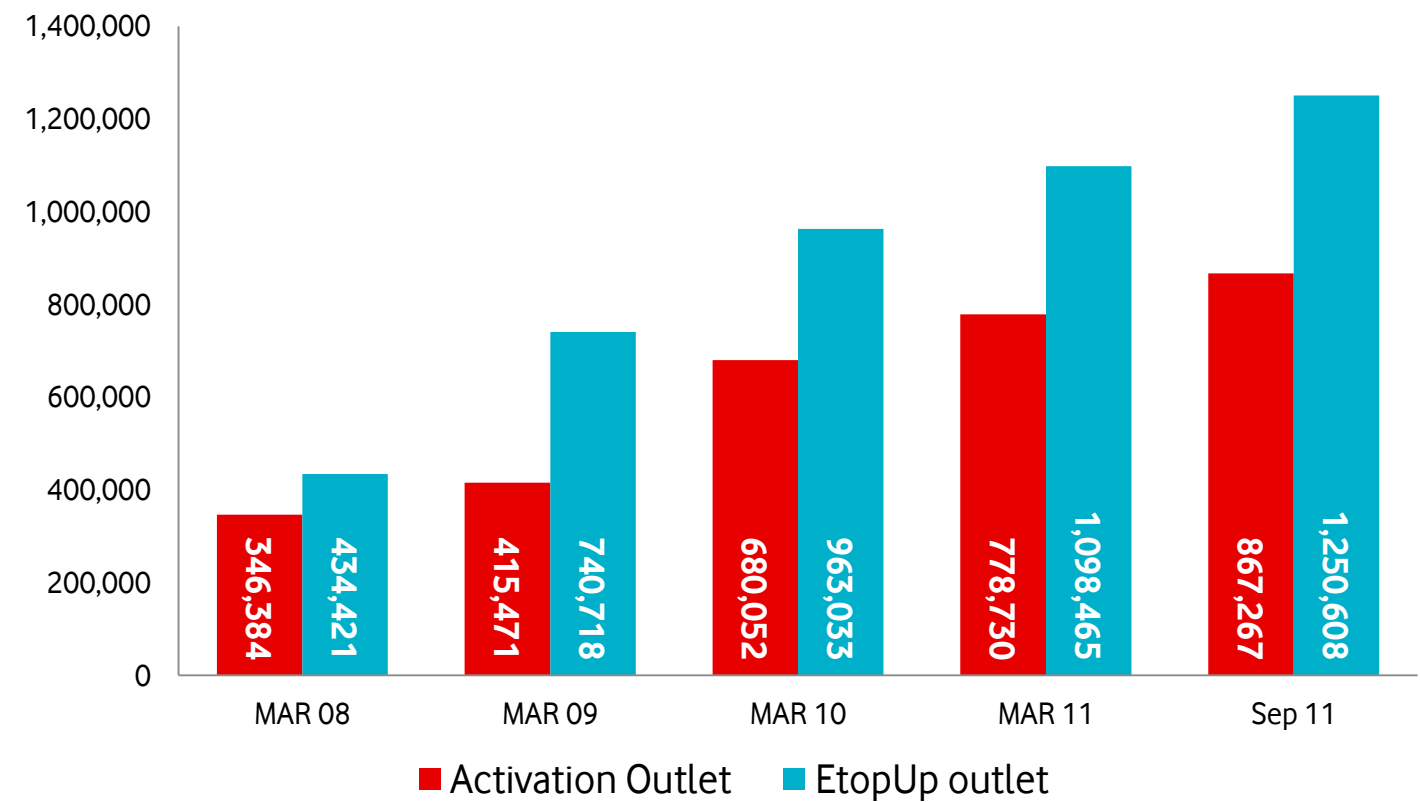


Indirect channel reach

Indirect Channel partners



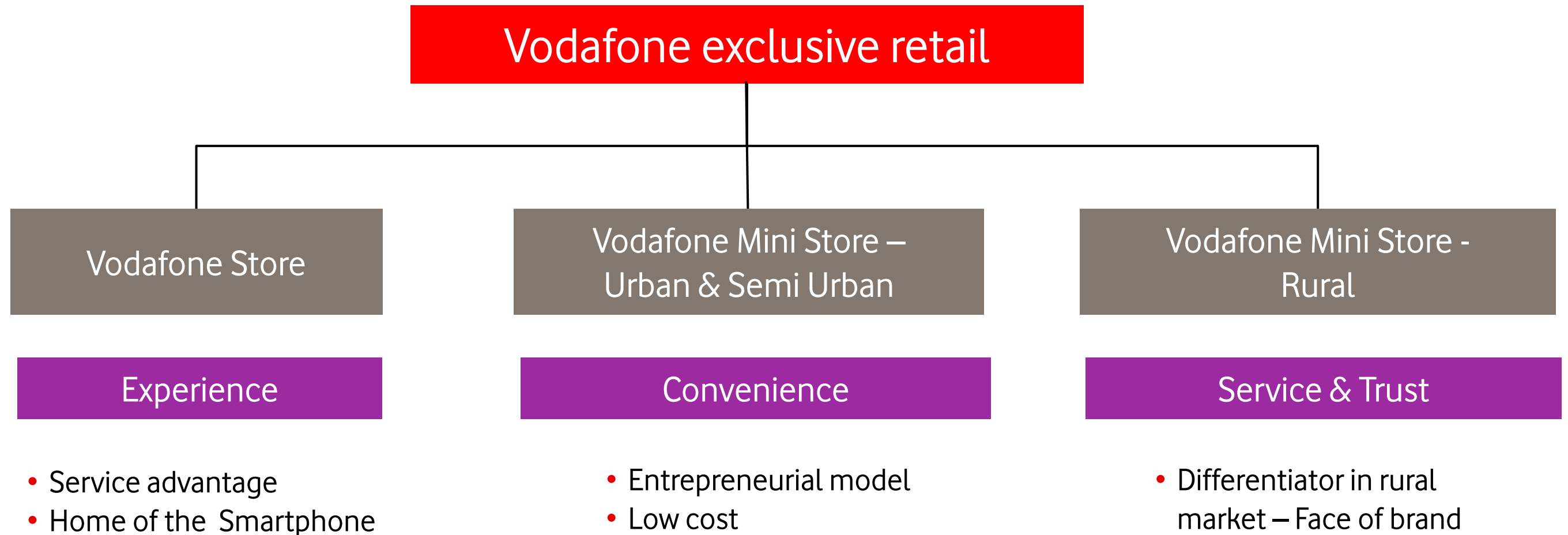
Multi Brand outlet reach








23.5K channel partner sales force serving 1.25 million multi brand outlets in 360K town and villages



Exclusive retail



Exclusive retail footprint

	 vodafone	 airtel	 TATA indicom	 RELIANCE Anil Dhirubhai Ambani Group	 !dea ADITYA BIRLA GROUP
Vodafone Stores	465	681	348	217	369
Vodafone Mini Store (Urban & Rural)	7,125	1,151	2,497	1,827	1,105
Total	7,590	1,832	2,845	2,044	1,474

The widest presence of exclusive retail in the country, servicing over a million walk-in's, selling 33% of total postpaid, and 8% of prepaid acquisition every month



Direct channels

Direct Sales Agent

Feet on street, cold calling

Tele-calling

Out bound tele-calling setup, with feet on street fulfillment model

Analytics based data provided- pre to post migration

Super Call Centre

Call transfer from inbound call center, Upselling to existing customer base

Immediate transfer to a DSA tele-calling set up

Channel managed by the Business Partner under supervision of the Vodafone Channel Manager



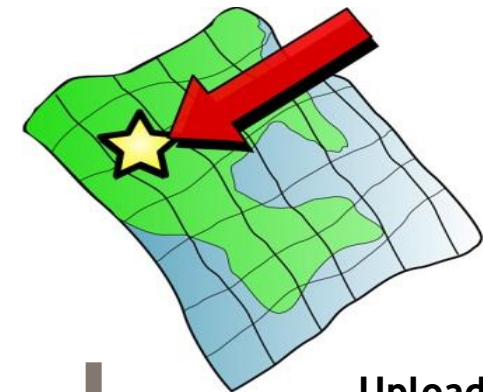
Geographic identification for opening new outlets



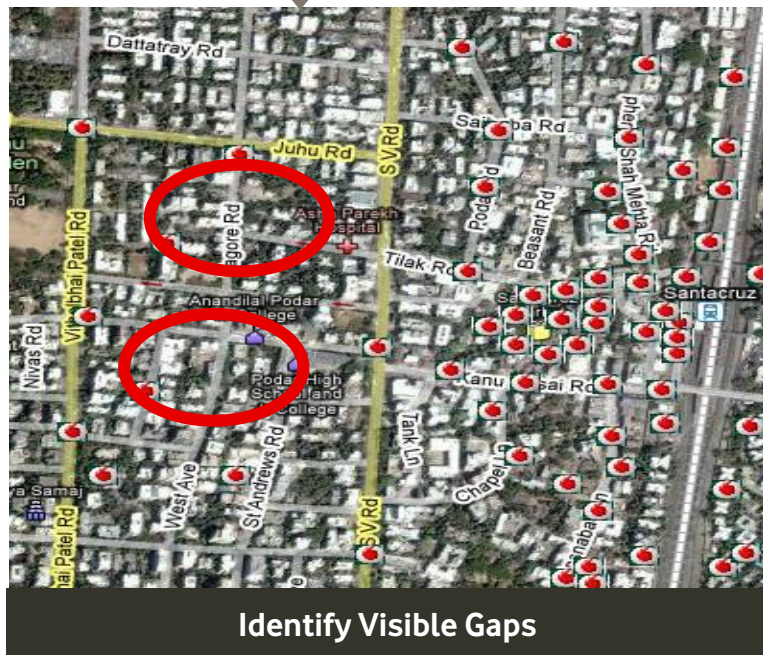
Geo coordinate mapping of all Retailers



Capture on an Excel Sheet



Upload on a map tool



Identify Visible Gaps



Appoint new retailers

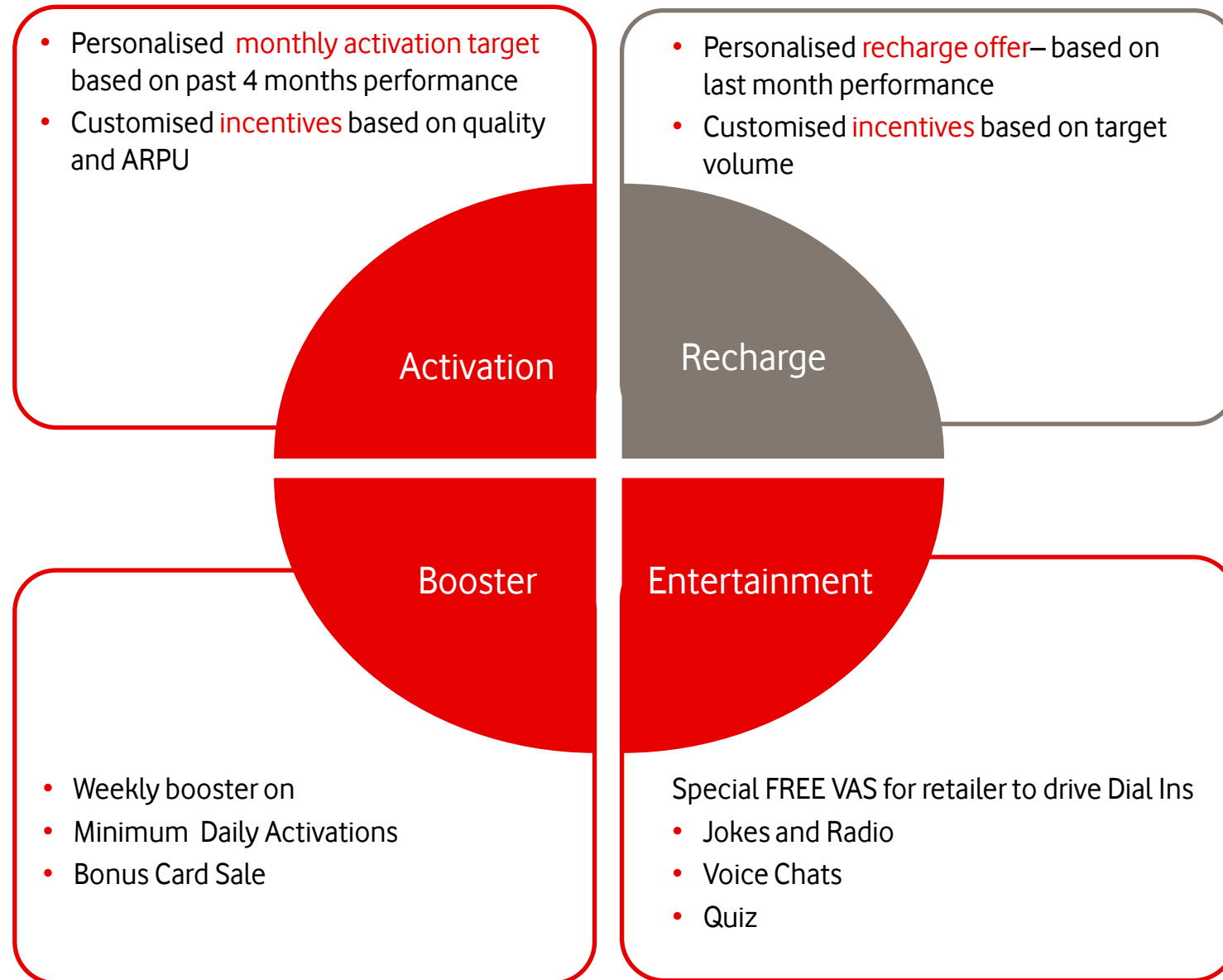


Bring Vodafone Closer to the customers

Focused approach to outlet expansion



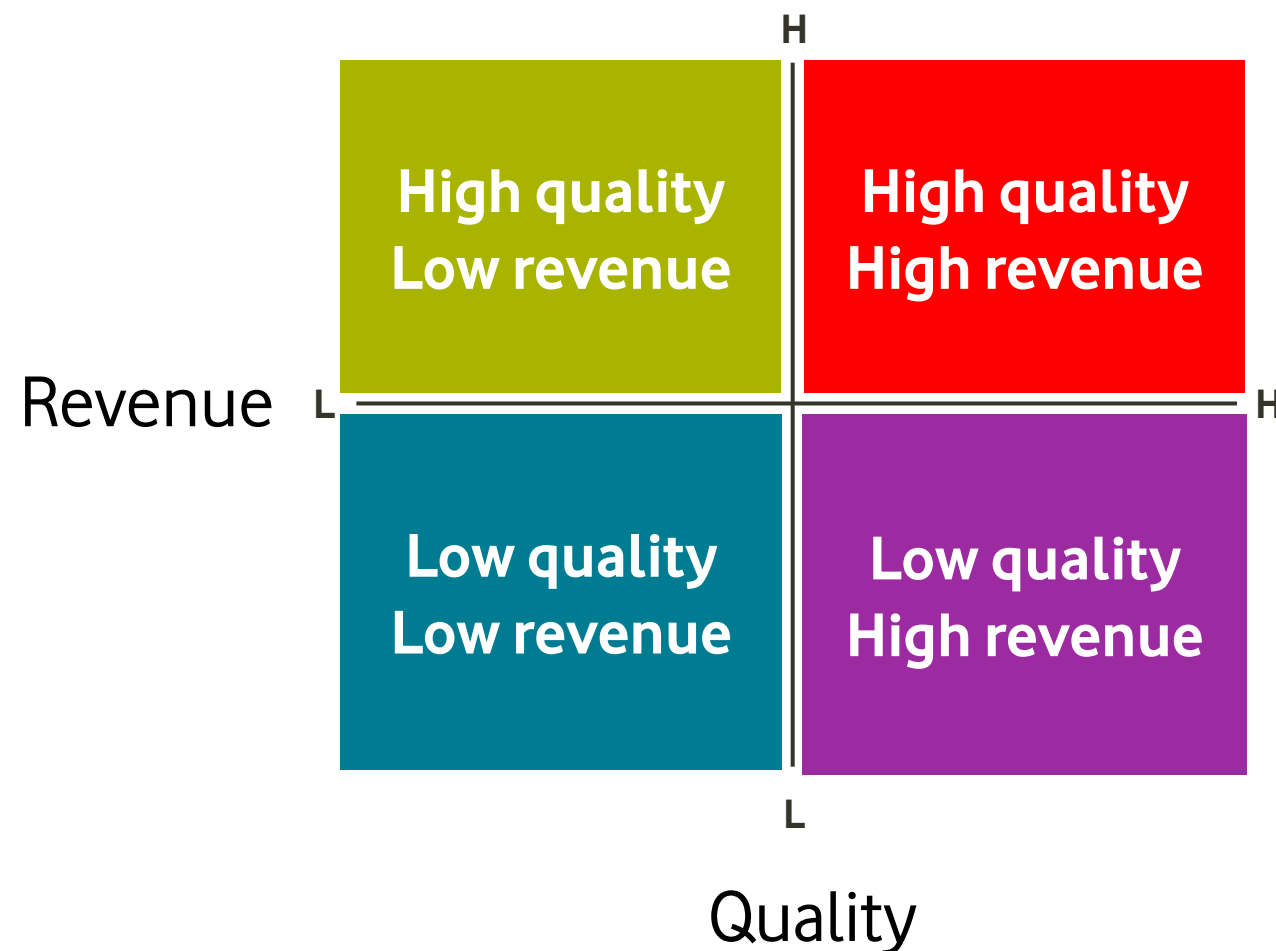
Multi brand outlet & customer engagement: “Mera(My) offer”



- Customised offer for customer and retailer
- Dial in #121, the offer is played based on previous behaviour
- Involvement of trade in upselling and retention
- Incentivising improvement
- Build efficiency in target setting
- Effective utilisation of acquisition costs



Multi brand outlet segmentation quality focus



- Retailers categorised based on their quality of acquisition and revenue
- Quality is determined by the retention and the ARPU of the customer acquired by the retailer
- Basis their position on the grid, relevant decisions are taken
 - Payout for acquisition
 - Loyalty program
 - Differentiated service

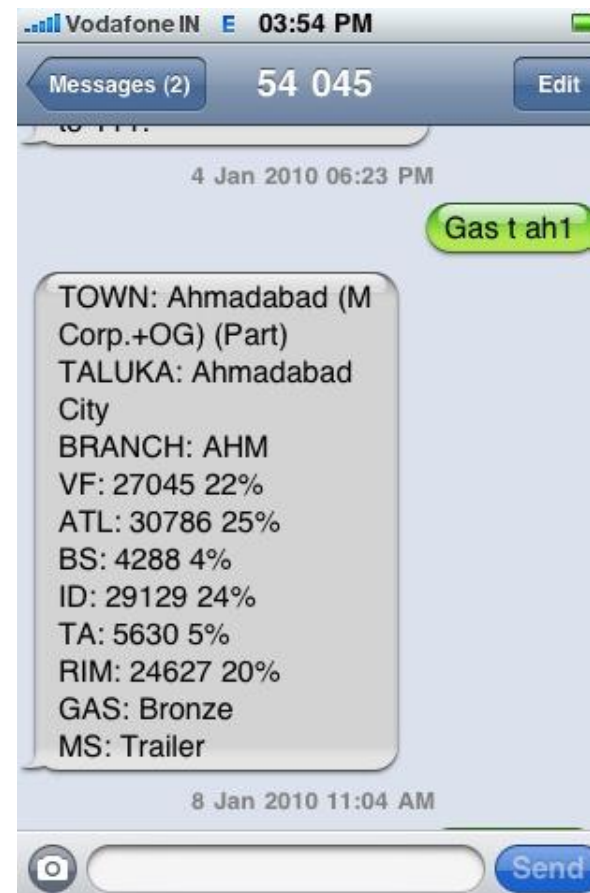


Capability - empowerment of sales



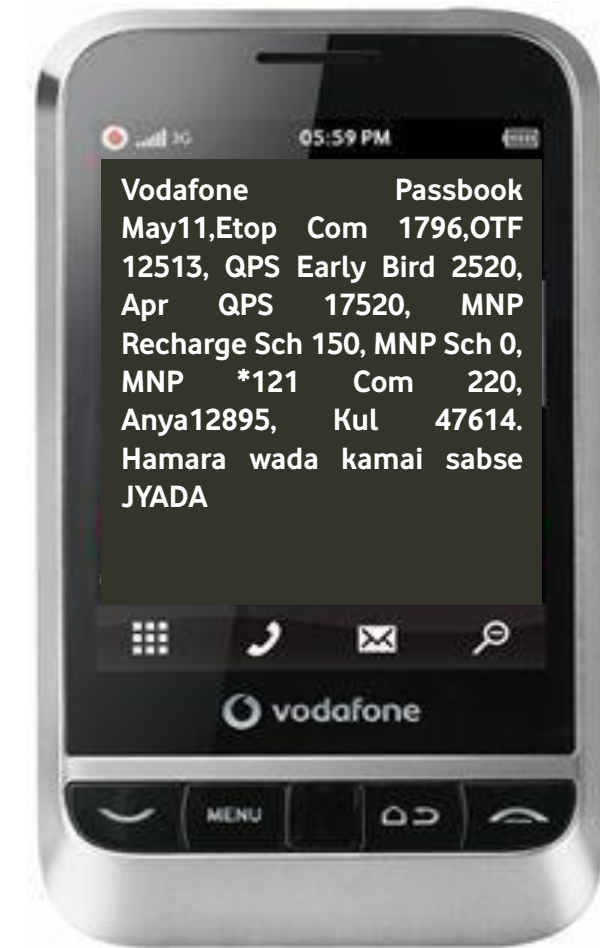
Pre sales call preparation

- Current activation target vs. Actual, vs. LMTD
- Etop up balance
- Data packs sold
- Retail segment



Cell-site info

- Performance in a town/village cluster
- Used for acquisition cost planning
- Relative position to competition and action planning to improve share-customer & acquisition



Retail delight

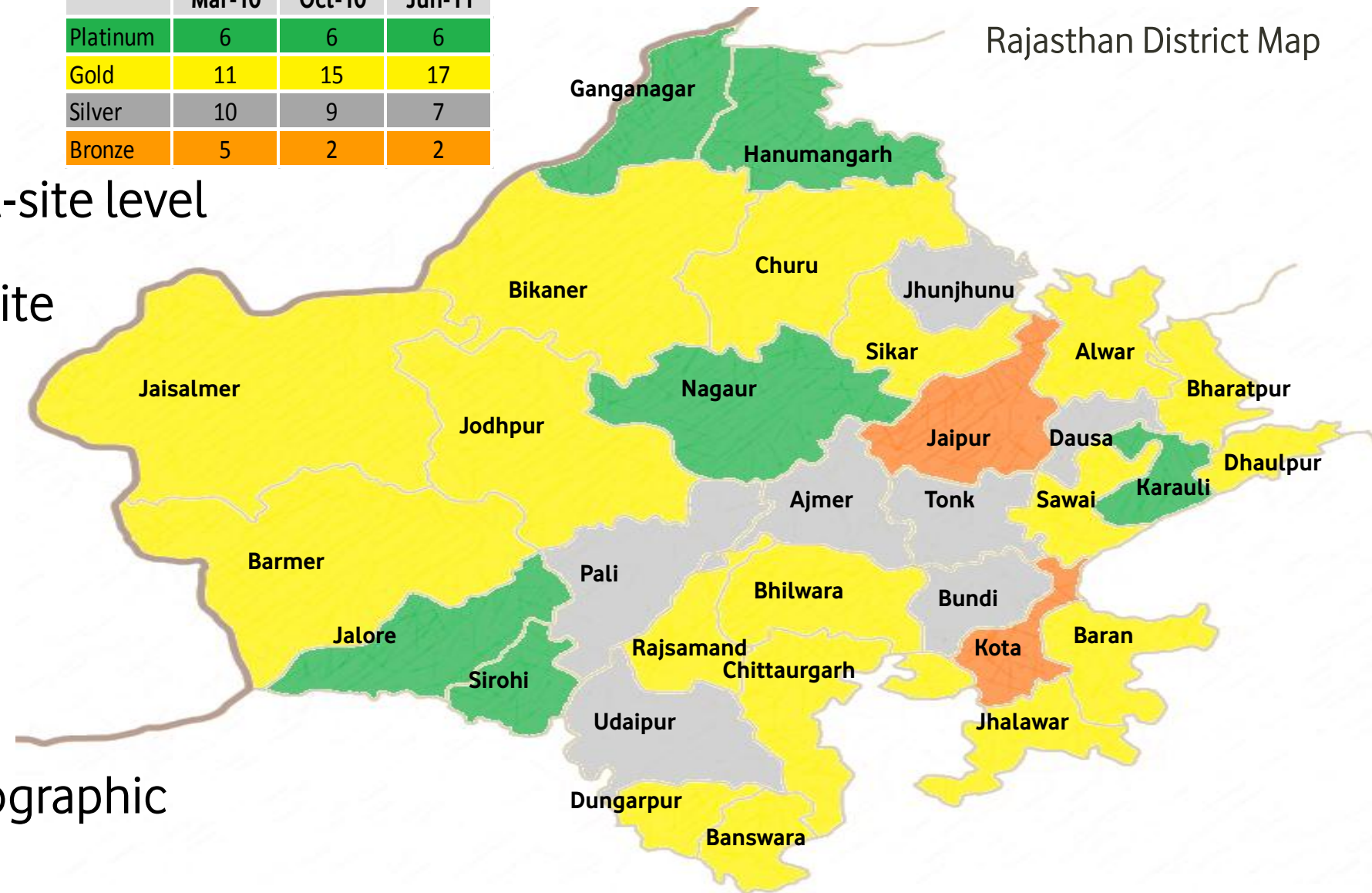
- Settlement statement with retailer
- All details can be accessed by a pull sms



Analytics - cell-site intelligence approach

- Cell-site treated like a factory
- All business metrics measured at cell-site level
- Information extracted for every cell-site
 - customer market share
 - acquisition market share
 - quality of subs
 - traffic patterns (STD, ISD, On net, local)
 - VAS
- Agglomeration of information on geographic /AD/Distributor/Zonal basis

	Mar-10	Oct-10	Jun-11
Platinum	6	6	6
Gold	11	15	17
Silver	10	9	7
Bronze	5	2	2



Relative position for developing strategy for; acquisition, brand activity etc.



Vodafone India's unique distribution capabilities

- Zonal structure
- Associate distributor model
- Exclusive rural retail-mini stores
- Management information tools at the individual POS level
- Cellsite-based analysis and geo mapping
- Best practice sharing between circles

Effective and efficient implementation engine

